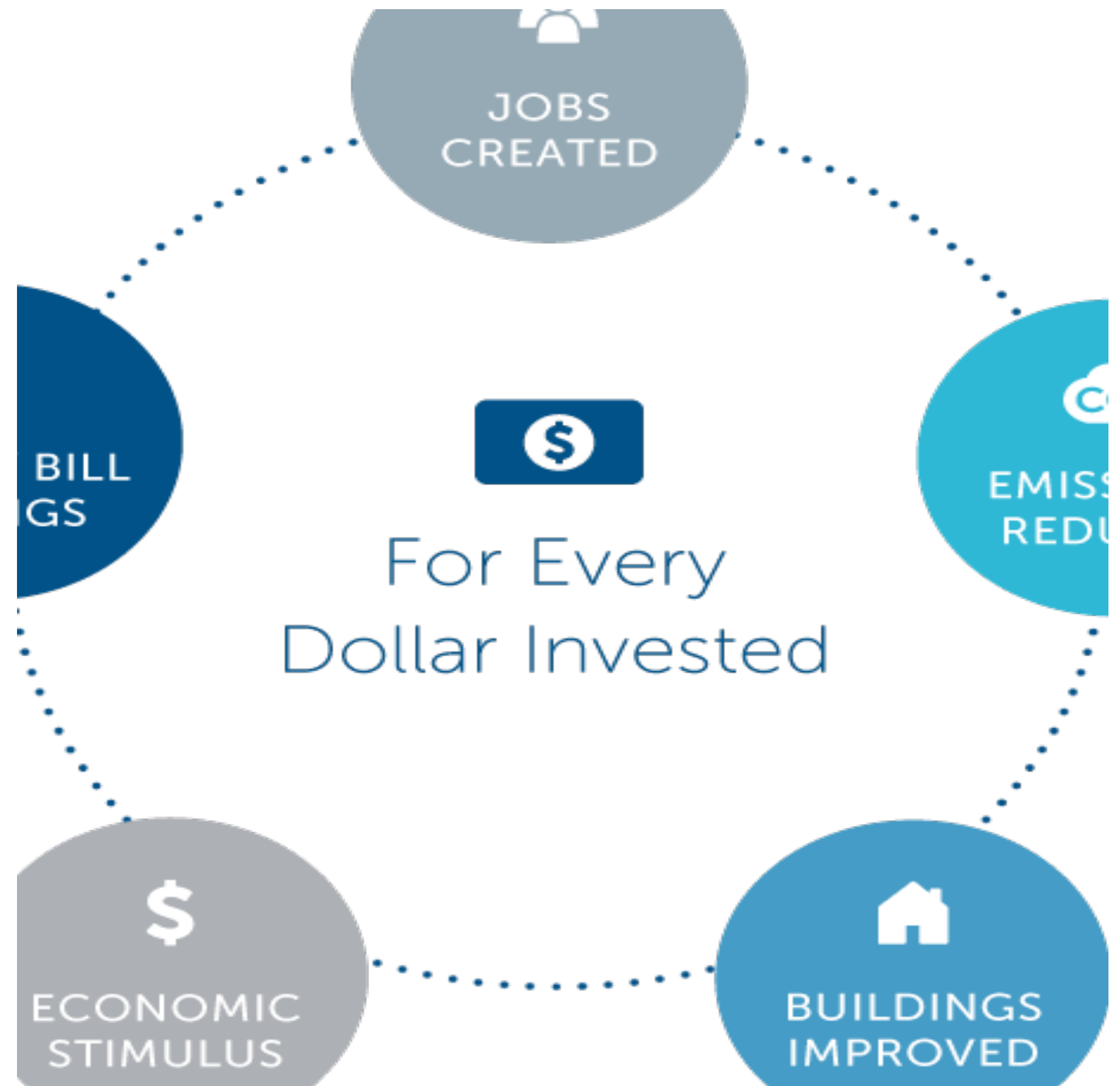


PACE, Solar & Historic Preservation: An on the Ground Perspective



A Moment of Opportunity

- Every year, 1 in 6 homeowners will upgrade or replace a system that affects energy consumption or water consumption, such as HVAC, furnace systems, and water heaters
- Many consumers choose less efficient solutions due to a variety of reasons including:
 - Lack of information
 - Scarcity of high-efficiency options in the local market
 - Hassle factor of having to arrange an efficiency retrofit



Where Do You Want to Make an Impact?

- Energy Security?
- Climate & Health?
- Clean Energy Jobs & Economy?
- Saving Homeowners Money on Utility Bills?
- Expanding Access to Clean Energy?
- Protecting Consumers in Home Improvement Contracting?



What is PACE?



Property Assessed Clean Energy Financing

Property owners can finance improvements that reduce energy consumption or produce renewable energy through a line item on their property tax bill.

PACE Legislation:

- Voluntary
- Fixed interest rates
- Fixed asset stays with house lowering bills
- May be able to transfer remaining balance if property is sold

PARCEL NUMBER	BILL NUMBER	AGENT	BRANCH	PROPERTY LOCATION
123456-789	001	01	02	123 Sample Street, Anywhere CA
SAMPLE COUNTY				JANUARY 1, 2014, LIEN DATE ASSESSED VALUES
SECURED PROPERTY TAX BILL 2014-2015				LAND
FOR FISCAL YEAR BEGINNING JULY 1, 2014 AND ENDING JUNE 30, 2015				IMPROVEMENTS
ANNUAL TAX BILL				FIXTURES
JOHN SMITH DIRECTOR OF FINANCE TAX COLLECTOR				PERSONAL PROPERTY
				ASSESSED VALUES SUBTOTAL
				LESS: HOMEOWNERS EXEMPTION
				OTHER EXEMPTION
				NET ASSESSED VALUES
*** ATTENTION ***				
IMPORTANT INFORMATION				
DIRE				
UNIFIED SCHOOL D				
COUNTY SEWER				
STREET LIGHTING M				
COUNTY PARAMEDIC				
PACE FINANCING				
DIRECT LEVY TOTAL				

How Does PACE Work?

1. Enabling legislation authorizes PACE programs

- Local government allowed to provide financing for permanent energy efficient improvements to home
- Local government authorized to place tax/special assessment on property to repay financing

2. Local governments either create a PACE program or join statewide or other District

- May authorize private PACE providers to operate in their jurisdiction

3. Property owners apply for, and if qualified, receive PACE financing to install eligible energy efficiency improvements to home

4. Property owners repay financing through charge on property tax bill

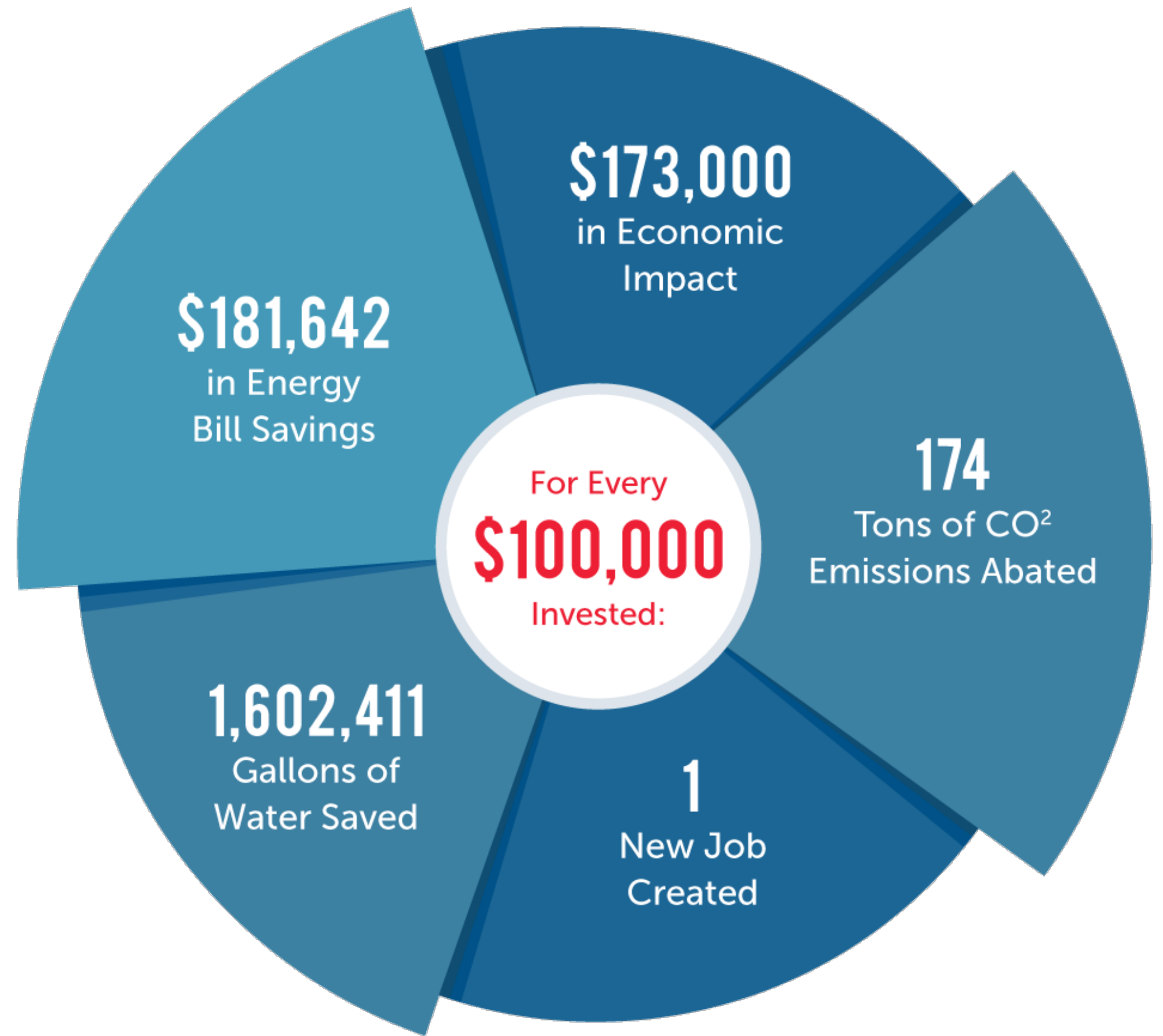
Local Impact of PACE

Community Impact

Every \$100K invested by a homeowner helps communities create local jobs, stimulate their economies, save water, save energy, lower emissions and provide clearer air.

Recognition

HERO has been widely recognized for at the state and national level for energy and environmental impact, and innovative partnership with the public.



R-PACE National Landscape



Source: PACENation as of Q2, 2016

Who Benefits from PACE?

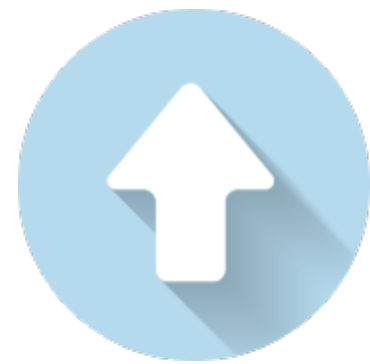


Benefits to Property Owners



Protect Access to Credit

Collecting payments through property taxes keeps home equity line and credit card available for goals or emergencies.



Increase Affordability

No upfront cash, may lower utility bills, no prepayment penalties, and interest may be tax deductible.



May Increase Property Values

Studies show energy investments are recovered at time of sale or value of home is actually increased.



Protect Housing

A study shows lower default rates on energy efficient homes; deferred maintenance projects are finally affordable.

Benefits to Property Owners

Efficiency Pays Off Over Time

The U.S. Department of Energy provides calculators to show homeowners energy savings.

Savings vary by geographic location, electricity costs, size of home, age of home, consumer habits, etc.

EFFICIENCY RATING	INITIAL COST	ENERGY COST	TOTAL COST
SEER 13	\$11,000	\$24,400	\$35,400
SEER 16	\$13,000	\$16,700	\$29,700
Savings			\$5,700

Benefits to Property Owners

Unparalleled Consumer Protections

- Renovate America's PACE program is HERO. As the market leader, it has led on industry standards.
- Banks and credit card providers don't offer the same consumer protections.
- Our consumer protections and service even extend beyond installation ...
 - Selling and refinancing
 - Even to homeowners who are *not* our customers

CONSUMER PROTECTION	HERO	OTHER FINANCING
Contractor Training	✓	✗
Pay Upon Project Completion	✓	✗
Customer Identity Verification	✓	✗
Terms Confirmation	✓	✗
Permit Verification	✓	✗
CA CSLB Confirmation	✓	✗
Product Eligibility Check	✓	✗
Fair Pricing Check	✓	✗

Benefits to Public Partners

Private Capital Funds Public Policy Objectives

- No taxpayer money or public risk because PACE provider securitizes the asset
- Private capital helps meet goals on climate, safe and affordable energy, access to credit, and jobs
- Real-time impact reporting
- Home improvement industry subject to new, unmatched consumer protection standards
- Housing stock is modernized through voluntary measures



Bruce & Kimberly Stagger | HERO Homeowners

“Our electricity bill said ‘you owe 96 cents, do not pay this bill.’ Why doesn’t everyone get HERO?”

– BRUCE STAGGER

PACE Support



FHA and VA Endorse PACE

- First-ever federal housing policy to recognize PACE as a tax assessment
- Clear guidance allowing PACE to co-exist with FHA and VA mortgages
- Expands access to renewable energy, energy efficiency, and other home resiliency projects for American homeowners
- Guidance balances national housing policy priorities with national clean energy imperatives



Ernest Moniz ✓
@ErnestMoniz

Follow

This is a big deal. [#CleanEnergy](#) should be available to all Americans.



Energy Department @ENERGY

BREAKING: Energy Dept & @WhiteHouse set goal to bring 1 GW of #solar to low-income Americans whitehouse.gov/the-press-offi...

Broad Support for PACE



“This is a win-win for low-income homeowners and workers alike.”

Wade Henderson, President and CEO of the Leadership Conference on Civil and Human Rights



“These loans provide an important opportunity for families to improve their homes and save money, and we need to ensure they fully reach communities of color.”

Hilary O. Shelton, Washington Bureau Director and Senior Vice President for Advocacy of the NAACP



“As PACE programs continue to develop across the nation, the positive impact on families, jobs, and the environment will only grow.”

Ed Golding, Principal Deputy Assistant Secretary, Office of Housing for U.S. Department of Housing and Urban Development (HUD)



“It’s rare to find public policy that is a win-win...The Property Assessed Clean Energy program or PACE, has the potential to be that rare policy gem in which everyone wins...”


Mark Zandi, Chief Economist for Moody's Analytics

National Support

Including...


- Advanced Energy Economy
- Alliance to Save Energy
- California Association of Counties
- Center for Sustainable Energy
- ICLEI Local Governments for Sustainability
- Institute for Market Transformation
- NAACP
- Leadership Conference on Civil and Human Rights
- League of California Cities
- National League of Cities
- National Association of Counties
- National Association of Manufacturers
- Natural Resources Defense Council
- Rocky Mountain Institute
- SEIA
- Sierra Club
- Urban Institute
- US Green Building Council
- World Wildlife Fund


HERO Awards & Recognition

 **U.S. Climate Leadership for Innovative Partnerships**
U.S. Environmental Protection Agency

 **White House Water Summit**
Office of Science and Technology Policy


 **Environmental & Economic Partnership**
Governor of California

 **President's Award for Excellence**
Southern CA Association of Governments

 **Model Community Achievement Award**
South Coast Air Quality Management District

 **Best Residential Partnership**
U.S. Green Building Council

 **Best of the Best**
Urban Land Institute

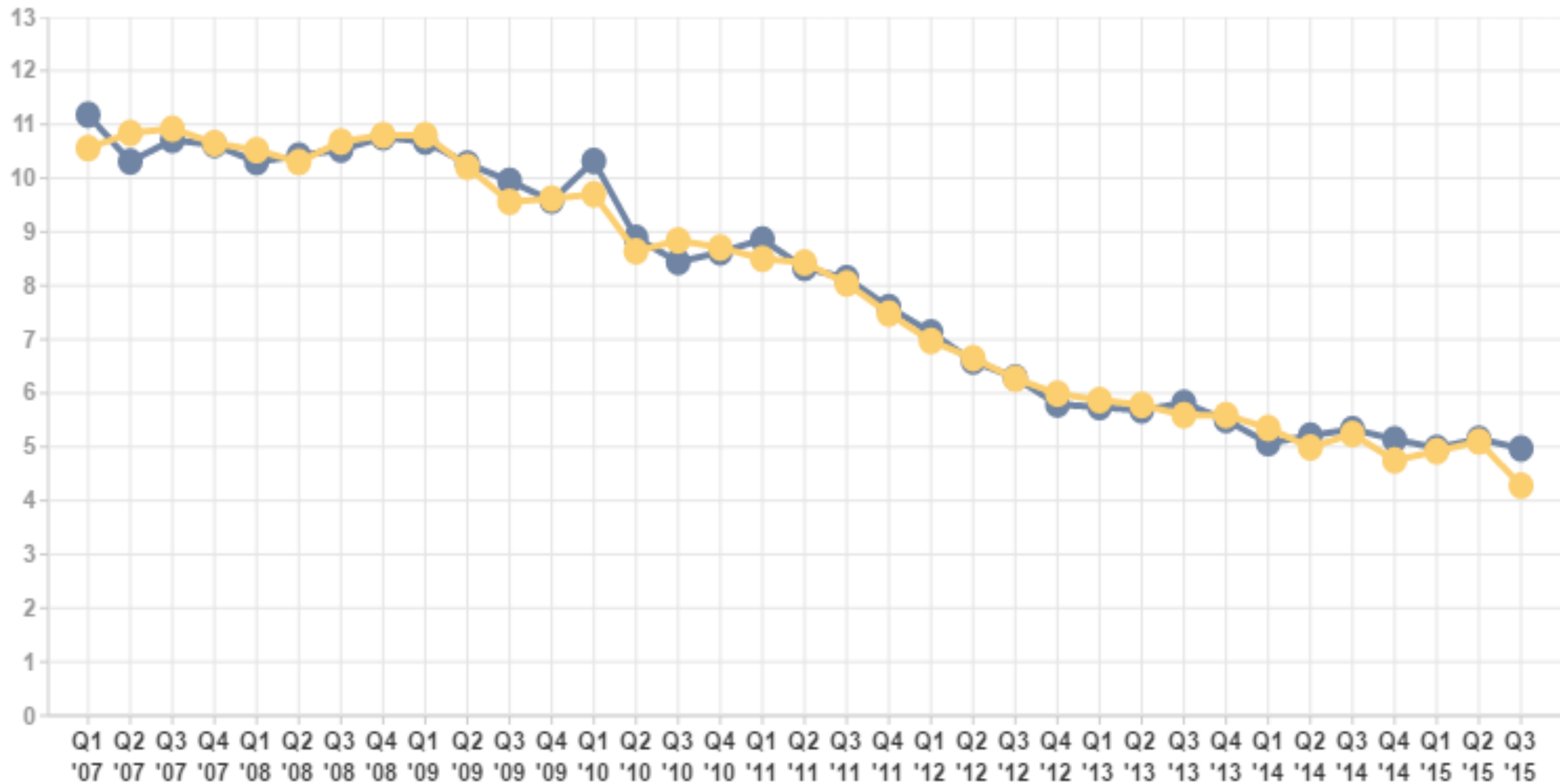
 **Business Achievement Award**
Climate Change Business Journal



On the Ground Insights



Streamlining Makes a Difference



At Historic Wilcox Manor in Tustin, Going Greener — And Saving Green — Is the Name of the Game

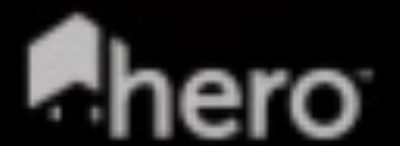
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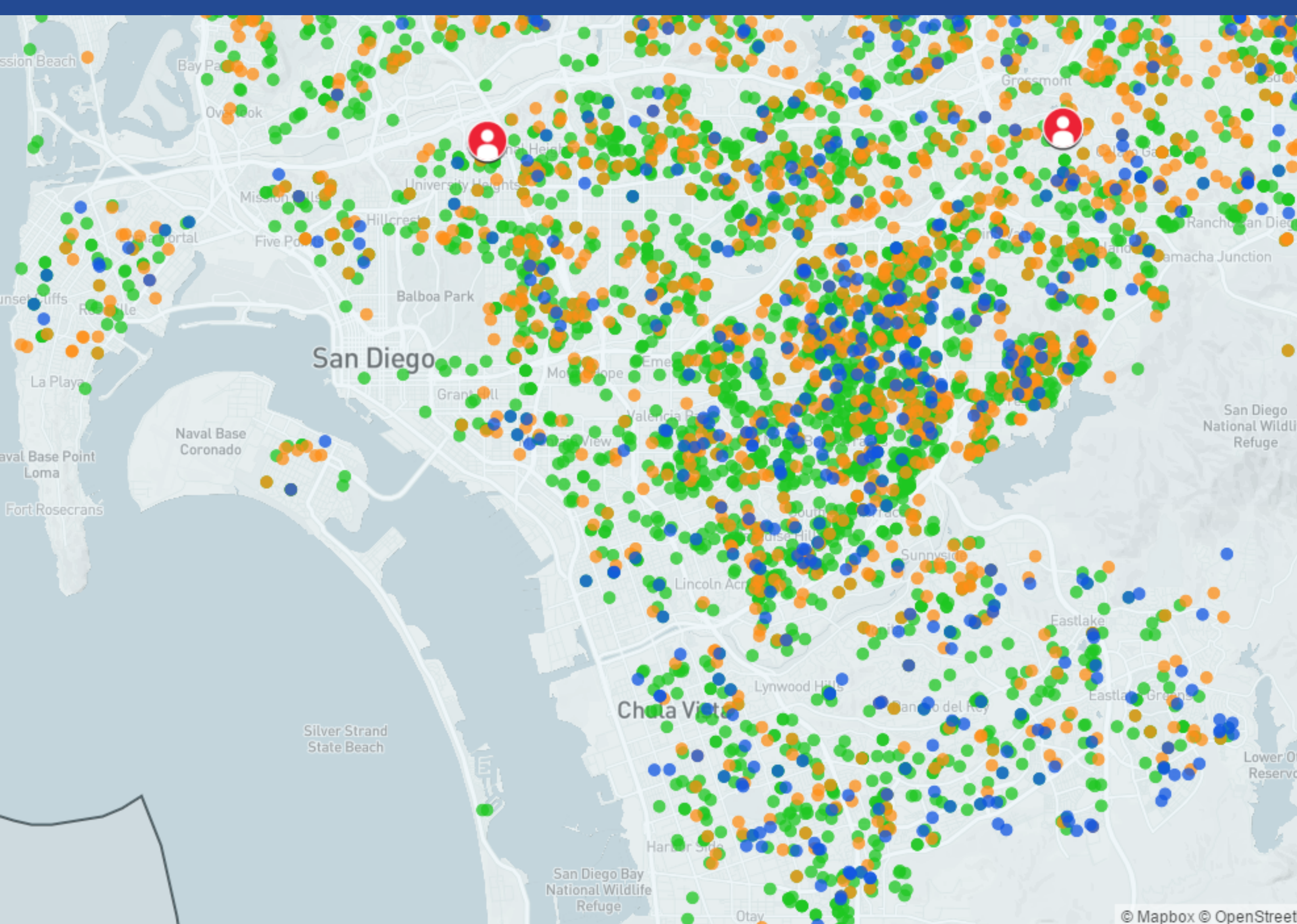


<https://www.youtube.com/watch?v=DviUKUJjvVY>



Seniors Reduce Asthma
Symptoms with HERO
Home Upgrades





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Thank You!

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