



EDC COB <edc.cob@edcgov.us>

Comments - #18-0171 - Agenda Item #27

1 message

The BOSFOUR <bosfour@edcgov.us>
 To: EDC COB <edc.cob@edcgov.us>

Fri, Jan 26, 2018 at 5:36 PM

Clerk,

Please include the following email and attachments as part of the public record for File #18-0171, Agenda Item #27 for the January 30, 2018, Board of Supervisors meeting.

Please also forward this information to each member of the Board and appropriate staff.

Thank you,
 Brenda Bailey
 Assistant to Supervisor Ranalli
 Board of Supervisors, District IV
 County of El Dorado
 (530) 621-6513

----- Forwarded message -----

From: Joe Livaich <jwgl@livaichce.com>
 Date: Fri, Jan 26, 2018 at 4:34 PM
 Subject: PACE in El Dorado County
 To: The BOSFOUR <bosfour@edcgov.us>

Hi Brenda,

Great speaking with you today and I wanted to get you some background info on PACE before the weekend.

- Legislative summaries of SB 242 (2017) and SB 242 (2017).
- Jurisdictions added PACE in 2017 (65)

My client (Spruce Finance) is a PACE provider under CSCDA's Open PACE program. Open PACE is the program of CSAC and the League of CA Cities.

The last four attachments are specifically related to the CaliforniaFIRST program, also a provider in Open PACE. Please let me know if you have any questions, and I look forward to catching up again soon.

I've also included some notes from the CaliforniaFIRST program below:

- "The Billing and Collection Agreement between CSCDA and El Dorado, from 2015.
 - Normally, a County simply retains the annual collection fee when it distributes to the District (CSCDA in Renew Financial's case) the assessment payments. El Dorado County did not withhold any such fees in the 2016-2017 fiscal year. (We are still determining if they did so or not in the 2015-2016 fiscal year.) We are holding those fees for the time when the County eventually requests them.
- An estimate of current annual collection fees charged by the CA counties with whom we work.
 - We are assuming a \$16 per parcel annual fee for El Dorado County, which is in line with other California counties.
- A spreadsheet showing the total Renew Financial residential PACE program activity in El Dorado County since we were eligible to provide financing in each of the County's jurisdictions (i.e. Placerville, South Lake Tahoe, and the County's unincorporated communities). Summary statistics:
 - We have funded 237 projects county-wide
 - 17 in Placerville
 - 3 in South Lake Tahoe
 - 217 in the unincorporated communities in the County
 - (We don't know why the County staff report provides such a significant undercount of the number of projects we have funded in and enrolled with the County.)

- o County-wide project volume is just under \$8 million
- o The projects include a combined 928 KWs of solar installations
- o We estimate that these projects employed the equivalent of 76 people for one year (direct, indirect, and induced employment impacts)
 - (Based on a US Bureau of Labor Statistics estimate that the construction industry generally employs approximately 20 people for a year for every \$1,000,000 of construction activity.)
- A spreadsheet that shows that the distribution of Renew Financial's residential PACE customers shows that our customers are younger than the overall population of homeowners in El Dorado County. Specifically, the county-wide numbers are:
 - o 61% of the County's homeowners are under the age of 55 while 41% of our customers in the County are under the age of 55
 - o 33% of the County's homeowners are under the age of 65 while 17% of our customers in the County are under the age of 65
 - o Note: No one from the County contacted anyone at Renew Financial requesting this information.
- The County correctly notes that PACE providers' base interest rates are higher than home equity line of credit (HELOC) rates. The staff report should note that HELOC rates are variable, where PACE rates are fixed. HELOCs typically require only interest payments be made (i.e. no principal payments need be made), leaving a homeowner with the need to payoff or refinance the HELOC when its term expires. A Home Equity Loan (HEL) is the more comparable product as it is a fixed rate, fixed term, fully amortizing loan, which is similar to PACE. PACE interest rates and HEL interest rates are roughly comparable (though HEL interest rates vary by FICO score, whereas PACE interest rates are the same regardless of the borrower).
- The staff report notes that PACE assessments may often need to be paid off in full at the time of sale. The same holds true 100% of the time for HELs and HELOCs. AB 2693 (2016) requires that PACE providers make it very clear that the PACE assessment may need to be paid off in full at the time of sale (or at the time of refinance). The disclosure required by CA state law is based on the Know Before You Owe form that is required nationally in the home mortgage industry.
- The staff report states that in 2017 "a number of public agencies, including the City of Bakersfield and Kern County, have recently voted to discontinue PACE programs." The only other jurisdiction that has voted to discontinue PACE is the City of Ridgecrest. Many many more jurisdictions across the state - 65 - have joined PACE programs in 2017 - either for the first time or adding additional providers to their previously approved providers. Attached here is a document listing all the jurisdictions that did so (the data is complete from January through November, 2017).
- The staff report states that the County Auditor's office receives "several call per week." We encourage the County to inform us of those calls if they are related to a Renew Financial PACE assessment, and encourage the County to provide the homeowner with our contact information so that we can help resolve the situation.
 - o We log all of the complaints we receive from homeowners. In unincorporated El Dorado County, we have only received seven (7) complaints. All of these complaints were related to contractors, not to Renew Financial. All but one of these complaints has been resolved through intervention by Renew Financial staff. If the homeowners had not used Renew Financial PACE and had instead used a HELOC or HEL, they would have had no one in their corner to help resolve the problem; they would have been on their own. (We continue to try to resolve the one complaint that has not yet been closed.)
- Renew Financial recently closed financing on a Commercial PACE project in unincorporated El Dorado County in 2017. It is a \$593K solar project at the Cameron Park Country Club."

Thanks,

Joe

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Joe Livaich

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Sacramento, CA 95811

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6 attachments

**CA SB 242 and AB 1284 PACE.docx**

163K

**PACE Opt Ins 2017 January-November .docx**

15K

**Billing and Collection Agreement - CSCDA-EI Dorado County - 2015 - EI Dorado County.pdf**

158K

**Homeowners by Age Range in EI Dorado County.xlsx**

13K

**Environmental_Impact_and_Utility_Savings_crosstab (19).xlsx**

39K

**Estimated CA County Annual Collection Fee Table - 01-26-2018.docx**

19K

SB 242 (2017)

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180SB242

This bill establishes requirements for third-party program administrators of Property Assessed Clean Energy (PACE) programs.

Key Provisions:

- Mandatory confirm terms callbacks for all.
- Contractor requirements
- State reporting

Provides that it is unlawful to commence work under a home improvement contract and that the home improvement contract is unenforceable, if both of the following occur:

- **The property owner entered into the home improvement contract based on the reasonable belief that the work would be covered by the PACE program; and,**
- **The property owner applies for, accepts, and cancels PACE financing within the three day right to cancel period established in existing law.**

Requires a program administrator, before a property owner executes an assessment contract, to make an oral confirmation that at least one property owner has a copy of the contractual assessment documents, the financing estimate and disclosure form, and the right to cancel form. Requires the oral confirmation of the key terms of the assessment contract, in plain language, to include, but not be limited to, the following information:

- **The property owner is informed that they should review the assessment contract and financing estimate and disclosure form with all other owners of the property;**
- **The measure being installed is being financed by a PACE assessment;**
- **The total estimated annual costs the property owner will have to pay under the assessment contract, including applicable fees;**
- **The total estimated average monthly amount of funds the property owner would have to save in order to pay the annual costs under the PACE assessment, including applicable fees;**
- **That the county annual secured property tax bill, which will include the installment of the PACE lien, will be mailed by the county tax collector no later than November 1 each year, and that if the lien is recorded after the fiscal year closes but before the bill is mailed, the first installment may not appear on the county tax bill until the following year;**
- **The term of the assessment contract;**
- **That payments on the assessment contract will be made through an additional annual assessment on the property and paid either directly to the county tax collector's office as part of the total annual secured property tax bill, or through the property owner's mortgage impound account, and if paid through an impound account, the property owner should notify their mortgage lender to discuss adjusting the monthly mortgage payment by the estimated monthly cost of the PACE assessment;**
- **That the property will be subject to a lien during the term of the assessment contract that the obligations under the assessment contract may be required to be paid in full before the property owner sells or refinances the property;**

- **That the property owner has disclosed whether the property has received or is seeking additional PACE assessments and has disclosed all other PACE assessments or special taxes that are or about to be placed on the property, if known to and understood by the property owner;**
- **That any potential utility savings are not guaranteed, and will not reduce the assessment payment or total assessment amount;**
- **That the program administrator and contractor do not provide tax advice, and that the property owner should seek professional tax advice with questions regarding tax credits, tax deductibility, or other tax impacts on the PACE assessment;**
- **That if that property tax payment is delinquent within the fiscal year, the county tax collector will assess a 10% penalty and related costs as required by existing law, that a delinquent payment subjects a property to foreclosure, and that if the delinquent payment continues past June 30 and defaults, the tax collector will assess penalties specified under existing law and the property will continue to be subject to foreclosure and may become subject to the tax collector's right to sell the property at auction; and,**
- **That the property owner has a three business day right to cancel the assessment contract.**

Requires the program administrator to record the oral confirmation in an audio format in accordance with applicable laws. Prohibits the program administrator from complying with the oral confirmation requirement through the use of a prerecorded message or other similar device or method. Requires the program administrator to retain the recording of an oral confirmation call for at least five years from the time of recording.

Requires the program administrator, at the commencement of the oral confirmation call, to do the following:

- **Ask if the property owner would like to communicate in a language other than English (Spanish, Chinese, Tagalog, Vietnamese, or Korean). Requires the oral confirmation to be given in that language, if the preferred language is supported by the program administrator. Prohibits the PACE assessment transaction from proceeding if the preferred language is not supported and an interpreter is not chosen by the property owner on the call. Defines the term "interpreter" to mean a person who is not a minor and is not employed by or whose services are not made available through the program administrator, public agency or the contractor; and,**
- **Inform the property owner of the right to have other persons present for the call and to make an inquiry as to whether the property owner would like to exercise that right.**

Requires the program administrator, beginning on January 1, 2019, to deliver in writing the assessment contract if the oral confirmation was conducted primarily in a language other than English, the financing estimate and disclosure form, and the right to cancel form. Requires the program administrator to deliver a translation of the disclosures, contract or agreement, prior to the execution of any contract, in the language in which the oral confirmation was conducted.

Requires program administrator to submit a report to the public agency no later than February 1 for the activity that occurred between July 1st through December 31st of the previous year, and

another report no later than August 1 for the activity that occurred between January 1st through June 30th of that year.

Those reports shall contain the following information, along with all methodologies and supporting assumptions or sources relied upon in preparing the report:

- The number, aggregate dollar amount, and average dollar amount of PACE assessments funded, by city, county, and ZIP code;
- The categories of installed improvements whether energy or water efficiency, renewable energy, or seismic improvements, and the percentage of PACE assessments represented by each category type, by number and dollar, by city, county, and ZIP code;
- The definition of default used by the program administrator;
- The total delinquent amount, the number and dates of missed payments, and the ZIP code, city, and county in which the underlying property is located for each delinquent assessment;
- The total defaulted amount, the number and dates of missed payments, and the ZIP code, city, and county in which the underlying property is located for each defaulted assessment, the percentage the defaults represent of the total assessments within each ZIP code, the total number of parcels defaulted and the number of years in default for each property;
- The estimated total amount of energy saved, renewable energy produced, water saved, and greenhouse gas emissions reduced;
- The estimated number of jobs created; and,
- The average and median amount of annual and total PACE assessments based on ZIP code, and the number and percentage of homeowners over 60-years-old by city, county, and ZIP code.

Requires all reports to include only aggregate data, and prohibits the reports from including any nonpublic personal information.

Prohibits a program administrator from waiving or deferring the first payment on an assessment contract. Requires a property owner's first assessment payment to be due no later than the fiscal year following the fiscal year in which the measure installation is completed.

Prohibits a program administrator from permitting contractors or other third parties from advertising the availability of assessment contracts that are administered by the program administrator, or to soliciting property owners on behalf of the program administrator, unless both of the following requirements are met:

- **The contractor or third party maintains in good standing an appropriate license from the Contractors' State Licensing Board, as well as any other permits, licenses, or registrations required, and maintains the required bond and insurance coverage; and,**
- **The program administrator obtains a written agreement with a contractor or third party that they will act in accordance with applicable advertising and marketing laws and regulations, and all other applicable laws.**

Prohibits a program administrator from providing any direct or indirect cash payments or other things of material value to a contractor or third party in excess of the actual price

charged by that contractor or third party to the proposed owner for the sale and installation of one or more measures financed by an assessment contract.

Prohibits a program administrator from reimbursing a contractor or third party for expenses for advertising and marketing campaigns and collateral. Authorizes a program administrator to reimburse a contractor for bona fide and reasonable training expenses related to PACE financing provided that:

- **The training expenses are actually incurred by the contractor;**
- **The reimbursement does not exceed \$100 per each salesperson or agent of the contractor who participated in the training; and,**
- **The reimbursement is paid directly to the contractor, and is not paid to its salespersons or agents.**

Prohibits a program administrator from providing any direct cash payment or other thing of value to a property owner explicitly conditioned upon that property owner entering into an assessment contract. Provides that programs or promotions that offer reduced fees or interest rates are neither a direct cash payment nor "other things of value" provided they are reflected in the assessment contract and under no circumstance provided to the property owner as cash consideration.

Prohibits a program administrator, contractor, or third party from making any representation as to the tax deductibility of an assessment contract, unless that representation is consistent with representations, statements, or opinions of the Internal Revenue Service or applicable state tax agency with regard to the tax treatment of PACE assessments.

Prohibits a program administrator from providing to a contractor or third party engaged in soliciting assessment contracts on its behalf any information that discloses the amount of funds for which a property owner is eligible under a PACE assessment or the amount of equity in a property.

Prohibits a contractor from providing a different price for a project financed by a PACE assessment than the contractor would provide if paid in cash by the property owner.

Deems PACE contracts void if both of the following occur:

- (1) **The property owner entered into the home improvement contract based on the reasonable belief that the work would be covered by the PACE program.**
- (2) **The property owner applies for, accepts, and cancels the PACE financing within the right to cancel period**

If work has commenced in violation, then:

- (1) **The contractor is entitled to no compensation for that work.**
- (2) **The contractor shall restore the property to its original condition at no cost to the property owner.**

(3) The contractor shall immediately and without condition return all money, property, and other consideration given by the property owner. If the property owner gave any property as consideration and the contractor does not or cannot return it for whatever reason, the contractor shall immediately return the fair market value of the property or its value as designated in the contract, whichever is greater.

If the contractor has delivered any property to the property owner pursuant to a contract that is unenforceable, the property owner shall make the property available to the contractor for return within 90 days of execution of the contract provided that:

- The property can be practically returned to the contractor and removed, at the contractor's expense, without leaving any damage to the property owner's property.

Failure of the contractor to comply with this subdivision shall allow the property owner to retain without obligation in law or equity any property provided pursuant to the unenforceable contract.

The property owner may waive the 3-day right to cancel requirements if all the following are met:

(1) The contract is executed in connection with the making of emergency or immediately necessary repairs to protect persons or real or personal property.

(2) The property owner initiated the contract for the emergency repair or immediately necessary repair.

(3) The property owner provides a separate statement that is handwritten in ink by a property owner and dated and signed by each property owner, describing the situation that requires immediate remedy, and expressly acknowledges that the contractor has informed them of his or her right to cancel and that he or she waive the right to cancel the sale.

(e) If the property owner waives his or her right to cancel on the home improvement contract to allow the home improvement contractor to proceed with installation, and then cancels his or her PACE financing, it shall not invalidate the home improvement contract.

AB 1284 (2017)

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180
AB1284

AB 1284 passed both houses on the last day of the legislative session September 15th (technically after midnight on the 16th). The Governor signed the bill October 4, 2017. DBO will engage in a rulemaking process the rest of 2017 into 2018.

Key Provisions:

- PACE under the regulatory oversight of the CA Department of Business Oversight.
- PACE providers must underwrite a property owner's reasonable ability to repay the assessment.

- PACE providers must be licensed by the commissioner under the California Financing Law, commencing January 1, 2019.
 - Contractors are now considered soliciting agents of the program administrator
1. Prohibit a program administrator from approving an assessment contract for funding and recordation by a public agency, unless the program administrator makes a reasonable good faith determination that the property owner has a reasonable ability to pay the annual payment obligations for the PACE assessment.
 2. Require a program administrator to determine, prior to funding and recordation by a public agency of the assessment contract that the property owner has a reasonable ability to pay the annual payment obligations for the PACE assessment based on the property owner's income, assets, and current debt obligations. The determination process must be based on the following factors:
 - a. The property owner's monthly income and housing expenses, as submitted by the property owner on their application;
 - b. Housing expenses, including all mortgage and interest payments, insurance, and property taxes, as specified; and,
 - c. Debt obligations, as specified.
 3. Prohibit equity of the property from being considered in evaluating the income, assets, and current debt obligations.
 4. Require the program administrator to ask the property owner open ended questions during a confirmed terms call to verify stated income.
 5. Require the program administrator to determine and consider a property owner's current or reasonably expected income or assets, that the program administrator relies on, using reasonably reliable third-party records, in order to determine a property owner's ability to pay the PACE assessment annual payment obligations.
 6. Authorize the program administrator to use automated verification provided the source of verification is specific to the income of the property owner and not based on predictive or estimation methodologies, and has been determined sufficient for verification purposes by a federal mortgage lending authority or regulator, and provide examples of the records the program administrator may use to verify the property owner's income or assets, as specified.
 7. Require a program administrator to consider the monthly debt obligations of the property owner to determine a property owner's ability to pay the annual payment PACE assessment obligations using reasonably reliable third-party records, including one or more consumer credit reports from specified agencies. Program administrators must use at least a two-file Merged Credit Report (MCR) or a Residential Mortgage Credit Report (RMCR). Monthly debt obligations include, but are not limited to, all secured and unsecured debt, alimony, child support, and monthly housing expenses.
 8. Require the program administrator, in calculating the ability of the property owner to pay annual payment obligations, to determine that the property owner's income is sufficient to meet the PACE payment, including all interest and fees, mortgage payments, existing debt and obligations, and household living expenses, as specified.
 9. Provide an exemption from the requirements to verify income using third party-records, the funding and recordation of a PACE assessment to finance a heating, ventilation, and air conditioning (HVAC) system, boiler, or other system whose primary function is temperature regulation as long as the amount of the assessment contract is no greater than \$15,000 in total or \$1,500 per year, whichever is larger, and the property owner confirms the emergency or immediate necessity of the improvement, as specified. The program administrator must report annually all PACE assessments that were funded and

recorded in a form acceptable to the Commissioner (Commissioner) of the California Department of Business Oversight (DBO).

10. Require the program administrator to be responsible for the difference between the determination of the property owner's ability to pay the annual PACE obligations and the actual amount financed for the property owner that is obligated on the underlying home improvement contract, except in a case of intentional misrepresentation by the property owner.
11. Prohibit a program administrator from submitting, presenting, or otherwise approving for recordation by a public agency an assessment contract, unless the following criteria are met:
 - a. All property taxes for that property that will be subject to the assessment contract are current. Require the program administrator to ask the property owner whether there has been no more than one late payment of property taxes in the three previous years or since the current owner acquired the property, whichever period is shorter;
 - b. The property has no recorded and outstanding involuntary liens in excess of \$1,000;
 - c. The property has no notices of default currently recorded which have not been rescinded;
 - d. The property owner has not been party to any bankruptcy proceedings within the last seven years, except as specified;
 - e. The property owner is current on all mortgage debt and has been late on payments no more than once during the 12 months preceding the application date, as specified;
 - f. The property is within the geographical boundaries of the applicable PACE program and the measures to be installed, pursuant to the assessment contract, are eligible under the terms of the applicable PACE program;
 - g. The financing is for less than 15% of the value of the property, up to the first \$700,000 inclusive of the existing assessments, and is for less than 10% of the remaining value of the property above \$700,000;
 - h. The total PACE assessments and the mortgage-related debt on the property does not exceed 97% of the market value of the property, as specified;
 - i. The term of the assessment contract does not exceed the estimated useful life of the measure to which the greatest portion of funds disbursed under the assessment contract are attributable. The program administrator must determine useful life based upon credible third-party standards or certification criteria established by appropriate government agencies or nationally recognized standards and testing organizations;
 - j. The program administrator must verify the existence of recorded PACE assessments and to ask if the property owner has authorized additional PACE assessments on the same subject property that have not yet been recorded; and,
 - k. The program administrator must use commercially reasonable and available methods to verify the required information above.
12. Require a program administrator to derive market value using an automated valuation model, as specified, or an appraisal conducted within six months of the PACE assessment application date by a state-licensed real estate appraiser, and require the market value determination by the program administrator to be disclosed to the property owner.
13. Rename the CFLL the CFL, prohibit any person from engaging in the business of a program administrator without obtaining a license from the Commissioner, and provide that program administrators are subject to: the administrative provisions of the CFL; a new Chapter of the CFL that this bill creates; and, specified enforcement provisions of the CFL.

14. Provide that the provisions of this bill do not affect the validity and enforceability of any PACE assessment contracts entered into or any bonds issued and secured by such contracts.
15. Require persons seeking to be licensed as program administrators to comply with all of the same requirements applicable to persons seeking to be licensed as finance lenders or finance brokers under the existing CFLL, including criminal history background checks of key management and personnel; a requirement to license one's main office and each branch office out of which it wishes to engage in business; a net worth requirement; and, a surety bond requirement.
16. Provide that, once licensed, program administrators are subject to the non lending-specific requirements of the CFLL, such as requirements to pay an annual assessment to cover DBO's administrative costs, notify DBO of changes in the information required as a condition of licensure, retain books and records for a specified period of time, submit to periodic examinations, and file annual reports, as specified, and special reports, as applicable.
17. Subject licensed program administrators to the same prohibitions against misleading and dishonest behavior that apply to finance lender and finance broker licensees under the existing CFLL and to the same types of enforcement actions as those that may be brought against finance lender and finance broker licensees, with the exception that the criminal penalties contained in the CFLL for willful violations of the law by finance lenders and finance brokers (Financial Code Sections 22753 and 22780) will not apply to program administrators.
18. Add a new Chapter 3.5 to the CFL to regulate PACE program administrators, PACE solicitors, and PACE solicitor agents; provide that program administrators, PACE solicitors, and PACE solicitor agents are not subject to the provisions of the CFL governing consumer or commercial loans; and, provide that finance lenders, finance brokers, and mortgage loan originators are not subject to the provisions of the CFL governing program administrators.
19. Require a program administrator to establish and maintain a process for enrolling PACE solicitors and PACE solicitor agents, which must include the following: a required written agreement between the program administrator and the PACE solicitor, setting forth the obligations of the PACE solicitor and its PACE solicitor agents; and, a review of readily and publicly available information regarding each PACE solicitor.
20. Require each PACE solicitor or PACE solicitor agent to be either licensed or registered in good standing with the Contractors' State License Board or be exempt from or not subject to such licensure or registration.
21. Prohibit a program administrator from enrolling a PACE solicitor if there is a clear pattern of specified complaints against or specified inappropriate behavior committed by that PACE solicitor or a high likelihood that the PACE solicitor will engage in specified bad acts, if enrolled, and require the enrollment process for PACE solicitor agents to include background checks and specified training and testing.
22. Require a program administrator to establish and maintain a process to promote and evaluate the compliance of PACE solicitors and PACE solicitor agents with the requirements of applicable law and to cancel the enrollment of PACE solicitors and PACE solicitor agents, as specified. A program administrator must notify the Commissioner of each PACE solicitor and PACE solicitor agent enrolled and of each PACE solicitor and PACE solicitor agent enrollment cancellation and withdrawal it processes.
23. Require a program administrator to develop and implement policies and procedures for responding to questions and addressing complaints as soon as reasonably practicable.

24. Establish the following enforcement provisions specific to program administrators and PACE solicitors:
 - a. A program administrator may not permit a PACE solicitor to do any of the following:
 - i. Solicit a property owner to enter into an assessment contract with a program administrator, unless the PACE solicitor and the program administrator comply with the requirements of this bill;
 - ii. Engage in any act in violation of specified sections of the Streets and Highways Code, as specified, regarding financial disclosure documents and a three day right to cancel document provided to property owners, and those that are proposed to be added by SB 242 (Skinner);
 - b. Provide that a program administrator is subject to the enforcement authority of the Commissioner for any violations of the CFL, to the extent such violations are committed by the program administrator or by a PACE solicitor authorized by that program administrator in connection with activity related to that program administrator;
 - c. Provide that a violation of a), above, by a program administrator or by a PACE solicitor authorized by that program administrator in connection with activity related to that program administrator represents a violation of the CFL;
25. Establish the following examination and enforcement procedures specific to PACE solicitors and PACE solicitor agents:
 - a. If, in the course of an inspection, examination, or investigation of a program administrator, the Commissioner has cause to believe that the program administrator, a PACE solicitor, or a PACE solicitor agent may have committed a violation of the CFL, or if the Commissioner seeks to obtain or provide information necessary to administer the CFL with respect to a matter related to a PACE solicitor or PACE solicitor agent, and either this information is not available directly from the program administrator, or the Commissioner seeks to validate the information obtained from the program administrator, the Commissioner may inspect, examine, or investigate any and all relevant documents, records, files, and communications of the PACE solicitor or PACE solicitor agent, and may require the attendance of witnesses and examine specified persons under oath;
 - b. If, upon inspection, examination, or investigation, the Commissioner has cause to believe that a PACE solicitor or PACE solicitor agent is violating any provision of the CFL, the Commissioner must exhaust the procedure described in i) immediately below, before he or she may bring an order against a PACE solicitor or PACE solicitor agent using the procedure described in ii) immediately below;
 - i. The Commissioner must issue a report to the program administrator and PACE solicitor and, if applicable, to the PACE solicitor agent identifying each suspected violation. The report recipients must be given the opportunity to provide a written response to the Commissioner. If the Commissioner believes that further action is necessary, he or she may demand specified corrective action, demand that the program administrator, PACE solicitor, or PACE solicitor agent stop engaging in the violation(s), and/or do one of the following: demand that the PACE solicitor or PACE solicitor agent cease engaging in the business of soliciting property owners to enter into assessment contracts, or demand that the program administrator deauthorize the PACE solicitor or PACE solicitor agent, or both, for up to 12 months, or indefinitely. If the program administrator, PACE solicitor, and/or PACE solicitor agent, as applicable, agree to the Commissioner's demand or otherwise reach a mutually agreeable resolution with the Commissioner, the examination and related correspondence must be kept confidential by DBO. The Commissioner may, but is not required to, make publicly available the identity of any PACE solicitor or PACE

- solicitor agent who agrees to discontinue engaging in the business of soliciting property owners; and,
- ii. Only if the program administrator, PACE solicitor, and/or PACE solicitor agent do not agree to the Commissioner's demand or otherwise reach a mutually agreeable resolution with the Commissioner, may the Commissioner issue an order to censure or suspend for up to 12 months, or to bar any individual from directly or indirectly soliciting a property owner to enter into an assessment contract. If the Commissioner has reasonable grounds to believe that a person is conducting business as a PACE solicitor or PACE solicitor agent in an unsafe or injurious manner that will result in irreparable harm, a censure, suspension, or bar order is effective immediately upon issuance and is final if uncontested within 30 days. In all other cases, the order is final following the exhaustion of a respondent's appeal rights. All orders issued using this authority are subject to the Administrative Procedures Act and are matters of public record.
26. Provide that the revocation, suspension, expiration, or surrender of any license does not impair or affect the obligation of any preexisting lawful contract between a licensee and a property owner, nor the validity and enforceability of any bonds issued and secured by such contracts.
 27. Authorize the Commissioner to require a program administrator to use a real-time registry or database system for tracking PACE assessments, as specified, and to contract with an independent third party to develop and maintain the registry or database. All costs associated with the registry or database must be apportioned among licensed program administrators.
 28. Provide that the Real Estate Law does not apply to any PACE program administrator, when acting under the authority of that license, or to a PACE solicitor or PACE solicitor agent, as specified.
 29. Define a number of terms in the CFL, including the following:
 - a. A program administrator is a person administering a PACE program on behalf of, and with the written consent of a public agency. Program administrators are not subject to the CFL if they administer a PACE program that provides financing for the installation of efficiency improvements on multi-family residential property (i.e., property containing more than four dwelling units) or commercial property, as long as the market value of that property is \$1 million or more;
 - b. A PACE solicitor is a person authorized by a program administrator to solicit a property owner to enter into an assessment contract; and,
 - c. A PACE solicitor agent is an individual who is employed or retained by, and who acts on behalf of, a PACE solicitor to solicit a property owner to enter into an assessment contract.
 30. Contain an urgency clause, however, several provisions of this bill contain a January 1, 2019 or April 1, 2018 operative date.

PACE Opt Ins 2017

Total in 2017: 65

Total Since June 1: 26

Red = Opt Ins after June 1, 2017

1. Amador County
2. Arcata
3. Atwater
4. Blue Lake
5. Brentwood
6. Ceres
7. Chula Vista
8. Citrus Heights
9. Coalinga
10. Corning
11. Cupertino
12. Duarte
13. Dublin
14. Elk Grove
15. Emeryville
16. Farmersville
17. Ferndale
18. Firebaugh
19. Fresno County
20. Gilroy
21. Glenn County
22. Greenfield
23. Gustine
24. Hughson
25. Jackson
26. Inglewood
27. Ione
28. La Mirada
29. Lompoc
30. Kingsburg
31. Mariposa County
32. Martinez
33. Marysville
34. Morgan Hill
35. Morro Bay
36. Mt. Shasta
37. Newman
38. Nevada city
39. Pleasant Hill
40. Portola Valley
41. Riverbank
42. San Bernardino (City)
43. San Francisco
44. San Joaquin County
45. San Ramon
46. Sanger
47. Santa Barbara (City)
48. Santa Clarita
49. Santa Monica
50. Santa Rosa
51. Sebastopol
52. Selma
53. Shasta Lake
54. Siskiyou County
55. Stockton
56. Sunnyvale
57. Susanville
58. Tulare County
59. Tustin
60. Ukiah
61. Upland
62. Walnut Creek
63. Waterford
64. Weed
65. Yucca Valley

AGREEMENT FOR COLLECTION OF SPECIAL TAXES, ASSESSMENTS, FEES, CHARGES, AND ABATEMENTS

THIS AGREEMENT is made and entered into this 1 day of June, 2015, by and between the County of El Dorado, a political subdivision of the State of California, hereinafter referred to as "County" and the California Statewide Communities Development Authority (CSCDA), a Joint Powers Authority sponsored by the California State Association of Counties and the League of California Cities of the State of California, hereinafter referred to as "District".

WITNESSETH:

WHEREAS, Government Code Sections 29304 and 51800 authorize the County to recoup its collection costs when the County collects taxes, fees, or assessments for any School District, Special District, zone or improvement District thereof; and

WHEREAS, when requested by District, it is in the public interest that the County collect on the County tax rolls the special taxes, fees, and assessments for District.

NOW, THEREFORE, IT IS AGREED by and between the parties hereto as follows:

1. County agrees, when requested by District as hereinafter provided, or as required by law, to collect on the County tax rolls the special taxes, fees, and assessments of District, and of each zone or improvement District thereof.

2. When County is to collect District's special taxes, fees, and assessments, District agrees to notify the Auditor-Controller of the County on or before the 10th day of August of each fiscal year of the Assessor's parcel numbers and the amount of each special tax, fee, or assessment to County, and including, but not limited to, any act of omission or assessment to be so collected. Provided, however, to be effective, the notice must be received by the Auditor-Controller by said date.

3. County may charge a fee to recoup its costs for each special tax, fee, or assessment that is to be collected on the County tax rolls by the County for the District.

4. District warrants that the taxes, fees, or assessments imposed by District and collected pursuant to this Agreement comply with all requirements of state law, including but not limited to Articles XIII C and XIII D of the California Constitution (Proposition 218). District has requested, on County's behalf, an opinion from their legal advisor listing each tax, fee, or assessment and stating that each tax, fee, or assessment complies with state law, and specifically analyzing compliance with Proposition 218. Said opinion is attached hereto as "Exhibit A" and incorporated by reference into this Agreement.

5. District hereby releases and forever discharges County and its officers, agents and employees from any and all claims, demands, liabilities, costs and expenses, damages, causes of action, and judgments, in any manner arising out of District's responsibility under this agreement, or other action taken by District in establishing a special tax, fee, or assessment and implementing collection of special taxes, fees, or assessments as contemplated in this agreement.

6. District agrees to and shall defend, indemnify and save harmless County and its officers, agents and employees ("indemnified parties") from any and all claims, demands, liabilities, costs and expenses, damages, causes of action, and judgments, in any manner arising out of any of District's responsibility under this agreement, or other action taken by District in establishing a special tax, fee, or assessment and implementing collection of special taxes, fees, or assessments as contemplated in this agreement. If any judgment is entered against any indemnified party as a result of action taken to implement this Agreement, District agrees that County may offset the amount of any judgment paid by County or by any indemnified party from any monies collected by County on District's behalf, including property taxes, special taxes, fees, or assessments. County may, but is not required to, notify District of its intent to implement any offset authorized by this paragraph.

7. District agrees that its officers, agents and employees will cooperate with County by answering inquiries made to District by any person concerning District's special tax, fee, or assessment, and District agrees that its officers, agents and employees will not refer such individuals making inquiries to County officers or employees for response.

8. District shall not assign or transfer this agreement or any interest herein and any such assignment or transfer or attempted assignment or transfer of this agreement or any interest herein by District shall be void and shall immediately and automatically terminate this agreement.

9. This agreement shall be effective for the fiscal year and shall be automatically renewed for each fiscal year thereafter unless terminated as hereinafter provided.

10. Either party may terminate this agreement for any reason for any ensuing fiscal year by giving written notice thereof to the other party prior to May 1st of the preceding fiscal year.

11. County's waiver of breach of any one term, covenant, or other provision of this agreement, is not a waiver of breach of any other term, nor subsequent breach of the term or provision waived.

12. District agrees to submit to the County Auditor-Controller a completed Annual Certification of Assessment, on the form provided by the Auditor-Controller, on or before the 10th day of August of each fiscal year. Provided, however, to be effective, the notice must be received by the Auditor-Controller by said date.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

DISTRICT:

BY: CMS

PRINT NAME: Catherine Bando

TITLE: Executive Director

EL DORADO COUNTY AUDITOR-CONTROLLER

Joe Harn
Joe Harn, Auditor-Controller

**B25007: TENURE BY AGE OF HOUSEHOLDER - Universe: Occupied
2012-2016 American Community Survey 5-Year Estimates**

El Dorado County, California Total Occupied Housing Units:	U S Census Distributions			Renew Financial's CaliforniaFIRST Residential PACE Contract Distributions
	67,528			
Owner occupied:	50,614	75%	100%	
Householder 15 to 24 years	102	0%	0%	
Householder 25 to 34 years	2,512	4%	5%	5%
Householder 35 to 44 years	6,328	9%	13%	23%
Householder 45 to 54 years	10,669	16%	21%	31%
Householder 55 to 59 years	7,229	11%	14%	13%
Householder 60 to 64 years	6,979	10%	14%	11%
Householder 65 to 74 years	10,435	15%	21%	13%
Householder 75 to 84 years	4,726	7%	9%	4%
Householder 85 years and	1,634	2%	3%	1%

Renter occupied:	16,914	25%	100%
Householder 15 to 24 years	884	1%	5%
Householder 25 to 34 years	3,649	5%	22%
Householder 35 to 44 years	3,336	5%	20%
Householder 45 to 54 years	3,664	5%	22%
Householder 55 to 59 years	1,545	2%	9%
Householder 60 to 64 years	1,086	2%	6%
Householder 65 to 74 years	1,309	2%	8%
Householder 75 to 84 years	854	1%	5%
Householder 85 years and	587	1%	3%

Age Range	All Homeowners	RF
< 55	39%	59%
> 55	61%	41%
Age Range	All Homeowners	RF
< 65	67%	83%
> 65	33%	17%

State	County	Jurisdiction	City	Energy Efficiency	
				Windows/Doors	Water Heating
CA	El Dorado	Incorporated	Placerville	2	
CA	El Dorado	Incorporated	South Lake Tahoe	1	
CA	El Dorado	Unincorporated	NONE	25	2
Grand Total	Total	Total	Total	28	2

Energy Efficiency	Energy Efficiency	Energy Efficiency	Energy Efficiency	Energy Efficiency	Energy Efficiency	Renewable Energy
Solar Thermal	Roofing	Lighting	Insulation	HVAC	Total	Solar Photovoltaic
	3		3	9	17	9
	1		1	1	4	
4	21	1	14	96	163	146
4	25	1	18	106	184	155

# of kW Solar Installed	Water Efficiency		Grand Total		
	Water - Outdoor		Total	Total	Total
44					26
					4
884	17	1	1	1	327
928	17	1	1	1	357

Estimated Collection Fee

Caveats:

- 1) This may not reflect the current RF system estimates
- 2) This may not reflect the ACTUAL County collection fee, which can vary county by county year after year

County	% of Assessment	\$ Flat Fee
Alameda		\$16.00
Alpine		\$15.00
Amador		\$15.00
Butte		\$1.00
Calaveras		\$15.00
Colusa		\$15.00
Contra Costa		\$2.00
Del Norte		\$15.00
El Dorado		\$16.00
Fresno	0.25%	\$1.00
Glenn		\$15.00
Humboldt		\$15.00
Imperial		\$15.00
Inyo		\$15.00
Kern		\$1.00
Kings		\$1.00
Lake		\$15.00
Lassen		\$15.00
Los Angeles		\$1.00
Madera		\$15.00
Marin		\$6.00
Mariposa		\$15.00
Mendocino		\$15.00
Merced		\$15.00
Modoc		\$15.00
Mono		\$3.00
Monterey	0.25%	
Napa		\$16.00
Nevada		\$15.00
Orange	0.30%	

Estimated Collection Fee

Caveats:

- 1) This may not reflect the current RF system estimates
- 2) This may not reflect the ACTUAL County collection fee, which can vary county by county year after year

County	% of Assessment	\$ Flat Fee
Placer		\$15.00
Plumas		\$15.00
Riverside		\$5.00
Sacramento		\$2.00
San Bernardino		\$2.00
San Francisco		\$4.00
San Joaquin		\$3.00
San_Benito		\$1.00
San Diego		\$1.00
San_Luis_Obispo		\$2.00
San_Mateo		\$2.00
Santa Barbara		\$16.00
Santa_Clara	1.00%	
Santa_Cruz	1.00%	
Shasta	1.00%	
Sierra		\$15.00
Siskiyou		\$15.00
Solano		\$2.00
Sonoma		\$10.00
Stanislaus		\$5.00
Sutter		\$1.00
Tehama		\$15.00
Trinity		\$15.00
Tulare		\$2.00
Tuolomne		\$15.00
Ventura		\$1.00
Yolo		\$16.00
Yuba		\$1.00



EDC COB <edc.cob@edcgov.us>

PACE conversation 1.30.18 - Renovate America (HERO) comments for consideration

1 message

Robert Bendorf <rbendorf@renovateamerica.com>

Fri, Jan 26, 2018 at 8:03 PM

To: "bosone@edcgov.us" <bosone@edcgov.us>, "bostwo@edcgov.us" <bostwo@edcgov.us>, "bostthree@edcgov.us" <bostthree@edcgov.us>, "bosfour@edcgov.us" <bosfour@edcgov.us>, "bosfive@edcgov.us" <bosfive@edcgov.us>
Cc: "don.ashton@edcgov.us" <don.ashton@edcgov.us>, "shawne.corley@edcgov.us" <shawne.corley@edcgov.us>, "edc.cob@edcgov.us" <edc.cob@edcgov.us>

Good evening Supervisors,

I hope you all have a great weekend planned ahead. The reason for my email this evening is to provide some information in preparation of your board meeting this coming Tuesday, January 30th. I have had the opportunity to meet some of you at various RCRC and CSAC events over the years, but for those I have not had the opportunity, I am the local representative for the HERO financing program (the nation's largest Property Assessed Clean Energy provider).

As you all know, during your meeting on Tuesday, you will be receiving an update on the various PACE programs provided to your residents. As I learned of this coming discussion and read the staff report, my fellow colleagues and I felt that reaching out with a formal response to the stated missing information was of utmost importance. And to do such well before the meeting in an effort to best prepare for a valuable conversation. The first few pages represent a response and then following that are recent articles from various regions of California to best show the positive effects of PACE and HERO.

It is my hope that in the future I would be seen as a trusted source for information regarding PACE programs and HERO specifically. My job is to make sure that you have all the resources you need to best serve your constituents as their elected official. It has been brought to my attention over the past 24 hours that various staff members have been hearing of concerns from residents. I take this as a learning opportunity on my part for not being more well-known. It is my hope that a better line of communication with the appropriate staff members will yield a better relationship for me to serve your county.

I greatly look forward to seeing you all on Tuesday.

Take care,

Robert Bendorf IV | Sr. Manager, Market Development - Northern Ca.

C: 916-616-0564 | HERO: 855-437-6411

HERO financing by Renovate America

2 attachments



El Dorado Co. - HERO response for 1.30.2018 BOS meeting.pdf

673K



El Dorado County - HERO financing - Jan26_18.pdf

130K



Provider of HERO

El Dorado County – Board of Supervisors
330 Fair Lane
Placerville, CA 95667

ATTN:

Supervisor John Hidahl – District I
Supervisor Shiva Frentzen – District II
Supervisor Brian Veerkamp – District III
Supervisor Michael Ranalli – District IV
Supervisor Sue Novasel – District V

CC:

James S. Mitrison, Clerk of the Board
Don Ashton, Chief Administrative Officer
Shawne Corley, Assistant Chief Administrative Officer

January 26, 2018

To Whom It May Concern:

As administrator of the nation’s largest Property Assessed Clean Energy (PACE) financing program, and as a provider of PACE financing in El Dorado County, Renovate America welcomes the opportunity to share information about the impact our PACE program is having in the county. We read with concern the Chief Administrative Officer’s report on PACE financing in the county, dated Jan. 24, 2018. Renovate America was not asked to provide input to the report ahead of its publication, and would therefore like to address and clarify several points contained in the report, as well as provide additional background about PACE financing.

PACE background

PACE financing is a solution to a marketplace failure that has dogged home improvement for decades. Every year, one in six American homeowners replaces a system in their homes that affects their energy consumption. In most cases, homeowners select a replacement model with a lower sticker price. The problem is that these models are typically less efficient, and end up costing more money over time to operate and maintain than more efficient products with a higher up-front sticker price.

PACE financing solves this failure by empowering homeowners to overcome the initial cost barrier related to energy and efficiency improvements. PACE funds up to 100% of the improvement, and





Provider of HERO

homeowners pay for the project over time via an additional, voluntary line item on their property taxes. Homeowners get a competitive fixed interest rate and can spread payments out over the useful life of the products (five, 10, 15, or 20 or more years). Payments can be in a more affordable range than loans or credit cards, which may have shorter repayment terms or higher, variable interest rates.

Impact in El Dorado County

As the largest PACE program in California, Renovate America's HERO financing option is currently available in nearly 450 cities and counties across the state. In the six years since it launched, HERO has financed improvements on more than 112,000 California homes.

Since HERO first became available in **El Dorado County** in March 2015, the owners of **320 homes** have used it to make over \$9 million energy-efficiency, water-efficiency, and solar improvements to their properties. These improvements are projected to help **save homeowners around \$14 million on their utility bills** over the expected useful lifetime of the products installed. These improvements are also projected to reduce **carbon-dioxide emissions by 20,000 tons** – equivalent to saving 2 million gallons of gasoline. Finally, it's estimated that by spurring these home improvements, HERO has created or sustained nearly **80 good-paying local jobs** in and around the county.

Interest rates

The staff report cites that among the advertised benefits of PACE programs is relatively low interest rates. This is indeed the case. Last year, HERO became the first PACE provider to give qualified contractors the opportunity to offer lower interest rates. These nominal rates vary from 2.99% to 8.35%. Early data demonstrate these new, lower rates are bringing down the average interest rate paid by HERO homeowners. The average HERO annual percentage rate (APR) now stands at 7.8%. By comparison, rates for several popular home-improvement financing alternatives are considerably higher: the most recent estimates from the U.S. Federal Reserve show that borrowers paid an average APR of over 13% for credit card purchases, and over 10.5% for a 2-year personal bank loan¹.

Comprehensive consumer protections

In several instances, the staff report mentions consumer protections for PACE. PACE financing already had consumer protections that went beyond those found with other forms of home-improvement financing. Unlike credit cards or home-equity loans, for example, PACE can only be used to finance qualified home energy, efficiency and resiliency improvements. And one key feature of PACE programs is a provision that requires home-improvement contractors to agree to not be paid until homeowners sign off that the work was done to their satisfaction.

¹ <https://www.federalreserve.gov/releases/g19/current/>



In 2017, the California legislature passed two landmark bills, SB 242 and AB 1284, focused on consumer protections and regulations for PACE programs. These bills, which Renovate America strongly supports and that began taking effect on Jan. 1, 2018, build on a previous California PACE disclosure law, AB 2693, which went into effect on Jan. 1, 2017. Together, SB 242, AB 1284, and AB 2693 fundamentally transform the PACE product, market, and sales process. They establish a clear, enforceable statewide regulatory framework that sets a level playing field for the industry and helps provide positive outcomes for homeowners.

What follows are highlights of the issues that had been raised about PACE financing – and the policy responses that have now been enshrined in state law by the three measures:

ISSUE RAISED	POLICY RESPONSE
Do homeowners understand PACE?	AB 2693 requires written, mortgage-level disclosures to homeowners of all PACE financing terms and conditions.
	SB 242 requires that the written disclosures be reinforced with a live, recorded “confirm terms” phone call between PACE providers and homeowners to ensure they fully understand the terms and conditions.
	These disclosures include the total estimated annual costs homeowners must pay under the assessment contract as well as the total estimated average monthly amount of funds they would have to save in order to pay the annual costs, including applicable fees; the length of the repayment term and the repayment process; and specific provisions about PACE financing, such as the possibility homeowners may need to pay off the remaining balance in case of a home sale or mortgage refinance.
Can homeowners afford PACE?	AB 1284 requires PACE providers to verify income and conduct an ability-to-pay analysis prior to funding to ensure property owners can meet their annual PACE obligation in addition to current debt obligations and basic household expenses.
	AB 1284 also requires providers to use standardized, accurate and tested methods to assess home values – and to disclose these valuations to homeowners.



ISSUE RAISED	POLICY RESPONSE
If homeowners cancel PACE financing, can they cancel their project?	AB 2693 gives homeowners a right to cancel their financing within 3 days of signing the PACE contract.
	SB 242 goes further and establishes an expanded right to cancel for homeowners using PACE. This enables homeowners to cancel their separate home improvement contract if they cancel their PACE financing within the 3-day period – protecting them from being obligated to pay for a project without a viable means of financing.
Can contractors overprice projects?	SB 242 requires contractors to quote homeowners the same price as cash for home improvement projects using PACE financing.
Can PACE programs pay kickbacks to contractors?	SB 242 bans compensating contractors beyond the cost of the home improvement project; bans paying for contractor co-marketing; and limits contractor reimbursements to \$100 for bona fide training expenses.
Can PACE programs OR contractors evade the new laws?	AB 1284 appoints the Department of Business Oversight at the state regulator for residential PACE.
	Under AB 1284, PACE providers must undergo background investigations and satisfy net worth requirements to obtain a license from DBO.
	AB 1284 also requires PACE providers to enroll and train home improvement contractors and their individual sales reps, and holds PACE providers accountable for screening and monitoring the contractors and individual sales reps enrolled in their programs.
	Finally, AB 1284 empowers DBO with enforcement authority against PACE providers and contractors who do not meet their obligations to promote the interests of consumers.



ISSUE RAISED	POLICY RESPONSE
Can a homeowner take on more assessments than they can afford?	AB 1284 requires PACE providers to verify any recorded PACE assessment on the property, and to ask homeowners in their application if there are any other existing PACE assessments on the property, recorded or unrecorded. In addition, homeowners will be asked in the “confirm terms” calls about the existence of any other PACE assessments on the property.
	AB 1284 also authorizes DBO to establish rules requiring the development and use of a real-time registry for PACE assessments to deal with the issue of multiple assessments on the same property by different providers.

FHA Policy Reversal

The staff report notes that the Federal Housing Administration announced that it will no longer insure mortgages on homes with PACE assessments, reversing a position taken in July 2016. While Renovate America disagrees with the FHA’s policy reversal, it is not likely to have much impact in the market. This is because, in part:

- In the 14 months since the previous FHA policy was in effect, fewer than 3% of HERO homeowners availed themselves of it;
- FHA-insured mortgages make up only a fraction of the PACE market; and
- FHA’s policy reverts back to the position it held until July 2016 – which is the same position held by federal mortgage giants Fannie Mae and Freddie Mac. And since Fannie and Freddie took their position on PACE assessments in 2010, residential PACE originations have grown by more than \$4 billion.

In announcing its reversal, the FHA offered no evidence to support its stated concern about PACE posing a risk to its insurance fund or to borrowers. In fact, Renovate America has never initiated a foreclosure on a single home with a HERO assessment, and [the California loan loss reserve](#), a state pool set up for properties with PACE assessments, has never been tapped by any lender to date.

Age distribution

The staff report says that staff sought to identify the age of homeowners participating in PACE, but that “all [PACE] program administrators have responded that they do not collect or track age-distribution information.” Renovate America, as the administrator of HERO, and PACE provider for the Western





Provider of HERO

Riverside Council of Governments, was never approached by the county to provide these data. We can report that the age distribution of homeowners who have used HERO in El Dorado County roughly matches that of the county as a whole. Indeed, the portion of HERO homeowners in the county older than 65 is 28%. By comparison, according to the Census Bureau's [2015 American Community Survey](#), the portion of homeowners in the county older than 65 is 32%.

Administrative fees to the county

The staff report says the county's administrative costs for processing PACE collections were supposed to have been offset by administrative fees, but that "no evidence of an approved fee has been identified." The county does indeed collect an administrative fee for HERO assessments per an agreement with the Western Riverside Council of Governments and David Taussig and Associates (DTA).

Lawsuits

The staff report refers to two possible legal actions related to El Dorado County homeowners who opted to use PACE financing. Renovate America is not aware of any active or pending legal issues in the county.

Conclusion

Renovate America's HERO PACE financing option is contributing to positive outcomes for homeowners in El Dorado County, and is being strengthened by recent laws that began taking effect on Jan. 1, 2018. We look forward to continuing to serve county communities and assisting citizens in improving their homes. As the local government-affairs representative for your county, I hope to be of service to you going forward and would be happy to address any questions you and your citizens may have.

Sincerely,

Robert Bendorf IV
Senior Manager, Market Development
Renovate America

- ATTACHMENTS -

Recent news coverage highlighting the positive impact PACE has in communities across the state





Provider of HERO

Valley's Clean-Energy Shift Paying Dividends

Outlet: **The Escalon Leader**

Published: **December 26, 2017**

Author: **Ricardo Jimenez**

As California leads a global shift to a clean-energy economy, the benefits are being felt right here in the Central Valley. Local homeowners, real estate professionals, and job seekers in the construction, home-improvement and related fields are all experiencing advantages from clean-energy trends.

In the residential arena, more and more area homeowners are going solar or improving the efficiency of their homes with upgraded windows and doors, heating and air conditioning systems, and other efficiency projects. These investments lead to higher property values, not to mention more comfortable homes and lower utility bills.

Californians pay the 6th highest residential electricity rates in the nation, and with energy costs rising here in the Central Valley, we're now paying 46 percent more for electricity than the national average. Anything people can do to lower energy usage at home will pay big dividends down the line.

Within Stanislaus and San Joaquin Counties, thousands of homeowners have improved the clean-energy profile of their homes using Property Assessed Clean Energy (PACE) financing, and this number is growing. PACE helps homeowners invest in energy and efficiency improvements on their property, such as solar panels, high-efficiency air-conditioning units, and water-efficient irrigation systems. Homeowners then pay for the upgrades over time through an additional line item on their property taxes. An energy-efficient home, or a home that generates its own electricity through solar panels, often translates to lower utility bills. The PACE-finance upgrades in the region are on track to save millions of dollars for these homeowners on energy and water bills over the life of the improvements.

But the benefits of making residential energy and efficiency improvements go beyond lowering utility bills: studies show that homes with these upgrades are appealing to the majority of potential home buyers. For example, adding solar panels to a home consistently adds a premium to the home's sale price, on average \$15,000 for a typical system, according to a recent study by the U.S. Department of Energy's Lawrence Berkeley National Laboratory. As for adding value through home renovation projects: Increasing a home's energy efficiency by adding attic insulation is the number one value-added project, with an average 108 percent return on investment. Compare that to an average 64 percent return for all home improvements (according to Remodeling Magazine's latest annual Cost vs. Value report). And one study that focused on homes with PACE-financed improvements found that these homes recover 100 percent or more of the improvement cost when they are resold.





Provider of HERO

With PACE continuing to expand in our area, more and more home sales involve active PACE assessments. Homeowners, home buyers and real estate professionals have a responsibility to educate themselves about the ins and outs of this new type of financing.

Beyond improving the quality and value of our local housing stock, PACE has also helped to create local, high-quality jobs in Stanislaus and San Joaquin Counties. Since the state's largest PACE financing program – HERO – first became available here three years ago, over 900 regional jobs have been created due to the increased demand for home improvement and residential renewable energy projects. These jobs are at low risk of being automated or offshored, and they also tend to be family-wage-paying jobs. With the Central Valley still lagging the rest of the state in job creation, this is welcome news.

The kind of sustained job growth and economic stimulus we're seeing with PACE is just what we need in here in our backyard. I applaud our local leaders for providing this choice for homeowners in our area. PACE has proven to be a valuable driver of our local clean-energy economy, and it is emerging as a powerful tool for all of California.

Ricardo Jimenez
Realtor
Oakdale, CA 95361

URL: <http://escalontimes.com/section/58/article/7438/>





Provider of HERO

Homeowners: PACE Finances Green Energy Upgrades

Outlet: **Capitol Weekly**

Published: **October 11, 2017**

Author: **CA State Senator, Nancy Skinner**

A point of pride for the people of California is our state's leadership in the clean energy economy. Over the past decade, Californians have had access to a great tool that puts homeowners front and center in the fight against climate change. This tool, Property Assessed Clean Energy (PACE), enables homeowners to conveniently finance renewable energy, energy and water efficiency, and earthquake safety upgrades to their homes.

PACE works like this: property owners decide to voluntarily place an assessment against their house to fund, for example, an energy efficient AC, space or water heater, or solar panels. The assessment is then collected as a line item on the homeowner's local property taxes. The homeowner gets a fixed, usually single-digit interest rate, and can spread payments out over 5, 10, 15, or 20 plus years. This financing structure brings payments into a more affordable range than loans or credit cards.

California PACE-financed projects are on track to save more than 10 billion gallons of water and reduce carbon dioxide emissions by over 4 metric tons.

PACE financing was first launched as a pilot program in my hometown, Berkeley, in 2007 and then relaunched in 2008 throughout California administered through partnerships between PACE financers and local government. More than 30 other states have since followed suit, passing their own PACE-enabling legislation.

Since its inception, PACE has been responsible for huge gains in energy efficiency, solar installations and safety improvements in California's housing and commercial building stock, yet like any successful program it's had hiccups. A few contractors that advertised PACE financing inaccurately promoted it as a 'free government program.' Some homeowners did not fully understand their obligations, not realizing that their biannual property tax bill would increase due to a PACE assessment, and if they missed payments didn't understand they might risk losing their home.

To renew confidence in this California grown program, my staff and I met with consumer advocacy groups, the PACE financing industry, mortgage experts and other stakeholders to develop comprehensive legislation that would add safeguards and strengthen PACE as a better and more transparent financing tool.





Provider of HERO

The result: two companion bills, SB 242 and AB 1284, authored by myself and Assemblymember Matt Dababneh, continue California's leadership and revitalize PACE with strong consumer protections. Now signed into law by Governor Brown, these bills strengthen PACE by requiring:

- Income verification and underwriting based on the property owner's ability to repay.
- Recorded, live confirmation call between the PACE provider and homeowner, similar to the federal Know-Before-You-Owe mortgage disclosure already required by California law.
- A three-day right to cancel.
- New standards on how a contractor can market the program.
- California Department of Business Oversight to serve as the watchdog for consumers and PACE providers.

Importantly, AB 1284 recognizes the unique, tax-based structure of PACE financing – and regulates it accordingly.

As a champion of PACE, I know firsthand that it is unmatched in providing homeowners green financing for improvements such as energy-efficient heating, ventilation and air conditioning systems, insulation, water pumps and lighting. California PACE-financed projects are on track to save more than 10 billion gallons of water and reduce carbon dioxide emissions by over 4 metric tons. As PACE continues to grow, the benefits it can yield are substantial.

It is no surprise that California Energy Commissioner David Hochschild called PACE the single most important tool for promoting and financing energy and water upgrades.

With our growing understanding of the urgency to act to address climate change it is vital that a green energy financing program, like PACE, remain accessible and affordable. By enacting SB 242 and AB 1284 California has renewed the promise of PACE and enabled it to expand responsibly. PACE states across the country can and should act similarly.

Ed's Note: State Sen. Nancy Skinner, D-Berkeley, represents the 9th Senate District in the East Bay. She previously served in the state Assembly from 2008-2014 and on the Berkeley City Council from 1984-1992. From 2015-2016, she served as a Senior Policy Fellow at UC Davis focusing on energy, efficiency, and transportation.

URL: <http://capitolweekly.net/pace-energy-financing/>





Provider of HERO

More than 150 Homes Made More Energy and Water Efficient

Outlet: **The Daily Democrat**

Published: **August 16, 2017**

When the Yolo County Board of Supervisors voted to approve Property Assessed Clean Energy financing, the goal was to help local homeowners make energy- and water-efficiency, and renewable-energy upgrades that can lower utility bills, reduce greenhouse gas emissions and create local jobs.

To date, through the state's largest PACE provider, HERO, 151 homeowners in Yolo County have made 320 energy efficiency, water efficiency or solar power improvements to their homes. HERO is just one of several PACE providers in the area.

PACE enables homeowners to make energy and efficiency improvements and to pay for them over time at a fixed interest rate through an additional line item on their property taxes.

The resources saved through PACE-financed efficiency upgrades are significant. In Yolo County, HERO-financed home upgrades are on track to save homeowners \$6.6 million in utility bills over the expected useful life of the products installed.

The county's homeowners are also projected to reduce greenhouse gas emissions by nearly 6,600 tons, which is the equivalent of taking more than 1,390 passenger vehicles off the road for a year. HERO water conservation improvements are projected to save 7.4 million gallons of water.

"In addition to making their homes more comfortable, Yolo County homeowners are saving energy and water, and creating jobs in the local economy through this public policy success," said Robert Bendorf, market development manager at Renovate America, the company that administers HERO. "With summer temperatures and rising utility bills upon us, now is a practical time for homeowners to make their homes more energy and water efficient."

Since PACE became available in 2015, Yolo County has experienced a boost to the local economy. HERO-funded home improvements have generated \$6.4 million in new economic activity. By stimulating home renovations, PACE increases demand for local contractor services. As a result, HERO financing is now supporting an estimated 31 regional jobs through this boost. Many of these jobs, like those in the local construction sector, cannot be automated or outsourced.

In Woodland, renovation and efficiency projects have been completed in more than 50 homes with the help of HERO financing.





Provider of HERO

Because of the public-private nature of this financing option, PACE offers consumer safeguards that go beyond those found with other forms of home-improvement financing. All residential PACE providers in California must provide homeowners with written disclosures modeled on the federal “Know-Before-You-Owe” forms for mortgage lending. HERO financing also requires that all customers confirm that they understand their financing terms in a recorded phone call with a HERO representative. In addition, all contractors who make PACE-financed improvements must have an active license and be in good standing with relevant state licensing boards – as well as maintain insurance and an ability to meet bonding requirements. A new data-driven contractor quality rating system tracks customer satisfaction and removes contractors that don’t maintain good ratings to ensure consumers receive top-quality service and fair market pricing.

Yolo County and other California homeowners pay 41 percent more for electricity, on average, than homeowners nationwide. In May of this year, local homeowners were paying, on average, 18.3 cents per kWh, compared to just 13 cents nationwide, according to the U.S. Bureau of Labor Statistics. Collectively, HERO homeowners in the Northern California Region will save \$91 million on their energy bills over the lifetime of their installed products.

The program launched the clean energy program in October 2015.

HERO PACE financing enables homeowners to make energy- and water-efficiency improvements and pay for them through their property tax bill. Property owners repay the assessment over 5- to 20 years while obtaining immediate savings on utility bills. Residents of Davis, West Sacramento and Woodland, and of the unincorporated areas of Yolo County, may now submit applications for HERO financing.

Given the State of California’s newly adopted regulations aimed at reducing urban water consumption by 25 percent, PACE financing is becoming a particularly appealing option for homeowners looking to conserve water in their yards and homes.

The city of Winters launched the HERO Program in June 2015. All told, this financing program is now available to more than 75,000 households in Yolo County.

A wide variety of energy-saving products are available through HERO as well, including solar panel installations, whole-home heating and cooling systems, energy-saving windows and doors, roofing and insulation.

URL: <http://www.dailydemocrat.com/general-news/20170816/more-than-150-homes-made-more-energy-and-water-efficient>



Clean Energy Programs Could Bring an Economic Boom

Outlet: **Visalia Times-Delta**

Published: **July 13, 2017**

Gov. Jerry Brown painted a picture of California Thursday morning. In that painting, he described a state ravaged by forest fires, disease and mass migration if lawmakers fail to renew the state's signature program to fight climate change, which he called "a threat to organized human existence."

Brown is pressing lawmakers to extend California's cap-and-trade legislation, which puts a limit on carbon emissions and requires polluters to obtain permits to release greenhouse gases. The legislation expires in 2020 and the current proposal would expand the program until 2030.

Brown emphasized his point telling the audience, "this is the most important vote of your life."

"A lot of you people are going to be alive," he said, turning to a room packed with lobbyists and advocates on both sides of the debate. "And you're going to be alive in a horrible situation that you're going to see mass migrations, vector diseases, forest fires, Southern California blowing up. That's real, guys."

Environmental justice advocates say concessions he made to the oil industry and other polluters will harm the environment. The bill prohibits local air quality districts from further restricting carbon emissions of stationary sources like oil refineries. Republicans aren't too excited by the deal either.

The climate initiative, which needs the support of two-thirds of lawmakers, and the air quality bill, which needs a simple majority to pass, has been pushed to be voted on Monday.

Lawmakers planned to vote Thursday.

The delay "will also allow our discussion on long-term housing affordability solutions in California to catch up to the climate effort," Senate President Pro Tem Kevin de Leon and Assembly Speaker Anthony Rendon said in a joint statement.

Brown's eagerness to pass a cap-and-trade bill could give lawmakers leverage to strike a deal with him on affordable housing funding.

Counties are trying to do their part to meet state standards.





Provider of HERO

State and local air boards are creating incentives for people to buy electric cars and hybrids are being sold like never before.

Homeowners are also finding some relief in solar panels, as rebates and incentives become more plentiful for the costly energy-saving projects.

In Tulare County, the Board of Supervisions approved a home improvement program allowing property owners to make environmentally efficient and cost friendly improvements to their homes.

The approved Property Assessed Clean Energy program (PACE) operates in partnership with the Home Energy Renovation Opportunity (HERO) and has provided assistance to 456 homeowners in the county.

“HERO is a public-private partnership that can save Tulare County homeowners money on their utility bills, provide a boost to local businesses, and reduce emissions—all at no cost to public budgets,” said Greg Frost, National Communications Director for Renovate America, the company that administers HERO. “With HERO, a broad range of homeowners will now be able to access energy-saving home improvements, while benefiting from consumer safeguards that go well beyond those found with other types of home-improvement financing.”

The improvements thus far are projected to reduce carbon dioxide emissions by more than 14 million tons.

Energy costs take up 5 to 22 percent of the American household after-tax income, according to the American Coalition for Clean Coal Electricity report.

High energy bills, which make up one of the largest household energy expenditures, often make consumers choose between paying to feel comfortable in their home or paying for basic necessities such as food, gas, rent, clothes and health care.

The average total cost of energy in California is \$257 a month.

URL: <http://www.visaliatimesdelta.com/story/news/2017/07/13/clean-energy-programs-could-bring-economic-boom/459835001/>





Provider of HERO

PACE Is Giving Homeowners Access to Clean Energy and Efficiency Improvements

Outlet: **OurWeekly**

Published: **May 25, 2017**

In the city of Lancaster, solar panels on roofs throughout the city will soon become commonplace due to changes in the city zoning code that mandates solar be a part of all new residential construction projects. In my real estate practice, I have been asked by many home owners how they can install affordable solar panels on their existing homes as well. I have recently discovered a financing program that, while may not be for everyone, does offer an innovative financing alternative for many homeowners looking to upgrade their homes with solar or other energy-efficient projects.

This innovative financing program was launched in California almost a decade ago and is giving more American homeowners the possibility of improving their homes, lowering their utility bills, and making their homes more comfortable. The promise of Property Assessed Clean Energy (PACE) financing is so great that it has been enthusiastically embraced by state and federal leaders, all the way up to former President Barack Obama, who put PACE at the heart of his administration's Clean Energy Savings for All Initiative.

PACE allows homeowners to make energy and efficiency improvements, including going solar, adding insulation, replacing doors and windows and replacing lawns with drought-resistant landscaping, and pay for them over time through their property taxes. By reducing demand for energy and water, these improvements may save homeowners money on their monthly utility bills, while helping communities meet their environmental targets. By creating demand for local contracting services, PACE also creates clean-energy jobs and stimulates the local economy.

PACE financing may be a good choice compared to other types of home improvement financing, like double-digit-interest credits cards and home equity lines of credit that rely on FICO scores. For many, the fact that they can move forward with their project for no money down for 18 months is an important consideration, as is the ability to pay for the project for up to 25 years, spreading the cost out and bringing payments within reach. PACE is based on equity in the home and on-time tax and mortgage payments. But PACE financing also brings consumer protections to homeowners.

PACE programs are overseen by local governments in partnership with private financing companies, and PACE financing is repaid through a homeowner's property tax bill. Because of the nature of this public-private partnership, PACE programs provide extra support to homeowners dealing with home improvement contractors.





Provider of HERO

Leading PACE financing programs like HERO and California FIRST have long taken extensive measures to ensure that contractors that offer PACE financing follow strict standards. Contractors do not receive any payment until the project is completed to the satisfaction of the homeowner, and they must install products and appliances that are state- or federally-certified as efficient. Companies that offer PACE financing to customers must also have their contractor's license in good standing and have a good track record with the program.

The PACE industry worked on California legislation this year to ensure financing terms are clearly spelled out to customers in the documents you sign, and they are providing extra support when homeowners and realtors are involved in buying, selling, or refinancing a home with a PACE lien.

As a relatively new form of financing, homeowners and real estate professionals are still learning how PACE works. I see comments in social media and online that reveal the questions folks still have.

Some worry that PACE "puts a lien on the house," not understanding that it's the equity in the house that backs the financing, and your mortgage and property taxes are "liens" that you pay off before you take profit out of the sale of your home. Some worry that contractors are misrepresenting how much it will cost or save. That's why PACE now provides the same level of disclosure of terms the mortgage industry requires, even though projects cost 10 times less than homes do. Some worry that seniors won't understand the details, especially if they are electronically signing documents. That's a concern with every financial transaction. That's why programs like HERO require a live phone call before they can move forward, to help explain and ensure understanding.

While it's true that PACE financing is not right for every homeowner, it is a valuable tool that brings efficiency-oriented investments into reach for qualified property owners of a wide variety of means. Because of programs like PACE, home renovations like solar panels and efficient water heaters can move out of the category of "luxury item," and can now be obtained at a cost that is reasonable for many homeowners – and help pay for themselves through utility bill savings.

URL: <http://ourweekly.com/news/2017/may/25/pace-giving-homeowners-access-clean-energy-and-eff/?page=1>





Provider of HERO

HERO Program to Unleash Home Energy and Job Creation

Outlet: **Territorial Dispatch**

Published: **May 22, 2017**

The Glenn County Board of Supervisors has voted to make the HERO Property Assessed Clean Energy (PACE) program available to local residents living in unincorporated areas of Glenn County. HERO PACE financing enables homeowners to make energy- and water-efficiency home improvements and pay for them over time at a fixed interest rate through an additional line item on their property taxes. HERO payments may have tax benefits, and homeowners may see immediate savings on utility bills. Residents of unincorporated areas of Glenn County will be able to submit applications to HERO later this year.

“HERO financing is a public-private partnership that can save Glenn County homeowners money on their utility bills, provide a boost to local businesses, and reduce emissions—all at no cost to taxpayers,” said Robert Bendorf, Market Development Manager for Renovate America, the company that administers the HERO Program. “With HERO, a broad range of homeowners will be able to access energy- and water-saving home improvements, while enjoying several consumer safeguards that aren’t found with other types of financing.”

When HERO launches in unincorporated areas of Glenn County later this year, most homeowners throughout Glenn County will have access to this innovative financing program. HERO launched in Orland last summer and is active in neighboring Tehama, Mendocino, Colusa, Yuba and Butte Counties.

HERO has helped fund residential efficiency projects for more than 95,000 households in California, totaling \$2.33 billion in financing. By stimulating home renovation activity, the HERO Program increases demand for local contractor services. Since launching in 2011, HERO is estimated to have spurred the creation of 19,800 local California jobs, many in sectors like construction that cannot be outsourced or automated. Cities and counties benefit through economic stimulus and local job growth while helping their communities reach state-imposed water and energy savings goals. The program is also cost neutral to participating local governments.

A wide variety of energy-saving products are available through HERO. Some of HERO’s most popular products include including solar power panel installations, energy efficient HVAC systems, energy-saving windows and doors, and roofing and insulation.

HERO can also be used to finance a wide variety of products to help homeowners cut down on water use, including high-efficiency toilets, faucets and showerheads; drip irrigation systems; rainwater catchment systems; gray water systems; and artificial turf and other drought-tolerant landscaping.





Provider of HERO

PACE has been adopted to address a problem conventional financing products have not solved. Each year, several million American homeowners replace a system that affects home energy or water consumption. Unfortunately, the majority of homeowners still select the least-efficient solution. As the country's largest PACE platform, HERO allows homeowners to choose more efficient improvements: HERO finances 100 percent of the home improvement, requiring no upfront cash outlay; the term of the financing is based on the useful life of the product, up to 25 years, lowering the size of monthly payments; and collection is conducted through regular property tax payments. The products installed must meet federal and state efficiency standards, potentially enabling homeowners to lower monthly utility bills and help pay for the cost of the improvement over time.

PACE was also designed to help achieve public policy objectives. The \$2.3 billion financed through HERO to date are projected to save \$3.8 billion on energy bills, conserve 14.5 billion kWh of electricity, reduce greenhouse gas emissions by 3.87 million tons (the equivalent of taking 818,000 SUVs off the road for a year), and save 8.97 billion gallons of water (the equivalent of 287 million showers) in California. HERO has already generated a local economic impact of \$4.06 billion in California.

Because of the public-private nature of the program, PACE financing offers consumer safeguards that go beyond those found with other forms of home-improvement financing. To help homeowners easily understand their financing terms before they finalize their contracts, all residential PACE providers in California must provide homeowners with written disclosures modeled on the federal "Know-Before-You-Owe" forms for mortgage lending. The HERO Program goes even further with its disclosures, requiring that all customers confirm that they understand their financing terms in a recorded phone call with a HERO representative. In addition, all contractors who make PACE-financed improvements must have an active license and be in good standing with relevant state licensing boards – as well as maintain insurance and an ability to meet bonding requirements. If there are homeowner complaints, PACE providers must track and investigate them, and proactively work with contractors to resolve them.

Cities and counties need only pass a resolution in order to make PACE programs like HERO available to local property owners. The HERO Program has now been adopted by 446 communities in California, spread across 50 different counties. HERO's success in California is part of a national trend, with commercial PACE legislation now enabled in 30 states and residential PACE expanding in Missouri and Florida.

Through HERO Property Advisors, the program provides assistance free of charge to real estate professionals involved in selling or refinancing properties with active HERO financing. Residents interested in HERO financing for their homes are invited to www.heroprogram.com/ca/central-california.

URL: <https://eterritorial.com/11051-hero-program-to-unleash-home-energy-and-job-creation>





Provider of HERO

Arcadia Is Saving Energy and Creating Jobs Through HERO Program

Outlet: **Arcadia Weekly**

Published: **May 5, 2017**

The City of Arcadia is able to create jobs while saving energy thanks to the HERO Program. When California state legislators voted to approve Property Assessed Clean Energy act, it had a \$3.52 Million in Economic Impact, Created jobs and encouraged local communities to embrace this innovative home energy and efficiency financing model. Arcadia was quick to act. Arcadia, as well as surrounding cities, adopted PACE with the goal of helping local homeowners make renewable energy and energy and water efficiency upgrades that could reduce utility bills and greenhouse gas emissions while creating local clean energy jobs.

It's clear that the PACE financing model is working. Through the state's largest PACE program, HERO, more than 60 homeowners in Arcadia have made over 150 energy efficiency, water efficiency or solar power improvements to their homes over the last three years. The HERO Program is just one of several PACE providers in the county.

Since PACE became available, Arcadia has also seen a positive impact on the local economy. For example, HERO-funded home improvement activity has generated \$3.52 million in new economic activity. By stimulating home renovations, PACE increases demand for local contractor services. As a result, the HERO Program is now supporting an estimated 17 regional jobs through this boost to the local economy. Many of these jobs, like those in the local construction sector, cannot be automated or outsourced.

PACE enables homeowners to make energy and efficiency improvements and to pay for them over time at a fixed interest rate through an additional line item on their property taxes. The resources saved through PACE-financed efficiency upgrades are significant. For example, for every 1,000 homes that complete HERO-financed efficiency upgrades, on average: carbon emissions saved are equivalent to taking 8,500 cars off the road for one year; energy saved is equivalent to powering 13,800 homes for one year; and water saved is equivalent to 2.7 million showers.

"PACE financing gives homeowners an innovative way to access home improvements such as new windows and doors, high-efficiency HVAC systems, water-efficient landscaping and even rooftop solar," said Vice President of Market Development at Renovate America Blair McNeill, "the goal is to help homeowners lower utility bills, reduce carbon emissions, and in the process, create local jobs."

Because of the public-private nature of the HERO Program, PACE financing offers significant additional consumer safeguards not found with other forms of home-improvement financing. One significant new safeguard is that PACE providers are required to give homeowners "Know-Before-You-Owe" disclosure forms





Provider of HERO

so they can easily understand the terms of their PACE financing. Providers that are members of PACENation, the non-profit advocacy organization that promotes PACE financing, are required to go further and conduct live, recorded phone calls to confirm financing terms and reinforce the written disclosures. In addition, members must offer programs to assist homeowners with post-project issues and to assist homeowners who experience unexpected financial hardship.

More information about PACE can be found at PACENation.us. Residents interested in HERO financing for their homes are invited to visit www.heroprogram.com/ca/central-california.

URL: <http://www.arcadiaweekly.com/community/arcadia-saving-energy-creating-jobs-hero-program/>



Letters: PACE Helping Consumers

Outlet: **The Orange County Register**

Published: **April 30, 2017**

Author: **Wally Malesh**

As a former state director for the California Association of Realtors Board of Directors, a former director for the Orange County Association of Realtors and someone with a keen understanding of the Orange County housing market, I was disappointed to hear state Sen. John Moorlach's disparaging comments recently about Property Assessed Clean Energy (PACE) financing. In a Senate committee hearing on April 19 in Sacramento, Moorlach said he wanted to "kill" PACE.

He's clearly been spending so much time with the bankers and tax collectors that he's failed to see the benefits of this innovative financing mechanism. PACE is effectively solving a marketplace failure in Orange County, where the lion's share of homes are energy-inefficient and where housing costs are high.

It's no surprise thousands of Orange County homeowners have chosen PACE to finance improvements like energy-efficient windows and doors and HVAC systems, not to mention rooftop solar. What is surprising is why our senator would want to kill off a free-market approach to reducing utility bills and creating jobs at no cost to public budgets.

— *Wally Malesh, Huntington Beach*

URL: <https://www.ocregister.com/2017/04/30/letters-trump-has-done-poorly/>





Provider of HERO

Madera County Saving Energy, Creating Jobs Through HERO Program

Outlet: **Sierra Star**

Published: **April 18, 2017**

When California state legislators voted to approve Property Assessed Clean Energy (PACE) and encouraged local communities to embrace this innovative home energy and efficiency financing model, Madera County was quick to act.

Madera County, as well as cities within the county, adopted PACE with the goal of helping area homeowners make renewable energy and energy and water-efficiency upgrades that could reduce utility bills and greenhouse gas emissions while creating local clean-energy jobs.

It's clear that the PACE financing model is working. Through the state's largest PACE program, HERO, more than 350 homeowners in Madera County have made over 700 energy efficiency, water efficiency or solar power improvements to their homes over the last two and a half years. HERO is just one of several PACE providers in the county.

"The HERO program provides homeowners the opportunity to improve their homes functionality and efficiency while improving their standard of living," said Supervisor David Rogers. "At the same time the program provides local jobs for contractors, which helps the economy."

Since PACE became available, Madera County has also seen a positive impact on the local economy. For example, HERO-funded home improvement activity has generated \$13.1 million in new economic activity. By stimulating home renovations, PACE increases demand for local contractor services. As a result, the HERO Program is now supporting an estimated 64 regional jobs through this boost to the county economy. Many of these jobs, like those in the local construction sector, cannot be automated or outsourced.

PACE enables homeowners to make energy and efficiency improvements and to pay for them over time at a fixed interest rate through an additional line item on their property taxes. The resources saved through PACE-financed efficiency upgrades are significant. For example, for every 1,000 homes that complete HERO-financed efficiency upgrades, on average: carbon emissions saved are equivalent to taking 8,500 cars off the road for one year; energy saved is equivalent to powering 13,800 homes for one year; and water saved is equivalent to 2.7 million showers.

Because of the public-private nature of the program, PACE financing offers significant additional consumer safeguards not found with other forms of home-improvement financing. One significant new safeguard is





Provider of HERO

that PACE providers are required to give homeowners “Know-Before-You-Owe” disclosure forms so they can easily understand the terms of their PACE financing. Providers that are members of

PACENation, the non-profit advocacy organization that promotes PACE financing, are required to go further and conduct live, recorded phone calls to confirm financing terms and reinforce the written disclosures. In addition, members must offer programs to assist homeowners with post-project issues and to assist homeowners who experience unexpected financial hardship.

More information about PACE can be found at PACENation.us. Residents interested in HERO financing for their homes are invited to visit www.heroprogram.com/ca/central-california.

URL: <http://www.sierrastar.com/news/local/article145287849.html>





Provider of HERO

HERO Program Helps Lemoore Homeowners with Energy Efficient Upgrades

Outlet: **Lemoore Leader**

Published: **February 8, 2017**

Author: **Ed Martin**

A unique program to help residents improve the energy efficiency of their homes – including over 100 in Lemoore – without burgeoning the homeowners’ bank accounts, seems to have paid off - for most people.

The Home Energy Renovation Opportunity (HERO) Program allows residential and commercial property owners to install energy and water systems in their homes and pay for them through a variety of financing options, including a special assessment on their property bills.

In many cases payments are made through Kings County with their property taxes over time.

The Lemoore City Council adopted the HERO program by resolution at its May 6, 2014 meeting, the goal being to help homeowners make upgrades to their energy systems that could reduce utility bills and greenhouse gas emissions, while at the same time creating local clean-energy jobs. Lemoore, based on information supplied to The Leader, has passed the milestone of 100 homes renovated for energy efficiency, water efficiency and solar power.

[Frequently Asked Questions](#)

The HERO program was originally developed by a financing firm entitled Renovate America, which in 2010 partnered with Western Riverside County to become the first region to offer the HERO program to residents. The HERO program is now accessible to many California homeowners.

At that time of its approval, city officials designated an area within the city limits allowing homeowners to enter voluntary contractual assessments to finance the installation of permanent energy efficient improvements. The HERO program also allows property owners to finance renewable energy, energy water efficiency improvements, and electric-vehicle charging infrastructure on their property.

City officials have no local control over the program other than approve and inspect improvements – to make sure they meet state and local building code. “It’s business as usual for the city,” said Lemoore Public Works Director Nathan Olson. “We really don’t do anything different with the HERO program.”

He added that the improvements made are the sole decision of the homeowner and the contractor.





Provider of HERO

Under the program, many projects may qualify. Typical projects, in addition to solar systems, include heating, air cooling and ventilation systems, energy efficient windows, skylights and doors, solar thermal water heating, air sealing and weatherization, insulation, water heating, indoor energy light fixtures, and water efficiency measures.

The HERO program is one of many programs under the auspices of the Property Assessed Clean Energy (PACE) financing program, which gives property owners a new way to borrow money for energy-efficient home upgrades. Approvals are based on the amount of equity in the home, and if the property is sold, any remaining balance may be legally passed on to the new owner. HERO offers low, fixed financing terms to incentivize property owners to make energy-efficient choices when making home upgrades.

And in many cases, homeowners, depending on their circumstances, can deduct the interest on HERO payments. Lemoore's Leslie Brixey, a city resident since 2002, took advantage of the HERO program to install new energy efficient windows in her attractive home on Elderwood Lane. Was she satisfied with the work?

"They fulfilled everything they promised," she said of Northwest Exteriors Inc., a national firm with an office in Fresno. "The workers were so great. They cleaned up after themselves, and if I had a question they explained it to me what they're doing. It was a very good experience."

However, she's not as pleased with the financing options. She indicated was unable to deduct the interest portion of her payment as home mortgage interest. "No, I wish it had been (better) explained to me."

According to the IRS, there are many popular loan programs that finance energy saving improvements through government-approved programs – like HERO. The payments on these loans may appear to be deductible real estate, but they're not deductible. Assessments or taxes associated with a specific improvement benefitting one home aren't deductible. However, the interest portion of your payment may be deductible as home mortgage interest.

Katie Ryan, the operations manager for Fresno's Northwest Exteriors said her firm has done five projects in Lemoore, including Brixey's. "We're a "Channel" partner with the HERO program," she said, "which means that we're a preferred contractor."

"I love the program. I'm going to use it," she said.

Lemoore isn't the only community taking advantage of the program. Lemoore joined in 2014, Hanford signed up in 2015. Corcoran, Avenal and Kings County joined in 2016. Countywide, 251 homes have participated in the program and an estimated 39 local jobs have been created with nearly \$8 million in economic stimulation to the local economy.

Homeowners will save a projected \$9.63 million in utility bills, said HERO officials.





Provider of HERO

“PACE financing gives homeowners an innovative way to access improvements such as new windows and doors, high-efficiency HVAC systems, water-efficient landscaping and even rooftop solar, and it’s clearly working,” said Josh Brock, HERO Community Engagement Manager for Lemoore. “Owners of these renovated Lemoore homes are reaping the benefits, and the city is, too.”

Since the financing option became available in Lemoore, HERO projects have been completed in 121 homes for \$2.1 million in funding. The financing option enables homeowners to make energy and efficiency improvements and to pay for them over time through their property tax bill. By stimulating home renovation activity, the HERO Program increases demand for local contractor services. Thus, an estimated 18 local jobs that cannot be outsourced or automated have been created through this uptick in renovation activity.

The resources saved through HERO-financed efficiency upgrades are significant. HERO officials insist that on average, for every 100 homes that complete HERO-financed efficiency upgrades: carbon emissions saved are equivalent to taking 850 cars off the road for one year; energy saved is equivalent to powering 1,380 homes for one year; and water saved is equivalent to 271,750 showers.

In addition to saving energy, the city is saving water by issuing water restrictions, such as mandatory landscape watering schedules and lawn watering restrictions during the dry season.

Because of the public-private nature of the HERO Program, it offers additional consumer safeguards not found with other forms of home-improvement financing. Residents interested in HERO financing for their homes are invited to visit www.HeroProgram.com.

The statistics provided by HERO reveal that Lemoore and other communities are taking advantage of the program:

In Lemoore:

- 121 homes have completed energy efficiency, water efficiency, and/or solar installation projects
- \$2.18 million in HERO financing
- An estimated 19 local jobs have been created
- This increased home improvement activity has provided an estimated \$3.78 million in local economic stimulation
- Homeowners are projected to save \$4.6 million in utility bills over the lifetime of the installed products and systems

In all of Kings County (including Lemoore’s numbers):

- HERO launched in Lemoore in late 2014; in Hanford in 2015; and in Corcoran, Avenal, and the County itself in 2016
- 251 homes have completed energy efficiency, water efficiency, and/or solar installation projects
- \$4.54 million in HERO financing





Provider of HERO

- An estimated 39 local/regional jobs have been created
- \$7.87 million in economic stimulation to the local economy
- Homeowners will save a projected \$9.63 million in utility bills

In the state of California:

- 88,200 homes improved
- \$2.13 billion in financing
- Estimated 18,100 jobs created
- \$3.70 billion in economic stimulus
- \$3.59 billion in utility bill savings

URL: <http://www.mylemooreleader.com/146059>





Provider of HERO

Program Helps Homeowners Conserve

Outlet: **Mountain Democrat**

Published: **November 9, 2015**

SOUTH LAKE TAHOE — The city of South Lake Tahoe's HERO Property Assessed Clean Energy program continues to help homeowners and commercial property owners to make energy- and water-efficiency improvements and pay them off through their property tax bill.

Property owners repay the assessment over five, 10, 15 or 20 years. Interest is tax deductible and homeowners see immediate savings on electric and water utility bills.

"Homeowners know that investing in energy and water efficiency saves money in the long run. Now most homeowners can access affordable financing to make these efficiency upgrades," said Blair McNeill, vice president of Community Development for Renovate America, the company that administers the HERO program. "HERO is helping homeowners realize tomorrow's energy efficient future today."

The HERO program has now been adopted by 290 communities in California. HERO's success in California is part of a national trend, with PACE programs now flourishing in 31 states. The new financing model is quickly becoming a cornerstone of America's push for cleaner power and energy independence.

A wide variety of energy-saving products are available through HERO. These include solar panel installations, whole-home heating and cooling systems, energy-saving windows and doors, roofing and insulation. As California's drought drags on, eligible retrofits give homeowners a fast, affordable way to lower their water bill and conserve a desperately-needed resource with products ranging from high-efficiency toilets to drought-tolerant landscaping.

HERO now serves 10 million households in California. It has helped fund more than 28,000 residential efficiency projects, totaling more than \$550 million in financing. By stimulating home renovation activity, the HERO program increases demand for contractor services. In this way, HERO has helped to create 4,700 jobs in CA since beginning in earnest in December 2011.

HERO leads the industry with their proactive consumer protection policy. HERO requires participating contractors to undergo rigorous training aimed at ensuring customers are fully informed about the costs and benefits of the program. Funding for projects is made available to the contractor only after the homeowner has indicated full satisfaction with and completion of the project. HERO also staffs a hotline to respond to homeowner queries that is available for 15 hours each day. In a recent survey, 96 percent of more than 2,000 participants said they would recommend HERO to a relative or friend.





Provider of HERO

To learn more about the HERO Financing Program, and to apply, property owners can visit [HEROProgram.com](https://www.heroprogram.com) or call 855-HERO-411 (855-437-6411).

URL: <https://www.mtdemocrat.com/news/slt-launches-pace-program-to-help-homeowners-conserve/>



El Dorado County

320 Homes Improved

03/24/2015
HERO Launch Date

116,882
Housing Count

03/24/2015 - 01/26/2018
Report Range

Improvements

Type	Total Installed	Bill Savings
Energy	546	\$7.82M
Solar	189	\$12.3M
Water	9	\$53.5K

Lifetime Impact

Applications Submitted	822
Applications Approved	662
Funded Amount	\$9.35M
Economic Stimulus	\$16.2M
Jobs Created	79
Energy Saved	78.5M kWh
Emissions Reduced	20.0K tons
Water Saved	5.88M gal

Learn how these numbers are calculated at <https://www.herogov.com/faq>



855-HERO-411

gov@heroprogram.com