

Central Dallas Community Development Corporation



2814 Main Street, Suite 102

Dallas, Texas 75226

Main Number: (214) 573-2570

Fax Number: (214) 573-2575

Date: June 22, 2009

To: Katy Hubener Fr: John P. Greenan

Fax No.: () _____ Lori Beth Lemmon-Harrison

Phone No. () _____ Johnice Woods

Judy Knie

9 pages, including the cover sheet

Re: _____

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Central Dallas Community Development Corporation

June 22, 2009

The Sue Pope Fund
c/o Katy Hubener
400 North Main Street
Duncanville, Texas 75116

Dear Ms. Hubener:

Thank you for the consideration of our proposal to The Sue Pope Fund for revitalization in the Joppa neighborhood of South Dallas. Since our original submission, several more partners and funders have decided to participate in this important project. This, combined with the extra time provided by your organization for applications prompted us to revise our application to include an additional component of solar power.

We are hopeful that you and your colleagues will consider both applications, but we certainly understand that only one of the two can be funded.

If you have any questions or concerns, please do not hesitate to contact me at jgreenan@centraldallascdc.org or 214-681-5648

Respectfully,

A handwritten signature in black ink, appearing to read 'John P. Greenan'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

John P. Greenan
Executive Director



Downwinders

reducing toxic air pollution in north texas *at risk*

Applicant Information Form

Sue Pope North Texas Pollution Reduction Program

Organization:	Central Dallas Community Development Corp.
Organization type	510 (c) (3)
Organization Street Address:	2814 Main Street, Suite 102
City, State, Zip	Dallas, Texas 75226

Project Officer (Title, First, MI, Last, Suffix):		Executive Director, John P. Greenan			
Phone— extension	214-573- 2570	Fax	214-573- 2575	Email	jgreenan@centraldallascdc.org
Project Name		Patriot Solar Power, LLC and Dallas NRC			
Location of Project		Congo Street and Joppa Neighborhood, South Dallas			
Project Start (MM/DD/YYYY)	Date	March 1, 2009			
Project End (MM/DD/YYYY)	Date	December 31, 2010			

BUDGET: Please summarize your budget request in the space provided. You

should also provide a more detailed budget in your preproposal.		
Line Item	Requested Funds	Matching Funds
Salaries and Benefits	\$0	\$1,500,000
Equipment	\$0	\$ 70,000
Other:	\$251,500	\$3,200,000
Total:	\$251,500	\$4,770,500

Use this Page to Provide Us With Additional Information::

Preproposals shall be no longer than five pages, and should include a description of the activities for which the applicant requests funding, the deliverables and environmental results, a detailed budget, and project timeline. Applicants should specifically address the two review criteria and identify the project activities that will address each of these criteria. All preproposals should also include the applicant information form (attached to this program announcement).

Please provide us with additional information regarding the project

Please see attached documents:

**SuePopeFundGrantnarrativecentraldallas
Centraldallas.joppa.budget**

Central Dallas Community Development Corporation's Patriot Solar Power and the Dallas Neighborhood Revitalization Corps

Bringing the benefits of solar power to low-income residents of Dallas and cleaner air to all of North Texas.

Project Overview:

Photovoltaic generation of power (solar power) has become an economically viable source of power generation in Dallas, Texas because of incentives at the federal level with the 30% renewable energy credit and locally with Oncor's new incentive of \$2.46 per watt of photovoltaic power for residential users (limited to five kilowatts per customer). However, the initial capital cost of installing a solar power system (estimated by Oncor at \$6,000 to \$10,000 per kilowatt) is prohibitive to almost all middle-income and lower-income residents in Dallas.

Central Dallas Community Development Corporation (Central Dallas CDC) wants to change this and bring the benefits of solar power to low-income residents of Dallas. We will do this acting through a limited liability company, Patriot Solar Power, LLC. Patriot Solar Power will make solar power available to residents living in areas of the City of Dallas where the average median income is less than 80% of that for the Dallas Metropolitan Statistical Area, beginning with an initial program bringing solar power to 100 households.

The solar systems will be installed for program participants at no cost. Patriot Solar Power will receive as lease payments a portion of the utility bills paid by participants to their electric company, based on the value of the electricity produced by the solar systems. The process will be entirely transparent to residents, who will pay their utilities bills as always. The utility bills of the residents will not increase because of the solar power systems. In addition, Patriot Solar Power will return a yearly rebate to each participant equal to 10% of the value of the energy generated from the solar panels at their home.

Project Financing – New Markets Tax Credits (NMTC):

The economics of Patriot Solar Power, LLC work because the existing incentives for solar power can be wrapped within a New Markets Tax Credit structure, potentially reducing the cost by an additional 25%. Passed by Congress in December 2000, the New Markets Tax Credit program is designed to stimulate at least \$15 billion of investment in low-income communities over the next ten years (www.cdffund.org).

New Markets Tax Credits must remain invested in the project for a seven-year period. By the end of the period, a sinking fund established to repay the New Markets Tax Credit loan that will have grown sufficiently to refinance the loan. At the end of the seven-year period, Patriot Solar Power will double the rebate to program participants to 20% of the value of the electricity produced by the solar system. Any excess proceeds beyond those needed to maintain and operate the solar system will be expended to pay for the installation of additional solar systems or for other activities that will result in the reduction of the use of nonrenewable energy resources in North Central Texas.

Taking Solar Power to the People:

Patriot Solar Power will work through the already existing Dallas Neighborhood Corps to bring solar power to the first 100 homes in two specific low-income neighborhoods, Jubilee (which includes the Congo Street Green Initiative) and Joppa. The DNR Corps is a partnership between bcWorkshop, Central Dallas Ministries' AmeriCorps program, and Central Dallas Community Development Corporation. The mission of the DNR Corps is to touch 100 owner-occupied homes in these two neighborhoods with weatherization, rehabilitation, or in extreme cases, complete home replacement. These services are being funded through a combination of AmeriCorps members, The City of Dallas Weatherization Program, The Texas Department of Housing and Community Affairs' Neighborhood Revitalization Programs, and private funds.

In the Congo Street Green Initiative bcWORKSHOP pioneered a new, sustainable approach to the revitalization of a distressed urban neighborhood. Working in partnership with residents of Congo Street in South Dallas, bcWORKSHOP

developed a new idea for neighborhood revitalization based on the concept of the "Holding House". The Holding House is a new infill home built in the neighborhood, but rather than being sold to a new or existing residence, the Holding House is used as a temporary residence within the neighborhood. The Joppa Revitalization Initiative is modeled on The Congo Street Green Initiative (CSGI), a unique LEED-standard neighborhood redevelopment program in the East Dallas neighborhood of Jubilee Park. The first two CSGI homes (the Holding House and 4529 Congo), which serve as models for the construction and reconstruction of homes in Joppa have been certified as LEED for Homes Gold and LEED for Homes Platinum, respectively.

These two initiatives provide the perfect venue for Patriot Solar Power to install solar power on the homes of 100 low-income Dallas residents because the relationships with the homeowners are already established or will soon be established through the work of the DNR Corps.

Please see the attached organization/work flow chart.

Environmental Benefits of Patriot Solar Power, LLC:

1. Creation of a Company Dedicated to Bringing Solar Power to North Texas

Please see the attached economic analysis of solar power.

2. Use/Generation of Renewable Energy (Photovoltaic/Solar Power)

http://www.cleanerandgreener.org/resources/emission_reductions.htm

Annual Electrical Savings

2400 kWh (Average Use = 1000 kWh/month; Holding House Use = 800 kWh/month)

Calculated Pollution Reduction

15,838 lbs of CO₂ (Greenhouse Gases)

18 lbs of NO_x (Nitrogen Oxides)

2 lbs of SO₂ (Sulfur Dioxide)

1 mg of Hg (Mercury)

3. Pollutant Reduction

On-Site Pollutants

- material selection
 - o paint = low/no-VOC
 - o wood finish = low/no-VOC
 - o adhesive/sealant = low/no-VOC
 - o no carpet (reclaimed/reused floors)
 - o no wood laminates (homes designed to eliminate spans requiring composite/reinforced beams)
- on-site waste practices
 - o secure quarantine/disposal for toxic materials found in demolition

Off-Site Pollutants

- reduction in energy-use = reduction in NO_x and Greenhouse Gases @ power source
 - o electric-only
 - o energy provider
 - all new homes to use Green Mountain Energy's Pollution Free Program (avoids 2500 lbs of CO₂)
 - all renovated homes recommended to Green Mountain Energy via homeowner booklet & classes
 - o insulation: Low-E windows; R-19 walls; and, R-38 attic
 - o appliances exceed Energy Star: HVAC unit; Refrigerator; and, washer/dryer

- compact fluorescent lamps
- reduction in material use = reduction in NOx and Greenhouse Gases @ material source (harvest & manufacture)
 - reused
 - wood siding reused/repurposed
 - salvageable plumbing basins & fixtures
 - salvageable knobs & handles
 - recycled
 - concrete foundations crushed on-site for driveway foundation, permeable underlayment for pier & beam house
 - roof tiles shredded on-site for use in driveway application

Social Benefits and Public Impact:

1. Targets an historically disadvantaged group
2. Keeps neighbors in their own neighborhood - retains social cohesion
3. Includes a community education piece – homeowners' manual and homeowners' classes
4. Serves an important public exemplar of the application of air quality reduction by serving as a model for future neighborhood revitalization for all of North Central Texas.
5. Leverages matching funds from private and public sources

Sue Pope Foundation – Grant Request:

Central Dallas Community Development Corporation respectfully requests \$251,500 from The Sue Pope Fund to partner with us in the sustainable revitalization of low-income Dallas neighborhoods through the Dallas Neighborhood Revitalization Corps and the establishment of Patriot Solar Power, LLC. The expenses in the request are:

\$40,000

Legal Fees: structuring of LLC, creation of all legal agreements with individual homeowners; Oncor; and, Green Mountain Energy

\$89,000

New Markets Tax Credit Reservation fee: this fee will be refunded back to the project upon the closing of tax credit loans

\$10,000

Training: training for solar systems installers

\$105,000

Systems Installation: the installation of solar panel systems on three homes on Congo Street as a Phase I of the program before taking it to scale - \$35,000 per system

\$2,500

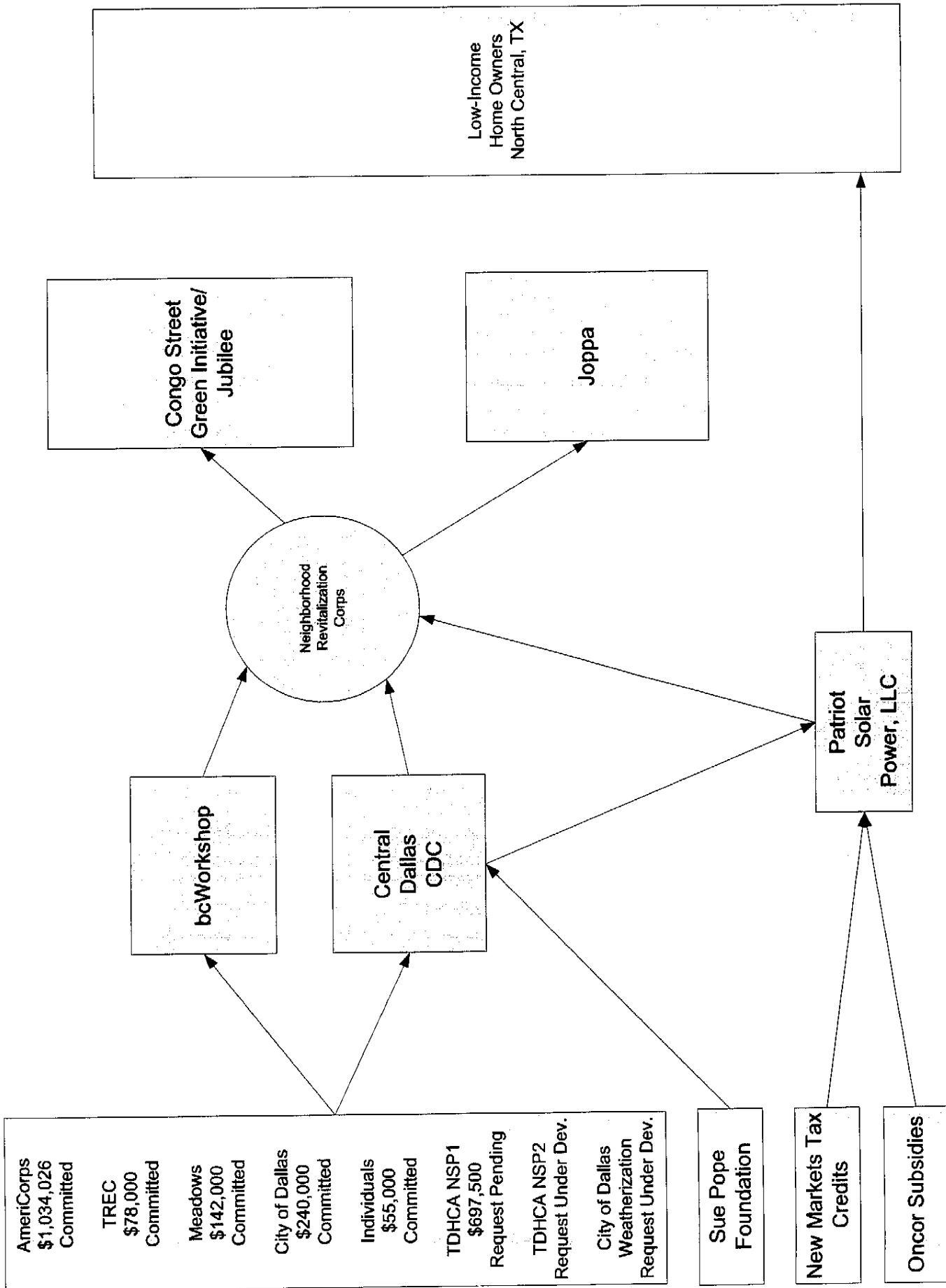
Systems Performance Analysis: analysis of the three systems installed on Congo Street to insure performance before taking the program to scale

\$5,000

Administrative

\$251,500

TOTAL



AmeriCorps
\$1,034,026
Committed

TREC
\$78,000
Committed

Meadows
\$142,000
Committed

City of Dallas
\$240,000
Committed

Individuals
\$55,000
Committed

TDHCA NSP1
\$697,500
Request Pending

TDHCA NSP2
Request Under Dev.

City of Dallas
Weatherization
Request Under Dev.

Sue Pope
Foundation

New Markets Tax
Credits

Oncor Subsidies

bcWorkshop

Central
Dallas
CDC

Neighborhood
Revitalization
Corps

Congo Street
Green Initiative/
Jubilee

Joppla

Patriot
Solar
Power, LLC

Low-Income
Home Owners
North Central, TX

Economic Analysis of Solar Power Installation

Years 1-7, 100 homes w/ 5 Kw

	<u>Per Watt</u>	<u>No. of kw</u>	<u>Cost</u>	<u>Cost of Capital</u>	<u>Annual Int. Exp.</u>
Cost of Solar Panels (1)	\$ 4.30	500	\$ 2,150,000		
Cost of installation (2)	\$1.70	500	850,000		
System cost			\$ 3,000,000		
Oncor Rebate			\$ 1,230,000 (3)		
Renewable Energy Credits			\$ 675,000 (4)(5)		
NMTC A Investment			\$ 1,905,000	0.50%	\$ -
NMTC B Loan			\$ 476,250	0.50%	\$ 2,381
NMTC C Loan			\$ 495,000	8.00%	\$ 39,600
NMTC D Loan			\$ 123,750	0.50%	\$ 619
Totals			<u>\$ 3,000,000</u>		<u>\$ 42,600</u>
Revenue					
Value of Electricity Produced(4)	No. of kw	500	Hrs. per day	5.43	Kw per day
				2715	990975
					Value per Kw
					0.138 \$
					Value of Production
					<u>148,646</u>
Expenses					
Debt service	\$	42,600			
10% Rebate to customers (Yrs 1-7)	\$	14,865			
Operating & maintenance costs (5)	\$	20,000			
Required Sinking fund	\$	19,800			
Retained Earnings	\$	51,382			
Total Expenses	\$	<u>148,646</u>			
Expected Life of System					25

1. Lowest rate for 208 watt Sharp panels bought in bulk.

2. Estimate to equal Oncor's lowest cost.

3. Assumes availability of \$2.46 per watt incentive.

4. Based on current price of tax credits of .75.

5. The Oncor rebate and renewable tax credits are invested in the company and enhanced by NMTCs.

6. At \$200 per residential customer per year.