

CALIFORNIA PACE (RENEWABLE ENERGY) PROGRAMS

CaliforniaFIRST (844) 589-7953

info@californiafirst.org

<http://www.californiafirst.org>

CaliforniaFIRST is an innovative partnership between your county governments and a private financing company that allows you to received upfront funding for energy efficiency, renewable energy and water efficiency improvements for your home or business – and to repay through your property taxes over the course of up to 20 years.

HERO Program – Residential (855) 437-6411

info@heroprogram.com

www.herocommercial.com

The Commercial HERO Program finances renewable energy projects plus eligible energy efficiency and water conservation products for all types of commercial properties.

Figtree PACE (877) 577-7373

<http://www.figtreefinancing.com/contact/>

<http://www.figtreefinancing.com>

Solar, HVAC, Roofing, Lighting, Windows and other energy efficiency or water conservation improvements can be funded through the Figtree program.

AllianceNRG (855) 431-4400

info@AllianceNRG.com

www.allianceNRG.com

The AllianceNRG Program™ offers commercial and residential property owners across California financing for energy efficiency improvements, renewable generation projects, water conservation measures, seismic strengthening and electric vehicle charging infrastructure.

Property assessed clean energy, or PACE, financing allows property owners to fund energy efficiency, water efficiency and renewable energy projects with little or no upfront costs. With PACE, residential and commercial property owners living within a participating district can finance up to 100% of their project and pay it back over time as a voluntary property tax assessment through their existing property tax bill.

Why use PACE financing?

First, by offering up to 100% financing on qualifying improvements, PACE can eliminate the need to pay out of pocket for your project. Second, depending upon the type of improvements installed, repayment may be amortized for a period of up to 20 years, keeping your monthly payments low enough that your utility savings may exceed your payment, creating a net positive cash flow. Third, the interest may be tax deductible. Finally, because PACE ties the loan to the property and not an individual, the loan may transfer upon sale or refinancing of the

property. In other words, you may not need to be concerned about recouping the cost of your improvements if you decide to sell the property before the loan is repaid.

Who can take advantage of PACE?

PACE financing is only available to property owners in certain cities or counties that have adopted a program. In general, PACE programs offer competitive financing terms to property owners with at least some equity in their home or business and have not been delinquent on their property tax or mortgage payments. For further details concerning property eligibility (residential, commercial and municipal) and financing terms, contact the individual PACE provider in your area.

Which property types can access PACE?

PACE financing can be used for residential, commercial or municipal properties, depending on what has been authorized by the local jurisdiction. Publicly owned or non-profit property owners should contact the local commercial PACE provider in your area.

Which cities and counties have PACE programs?

Click on the map to see which cities and counties have authorized PACE. (County PACE programs are available only to unincorporated parts of the county.) Many jurisdictions are working to bring PACE to their area, so be sure to check back for updates.

What products and improvements can be financed with PACE?

Eligible products that can be financed with PACE may vary by individual PACE providers and administrators. In general, most products that can be permanently affixed to a property and reduce on-site electric, gas or water consumption will be considered eligible. Some examples include attic insulation; heating, ventilation and air conditioning replacements; solar photovoltaic and thermal systems; and low-flow toilets. For questions regarding specific product eligibility, contact the individual PACE provider in your area. Often, your project must be performed by a contractor participating in the PACE program to be eligible.

What is the history of PACE in California?

In California, the first commercial and residential PACE programs were established in 2008.

The residential programs soon encountered a significant hurdle. The Federal Housing Finance Agency (FHFA) was concerned that residential PACE assessments had a lien status superior to that of existing mortgages underwritten by Fannie Mae and Freddie Mac. This meant that, in the event of a default, any outstanding PACE assessments (though not the entire amount financed) would be paid off before other liens such as first deeds of trust.

In 2010, Fannie Mae and Freddie Mac stated that they would no longer purchase mortgage loans secured by properties with outstanding PACE loans. This effectively stopped residential PACE programs, with the exception of a few pilot programs.

Since 2010, a number of developments have facilitated a resurgence of residential PACE programs in California – including the passage of state legislation (SB 555), the implementation of legal instruments to address FHFA concerns and disclose the consequence a PACE lien can have on an existing mortgage, and the establishment of a PACE loss reserve program. Many cities and counties now have PACE programs for all three sectors (residential, commercial and municipal).

For more details, read Residential and Commercial Property Assessed Clean Energy (PACE) Financing in California, a report prepared for CSE under the U.S. Department of Energy's Rooftop Solar Challenge Program.