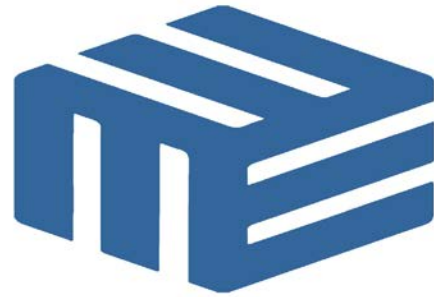


Property Assessed Clean Energy (PACE)

D I  I D E N D



ENERGY
EFFICIENT
EQUITY INC.


California JPA PACE Programs

- ▶ **CEDA** (California Enterprise Development Authority) offers Dividend Finance (FigTree)
- ▶ **CMFA** (California Municipal Finance Authority) offers Energy Efficient Equity (E3).
- ▶ **WRCOG** (Western Riverside Council of Governments) offers HERO (administered by Renovate America)
- ▶ **GSFA** (Golden State Finance Authority) offers YgreneWorks (administered by Ygrene Energy Fund)
- ▶ **CSCDA** (California Statewide Community Development Authority) offers CaliforniaFIRST (administered by Renew Financial), PACE Funding, Spruce, Alliance NRG, Counterpointe, and Clean Fund.

Property Assessed Clean Energy (PACE)

Legislation: AB 811 & SB 555

SAMPLE PROPERTY TAX BILL (This is a mockup for illustrative purposes only.)



SACRAMENTO COUNTY
SECURED PROPERTY TAX BILL 2014-2015
FOR FISCAL YEAR BEGINNING JULY 1, 2014 AND ENDING JUNE 30, 2015

ANNUAL TAX BILL

JULIE VALVERDE
DIRECTOR OF FINANCE
TAX COLLECTOR

JANUARY 1, 2014, LIEN DATE ASSESSED VALUES			
LAND			53,000
IMPROVEMENTS			185,000
FIXTURES			
PERSONAL PROPERTY			
ASSESSED VALUES SUBTOTAL			238,000
LESS HOMEOWNERS EXEMPTION			7,000
OTHER EXEMPTION			
NET ASSESSED VALUES			231,000

TAX RATE AREA CODE 51108			
AD VALOREM TAXING AGENCY	TAX BASE	TAX RATE	TAX AMOUNT
COUNTY WIDE 1%	1	1.00000	2,310.00
LOS RIOS COLL GOB	1	.01930	44.50
AD VALOREM TAXING AGENCY TOTAL			2,254.58

LEVY #	STATUTORY	DIRECT LEVY NAME	PHONE NUMBER	LEVY AMOUNT
0114	MELLO-ROOS	RANCHO MURIETA CFD #1 -2002 REF	800-876-7516	699.74
0431	H & S 13800	SLOUGHHOUSE FIRE AREA	800-876-7516	100.00
0443	WC 51335	WATER & DRAINAGE STUDIES - SCWA 13	916-874-7139	6.92
0155	MELLO-ROOS	ELK GROVE SCHOOL DIST MR - CFD #1	916-886-7562	35.36
0000	MELLO-ROOS	CLEAN ENERGY SAC	877-819-4736	683.00

Your Annual Payment

Authorizes local governments to provide financing to property owners for energy efficiency, water efficiency and renewable energy projects that's repaid through their property taxes.

Approved Products



Solar Panels



Heating & AC



Windows & Doors



Lighting



Insulation



Water Saving



Roofing



Landscaping

Over 150,000 Approved Products

Benefits of PACE

- ▶ Affordable financing for clean energy projects that reduces utility bills and increases property values
- ▶ Updates older residential and commercial building stock- more energy efficient
- ▶ Reduces GHG emissions- helps local governments achieve Climate Action Plan goals
- ▶ Job Creation- counts toward Workforce Development goals
- ▶ Boosts the local economy
- ▶ No Cost, No Risk and No Admin

Consumer Protections

- ▶ Contractors must be licensed with CSLB, bonded and insured
- ▶ Permit Verification
- ▶ Pricing Controls
- ▶ Payment Protection- Contractor is not paid until work is completed and property owner has signed off.
- ▶ Dispute Resolution
- ▶ Disclosures- customers must initial key disclosures
- ▶ Elder & ESL Protection
- ▶ Confirm Term Calls between applicant and PACE provider

PACE removes many of the financial hurdles for clean energy improvements

- ▶ 100% Financing- No Upfront Costs
- ▶ Fixed Financing Terms up to 30 Years (based on usable life of product)
- ▶ Fixed Interest Rates 4-8%
- ▶ No Pre-Payment Penalty
- ▶ No Fees to Contractors for Participation

PACE vs Other Forms of Financing

- ▶ Home Equity Line of Credit (HELOC): Interest Rates 6-8%, Variable (NOT fixed); typically takes 4-8 weeks for approval
- ▶ Unsecured Financing: Higher Interest Rates; Dealer Fees- passed through to their customers, which drives up the project amount
- ▶ Credit Cards: Highest Interest Option; many property owners make only the minimum payment- so balance is difficult to pay off because just paying interest

CAEATFA - Loan Loss Reserve Fund

Dept of Treasury \$10M loan loss reserve

- ▶ Loan loss reserve fund is in place to protect 1st deed of trust holders (lenders) in the event of default of a property with a PACE assessment on title.
- ▶ To the best of our knowledge, **NO** claims to loan loss reserve.

Added Consumer Disclosure: PACE assessment may need to be paid off at the time of sale or refinance.

New PACE Legislation Strengthens PACE Consumer Protections

AB 2693 (2016)

- ▶ Closely mirrors federal “know before you owe” laws and disclosures
- ▶ Guarantees a 3 day right to cancel
- ▶ Standardizes clear disclosures and financing terms

SB 242 (2017)

- ▶ Mandates confirmed term calls for all PACE customers
- ▶ Standardized reporting and metrics to state regulators
- ▶ Prohibits kickbacks to contractors for steering customers into a particular program

AB 1284 (2017)

- ▶ Department of Business Oversight- regulator for PACE programs
- ▶ Consumer Ability to Repay
- ▶ Creates strict regulations for contractors within the PACE marketplace

New PACE Legislation

Strengthens PACE Consumer Protections

AB 2063

- ▶ Changes the timing by which a PACE provider must determine an applicant's ability to pay from prior to the recordation of the assessment to prior to the execution of the assessment contract and the home improvement contract.
- ▶ As such, no work can begin and the applicant will have no financial obligation until the PACE provider has verified the applicant's ability to pay.

SB 1087

- ▶ The bill requires the Department of Business Oversight (DBO) to publish a searchable list of contractors that are enrolled to provide PACE services. These contractors must maintain in good standing a license from the Contractor's State License Board (CSLB).
- ▶ It also requires the DBO to list contractors that have been suspended for disciplinary reasons.

SB 465

- ▶ Fire-resistant improvements now eligible for PACE financing in very high fire-severity zones, which includes Placerville and South Lake Tahoe
- ▶ Fire-resistant Improvements may include roofs, siding, windows, eaves/soffits, decks and patio covers.

Competition Makes It Better

- ▶ We are here as the last two programs yet to be approved in El Dorado County.
- ▶ Competition is in the best interest of the county and its residents, as it requires providers to maintain their low rates and encourages all to continue offering great customer service.
- ▶ Due to legislative action and our code of conduct, your residences will not experience any additional robocalls or mailers from PACE providers by allowing additional providers.

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