



Local Government Webinar Series

PACE Financing for Local Governments



January 13, 2015



PACE Financing for Local Governments

Welcome



**Jack Clark,
Director of Programs**

- **CSE PACE and Clean Energy Financing Tools**
- **DOE SunShot Rooftop Solar Challenge**
- **Feedback**

PACE Financing for Local Governments

Center for Sustainable Energy (CSE)

- Mission-driven non-profit accelerating adoption of clean energy
- Integrated approach - on the ground market development + barrier reductions
- Local government webinars resources
www.energycenter.org/localgov

PACE Financing for Local Governments

Today's Agenda

Jack Clark
Director of Programs
Center for Sustainable Energy (CSE)



CSE Tools and Resources

Kristina Klimovich
Director, Communications & Market Research
PACENow



PACE Market Overview

Richard Chien
GreenFinanceSF Program Manager
City of San Francisco



**GreenFinanceSF: Commercial PACE Financing
for Clean Energy Upgrades**

Barbara Spoonhour
Director, Energy & Environ. Programs
Western Riverside Council of Governments



**Home Energy Renovation Opportunity
(HERO) Program Overview**

Cory Downs
Conservation Specialist
City of Chula Vista



PACE in Chula Vista

Q&A



CSE and Clean Energy Financing

Tools and Resources for Local Governments



*Jack Clark, Director of Programs
Center for Sustainable Energy*

CSE's Financing Role

- Work on the ground with local governments and regulatory agencies to increase the adoption of clean energy technologies
- Funding statewide from the DOE Rooftop Solar Challenge and Local Government Partnership in San Diego
- Unbiased center for information, education and technical assistance

PACE Resources

The screenshot shows the website for the Center for Sustainable Energy. The main heading is "Property Assessed Clean Energy (PACE) Programs". Below the heading, there is a search bar for "Search Jurisdiction" and a map of California. The map is color-coded by the number of PACE providers in each jurisdiction, with a legend on the left showing 0 (white), 1 (light red), 2 (red), and 3 (dark red). A pop-up window for San Diego County lists the PACE Provider as CaliforniaFIRST and the PACE Program as HERO Program - Renovate America. The page also includes a sidebar with "POLICY" resources, an "UPCOMING EVENT" section for a webinar on "PACE Financing for Local Governments" on January 13, 2015, and a "PACE FINANCING IN CALIFORNIA" section with a photo of solar panels.

- California PACE Map
- Events
- PACE Policy Document

www.energycenter.org/PACE

Other Financing Resources

Clean Energy Financing Programs Database

Clean Energy Financing Programs

The Energy Financing Programs Database is an online resource to identify and compare different energy financing programs in California. Simply use the drop-down boxes below to narrow your search for financing programs by technology, sector, or type of financing.

This page is managed and maintained by CSE for informational purposes. We recommend using this page to find available financing programs in your region, then contacting the program administrators to see if a particular program is right for you. Financing programs vary greatly depending on project characteristics; therefore CSE does not endorse any financing programs above other programs.

Search By

Technology **Sector** **Type of Financing**
- Any - - Any - - Any -
Items per page
10
Apply

Financing Program	Sector and Technology	Financing Program Details	Notes	Website / Contact
ABX 114 (CAEATFA) Loan Loss Reserve	Residential <i>Solar PV, Energy Efficiency, Other Renewables</i>	Type of Financing: Secured or Unsecured Finance Rate: TBD by Vendor Min/Max Amount: TBD by Vendor Terms: TBD by Vendor	All projects must demonstrate a 10% reduction in total property energy use through energy efficiency in order to qualify for financing Solar improvements	website 916-651-5105
Admiral's Bank - Solar StepDown Loan	Residential <i>Solar PV, Energy Efficiency</i>	Type of Financing: Unsecured Finance Rate: TBD Min/Max Amount: \$0 / \$25000 Terms: TBD	These non-equity based solar loans are intended for customers seeking financing for renewable home energy projects, such as solar, energy efficiency, small wind and geothermal systems where credits, rebates and/or incentives are available. Qualifying renewable energy projects may be paired with other general home improvements, including roofing, window, energy efficiency solutions, garages and much more.	website 800.715.8472
Admiral's Bank - Solar StepDown Loan	Residential <i>Solar PV, Energy Efficiency, Other Renewables</i>	Type of Financing: Unsecured Finance Rate: TBD Min/Max Amount: \$0 / \$25000 Terms: TBD	These non-equity based solar loans are intended for customers seeking financing for renewable home energy projects, such as solar, energy efficiency, small wind and geothermal systems where credits, rebates and/or incentives are available. Qualifying renewable energy projects may be paired with other general home improvements, including roofing, window, energy efficiency solutions, garages and much more.	website 800.715.8472

Regional Financing Committees

- Share information on new financing products and barriers to adoption
- Interact directly with financing institutions, PACE providers, contractors and local governments.
- Starting a committee in Los Angeles, looking for steering committee members

Thank You!

Resources


www.energycenter.org/financing

Contact:

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Senior Manager

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Kristina Klimovich
Director, Communications and Market Research
PACENow



SIMON | PROPERTY GROUP

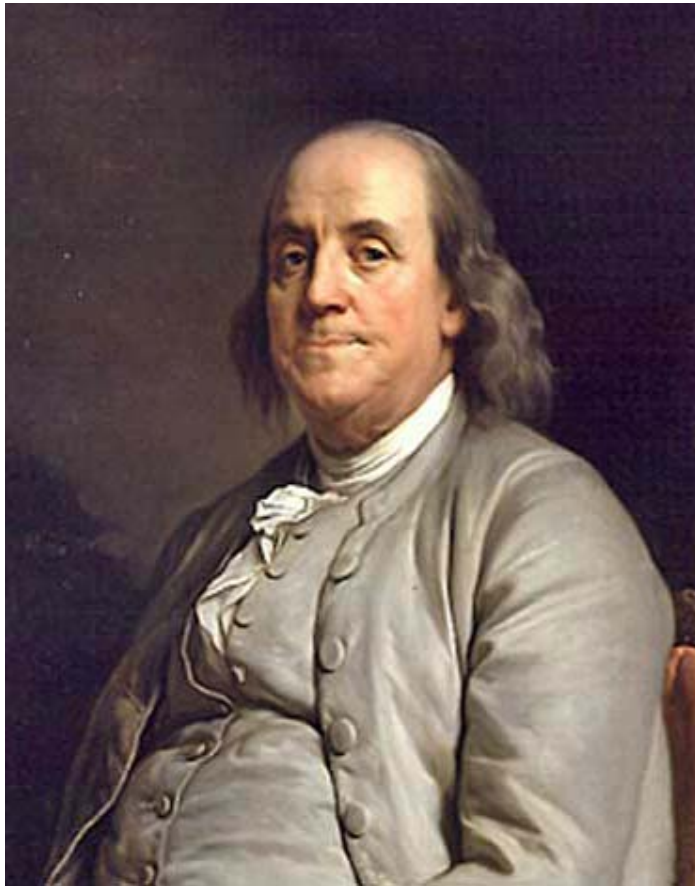


PACE Market Overview

January 13, 2015

OLD CONCEPT

Local Government Financing – Public Purpose Goal



1736 – First Assessment District in Philadelphia

Today – 37,000 Assessment Districts nationwide

PACE – HOW IT WORKS

Three Basic Steps



Step 1: Framework



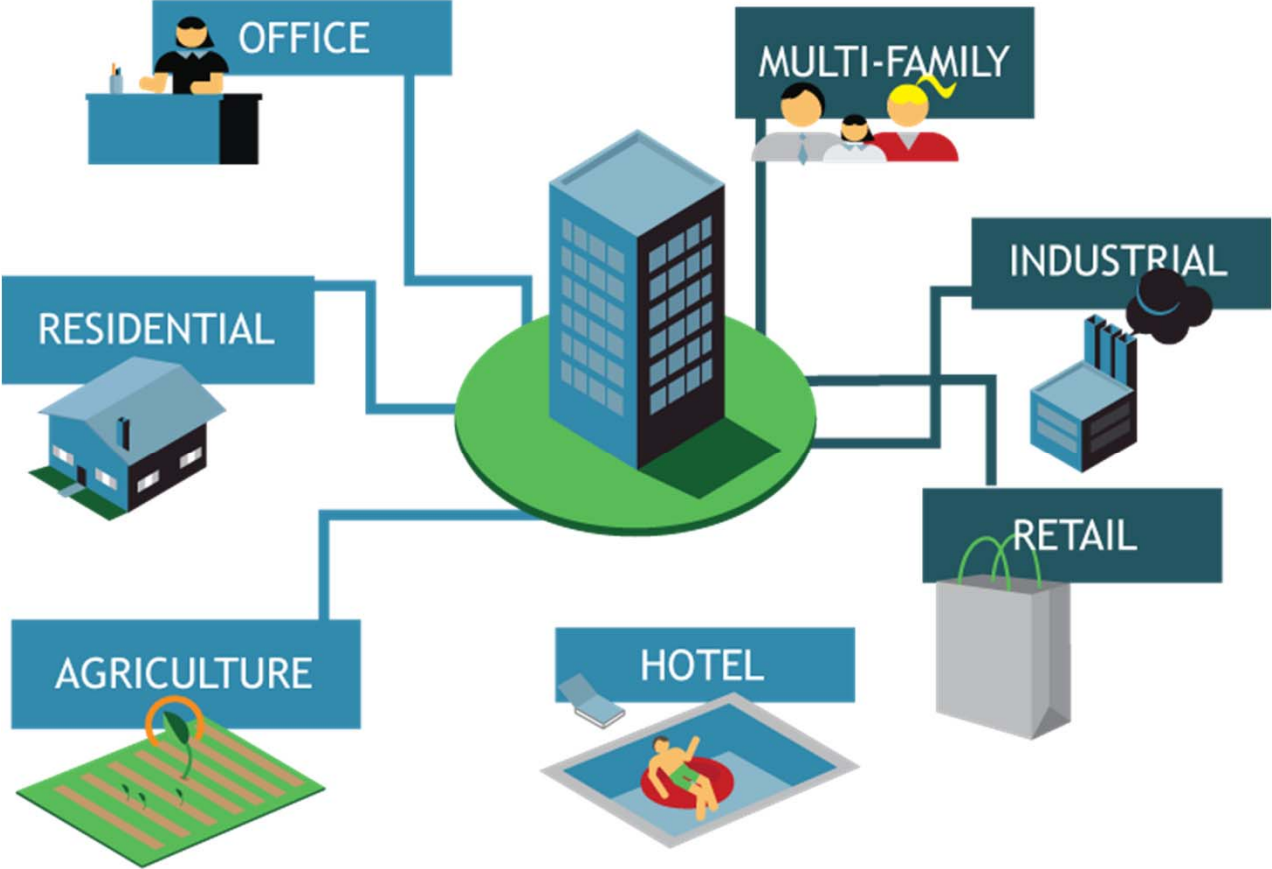
Step 2: Project



Step 3: Financing

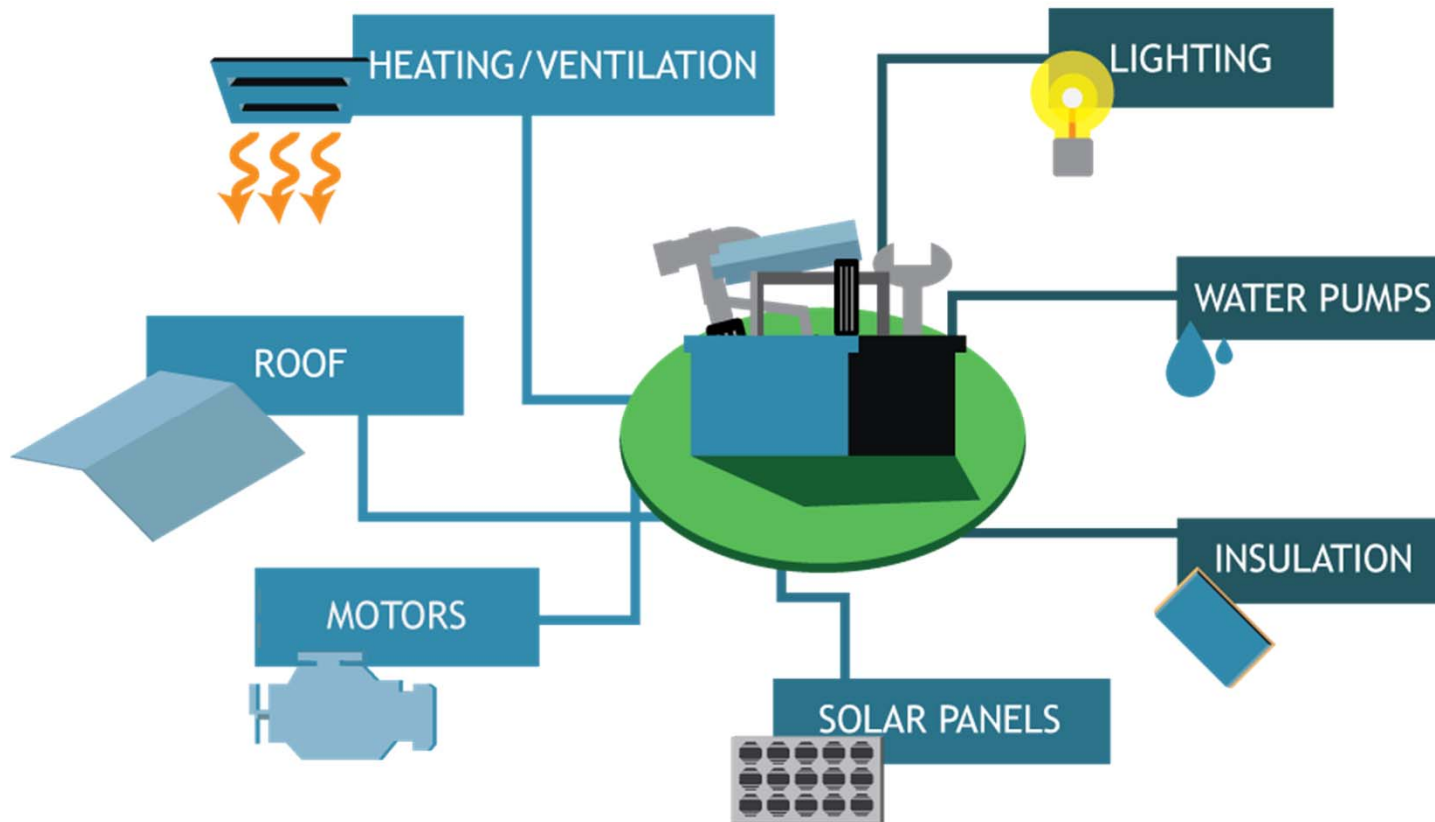
WHO CAN USE PACE?

Almost Any Building



WHAT FOR?

Projects that Save or Generate Energy



WHY PACE?

Three reasons



Saves Money



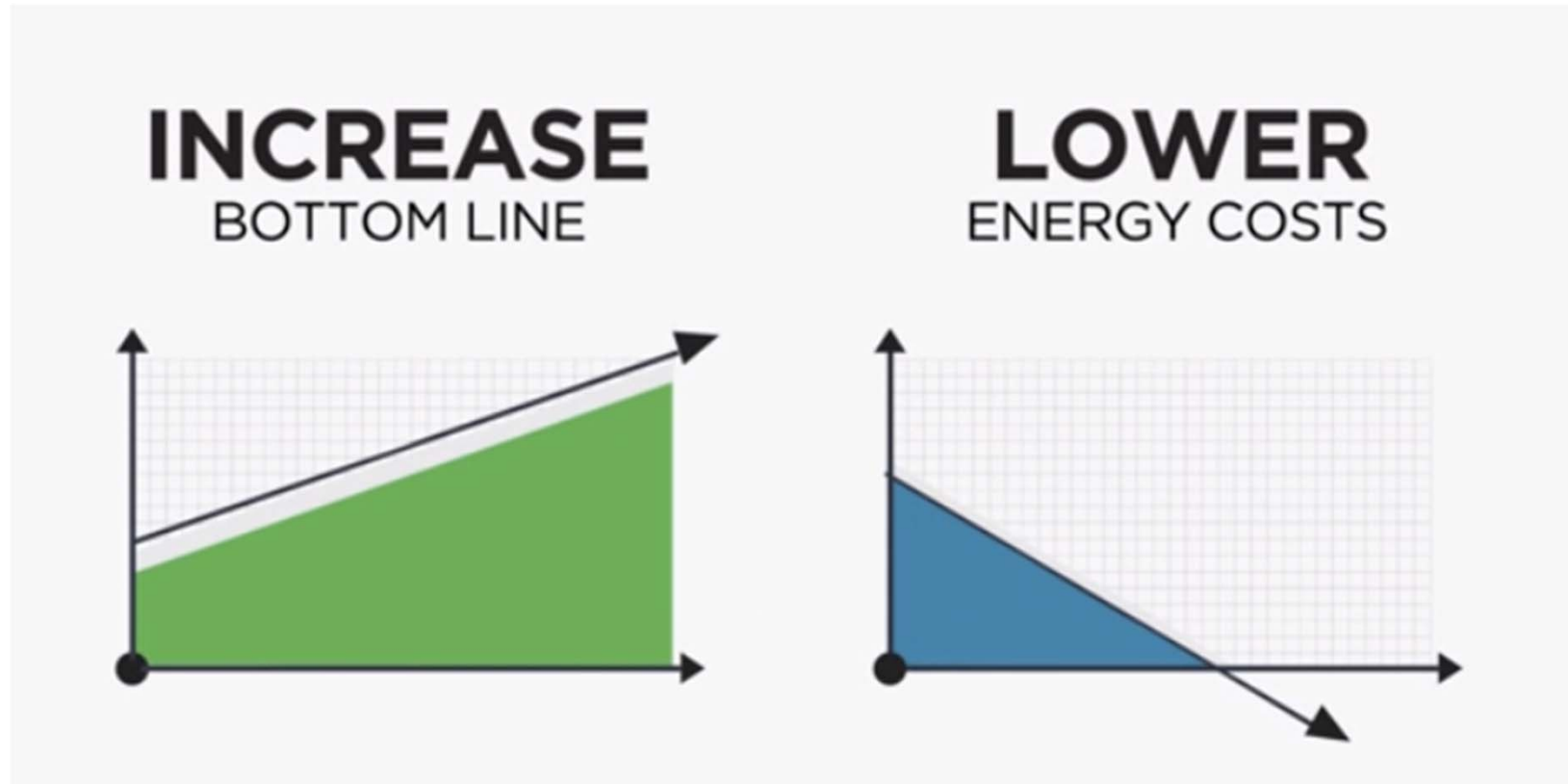
Creates Local Jobs



Helps the Environment

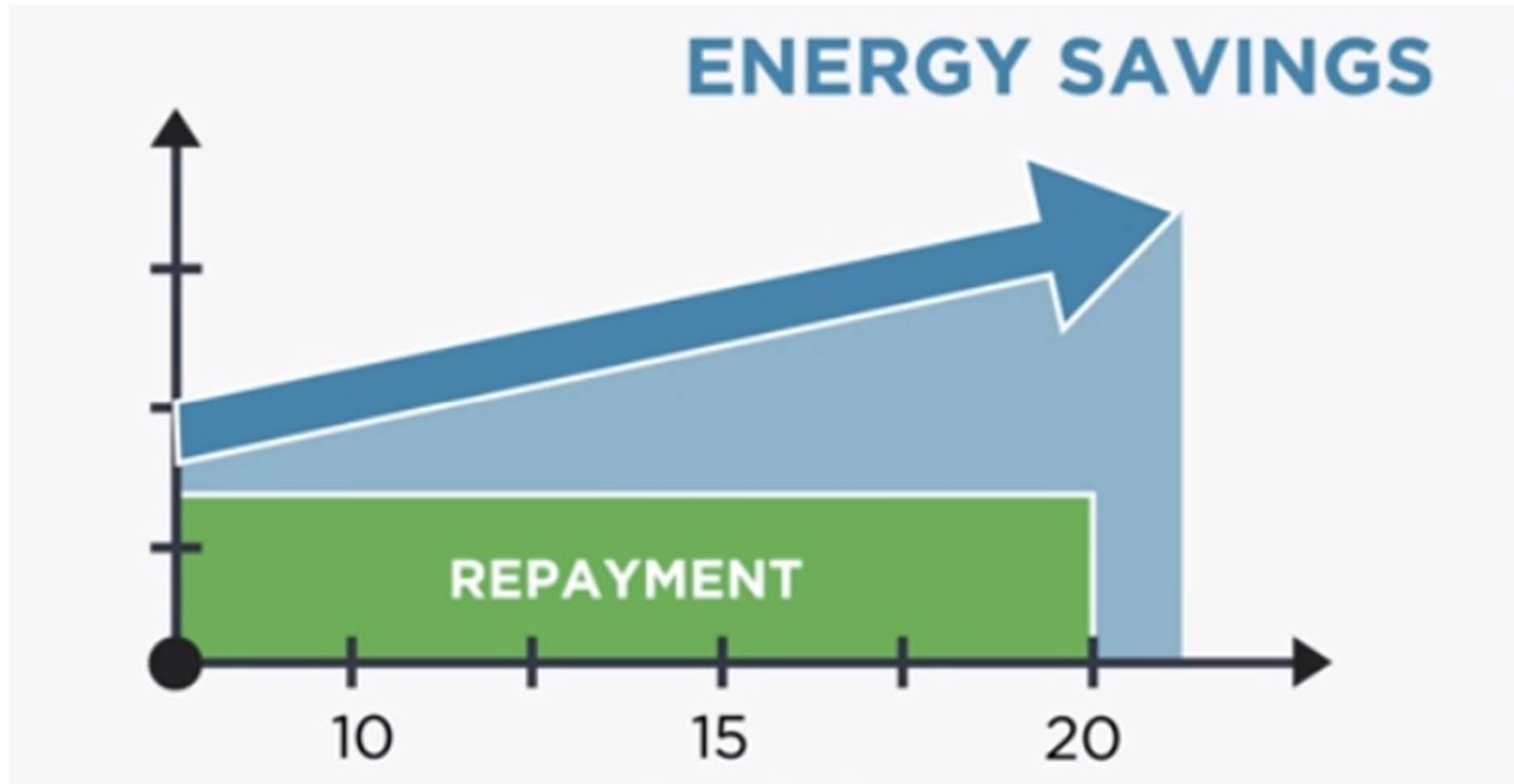
WHY PACE?

The Bottom Line: Increased Building Value



WHY PACE?

100% Funding with Long-Term Payback



WHY PACE?

Share Costs with Tenants



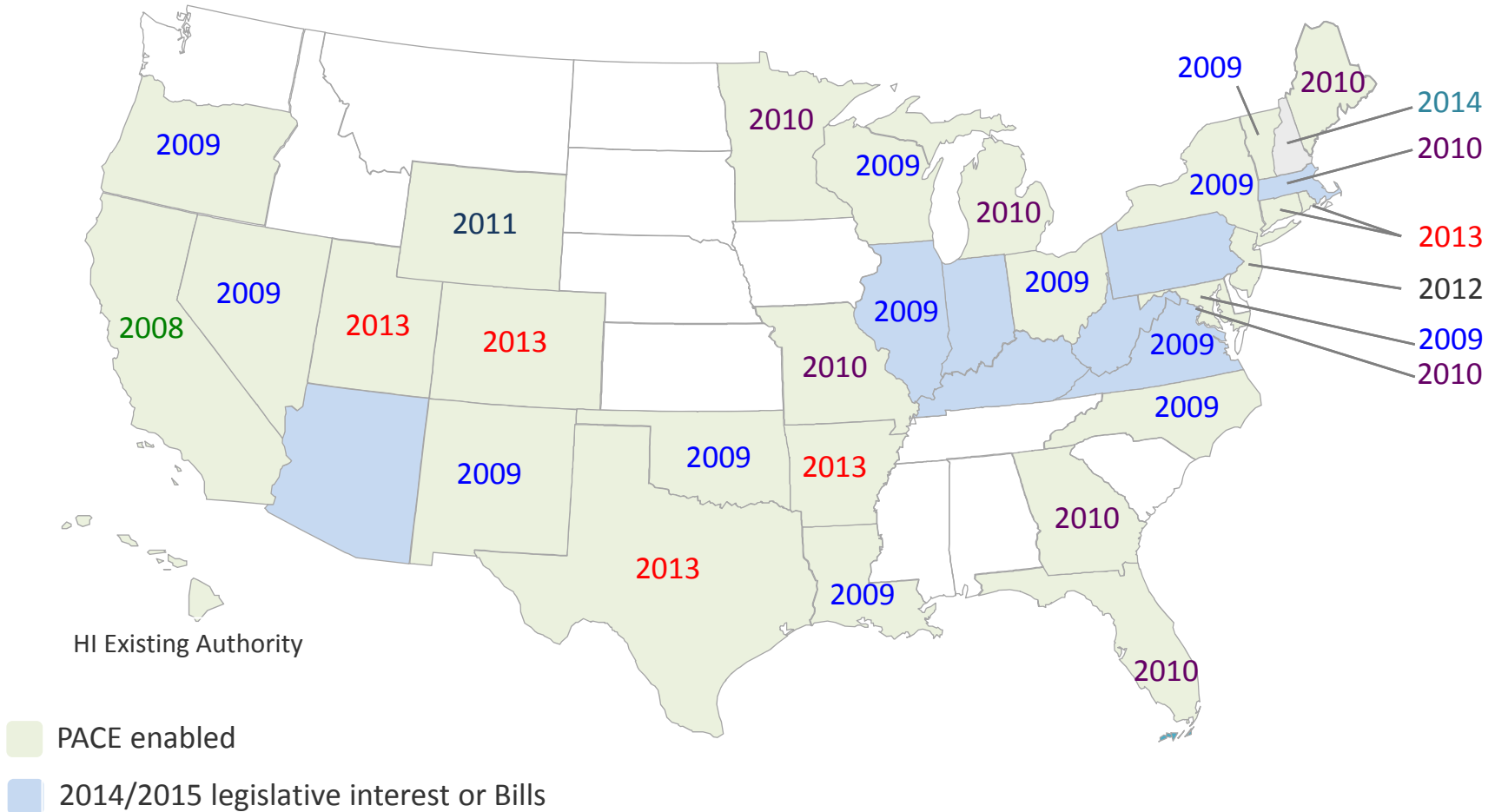
WHY PACE?

Stays with the Property Upon Sale



PACE TAKES OFF

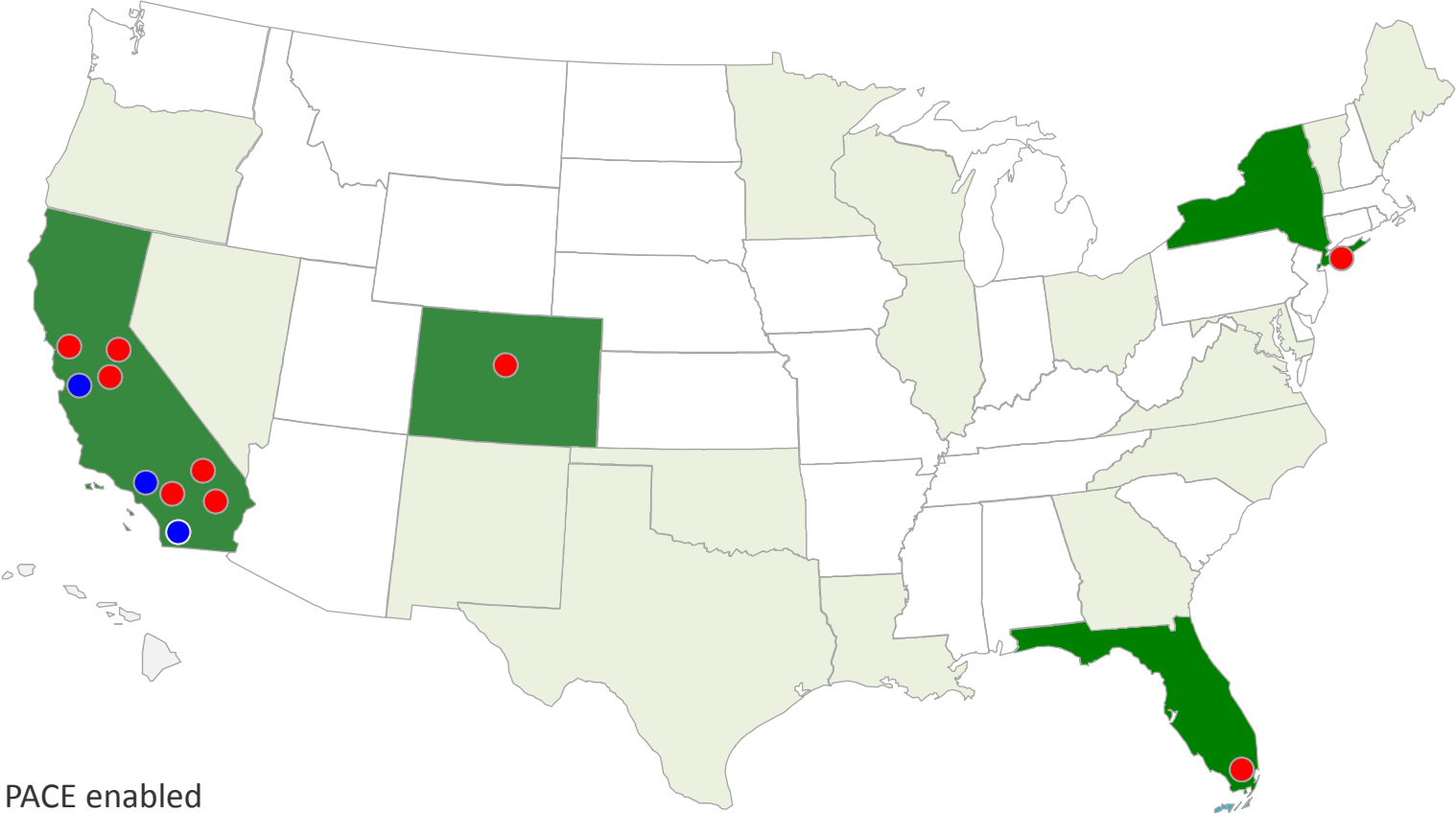
31 states and DC - 80% of US population



RESIDENTIAL

RESIDENTIAL PACE TODAY

25,000+ Homes - \$500+ million

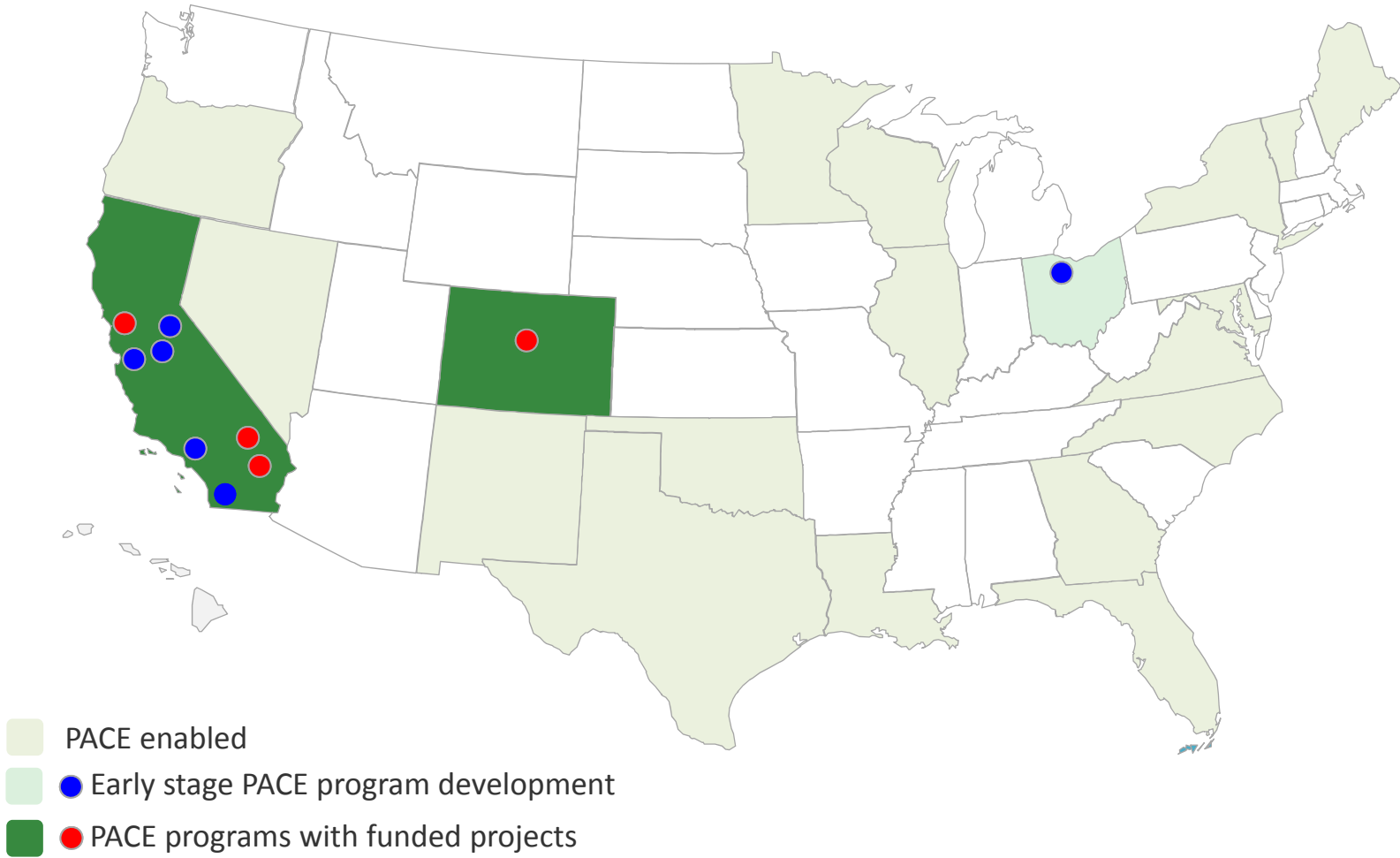


- PACE enabled
- Early stage PACE program development
- PACE programs with funded projects

COMMERCIAL

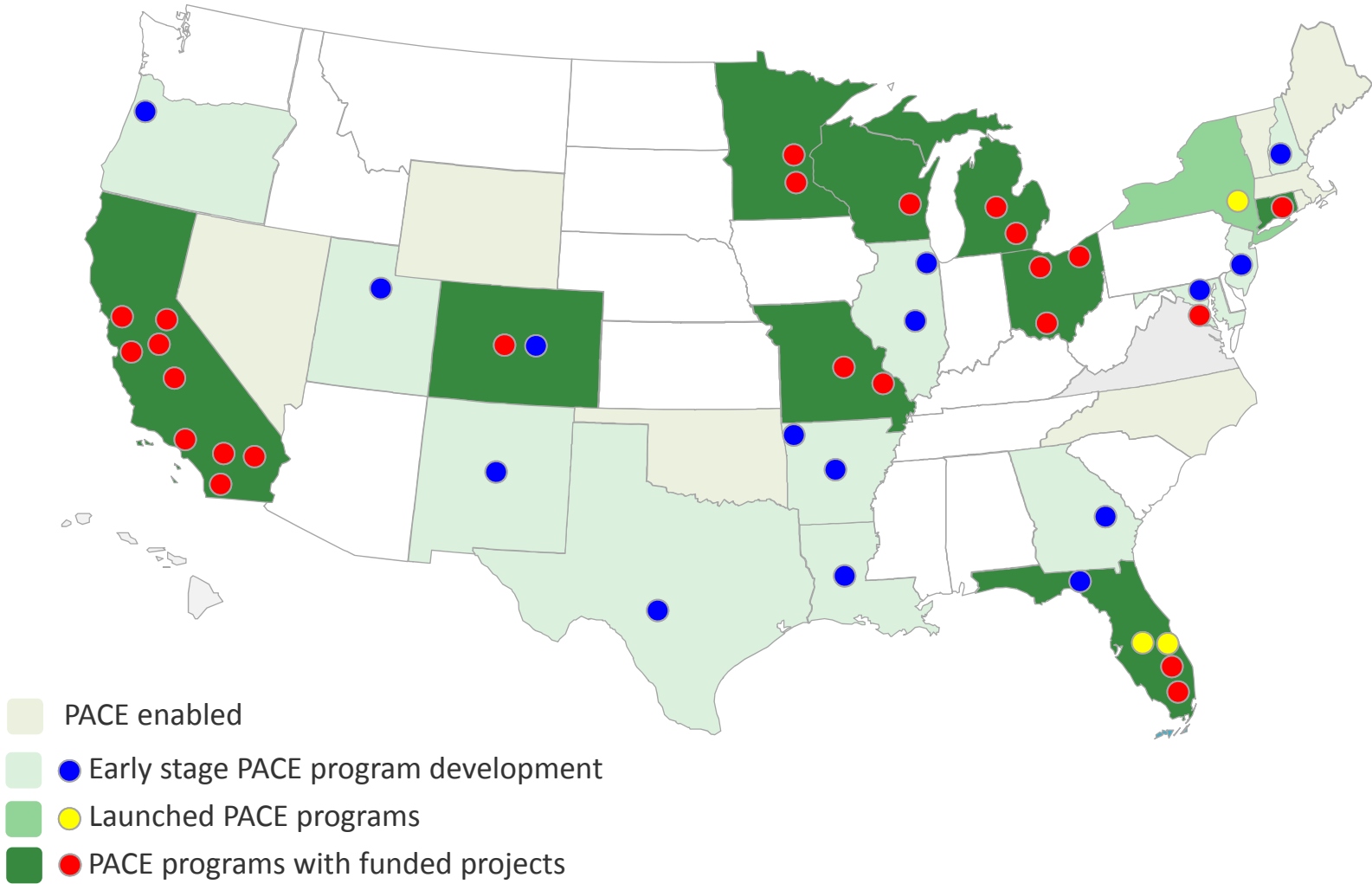
JUNE 2010

27 Projects completed - \$5 mil



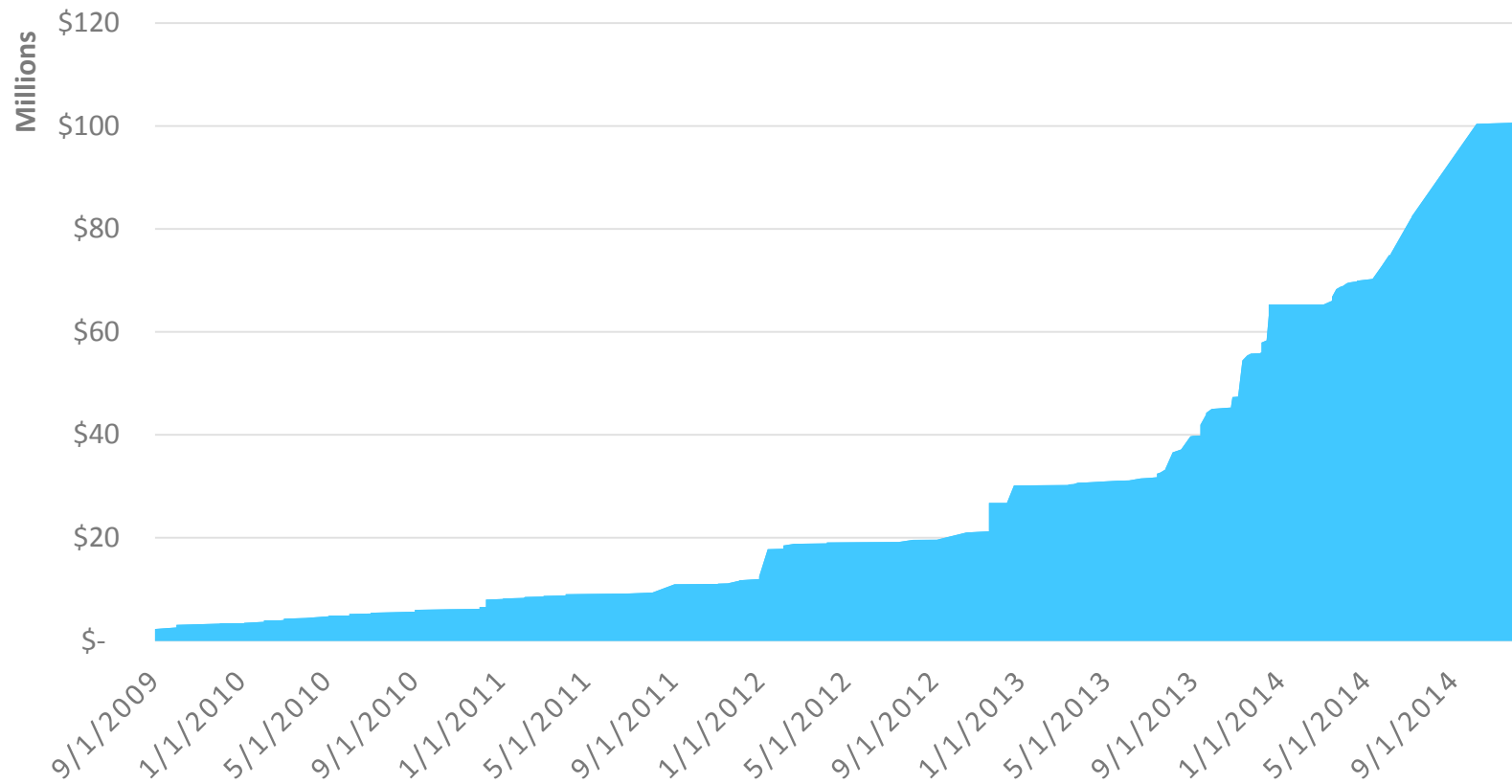
PACE PROGRAMS TODAY

300+ Projects \$100 mil Closed – Pipeline of \$400+ mil



PACE COMMERCIAL MARKET STATS

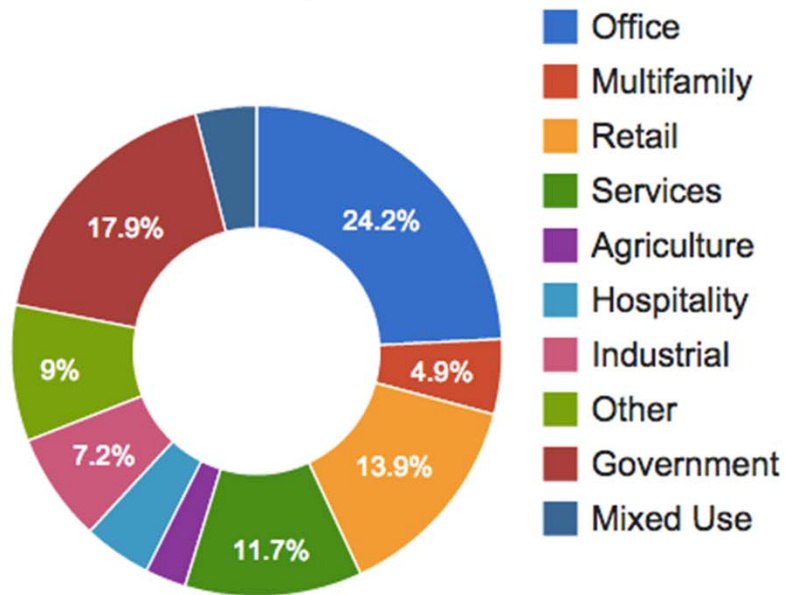
Cumulative Financing



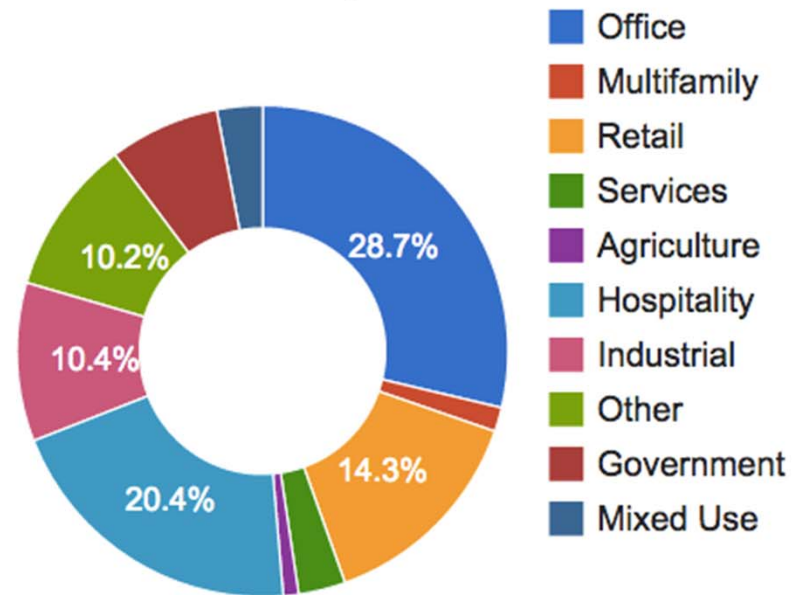
PACE COMMERCIAL MARKET STATS

Broad Applicability

NUMBER OF PROJECTS, BY BUILDING TYPE



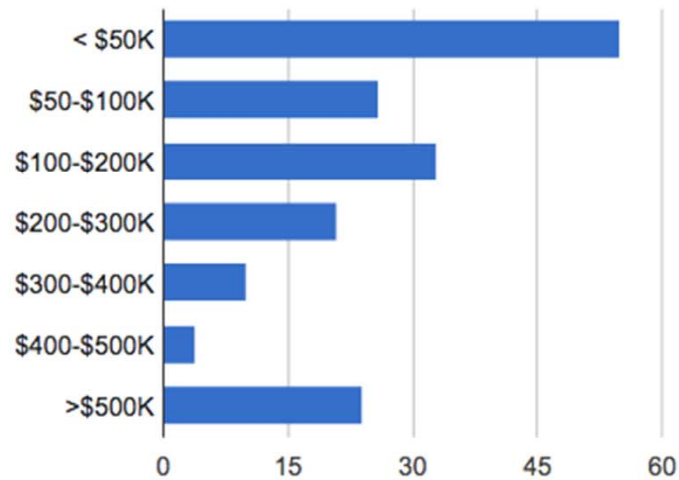
\$ AMOUNT OF PROJECTS, BY BUILDING TYPE



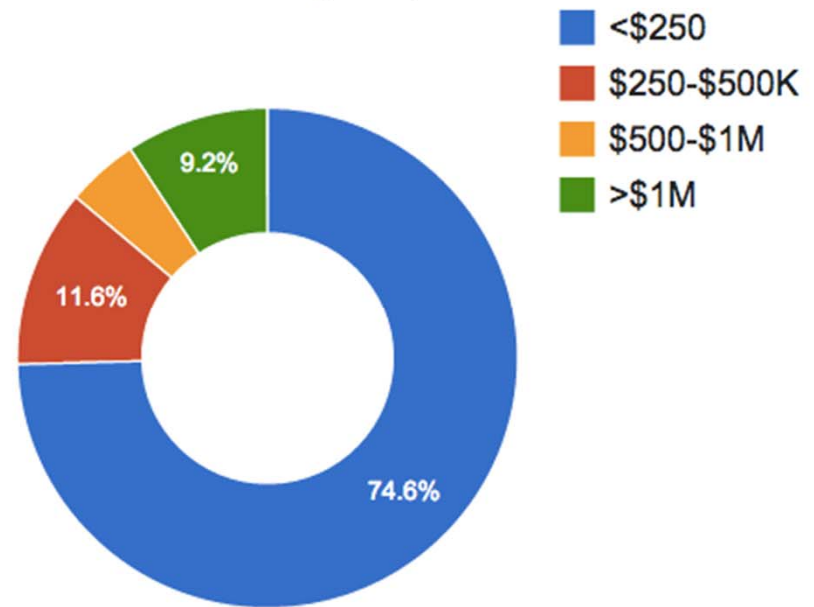
PACE COMMERCIAL MARKET STATS

Broad Applicability

NUMBER OF PROJECTS, BY SIZE



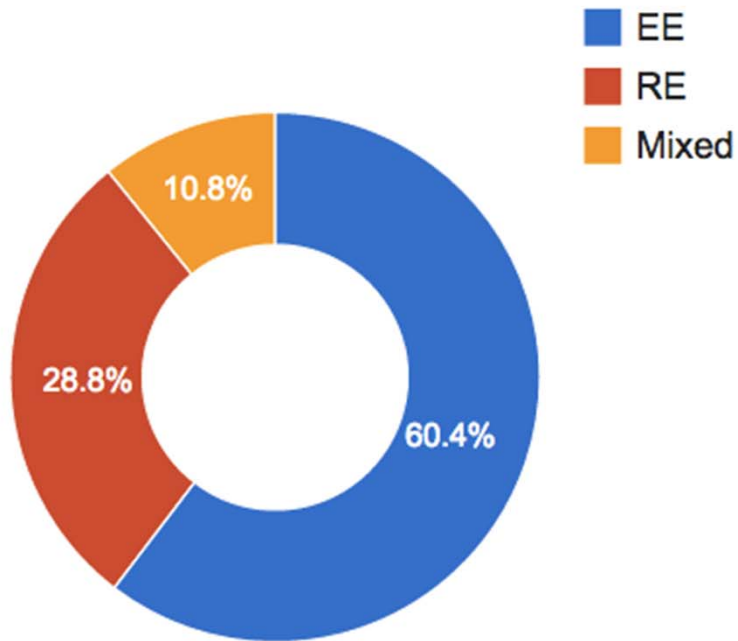
NUMBER OF PROJECTS, BY SIZE



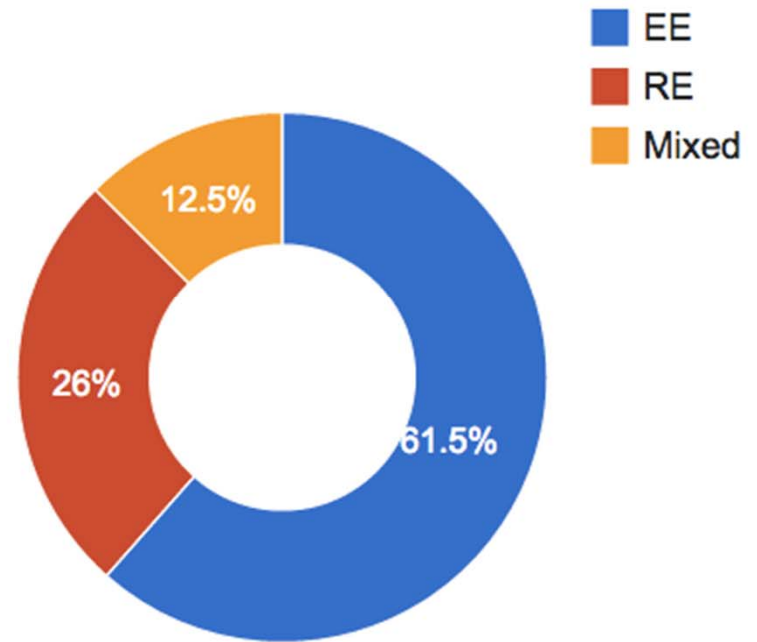
PACE COMMERCIAL MARKET STATS

Broad Applicability

NUMBER OF PROJECTS, BY TYPE OF UPGRADE



\$ AMOUNT OF PROJECTS, BY TYPE OF UPGRADE



SIMON PROPERTY GROUP – GREAT LAKES MALL, OH

\$3.4 mil Energy Efficiency – Multi Project



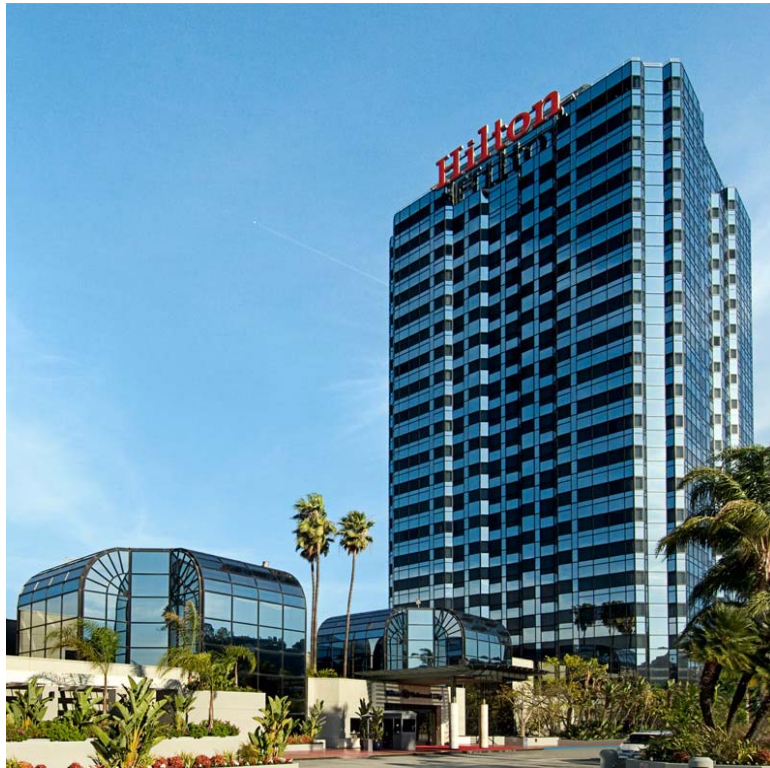
“We hope to serve as pioneers in this arena, encouraging others to explore the many ways to reduce energy use now, rather than delaying sound financial and environmental decisions.”

George Caraghiaur, former SVP for Sustainability at Simon Property Group

SIMON | PROPERTY GROUP

HILTON LOS ANGELES/UNIVERSAL CITY, CA

\$7 mil Energy & Water Efficiency – Multi Project



“PACE is the only funding mechanism that is credible in providing verifiable information to our investors, and therefore is the ideal tool for us to move forward in becoming the gold standard in sustainable hotels.”

Mark Davis, Hilton Los Angeles/Universal City General Manager.



C-PACE CONNECTICUT - NORWALK CENTER

\$185,000 Lighting Upgrades



“One of our first projects in 2013 was this Norwalk property, a family owned shopping center whose owner found that PACE was ideal to finance energy efficiency and renewable energy improvements.”

Jessica Bailey, CEO, C-PACE Program



MORE PACE MARKET SUCCESS STORIES

Visit www.pacenow.org

YouTube



\$6.8 million PACE Project: dusic2D2 costance pasadena hotel renovation

Largest Commercial PACE Project in the U.S.
The Hilton Los Angeles/Universal City completes \$7 million upgrade



The Site and Project Idea

Hilton Los Angeles/Universal City is located within walking distance of several major film studios, the Universal Citywalk Hollywood shopping and entertainment center, and Universal Studios Hollywood theme park, which attracts more than six million visitors a year. Its proximity to world-class attractions makes the Hilton Los Angeles/Universal City hotel especially popular and challenges management to adhere to the highest hospitality standards.

This 23-story building has nearly 500 guest rooms, a top floor presidential suite, and 32,000 square feet of flexible meeting space. There are several public courts and gardens surrounding the property and banquet facilities located above a three-story hillside parking garage. Additional amenities include a lobby bar and restaurants, an outdoor pool, business center, and a fitness facility.

Milwaukee, WI: \$662,000 Retrofit of a Landmark University Club Building

The University Club building, situated in downtown Milwaukee, underwent a comprehensive \$1.9M renovation. Property Assessed Clean Energy funded \$662,000 worth of energy efficiency improvements, including balancing the building's airflow with new makeup air units, updating the HVAC system, replacing all lights, repairing steam traps and windows. This project resulted in an estimated \$1.34 million worth of savings over the course of 18 years. "PACE represents an excellent public/private partnership where improvements are funded with private capital, but repaid through a special charge on the tax bill," said Julie Tolan, President of the University Club Board. "In this case, the value to the University Club was long term, low cost capital to reduce operating costs while simultaneously supporting the club's strategic plan."



Universal City, CA: The Hilton Los Angeles/Universal City completes \$7 million upgrade

"The interest and commitment to sustainable energy and saving earth resources are largely due to being informed. It was a great opportunity to share how easily PACE empowered our decision to commit to this responsible effort on our journey to improve the property's saving of valuable resources. We are indeed grateful for the professionals who supported and collaborated in making this project a reality," Hilton's general manager, Mark Davis notes.

Hilton Los Angeles/Universal City is located within walking distance of several major film studios, the Universal Citywalk Hollywood shopping and entertainment center, and Universal Studios Hollywood theme park, which attracts more than six million visitors a year. This 23-story building has nearly 500 guest rooms, a top floor presidential suite, and 32,000 square feet of flexible meeting space. There are several public courts and gardens surrounding the property and banquet facilities located above a three-story hillside parking garage.



Chico, CA: Figtree Financing rooftop solar industrial building upgrade

The industrial building, located in Chico, CA, was eligible for Property Assessed Clean Energy (PACE) financing. All commercial building owners in Chico, Butte County, and an expanding area across California, can choose to use Figtree PACE financing to pay for energy efficiency, renewable energy, or water conservation improvements over a period of 20 years. The building, constructed in 2009, did not require energy efficiency upgrades, however, given the substantial roof space, solar PV was a valuable solution. While the building owner was familiar with solar financing options and aware of the benefits, he was looking for an effective and time sensitive solution to take advantage of solar incentives before the end of 2013.



PACE in 90 Seconds

What is PACE Financing?



LOCAL PACE PROGRAM

f t in y

THANK YOU

Visit www.pacenow.org



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Richard Chien
GreenFinanceSF Program Manager
City and County of San Francisco

GreenFinanceSF

Commercial PACE Financing for Clean Energy Upgrades

Center for Sustainable Energy
January 13, 2015



Rich Chien, City and County of San Francisco

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PACE solves commercial barriers



Barriers to EE Upgrades

Solutions

Lack of funding	➤ Unlimited external private capital; preserve internal capital for core business
Debt capacity issues	➤ PACE may be treated as off balance sheet*
Termination Risk/Plan to Sell	➤ Assessment payments and benefits assumed by new owner upon sale
Insufficient payback/ROI	➤ Extended terms, positive cash flow year 1
Split incentives	➤ Assessment and savings can be shared with tenants (taxes as op-ex)
Regulatory compliance	➤ Funds necessary upgrades, can be partially paid through energy savings
Uncertainty of savings, lack of technical expertise	➤ Guarantees, insurance, M+V “Investor Confidence Project”

GreenFinanceSF Basics



- Launched November 2011
- Mello-Roos Community Facilities District Act 1982 (“special tax bonds”).
- Open Market C-PACE: City & County of San Francisco acts as conduit issuer to private investors.
- ARRA grants for debt service reserve fund (DSRF), and other approved administrative expenses.
- Collaboration and information sharing with Los Angeles Commercial PACE program and Clinton Climate Initiative/C40.
- Extensive outreach with property owners/managers, energy service providers, contractors, capital providers, mortgage lenders, and active and emerging PACE programs around the country.

GreenFinanceSF Features



- Program Flexibility
 - Multiple capital providers can compete to finance a wide range of buildings and projects
 - Owner-occupied or multitenant office; retail; industrial/warehouse; nonprofit-owned
 - Energy efficiency, on-site renewable energy, water conservation
 - Financing terms customized for each transaction (interest rate and other terms)
 - Publicly-owned properties are eligible
 - Leasehold interests can serve as security
 - Could eventually offer to new construction projects

Eligible Properties



- Program underwriting requirements
 - Non-residential use, includes nonprofits
 - Property located in City & County of San Francisco
 - Title search to confirm eligibility and ownership
 - Equipment/materials permanently affixed to property
 - Currently pay (or be eligible to pay) property taxes
 - Current on mortgage debt and property taxes
 - No recent defaults, bankruptcies or late property taxes
 - Debt limit: total debt (+ PACE) cannot exceed FMV (+value of PACE improvements)
 - Assessed or recently appraised value of property
 - Lienholder affirmative acknowledgement of PACE assessment
- PACE Lender may have additional requirements

Eligible Improvements



- Permanently affixed to property
- Common and custom EE, RE, WC measures*
- Professional energy audit
- RE projects to be paired with 10% EE (for ARRA-supported projects only)
- No effect on ability to take advantage of applicable incentive/rebate programs
- Use of ENERGY STAR Portfolio Manager
 - Free service to track and benchmark energy usage
 - Comply with “Existing Commercial Buildings Energy Performance Ordinance”



**EE=Energy Efficiency, RE=Renewable Energy, WC=Water Conservation*

Types of Projects



- Examples of eligible upgrades:
 - HVAC upgrades
 - Retrocommissioning
 - BAS / BMS / EMS installation / upgrade
 - High-efficiency lighting fixtures & lamps
 - Occupancy & daylighting sensors
 - Building envelope upgrades (roof, windows, insulation)
 - Elevator modernization
 - Distributed Generation (solar PV or fuel cells)
 - Water conservation upgrades (fixtures, etc.)
- Big-ticket measures with longer paybacks are ideal (combine with short payback measures)



Case Study: Prologis



Pier 1, San Francisco

- \$1,400,000 PACE bond purchased by Clean Fund
- Johnson Controls Inc. developed turn-key whole building energy solution
- HVAC + lighting + 200kW rooftop solar = 32% demand reduction (\$98,000/year)
- Annual assessment = projected energy savings



Case Study: mixed-use renovation



- \$1,800,000 PACE bond purchased by Clean Fund; closed 11/24/14
- High efficiency HVAC equipment and systems upgrades, envelope improvements (doors, insulated skylights and window systems; exterior insulation at walls and roof, lighting), water conservation upgrades.
- More details coming soon...



Existing Commercial Buildings Task Force

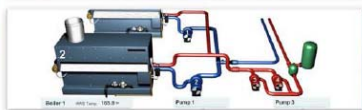


Mayor's Task Force
on
Existing
Commercial
Buildings



Final Report and
Recommendations For
The City and County of
San Francisco

December 2009



Scope

- Existing Commercial

Composition

- Owners' Representatives
- Property Managers
- Contractors
- Operators
- Engineers
- Architects
- Finance
- Utilities

The Task

- Cost effective energy savings
- Minimum costs
- Measureable

ECB Energy Performance Ordinance



3 year phase-in: 2011-2014

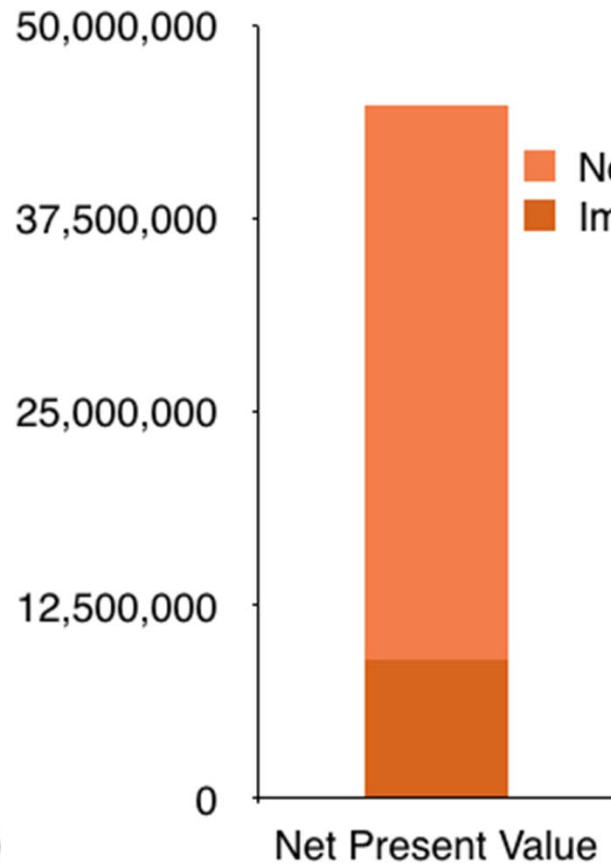
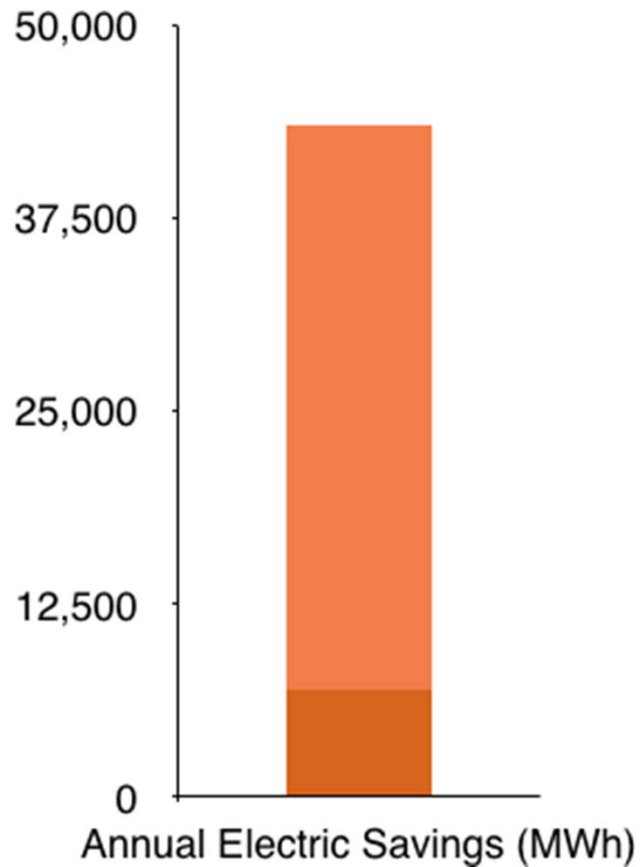
Mandatory:

- Benchmarking + limited public disclosure (annual)
- Energy audit or retrocommissioning (every 5 years)

Voluntary:

- Capital improvements
- Operations and calibration
- Tenant engagement
- Financing & incentives

Audits: Uncovering Value of the first 26M sq feet audited:



Not Yet Implemented
Implemented

Assumptions:

- 6% discount rate
- 0% utility cost escalation
- Period = Expected Useful Life

The Investor Confidence Project



What: ICP standardizes the EE origination process

Why: Because standardized *Investment Ready* projects:

- **increase** investor confidence in project returns
- **reduce** complexity in bringing projects to market



www.eepformance.org





Thank You

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Barbara Spoonhour
Director, Energy & Environmental Programs
Western Riverside Council of Governments

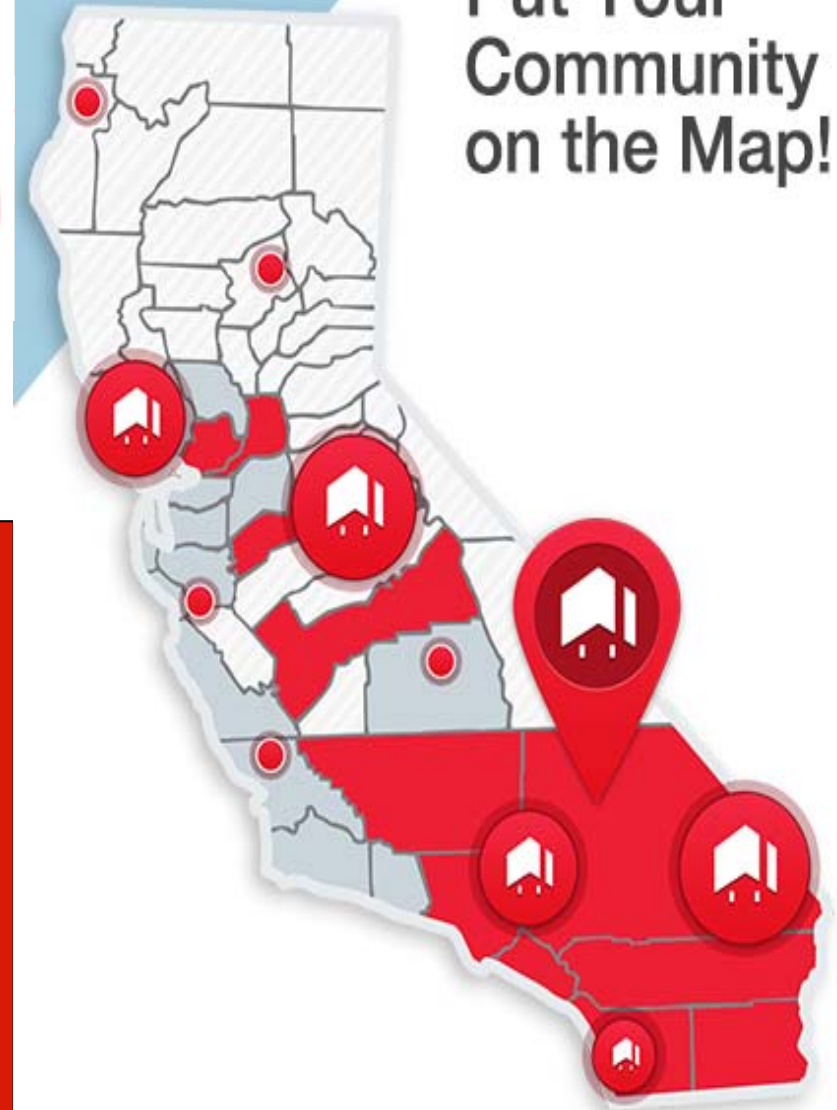


HERO is the leading

ENERGY EFFICIENT FINANCING

program in the nation.

Put Your
Community
on the Map!



The HERO Program: Saving energy and water through property retrofits

- ✓ HERO is a residential and commercial Property Assessed Clean Energy (PACE) Program
- ✓ Authorized by state law (AB 811 and AB 474)
- ✓ Allows jurisdictions to offer financing to property owners for the purchase and installation of energy efficiency, renewable energy, and water conservation improvements
- ✓ Financing to property owners is repaid over time through voluntary annual assessments on the property tax bill



Benefits to property owners

- ✓ Provides access to financing that might not be available through traditional means such as equity loans, etc.
- ✓ Provides “no-money-down” approach to financing improvements
- ✓ Provides savings on utility bills
- ✓ Payment stays with property (in most cases)

Benefits to participating jurisdictions

- ✓ **Economy** Creates / maintains construction-related jobs
- ✓ **Energy** Reduces / delays the need for costly construction of energy generation / transmission facilities
- ✓ **Environment** Improves air quality and reduces greenhouse gas emissions
- ✓ **Financial** No local jurisdictional debt;
funding is self-replenishing

Who qualifies to participate?

- ✓ Property owners may be individuals, associations, business entities, cooperatives, non-profits
- ✓ Bottom line: Any qualifying owner paying property taxes
 - ✓ have clear title to property
 - ✓ be current on property taxes
 - ✓ be current on mortgage payments
 - ✓ have some equity in the property
 - ✓ no bankruptcies
 - ✓ lender consent (commercial only)

How does it work for the property owner?

- ✓ It's a voluntary program
- ✓ Property owners apply for Program coverage and select improvements desired
- ✓ If approved, property owner enters into contract with administrator; all up-front costs are paid and assessment lien is placed on property
- ✓ Property owner / subsequent property owner repays through property tax assessment over a period of years

Program costs

- ✓ One time upfront Administration Fee: 6.95%
- ✓ (Similar to closing costs)
- ✓ Annual Administrative Fee: \$35 Residential and \$385 Commercial
- ✓ Terms: 5, 10, 15, 20, 25 years
- ✓ Interest rates: 5.95%, 7.95%, 8.75%, and 8.95% Residential
- ✓ 6.25% to 6.75% Commercial
- ✓ Minimum assessment amount: \$5,000
- ✓ Maximum is 15% of property value up to \$700k, 10% after
- ✓ No prepayment penalties

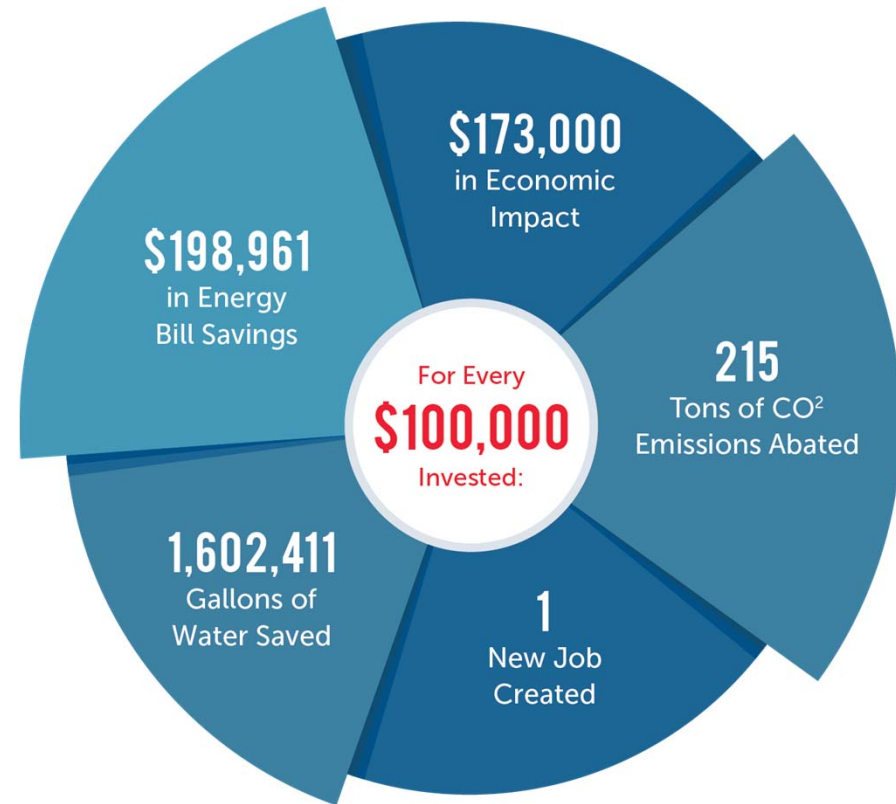
Impacts

Economic Stimulus

- ✓ Lower Utility Bills
- ✓ New Job Creation
- ✓ Increased Property Values

Environmental Benefits

- ✓ Reduced CO2 Emissions
- ✓ Decreased Energy Consumption
- ✓ Substantial Water Savings



Examples of eligible improvements

- ✓ Heating and air conditioning
- ✓ Cool roofs
- ✓ Natural gas storage water heater
- ✓ Tankless water heater
- ✓ Windows and glass doors
- ✓ Outside irrigation
- ✓ Insulation
- ✓ Window filming
- ✓ Home sealing
- ✓ Lighting control systems
- ✓ Solar thermal systems (hot water)
- ✓ Solar thermal systems for pool heating
- ✓ Photovoltaic systems
- ✓ Low flush toilets

Updated consumer protection policy

- ✓ Registered Contractors
- ✓ CSLB Confirmation, Insured, Bonded
- ✓ Contractor Training
- ✓ Identity Verification
- ✓ In Good Standing
- ✓ Product Eligibility Check
- ✓ Fair Pricing
- ✓ Permits Required
- ✓ Terms Confirmation
- ✓ Paid Upon Job Completion
- ✓ Dispute Resolution



Protections for the elders and non-English speaking

Target Homeowner Groups: Elders (homeowners 64+ or diminished capacity) and Non-English speaking

- ✓ When an Application is submitted, the system automatically flags the file.
- ✓ Homeowners required to verbally 'confirm terms' before Notice to Proceed is issued. The Confirm Terms call includes additional questions about project scope and financing.
- ✓ Homeowners are required to verbally 'confirm work complete' before project will be funded.
- ✓ Pricing must be within tighter than normal controls (e.g., 1 std. from the mean).
- ✓ Consumer Agreement between contractor and homeowner may be required to be submitted to confirm scope of work.

Results *(California HERO)*

- ✓ Launched in 137 jurisdictions
- ✓ Additional 48 jurisdictions to launch in March 2015

Approved apps: 12,200+

Approved financing: \$796,700,000+

Projects completed: 4,652

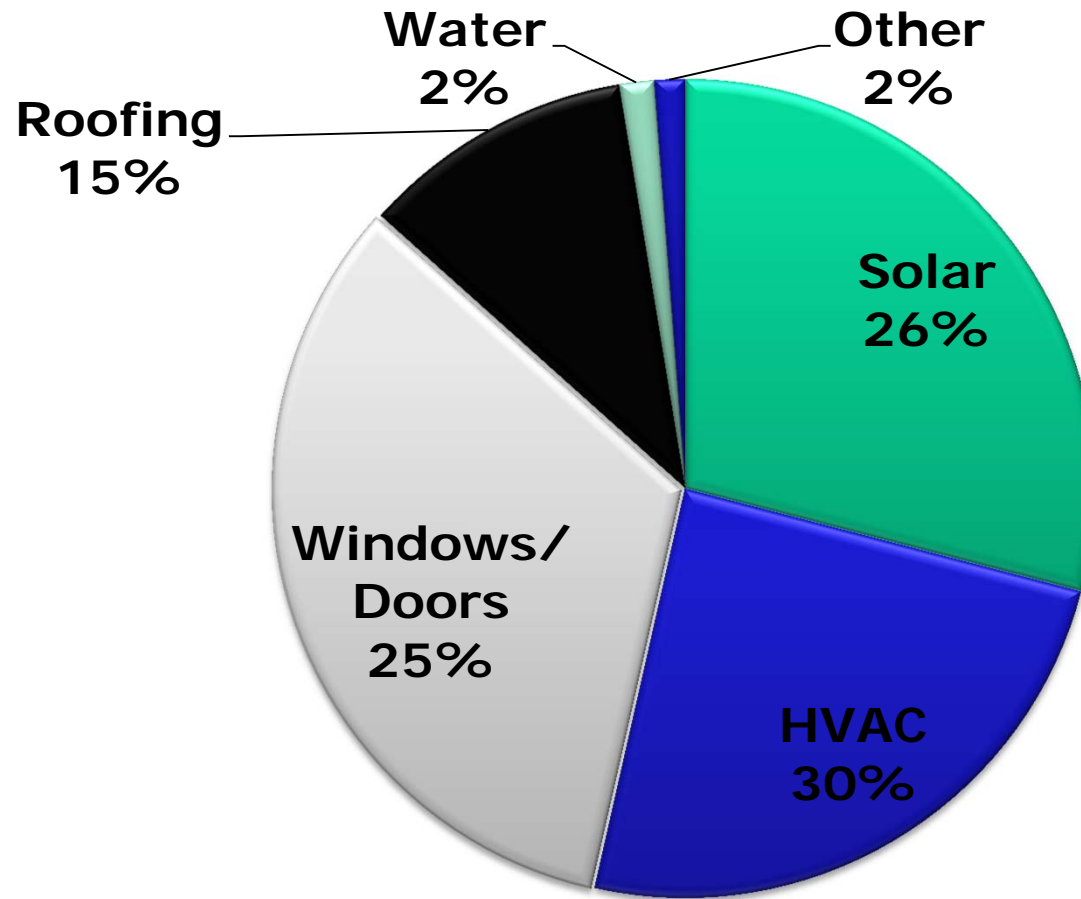
Projects funded: \$101,300,000+



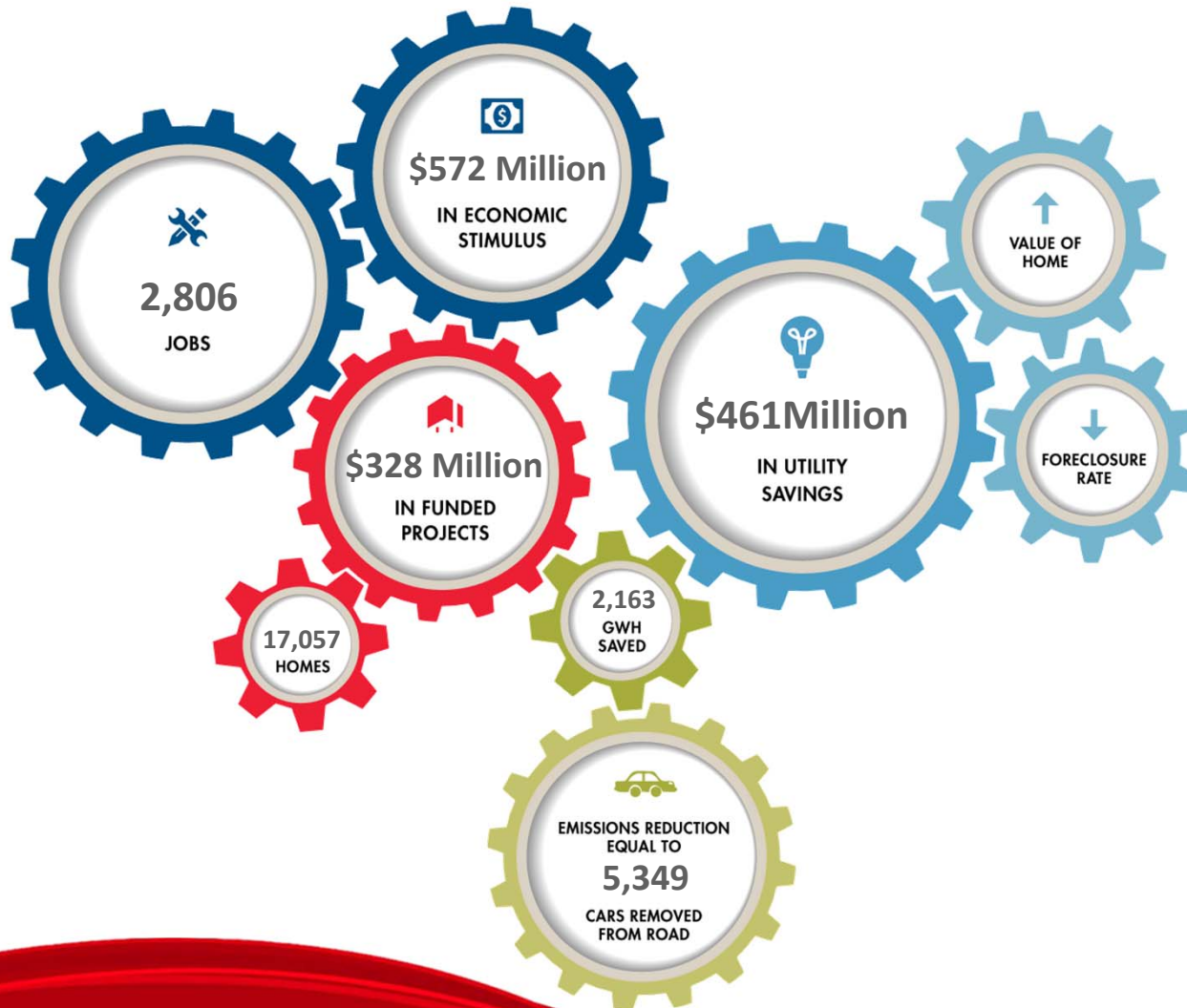
Results *(WRCOG region only)*

Approved apps (res):	20,900+
Approved financing (res):	\$787,000,000+
Projects completed (res):	12,400+
Projects funded (res):	\$227,000,000+
Projects completed (com):	5
Projects funded (com):	\$500,000+

Types of funded projects



Cumulative Results (all active jurisdictions)



How do jurisdictions join the California HERO Program?

- ✓ Jurisdiction needs to adopt a Resolution of Participation to join California HERO Program
 - ✓ Initiation of validation process
 - ✓ Once the validation is complete, property owners can begin applying
 - ✓ 3 – 4 months to launch

California HERO - 185 cities and counties and counting

Alameda County

Albany
Berkeley

Contra Costa

Antioch
Concord
Oakley
Richmond
San Pablo
San Ramon
Walnut Creek

El Dorado County

South Lake Tahoe

Fresno County

Clovis
Fresno
Fresno County
Unincorporated
Kernman
Kingsburg
Parlier
Reedley
Sanger
Selma

Imperial County

Brawley
Calpatria
Calxico
El Centro
Holtville
Imperial County
Unincorporated

Kern County

Arvin
Bakersfield
California City
Delano
Kern County
Unincorporated
McFarland
Ridgecrest
Shafter
Taft
Tehachapi
Wasco

Kings County

Lemoore

Los Angeles County

Alhambra
Arcadia
Azusa
Baldwin Park
Bellflower
Bradbury
Brentwood
Carson
Claremont
Commerce
Covina
Diamond Bar
El Monte
El Segundo
Gardena
Glendora
Hawthorne
Hermosa Beach

Industry

Inglewood
Irwindale
La Cañada Flintridge
La Verne
Lancaster
Lawndale
Lomita
Monrovia
Montebello
Monterey Park
Palmdale
Pomona
Rancho Palos Verdes
Redondo Beach
Rolling Hills
Rolling Hills Estates
Rosemead
San Dimas
San Fernando
San Gabriel
San Marino
Santa Monica
Sierra Madre
South El Monte
South Pasadena
Temple City
Torrance
Walnut
West Covina

Madera County

Madera County
Unincorporated

Merced County

Atwater
Livingston
Merced
Merced County
Unincorporated

Mono County

Mammoth Lakes
Mono County
Unincorporated

Monterey County

Monterey
Monterey County
Unincorporated

Napa County

American Canyon
Calistoga
Napa
Napa County
Unincorporated
St. Helena
Yountville

Orange County

Aliso Viejo
Anaheim
Brea
Buena Park
Costa Mesa
Cypress
Fountain Valley

Garden Grove

Huntington Beach
La Habra
La Palma
Lake Forest
Laguna Hills
Newport Beach
Placentia
Rancho Santa
Margarita
San Clemente
Santa Ana
Stanton
Tustin
Westminster
Yorba Linda

Riverside County

Beaumont
Coachella
Desert Hot Springs
Indio
Palm Desert
Palm Springs

Sacramento County

Citrus Heights
Rancho Cordova

San Diego County

Carlsbad
Coronado
Del Mar
El Cajon

Encinitas

Escondido
Imperial Beach
La Mesa
Lemon Grove
National City
Oceanside
Poway
San Diego
San Diego County
Unincorporated
San Marcos
Santee
Solana Beach
Vista

San Francisco County

San Francisco
San Francisco County

San Joaquin County

Lodi
Ripon
Stockton
Tracy

San Mateo County

Daly City
Foster
Menlo Park
Redwood City
San Bruno
San Mateo County
Unincorporated
Woodside

Santa Barbara County

Lompoc

Santa Clara County

San Jose

Santa Cruz County

Scotts Valley
Santa Cruz County
Unincorporated

Solano County

Benicia
Dixon
Solano County
Unincorporated
Vacaville
Vallejo

Sonoma County

Sebastopol
Sonoma County
Unincorporated

Stanislaus County

Hughson
Modesto
Newman
Oakdale
Riverbank
Turlock
Waterford

Tulare County

Visalia

Ventura County

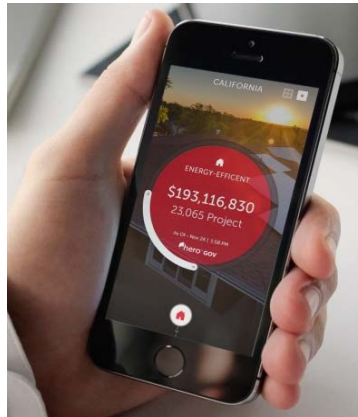
Fillmore
Ojai
Oxnard
Port Hueneme
Santa Paula
Simi Valley

HERO Communities
as of December 30,
2014

Indicates launched

HERO App coming soon

- ✓ Gain information on:
 - ✓ Applications
 - ✓ Complaints
 - ✓ Economic impacts
 - ✓ Job creation
 - ✓ And much more!



Questions ?

1

www.heroprogram.com

2

Contact Information:

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Crystal Adams, Western Riverside Council of Governments
(951) 955-8312 or e-mail adams@wrcog.cog.ca.us



Cory Downs
Conservation Specialist
City of Chula Vista



PACE in Chula Vista

Cory Downs
Conservation Specialist
1/13/2015

Chula Vista Action

Original CO² Reduction Plan (1996)

Climate Change Working Group

- Mitigation actions (2007 & 2014)
- Adaptation planning (2010)

Georgetown University Energy Prize
(2015-2017)



City receiving the Organizational Leadership Award at 2014 Climate Leadership Awards

PACE in Chula Vista

PACE programs currently available in Chula Vista...

CaliforniaFIRST

- Administered by Renewable Funding & CA Statewide Community Development Authority
- 159 CA communities participating (14 in SD region)
- Residential & Commercial Properties
- *To date:* 38 approved applications for \$855,230 total in Chula Vista

California**FIRST**
ENERGY SAVING FINANCING

PACE in Chula Vista

PACE programs currently available in Chula Vista...

Clean Energy Chula Vista

- Administered by Ygrene Energy Fund & City of Chula Vista
- “Local” program focus – contractor trainings & office
- Residential & Commercial Properties
- Started financing projects in August 2014
- *To date:* 50 projects financed (\$4.4 million total) in CV



CLEAN ENERGY 
CHULA VISTA
by Ygrene

PACE Providers

How many providers are best? Are two better than one?
Three better than two?



Or



PACE Providers

Pro:

- Increased Competition (better rates & customer service)
- Options for residents
- Increased awareness about PACE

Cons:

- Market Confusion
- Less ability to leverage City resources
- Less program control



PACE in Chula Vista

Chula Vista is currently in the process of proposing PACE program and underwriting guidelines to City Council.



DRAFT Program Guidelines

- Encourage the **most cost effective improvements** (or combination of improvements) to maximize property-owners' long-term utility savings and return on investment
- Ensure that all improvements are performed by California-licensed contractors and have **received the necessary building permits** prior to installation
- Promote local purchases and the use of local contractors
- **Integrate all applicable** City, San Diego Gas & Electric, water district, and state **rebates**
- Deliver or provide access to quarterly program participation reports that include the following electronic data (split between residential & commercial sectors): NOT LISTED

DRAFT Underwriting Guidelines

- Require that applicants are the property-owner(s) of record
- Require that applicants are current on all property taxes and assessments for the subject property
- Require that applicants are current on all debt secured by the subject property, and do not have more than one 30-day late payment notice for the prior 36 months or since the current owner acquired the property, whichever period is shorter
- Require that the subject property is not an asset in any bankruptcy proceeding or does not have any involuntary liens
- Require that total indebtedness secured by the property (including all mortgages, tax liens, and assessment liens), when combined with the PACE lien, does not exceed 95% of the property value

Continued on next slide.



DRAFT Underwriting Guidelines

Continued

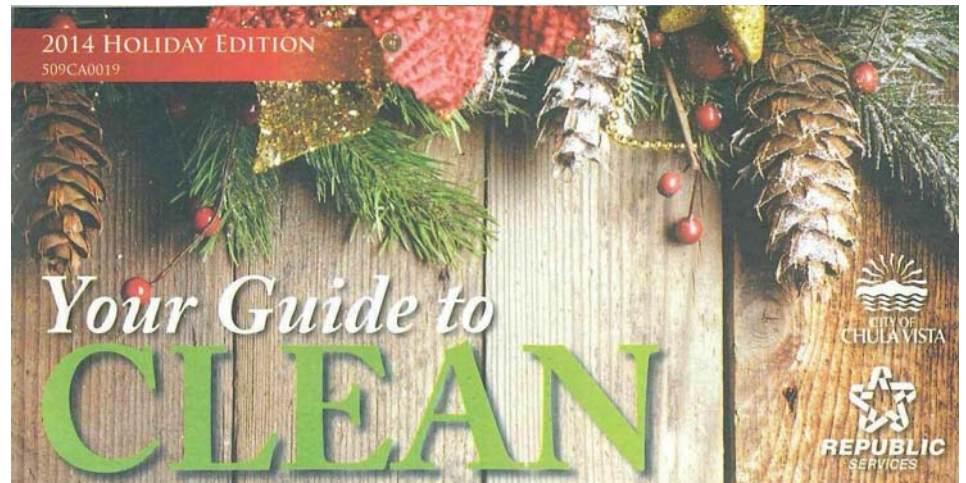
- Require that the PACE lien is for 15% or less of the value of the subject property
- Require that each lender with a recorded lien on the subject property has been notified of the new PACE lien. (non-residential only)
- Require applicant acknowledgment of the Federal Housing Finance Agency position on PACE (residential only).



Make PACE Local

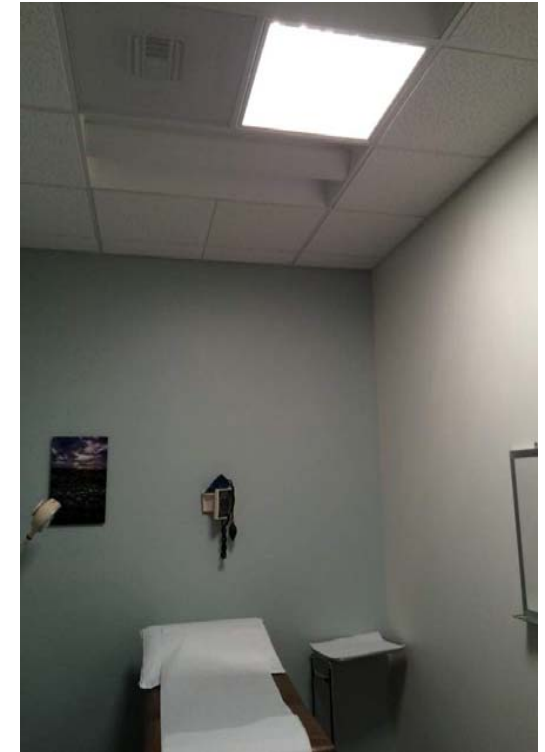
How can we leverage City activities to support PACE programs and benefit our community?

- Promote through other City departments
- Train staff & showcase program material
- Promote local contractors





Thank You!

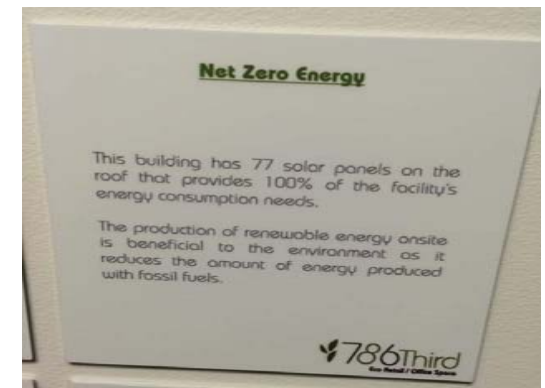


Questions?

Cory Downs

(619) 476-2442

cdowns@chulavistaca.gov



Questions?

www.energycenter.org/financing

Contact:

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Tamara.Perry@energycenter.org