



AGENDA
PLANNING COMMISSION
Regular Meeting
7:00 P.M. on Tuesday, April 14, 2015
Clayton City Hall
First Floor Conference Room
6000 Heritage Trail, Clayton, California
Please note changed meeting location

1. **CALL TO ORDER, ROLL CALL, PLEDGE TO THE FLAG**
2. **ADMINISTRATIVE**
 - 2.a. Review of agenda items.
 - 2.b. Declaration of Conflict of Interest.
 - 2.c. Commissioner Manning to report at the City Council meeting of April 21, 2015 (alternate Commissioner Hellmann).
3. **PUBLIC COMMENT**
4. **MINUTES**
 - 4.a. Approval of the minutes for the March 10, 2015 regular meeting.
5. **PUBLIC HEARINGS**

None.
6. **OLD BUSINESS**

None.
7. **NEW BUSINESS**
 - 7.a. **CDD-01-15, City of Clayton.** Consider the State of California Property Assessed Clean Energy (PACE) Programs for the City of Clayton, consisting of the CaliforniaFirst, Figtree, and HERO programs.

Staff Recommendation: Staff recommends the Planning Commission review and consider the State of California Property Assessed Clean Energy (PACE) Programs for the City of Clayton, consisting of the CaliforniaFirst, Figtree, and HERO programs, and if determined to be appropriate, recommend participation in the PACE programs to the City Council.

8. COMMUNICATIONS

- 8.a. Staff.
- 8.b. Commission.

9. ADJOURNMENT

- 9.a. The next regularly-scheduled meeting of the Planning Commission will be held on **Tuesday, April 28, 2015.**

Most Planning Commission decisions are appealable to the City Council within ten (10) calendar days of the decision. Please contact Community Development Department staff for further information immediately following the decision. If the decision is appealed, the City Council will hold a public hearing and make a final decision. If you challenge a final decision of the City in court, you may be limited to raising only those issues you or someone else raised at the public hearing(s), either in oral testimony at the hearing(s) or in written correspondence delivered to the Community Development Department at or prior to the public hearing(s). Further, any court challenge must be made within 90 days of the final decision on the noticed matter. If you have a physical impairment that requires special accommodations to participate, please contact the Community Development Department at least 72 hours in advance of the meeting at 925-673-7340. An affirmative vote of the Planning Commission is required for approval. A tie vote (e.g., 2-2) is considered a denial. Therefore, applicants may wish to request a continuance to a later Commission meeting if only four Planning Commissioners are present.

Any writing or documents provided to the majority of the Planning Commission after distribution of the agenda packet regarding any item on this agenda will be made available for public inspection in the Community Development Department located at 6000 Heritage Trail during normal business hours.

Minutes
Clayton Planning Commission Meeting
Tuesday, March 10, 2015

1. CALL TO ORDER, ROLL CALL, PLEDGE TO THE FLAG

Chair Richardson called the meeting to order at 7:00 p.m. at Hoyer Hall, 6125 Clayton Road, Clayton, California.

Present: Chair Dan Richardson
Vice Chair David Bruzzone
Commissioner Peter Hellmann
Commissioner Gregg Manning

Absent: Commissioner Sandra Johnson

Staff: Community Development Director Charlie Mullen
Assistant Planner Milan Sikela, Jr.

2. ADMINISTRATIVE

2.a. Review of agenda items.

2.b. Declaration of Conflict of Interest.

None.

2.c. Chair Richardson to report at the City Council meeting of March 17, 2015.

3. PUBLIC COMMENT

None.

4. MINUTES

4.a. Approval of the minutes for the February 24, 2015 regular meeting.

Commissioner Manning moved and Vice Chair Bruzzone seconded a motion to approve the minutes. The motion passed 4-0.

5. PUBLIC HEARINGS

5.a. **Site Plan Review SPR-01-15, Variance VAR-01-15, James and Patricia Murphy**, 6054 Clayton View Lane (APN: 119-021-047). A request for approval of a Site Plan Review Permit to allow the construction of a single-story addition measuring approximately 444 square feet in area and 15 feet in height on an existing split-level single-family residence; and a Variance to allow the addition to encroach 13 feet into the 40-foot front setback and 14 feet into the 40-foot exterior side setback.

The public hearing was opened.

Assistant Planner Sikela presented the staff report.

Vice Chair Bruzzone had the following comment and question:

- The staff report was well written.
- Is the 25-foot street width for Clayton View Lane a required width for private roads? Director Mullen responded that 25 feet is the minimum width for a private road. Since Clayton View Lane is a private road, it was not designed to meet the street width standards for public roads which are wider due to typically having curb, gutter, and sidewalks.

Commissioner Hellman had the following questions:

- When would the Planning Commissioners be able to provide design review comments for this project? Assistant Planner Sikela responded that design review comments would be provided by the Commissioners during the public hearing for the project at tonight's meeting.
- It appears that a high percentage of the neighboring lots have residences that need variances; could it be that the City has assigned the wrong zoning classification for this district? And is this a common occurrence with residences in other zoning districts of Clayton? Director Mullen responded that it is not uncommon for some subdivisions in the City to have been established under the Contra Costa County jurisdiction prior to being annexed into the City, thereby creating a situation where, once these areas were annexed into Clayton, the City applied the zoning classification that best fit with the development pattern for the neighborhood. In some cases, the development standards applied to the neighborhood could create minor legal non-conforming situations.
- One of the letters in support of this project mentioned another potential future project in the vicinity; by approving this variance, would the City be setting a precedent for this potential future project or other projects in general? Director Mullen responded that the approval of one variance has no bearing on other variances that are applied for within the City since a variance is reviewed using merits associated with each project individually. In order to approve a variance, findings must be made that relate to that variance only. Prior to the applications being submitted, staff worked with the property owner to identify possible alternative designs that might do away with the need for the variance, but the access and proximity issues for the property owner's elderly father necessitated the currently-proposed design and warranted approval of a variance.
- He agrees with Vice Chair Bruzzone's comment that staff did an excellent job on the staff report, especially on how approval of the variance was justified. Assistant Planner Sikela thanked Commissioner Hellman and indicated that, as the Director had explained, each variance is considered on a case-by-case basis.

Commissioner Manning indicated that, in the area of Clayton that the subject lot is located in, there are large properties with small residences—if the subject residence were demolished, how large of a residence could be rebuilt? Assistant Planner Sikela indicated that, on Page 2 of the staff report, a residential floor area analysis is provided which shows an allowable building footprint of 8,231 square feet; however, the Commission would have the latitude to moderate the design based on the Standards of Review for site plan review permits which require, in part, that the project be complementary with the adjacent existing structures.

There being no further questions of staff, the public testimony period was opened.

The applicant's designer, Randell Piona, indicated that the proposed design of the residence was based on providing the property owner's father with full access to necessary facilities in close proximity to the other family members in the household.

Commissioner Hellman indicated the following:

- He appreciated what the applicant is trying to do and thinks it is a good design based on the needs of the family.
- What treatments will be extended around the outside of the northern wall of the bedroom that is located just to the right of the front door? Mr. Piona responded that the horizontal hardiplank siding proposed for the exterior of the residence would be wrapped around the exterior wall located to the right of the front door.
- For massing purposes, the project would appear better proportioned if the 6 x 6 posts supporting the front porch overhang were enlarged.
- The front porch may benefit from an expanded width of five feet to the inside of the post rather than the currently-proposed smaller dimension of five feet to the edge of the porch.

Commissioner Manning indicated that the project was well-designed and he had no comments regarding the posts on the front porch.

Chair Richardson complemented staff on the well-written staff report and indicated the following:

- He agreed that the posts should be enlarged and the front porch widened to provide more appropriate scaling for the project.
- The overall design improvements will benefit the existing residence.
- He also owns a residence on a lot that was established under the Contra Costa County jurisdiction and, in those days, there were cases where no setbacks existed or, if there were setbacks in place, the setbacks were applied from the property line and not from the edge of the access easement line like we do currently in the Clayton. This appears to be the case with the subject residence as it relates to setbacks from the property line and access easement.

The public hearing was closed.

Vice Chair Bruzzone moved and Commissioner Manning seconded a motion to approve Site Plan Review SPR-01-15 to allow the construction of a single-story addition measuring approximately 444 square feet in area and 15 feet in height on an existing split-level single-family residence; and approve Variance VAR-01-15 to allow the addition to encroach 13 feet into the 40-foot front setback and 14 feet into the 40-foot exterior side setback. The motion passed 4-0.

6. OLD BUSINESS

None.

7. NEW BUSINESS

None.

8. COMMUNICATIONS

8.a. Staff.

Director Mullen indicated that the City Council would be reviewing the City of Clayton 2014 Housing Element Annual Progress Report at the March 17, 2015 City Council meeting and provided an update on the Property Assessed Clean Energy (PACE) Program that he would be bringing before the Planning Commission at their meeting on April 14, 2015.

8.b. Commission.

None.

9. ADJOURNMENT

9.a. The meeting was adjourned at 7:47 p.m. to the regularly-scheduled meeting of the Planning Commission on March 24, 2015.

Submitted by
Charlie Mullen
Community Development Director

Approved by
Dan Richardson
Chair

Com Dev\Plng Comm\Minutes\2015\0310

**CITY OF CLAYTON
PLANNING COMMISSION
STAFF REPORT**

Meeting Date: April 14, 2015

Item No.: 7.a.

From: Charlie Mullen
Community Development Director 

Subject: Consider the State of California Property Assessed Clean Energy (PACE) Programs for the City of Clayton, consisting of the CaliforniaFirst, Figtree and HERO programs (CDD-01-15).

Applicant: City of Clayton

RECOMMENDATION

Staff recommends the Planning Commission review and consider the State of California Property Assessed Clean Energy (PACE) Programs for the City of Clayton, consisting of the CaliforniaFirst, Figtree and HERO programs, and if determined to be appropriate, recommend participation in the PACE programs to the City Council.

BACKGROUND

Clayton 2015-2023 Housing Element

This past year the City was able to accomplish a streamlined update of our Housing Element for the eight-year 2015-2023 period. On October 14, 2014 the Planning Commission conducted a public hearing and adopted Resolution No. 04-14 recommending City Council approval of the 2015-2023 Housing Element, which was then followed up by City Council public hearing review and approval on November 18, 2014, with adoption of Resolution No. 42-2014. The final approval/certification of the 2015-2023 Housing Element for the City of Clayton was provided in writing by HCD on December 11, 2014.

Under Chapter 8 of the 2015-2023 Housing Element, Goal V states the City shall “*Encourage and maintain energy efficiency in new and existing housing*” and Implementation Measure V.1.3 states “*The City will explore home energy and water efficiency improvement financing opportunities available through PACE programs, such as HERO or Figtree PACE. To make this financing option available to Clayton residents, the City would need to adopt a resolution opting in to a Joint Powers Authority. These programs are available at no cost to the City*”. The timing of this implementation measure was identified to occur in 2015. After attending a PACE workshop, conducting internal staff review of three PACE Programs expressing interest in the Clayton market along with associated materials and information, and after researching how other local communities have addressed this matter, staff is now bringing forward the consideration of the PACE programs to the Planning Commission and then to the City Council.

State Property Assessed Clean Energy (PACE) Programs

In 2008, the State of California approved Assembly Bill 811, amending the Improvement Act of 1911, authorizing cities and counties to establish voluntary contractual assessment programs to fund an array of conservation and renewable energy projects proposed by property owners. Subsequent bills were passed to expand the list of eligible projects to include water efficiency improvement (AB 474 in 2009) and electric vehicle charging infrastructure (SB 1340 in 2010). Programs developed under this legislation are referred to as Property Assessed Clean Energy programs or PACE programs. PACE programs allow residential and commercial property owners located within a participating district to finance up to 100% (not to exceed 15% to 20% of their property value depending on the program) of energy efficiency, water efficiency and renewable energy projects with little or no up-front costs and pay it back over time as a voluntary property tax assessment through their existing property tax bill. The property owner voluntarily enters into a contractual agreement with a special tax district in which they reside to access financing that is secured by a lien on their property and repaid as a special assessment on their property tax bill. This means the participating property owner pays the special tax at the same time and in the same manner as other property taxes and assessments. Improvements commonly implemented through PACE include solar energy systems, heating and cooling system upgrades, window replacement, and insulation upgrades. One of the programs (CaliforniaFirst) also allows financing of seismic improvements through its PACE program.

PACE program financing is only one option for property owners to finance energy efficiency and water conservation improvements on their property. PACE program financing is an alternative to other private financing mechanisms, such as using cash, a home equity line of credit or a credit card, to finance these improvements. PACE financing is unique in that qualifying for PACE financing is based primarily on a property owner's equity and timeliness of property tax and mortgage payments rather than individual credit rating or debt-to-income ratio. All PACE financing debt is linked to the physical property rather than the property owner. It does not appear on the property owner's individual credit report. PACE programs offer fixed long-term interest rates, the term of which is generally equal to the useful life of the improvement (from 5 to 20 years), which might be longer than the normal term of other loans. As such, PACE program financing may offer advantages over other forms of financing to some borrowers.

In order for property owners in a jurisdiction to access PACE financing, the jurisdiction must create or join an existing special tax district and specifically authorize contracts between the special tax district and property owners for PACE financing. Since AB 811 passed in 2008, over 320 California cities and counties have joined or created special tax districts and authorized property owners' participation in PACE programs. PACE financing requires a source of capital from which property owners can borrow and repay through the special assessments. Therefore, the vast majority of cities and counties have joined existing special tax districts, which have partnered with private organizations to administer PACE programs in their jurisdictions. Only a small number of jurisdictions, including Sonoma County, the City of Sacramento, and Los Angeles County, have used their own internal funds to capitalize and support PACE funding.

The three leading PACE programs operating in Northern California are CaliforniaFirst, Figtree, and HERO, and all three have requested the City of Clayton to authorize participation in their PACE programs. Many jurisdictions have authorized all three of these organizations to work in

their area, in order to offer competition and program alternatives to interested property owners. The following cities in Contra Costa County have authorized participation in PACE programs offered by CaliforniaFirst, Figtree, and HERO, as marked with an “X”.

City	CaliforniaFirst	Figtree	HERO
Antioch	X	X	X
Brentwood	X		X
Concord		X	X
Lafayette	X	X	X
Martinez	X		X
Oakley	X	X	X
Pittsburg	X	X	
Pleasant Hill	X	X	X
Richmond	X	X	X
San Pablo	X	X	X
San Ramon	X	X	X
Walnut Creek	X	X	X

DISCUSSION

The following is a summary discussion of the three PACE programs being considered at this time by the City of Clayton:

CaliforniaFirst Program

The CaliforniaFirst program was created and approved by the California Statewide Communities Development Authority (CSCDA) and its participating local government members to assist property owners who want to improve the energy and/or water usage of their home while lowering utility bills and greenhouse gas emissions. Renewable Funding LLC administers the CaliforniaFirst Program and manages the program call center and daily activities of the program. CSCDA, through the program, provides financing for residential property owners. Through CSCCA and the program, property owners may finance the installation of eligible products and repay the financing through an assessment on the property tax bill. Residential property owners apply to finance energy efficiency and water conservation improvements, including but not limited to solar energy systems, heating and cooling system upgrades, window replacement, and insulation upgrades. CaliforniaFirst also allows financing of seismic improvements. Participation in the program is voluntary and requires the full consent of all owners on the property title. Property owners sign an assessment agreement and agree to repay the amount financed over a period of 5, 10, 15, 20 or 25 years, depending on the type of property, the financing amount, and the expected useful lifetime of the installed eligible products. An assessment lien is recorded on a property to secure the financing. Interest rates are subject to underwriting standards and competitive pricing based on market conditions, and ranging from 6.75% - 8.39% based on the term of the financing (5 - 25 years). The assessment lien will be senior to liens for mortgages and other non-governmental liens on the property. The minimum assessment amount is \$5,000 with a maximum \$200,000 (but must be less than 15% of the value of the property). The assessment amount plus the mortgage-related debt must not exceed 100%

of the value of a property (for more details please see attached information provided by the CaliforniaFirst Program).

Figtree Program

The Figtree program operates under the California Enterprise Development Authority (CEDA). CEDA is a Joint Powers Authority (JPA) that administers the program through a partnership with Figtree Financing. The Figtree private financing program allows commercial property owners to voluntarily place assessment liens on their property for the purpose of installing renewable energy, energy efficiency, and water conservation improvements. Figtree representatives have stated they intend to expand their program in April 2015 to also include residential property owners. The Figtree interest rates are market-based and determined at the time of financing, but have been in the 4.50% to 7.50% range. The minimum amount finance is \$5,000 with a maximum not to exceed 10% of the total property value (up to 20% in some circumstances). The assessment liens are available in 5, 10, 15 and 20 year terms, not to exceed the useful life of the improvements. The Figtree program includes processing, administration and prepayment fees. Figtree assessment liens are land-secured and require no personal guarantee. Figtree states they are a full service, free market and flexible program, offering financing plans that can be tailored to a property owner's specific need.

HERO Program

The Home Energy Renovation Opportunity (HERO) program operates under the joint powers authority of the Western Riverside council of Governments (WRCOG). The HERO program is being offered to allow property owners in participating cities and counties to finance renewable energy, energy and water efficiency improvements, and electric vehicle charging infrastructure on their property. If a property owner chooses to participate, the installed improvements will be financed by the issuance of bonds by the WRCOG. The bonds are secured by a voluntary contractual assessment levied on participating owner's property. Participation in the program is 100% voluntary. Property owners who wish to participate in the program agree to repay the amount borrowed through the voluntary contractual assessment collected together with their property taxes. This financing is available for eligible improvements on both residential and non-residential properties.

OTHER DISCUSSION POINTS

Federal Housing Finance Administration

On July 26, 2010, the Federal Housing Finance Administration (FHFA) issued its statement entitled, "FHFA Statement on Certain Energy Retrofit Loan Programs" (FHFA Statement) which provided in part that:

...In addressing PACE programs with first liens, Fannie Mae and Freddie Mac should undertake actions that protect their safe and sound operations. These include, but are not limited to:

- Adjusting loan-to-value ratios to reflect the maximum permissible PACE loan amount available to borrowers in PACE jurisdictions;
- Ensuring that loan covenants require approval/consent for any PACE loan;

- Tightening borrower debt-to-income ratios to account for additional obligations associated with possible future PACE loans;
- Ensuring that mortgages on properties in a jurisdiction offering PACE-like programs satisfy all applicable federal and state lending regulations and guidance...”

As a result of the FHFA Statement, the PACE program stopped accepting applications for the Program from residential properties and stopped providing financing through the program to residential property owners in the participating communities.

To address this issue, in March 2014, the Governor of the State of California created a PACE Loss Reserve Program. The PACE Loss Reserve Program, authorized by Senate Bill 96 (2013), is designed to address FHFA’s financial concerns by making first mortgage lenders whole for any losses in a foreclosure or a forced sale that are attributable to a PACE loan. If a mortgage lender forecloses on a home that has a PACE lien, the reserve can be used to cover PACE payments during the foreclosure period. Alternatively, if a local government sells a home for unpaid taxes and the sale price falls short of the outstanding tax and first mortgage amounts, the reserve can be used to cover the shortfall (up to the amount of outstanding PACE payments). By covering these types of losses, the Program puts the first mortgage lender in the same position it would be in without a PACE lien.

The \$10 million Loss Reserve will be available for all PACE loans issued by enrolled PACE programs and reported to California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) for the length of their terms. PACE programs will report to CAEATFA semi-annually and pay a small administrative fee based on the principal amount of new loans they issue.

Coinciding with strong demand statewide by residential property owners to finance the installation of energy efficient and water conserving improvements, the PACE programs have regained traction and interest. However, there can be no assurance the FHFA will not act to reemphasize, or take other similar action to issuing, the FHFA Statement in the future. Property owners with assessment liens must also understand potential risk implications for a refinancing or sale of the property and must assume the associated risk.

Contra Costa County Association of Realtors

In January 2015, staff was informed by a representative of the Contra Costa Association of Realtors (CCAR) that its Board of Directors was opposed to the PACE programs, but they were not inclined to put that position in writing. Staff recently, reached out to CCAR to see if they still opposed the program and was informed that CCAR has since changed their stance on the PACE program and they now take “no position”.

Indemnification Agreements

To protect the financial and liability interests of the City of Clayton, staff will recommend the City enter into Indemnification Agreements with each of the three PACE program administrators, CaliforniaFirst, Figtree and HERO. A template PACE program Indemnification Agreement will be used that has been reviewed and approved by the City Attorney.

Potential benefits to property owners include:

- Eligibility: In today's economic environment, alternatives for property owners to finance renewable energy/energy efficiency/water efficiency improvements or electric vehicle charging infrastructure may not be available. Some property owners do not have financing options available that would provide funding for improvements that lower their utility bills.
- Savings: Energy and water rates continue to rise and investing in and installing energy efficient, water efficient and renewable energy improvements help to reduce utility bills.
- 100% voluntary. Property owners can choose to participate in the program at their discretion. Improvements and properties must meet eligibility criteria in order to qualify for financing.
- Payment obligation stays with the property. The voluntary contractual assessment stays with the property upon transfer of ownership. Certain residential conforming mortgage providers will, however, require the assessment be paid off at the time the property is refinanced or sold.
- Prepayment option. The property owner can choose to pay off contractual assessments at any time, subject to applicable prepayment penalties.
- Customer oriented program. Part of the success of the PACE programs is their customer service. Committed funding partners provide funding promptly upon project completion resulting in both property owner and contractor satisfaction.

Potential benefits to the City include:

- An increase in local and regional jobs.
- An increase in property values (energy efficient homes and buildings are generally worth more money).
- An increase in sales, payroll and property tax revenue.
- As in conventional assessment financing, the City is not obligated to repay the bonds or to pay any delinquent assessments levied on the participating properties.
- All PACE program and assessment administration, bond issuance and bond administration functions are handled by the three program administrators CaliforniaFirst, Figtree and HERO. After implementation of the PACE programs, City staff time should be minimal and limited to referrals to the PACE program administrators.
- By joining and using these existing and already established PACE programs, the City can simply refer property owners to these financing programs, rather than undertake time and costly expense of trying to establishment its own PACE program.
- The City will have completed Implementation Measure V.1.3 of the 2015-2023 Housing Element.

City Role

Other than approving Resolutions permitting designated PACE Programs to conduct business and operate within our municipal jurisdiction (along with the appropriate City Business License), the City assumes no role or responsibility in or of the PACE Programs. Each PACE Program is entirely independent of the City and the City is not the party for questions or concerns of prospective participants. The Indemnification Agreement signed by each PACE Program business will ensure the separation of any risk or program liability.

ATTACHMENTS

1. CaliforniaFirst program brochures and/or information
2. Figtree program brochures and/or information
3. HERO program brochures and/or information

X:\Com Dev\C D D\2015\CDD-01-15 - PACE Financing Program\PC Mtg. - 4-14-15\SRPC - PACE Programs - 4-14-15 (Final).docx

ATTACHMENT – 1

CaliforniaFirst

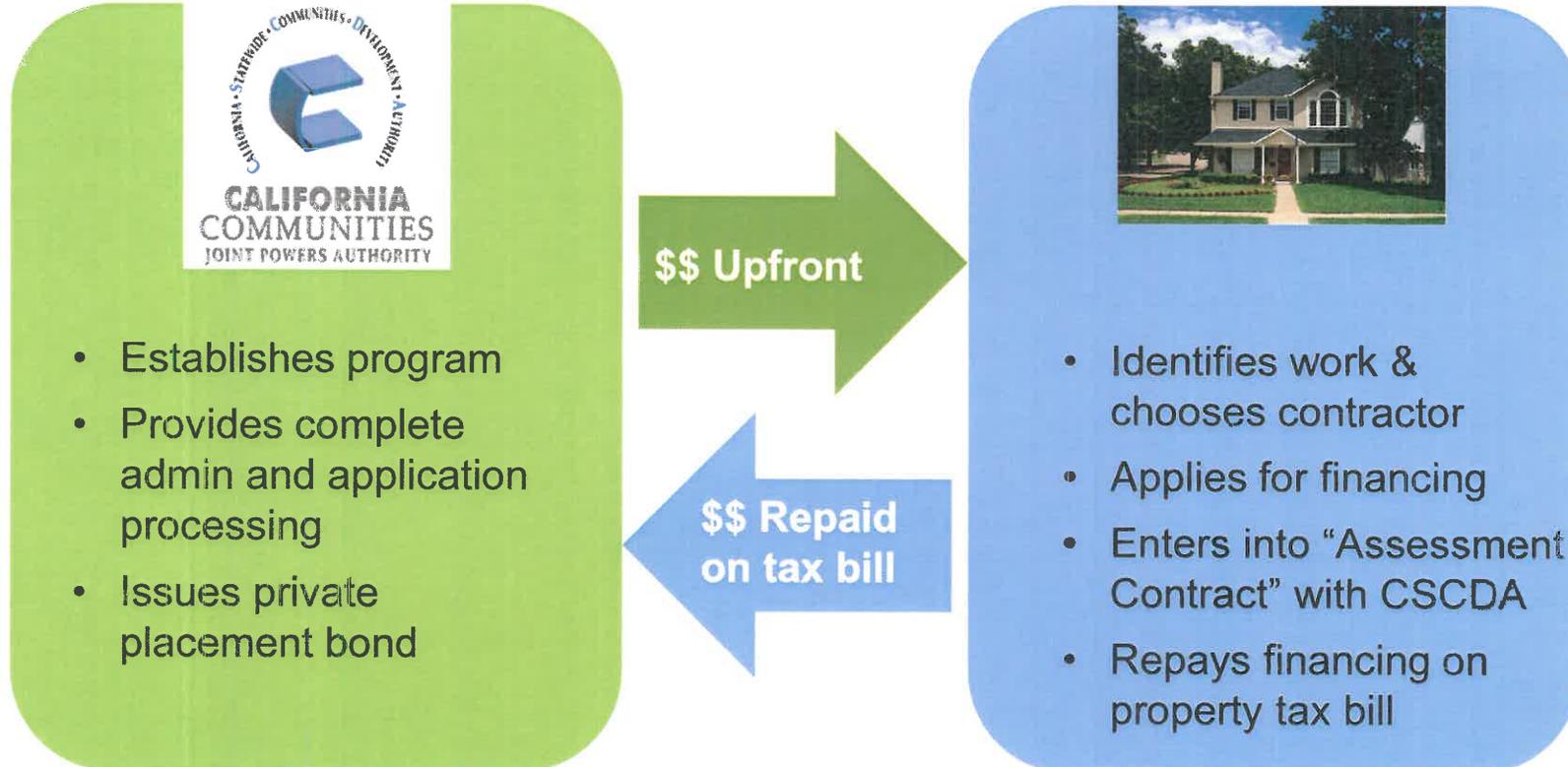
Program Brochures and/or Information

CaliforniaFIRST

Bringing CaliforniaFIRST PACE Financing to the City of Clayton's Businesses and Homeowners

What Is PACE? (Property Assessed Clean Energy)

A ***voluntary, quickly accessed*** financing mechanism that can pay for an assortment of energy efficiency, renewable energy, water conservation, and seismic upgrades with ***no upfront costs to property owners, no costs to local governments, repayment appearing as a line-item on property tax bills***, and typically ***transferable*** to a new owner.



PACE Benefits

- Creates a **more dynamic marketplace** for energy efficiency, solar energy, and water conservation financing
- Increases number of homeowners and business owners who can finance utility bill saving upgrades to their homes/buildings
- Grows local businesses, who increase hiring
- Increases property values
- Over \$500 million financed in CA over the last few years, hundreds of millions in the pipeline
- CaliforniaFIRST alone has \$300 million in capital ready to deploy today
- Reduces water consumption, electricity use, natural gas use
- Increases renewable energy generation

Where is CaliforniaFIRST?

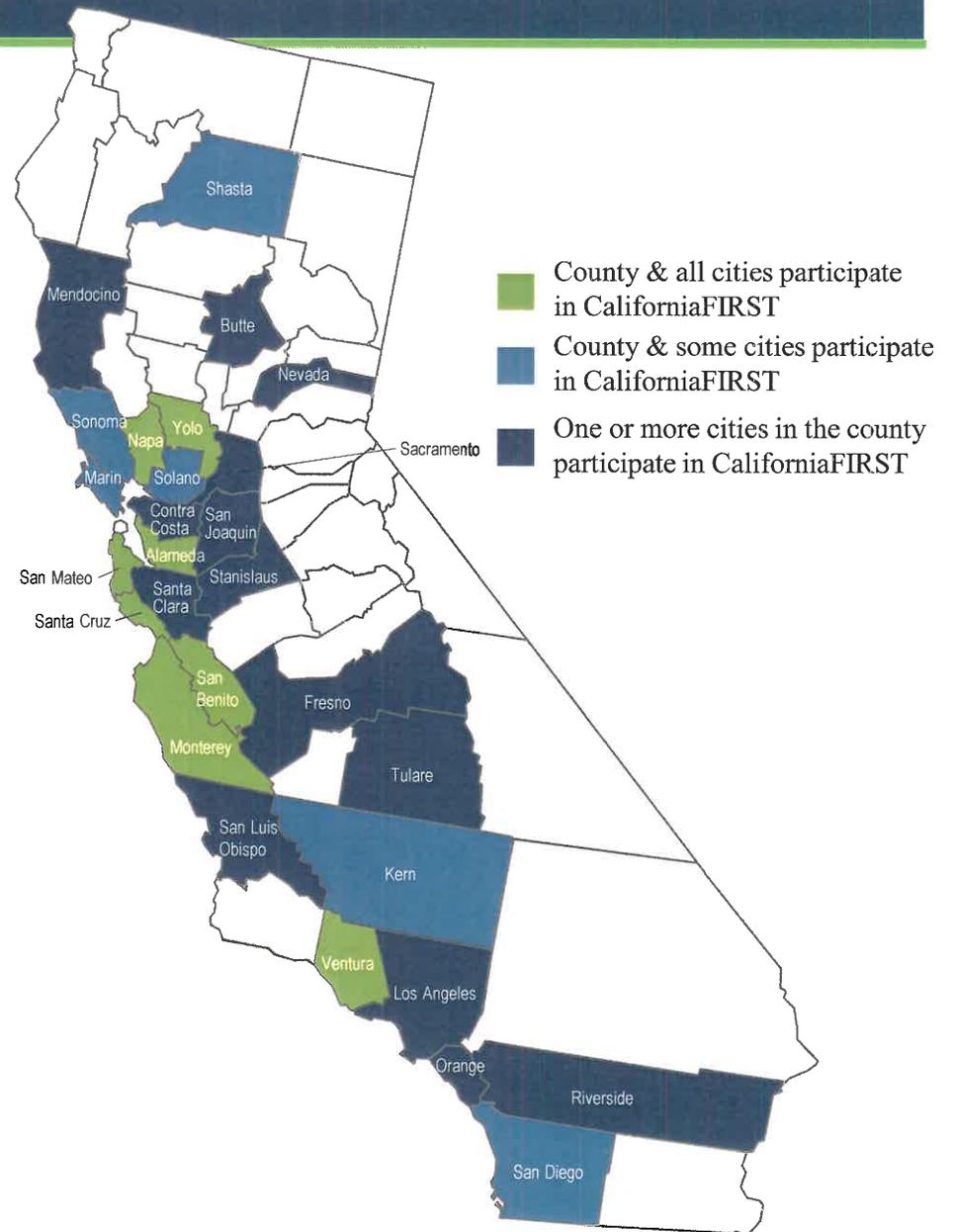
(by May, 2015)

CaliforniaFIRST *(see map →)*

- Almost 300 active jurisdictions
- 20+ counties
- Covering 60+% of CA's pop.

All PACE Programs

- Over 325 jurisdictions
- 40+ counties
- 80%+ of CA's pop.



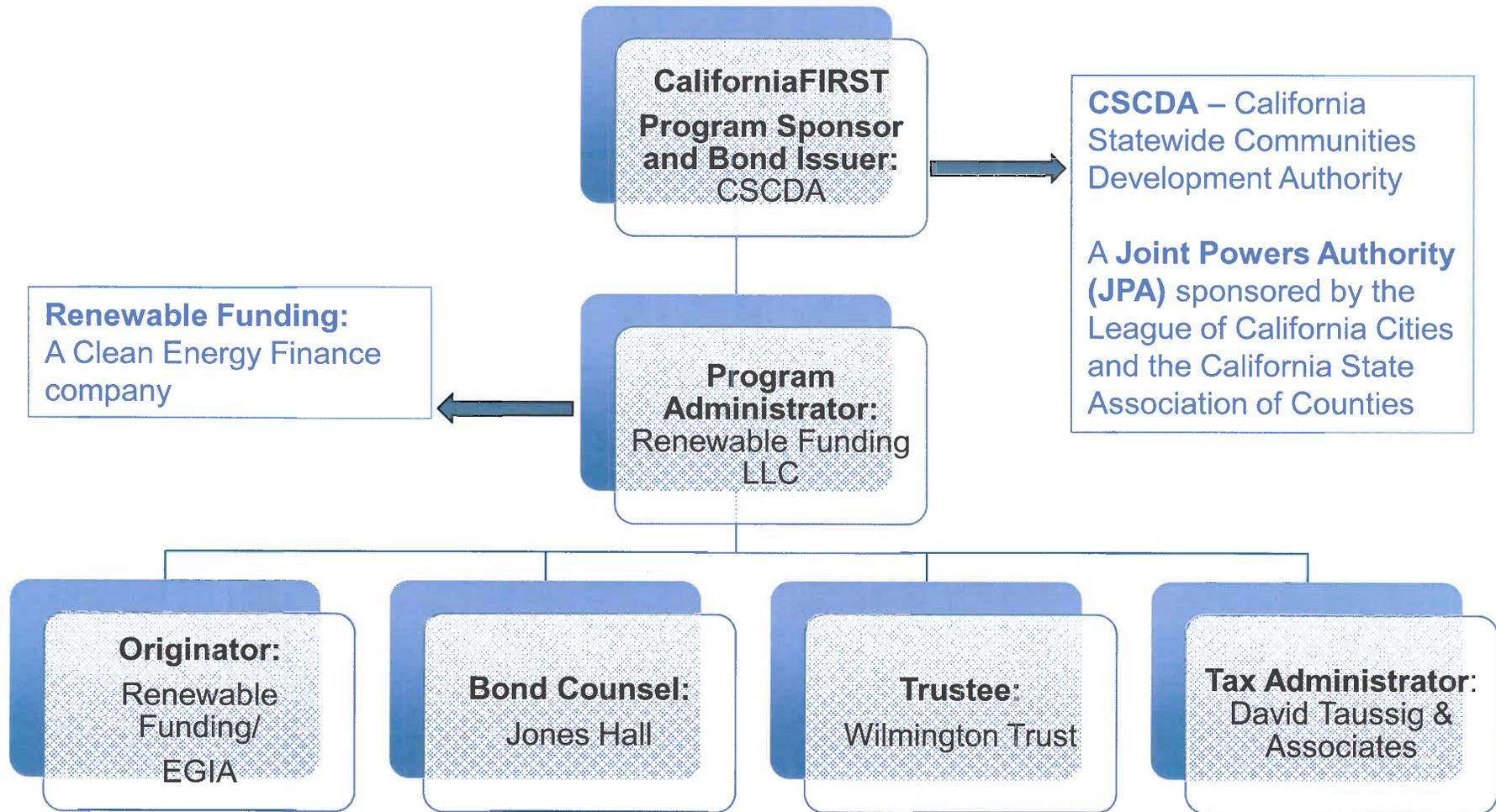
Jurisdictions in Contra Costa County and PACE Opt-In Status

Jurisdiction	PACE
Antioch	Y
Brentwood	Y
Clayton	
Concord	Y
Danville	Y
El Cerrito	Y
Hercules	
Lafayette	Y
Martinez	Y
Moraga	

Jurisdiction	PACE
Oakley	Y
Orinda	
Pinole	
Pittsburg	Y
Pleasant Hill	Y
Richmond	Y
San Pablo	Y
San Ramon	Y
Walnut Creek	Y
Unincorporated County	

PACE programs in Contra Costa County are now available to 70%+ of the county's single family homeowners

Who: CaliforniaFIRST's Team Structure



Who: Contra Costa County and CSCDA

- \$1.8 billion in bonding activity since 1993 throughout the County
- Bonds issued on behalf of 100+ borrowing entities, including:
 - 15 of the County's Cities
 - The County
 - Fire and Flood Control and Water Conservation Districts
 - Non-profits
 - Industrial Companies (Industrial Development Bonds)
 - Affordable Housing Developers



How Much?: Financing Terms

Years to Repay	Interest Rates*
5	6.75%
10	7.59%
15	7.99%
20	8.29%
25 (solar only)	8.39%
<i>Closing Costs (% of project costs):</i>	<i>~6.5%</i>
<i>No Prepayment Penalties</i>	

* For most homeowners, the interest paid is tax deductible, much like with a mortgage. We advise all CaliforniaFIRST clients to consult with their CPA on this tax deductibility question.

Qualifying for *Residential PACE* Financing

- No minimum FICO credit score required
- No recent missed mortgage or property tax payments
- Homeowner must have at least 10% equity in the home
- Project cost may not exceed 15% of the estimated market value of the home (or \$200,000, whichever is less)
- Minimum project cost: \$5,000
- Products to be installed must meet minimum efficiency and performance standards

How We Ensure Quality: Consumer Protections



	CALFIRST	HELOC	HEL	Personal Unsecured Loan	Credit Card
Contractor Quality Verified	Yes			By homeowner	
Only high performing products	Yes			By homeowner	
3 rd Party verification of workmanship	Yes			No	
Contractor consequences for bad work	Yes			No	
Dispute resolution process	Yes			No	
All calls to call center recorded	Yes			N/A	

Comparing PACE to Other Financing Options

Source of Funds→	CALFIRST	HELOC*	HEL	Personal Unsecured Loan	Credit Card
Interest Rate	6.75% - 8.39% (fixed)	3% - 7% (variable)	6% - 9% (fixed)	6% - 10% + (fixed)	5% - 25% (variable)
Tax Deductibility of Interest	Yes	Yes	Yes	No	No
Minimum Finance Amounts	\$5K	\$1	\$1,000	\$1	\$1
Maximum Finance Amounts, and Primary Limiting Factors	Lesser of \$200K or 10% of home equity	Limited by Combined LTV, DTI	Limited by Combined LTV, DTI	Limited by DTI	Limited by DTI
Minimum Loan Term	5 years	1 day	5 year	1 day	1 day
Maximum Loan Term	20 years (25 for solar)	20 years	20 years	Unlimited	Unlimited
Speed to Approve Financing Application	<1 day	1 month+	1 month+	1-2 weeks	1 day
Key Qualifying Criteria	Equity in the home	FICO, Combined LTV, DTI	FICO, Combined LTV, DTI	FICO, DTI	FICO, DTI
Transferability of Repayment*	Typically, yes	No	No	No	No

* Only 12% of owner-occupied homes have a HELOC in place, 8% of homes owned by >65 years old, 7% of African-American owned homes, 9% of Hispanic-owned homes

How a Local Government Participates in CALFIRST

Pass CaliforniaFIRST Opt-In Resolution

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE CITY OF _____ TO JOIN THE CALIFORNIAFIRST PROGRAM; AUTHORIZING THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO ACCEPT APPLICATIONS FROM PROPERTY OWNERS, CONDUCT CONTRACTUAL ASSESSMENT PROCEEDINGS AND LEVY CONTRACTUAL ASSESSMENTS WITHIN THE INCORPORATED TERRITORY OF THE CITY; AND AUTHORIZING RELATED ACTIONS

WHEREAS, the California Statewide Communities Development Authority ("California Communities") is a joint exercise of powers authority the members of which include numerous cities and counties in the State of California, including the City of ____ (the "City"); and

WHEREAS, California Communities has established the CaliforniaFIRST program (the "CaliforniaFIRST Program") and will provide financing for certain improvements authorized by Chapter 29 of Division 7 of the Streets & Highways Code ("Chapter 29"), including, but not limited to, renewable energy, energy efficiency and water efficiency improvements and seismic strengthening improvements (the "Improvements") through the levy of contractual assessments pursuant to Chapter 29 of Division 7 of the Streets & Highways Code ("Chapter 29") and the issuance of improvement bonds (the "Bonds") under the Improvement Bond Act of 1915 (Streets and Highways Code Sections 8500 and following) (the "1915 Act") upon the security of the unpaid contractual assessments; and

Costs to Local Governments: \$0 – Nada – Zilch – Nothing - Zeero

California**FIRST**

RENEWABLE  FUNDING

Thank you very much!

CaliforniaFIRST

Jonathan Kevles

jkevles@renewfund.com

(510) 350-3709

www.CaliforniaFIRST.org

info@californiafirst.org

California**FIRST**

RENEWABLE  FUNDING

CaliforniaFIRST

Energy Saving Financing

Frequently Asked Questions

1. What is CaliforniaFIRST?

[CaliforniaFIRST](#) is a Property Assessed Clean Energy (PACE) financing program for residential and commercial properties. CaliforniaFIRST allows property owners to finance the installation of energy and water improvements on homes or businesses without putting any money down. Property owners pay back the funds that were used to implement their home improvement project as a line item on their property tax bill.

[CaliforniaFIRST](#) is a program of the California Statewide Communities Development Authority (CSCDA), a joint powers authority co-sponsored by the California State Association of Counties and the League of California Cities. Renewable Funding administers CaliforniaFIRST.

2. Who are the members of CSCDA?

In order to “opt-in” to CaliforniaFIRST, a city or county must be a member of CSCDA (the vast majority of California cities and counties are already members – over 500 cities, counties and special districts in the state are [CSCDA members](#)). Becoming a member is easy and does not cost anything. The documents needed to join CSCDA are available on the [CaliforniaFIRST web site](#). Activation by CSCDA of a membership application typically takes two weeks.

3. How do I know if my city or county is participating in CaliforniaFIRST?

[CaliforniaFIRST](#) is currently available in 27 counties, with 180+ participating local governments (cities and unincorporated county areas) located throughout California. See the CaliforniaFIRST web site for a [list of all participating jurisdictions](#).

CaliforniaFIRST may only accept financing applications from property owners located in jurisdictions that have opted-in to the program. Local governments around the state can join CaliforniaFIRST by passing a simple “opt-in” resolution, which is available on the [CaliforniaFIRST web site](#). CaliforniaFIRST financing becomes available to property owners within the local government’s jurisdiction only one or two days after passage of the opt-in resolution.

4. Does CaliforniaFIRST use taxpayer dollars to fund projects or administer the program?

No. CaliforniaFIRST uses private capital to fund every project. Costs to administer the program are paid by program participants, through fees that are rolled into each project’s financing. County tax assessors and tax collectors incur small costs to place each PACE assessment on the tax rolls, and to collect and distribute the PACE assessment payments. Counties are reimbursed for these costs through the above-

mentioned fees. Cities do not incur any costs as a result of opting-in to the program. Some cities and counties may *voluntarily* expend resources to increase public awareness among property owners of PACE as a financing option.

5. What are the benefits?

[CaliforniaFIRST](#) solves many of the financial hurdles facing property owners wanting to install energy and water improvements.

- Competitive, fixed interest rates (which are effectively even more competitive when homeowners are eligible to deduct the interest portion of the PACE payments from their taxes¹)
- Up to a 25 year payback term
- Decreased utility bills from reduced electricity and water usage
- Qualifying for financing is not based on personal credit scores
- The PACE lien payment obligation usually transfers to the new owner if the property is sold

6. Is this a voluntary program?

Yes. Utilizing CaliforniaFIRST financing is completely voluntary. Properties and property owners that don't participate remain unaffected.

7. How is CaliforniaFIRST different from traditional financing?

CaliforniaFIRST is financed through assessments collected on the property tax bill, and the assessment obligation may be assumed by the new owner when the property is sold.

8. How do I qualify for financing?

Qualifying for CaliforniaFIRST financing is based on:

1. The property's estimated market value;
2. The amount of the property owner's equity in the property;
3. The property owner's recent mortgage and property tax payment history; and
4. The dollar value of the proposed renewable energy and energy and water saving improvements.

Qualifying is not based on personal credit scores.

9. How much money can I borrow?

The minimum amount that can be financed is \$5,000. The maximum financing amount is 15% the property value, but may not exceed \$200,000.

¹ Homeowners are advised to consult with their tax preparers to receive guidance on whether or not they can take advantage of the tax deductibility of the interest portion of PACE payments.

10. What are the interest rates?

As of November 12, 2014, our interest rates are:

Years to Repay	Interest Rates
5	6.75%
10	7.59%
15	7.99%
20	8.29%
25	8.39%

Homeowners should consult with their contractor to confirm if interest rates have changed.

11. How is the length of the repayment period determined?

Repayment periods will range from 5, 10, 15, 20, or 25² years, depending on the homeowner's preference, and limited by the expected useful life of the most costly product of the project's CaliforniaFIRST-financed improvements.

12. How does repayment work?

A property owner applying to [CaliforniaFIRST](#) will agree to the levy by CSCDA of a "contractual assessment" on its property. The property owner will receive funds to pay the up-front costs of installing the approved improvements. The PACE assessment will appear as a new line item on the property owner's property tax bill.

13. Are there any penalties for prepayment of the PACE assessment?

There are no penalties for paying all or a portion of the PACE assessment early.³ Please see Question #18 below for additional information.

14. What happens when I sell my property?

As part of the property record, the assessment will be disclosed at the time of property sale, and the remaining unpaid balance of the financed amount will be transferred to the new property owner.

15. Can CaliforniaFIRST finance solar leases or Power Purchase Agreements (PPAs)?

Yes, pre-paid solar leases and PPAs can be financed through CaliforniaFIRST.

16. Do I need to complete an energy audit of my home?

² 25 year terms are only available for certain solar systems. Homeowners are advised to consult with their solar installer.

³ Partial repayments must be for a minimum of \$2,500.

No, but it is encouraged. In certain cases a property owner may want to have a qualified auditor evaluate her home to determine the most cost-effective measures to reduce the home's energy use. The costs of an energy assessment can be financed with [CaliforniaFIRST](#) financing.

17. Is there an application fee?

No, there is no fee to apply for [CaliforniaFIRST](#) financing.

18. Can I use any contractor?

In order to participate, contractors must be registered with [CaliforniaFIRST](#). As long as contractors meet Program requirements, they can quickly and easily register by visiting californiafirst.org/contractor. All participating contractors must have a valid and active contractor's license with CSLB. The same web page provides a list of participating contractors.

19. How are tax credits, rebates, and other incentives incorporated into CaliforniaFIRST financing?

Property owners are encouraged to pursue available Federal Investment Tax Credits (ITCs), utility rebates and any other incentives. All or a portion of total incentives may be subtracted from the amount financed under the Program; however, it is not required that the financed amount be reduced by the estimated value of the incentives. Once property owners receive their rebates and tax credits, those funds may be used to pay down the PACE assessment balance; the balance would then be re-amortized, resulting in lower annual PACE assessment payments.

20. Is the interest on the PACE assessment payment tax deductible?

The interest portion of payments made under the [CaliforniaFIRST](#) Assessment Contract may be deductible for income tax purposes. The interest portion will vary from year to year, and any tax savings will depend on the property owner's tax bracket and other variables. The property owner should consult with his tax advisor to determine if, and to what extent, he may deduct the interest component of payments made under the Assessment Contract.

21. Who do I contact with additional questions?

[CaliforniaFIRST](#) staff are available to answer additional questions via email at info@CaliforniaFIRST.org or by phone at (844) 589-7953.



CaliforniaFIRST's Quality Assurance and Consumer Protection Measures

The following quality assurance and consumer protection measures provided through CaliforniaFIRST do not exist when a homeowner finances their energy and water upgrade projects through their home equity line of credit, home equity loan, personal unsecured loan, or credit card.

- Participating contractors must become certified. Our certification process includes a check of the contractor's:
 - License status with the California Contractors State Licensing Board (CSLB)
 - Better Business Bureau grade (grade "B" or better)
 - Meet the CSLB's bonding and workers' compensation insurance requirements
 - Liability insurance (minimum coverage of \$1 million)
 - Evidence that they have been in operation for a minimum of one year and have installed the equipment, products or materials indicated on their contractor's license (or provide evidence of equivalent experience).
- All Eligible Products must be installed by a Participating Contractor.
- Only products from our Eligible Products list qualify for financing. To be on the list, a product must meet minimum efficiency and/or other performance standards.
- Project completion sign-off includes a check that all required permits from the city, county, and any other agency are completed and valid.
- A third party quality assurance firm conducts a minimum check of contractors' projects, with newer contractors and contractors on probation receiving more frequent checks.
- A process for putting contractors on probation for bad work quality or validated consumer complaints, which can ultimately lead to removal of the contractor from the Participating Contractor pool.
- A dispute resolution process for homeowners and contractors.
- 100% of calls to our call center are recorded.

For additional information, please visit www.CaliforniaFIRST.org or call (844) 589-7953.

Consumer Protections and Benefits

Financer	CAFirst	Home Equity Line of Credit	Home Equity Loan	Personal Unsecured Loan	Credit Card
Contractor Quality Verified	Yes	Verified by Homeowner			
Only High Performing Products	Yes	Verified by Homeowner			
3rd Party Verification of Workmanship	Yes	No			
Contractor Consequences for Bad Work	Yes	No			
Dispute Resolution Process	Yes	No			Maybe



For additional information, please visit www.CaliforniaFIRST.org or call (844) 589-7953.

Eligible Measures



ENERGY EFFICIENCY PRODUCTS

- Air-Source Heat Pump
- Applied Window Films
- Attic Fan
- Attic Insulation
- Boiler
- Ceiling Fan
- Central Air Conditioner
- Cool Roof – Performance
- Cool Roof – Prescriptive
- Cool Wall
- Doors
- Duct Insulation
- Duct Replacement and/or Sealing
- Electric Heat Pump Tank Water Heater
- Evaporative Cooler
- Floor Insulation (over unconditioned space)
- Furnace
- Gas Pool Heater
- Gas Storage Tank Water Heater
- Gas Tankless Water Heater
- Geothermal Heat Pump
- Indoor Lighting Fixtures
- Outdoor Lighting Fixtures
- Pool Pump and Motor
- Programmable Thermostat Control
- Radiant Barrier
- Radiant Heating and/or Cooling (floor, wall, ceiling)
- Skylights and Tubular Daylighting Devices
- Ventilating Fans
- Wall Insulation
- Whole House Fan
- Windows

RENEWABLE ENERGY PRODUCTS

- Advanced Energy Storage Systems
- Electric Vehicle Charging Station
- Small Wind Turbines
- Solar Inverters
- Solar Panels
- Solar Pool Heating
- Solar Water Heating

WATER EFFICIENCY PRODUCTS

- Artificial Turf
- Drip Irrigation
- Greywater Systems
- Hot Water Delivery Systems
- Rainwater Catchment Systems
- Toilets
- Weather-Based Irrigation Control Systems

PLEASE NOTE: We will consider measures that are not listed on a case-by-case basis.

All eligible products must be installed by a CaliforniaFIRST-approved contractor.

Property and Property Owner Eligibility

PROPERTY ELIGIBILITY

- Property must be in a participating community
- Property must be residential
- Manufactured homes approved if permanently attached to property
- No current involuntary liens and/or judgments totaling more than \$1,000 for all property owners

PROPERTY OWNER(S) ELIGIBILITY

- Applicant(s) must be the owner(s) of record of the property
- All property owners must sign all required documentation
- No current involuntary liens and/or judgments totaling more than \$1,000 for all property owners
- Property owner(s) must be current on their property taxes for the prior 12 months
- Property owner(s) must certify that property taxes have not been paid late more than once during the prior 3 years (or since the purchase if owned by them for less than 3 years)
- Property owners must be current on all subject property-secured debt at the time of application and cannot have had more than one 30-day mortgage-related late payment over the previous 12 months
- There must be no notices of default or foreclosure filed against the property within the last 2 years
- No bankruptcies (business or personal) in the last 2 years. The property must not be an asset in any bankruptcy proceeding
- Minimum financing amount is \$5,000
- Maximum amount financed is the lesser of \$200,000 or 10% of the value of the property and combined amount financed under the program plus mortgage-related debt cannot exceed 100% of the value of the property
- Energy efficiency, renewable energy, and water efficiency products; permanently fixed, new products; must meet minimum efficiency and/or other requirements for eligible products
- Property title cannot be subject to power of attorney, easements or subordination agreements restricting authority of the property owner(s) to a PACE lien

ATTACHMENT – 2

Figtree

Program Brochures and/or Information



Government Brochure

February 2014



1-877-577-7373 | info@figtreefinancing.com

ABOUT FIGTREE FINANCING

Figtree is a San Diego-based clean energy finance company Providing Property Assessed Clean Energy (PACE) funding that puts economic benefits of energy efficiency, renewable energy and water conservation upgrades within reach of most property owners.

Requiring no money down, Figtree's unique brand of PACE financing gives property owners the freedom to amortize payments for a period of up to 20 years via their property tax bills.

Figtree is the first company in the U.S. to successfully raise private capital for PACE projects via a multi-jurisdictional bond issue.

Be Sustainable

● Lower Your Energy Bills

● Watch Your Savings Grow

INTRODUCING PACE FINANCING FOR ENERGY UPGRADES

In these times of soaring energy costs and new environmental regulations, it's time to protect your finances. Property Assessed Clean Energy (PACE) financing from FIGTREE can help turn property owners' energy and water bills into thousands of dollars in savings each year through easy-to-implement energy efficiency, renewable energy and water conservation upgrades.

It's a timely opportunity that can save money, provide a valuable hedge against rising energy costs and preserve precious natural resources.



Property owners are prequalified for PACE financing in numerous cities and counties throughout California, and the number of jurisdictions authorizing FIGTREE to offer financing based on property values in their respective communities continues to grow. PACE financing requires no personal guarantee. Additionally, all loan balances can transfer to the next owner if you sell the property – you pay for only the benefits you receive. Payments are made as semi-annual assessment installments on your property tax bill, but participation is completely voluntary and the program does not rely on public funds.



HUNDREDS OF WAYS TO SAVE

- Solar PV systems
- HVAC
- Boilers & chillers
- Energy efficient lighting
- Building controls
- Windows
- Occupancy sensors
- Solar water heating
- Pool systems
- Programmable thermostats
- Cool roofing
- Water-efficient plumbing
- And many more!

DIFFERENT THAN TRADITIONAL LOANS

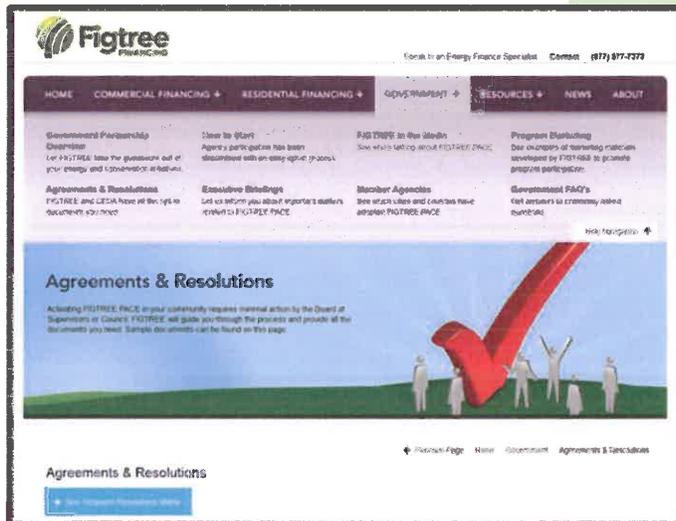
- Available financing of 10%-20% of property value
- No personal guarantee
- No money down
- Fixed rate
- Longer terms - up to 20 years
- Lien is transferable upon sale
- Secured by assessment on property

HOW TO ADOPT FIGTREE PACE IN YOUR COUNTY OR CITY

THE BOARD OF SUPERVISORS/ CITY COUNCIL WILL NEED TO:

1. Establish Membership with California Enterprise Development Authority (CEDA) (If not already a member)
 - Adopt Membership Resolution (no cost to join)
 - Execute Membership Agreement
2. Authorize CEDA to form the PACE Assessment District
 - Adopt Resolution of Authorization

DOWNLOAD SAMPLE DOCUMENTS AND STAFF REPORTS ONLINE



FOR ASSISTANCE CONTACT:

Erik Caldwell
Director of Government Partnerships
Office: 1.877.577.7373 ext. 1007
Email: ecaldwell@figtreefinancing.com

ABOUT CEDA



The California Enterprise Development Authority (CEDA) is committed to helping bring financing options and information to businesses and economic developers. CEDA is a statewide Joint Powers Authority (JPA) which affords individual cities and counties economies of scale and reduced risk in the implementation of financing programs. As the sponsoring public agency of the FIGTREE PACE program, CEDA issues the PACE bonds which finance clean energy building improvements.



1-877-577-7373 | info@figtreefinancing.com



The Figtree PACE Program City and County Action Plan

October 2014



An Action Plan for Local Governments

This document provides an overview of how to implement the Figtree PACE program in your community.



Developing a successful Property Assessed Clean Energy (PACE) Program to deliver energy savings to property owners and to create jobs in your community requires time and resources. Figtree is one of the leading private PACE financing companies operating in the United States today. 82 municipalities throughout California have already partnered with us to help make renewable energy, energy efficiency, and water efficiency projects more affordable. Our program is a complete turn-key solution which will not cost your city or county anything, protects your city or county through an indemnification agreement, and has already financed renewable energy and energy efficiency retrofits for property owners across California.

By encouraging your property owners to use energy and water more efficiently, and by developing and supporting renewable energy to power buildings, your city or county can keep dollars in the local economy, create new green jobs, and improve community quality of life. Adopting the Figtree PACE program directly supports your communities climate action plan goals and by helping your residents secure a more sustainable future.

Our PACE program provides 100% upfront financing to residential and commercial property owners for a wide range of eligible property improvements. Repayment is made through a owner's property taxes with flexible repayment terms ranging from 5 to 20 years. PACE may also allow payments to be passed on to a new property owner if the property is sold before the PACE financing is paid in full.

The Figtree Program provides local governments the opportunity to implement an energy finance program without any formation costs, and is supported by the industry's best PACE professionals. Together with the California Association for Local Economic Development (CALED), through its affiliate the California Enterprise Development Authority (CEDA), Figtree delivers a comprehensive solution, that can invigorate your community with the infusion of financing for sustainable improvements. With this action plan, decide to make a difference, and discover how together we can build a better community by taking action today.

An Action Plan for Local Governments

Table of Contents

PROGRAM OVERVIEW	4
The Figtree PACE Advantage for Local Government.....	5
The Figtree PACE Advantage for Property Owners.....	7
FIGTREE PACE PROGRAM	9
Applying for Figtree PACE Financing.....	9
Eligibility Criteria.....	10
Contractors and Program Marketing.....	11
Elements Specific to Commercial PACE.....	12
ASSESSMENT DISTRICT FINANCING STRUCTURE	13
The Figtree / CEDA Relationship.....	14
THE FIGTREE PROFESSIONAL TEAM	15
WHAT IF I ALREADY HAVE A PACE PROGRAM?	16
ADOPTING FIGTREE PACE	17
Assessment District Formation Timeline.....	17

For immediate assistance in getting started please contact Figtree at:

Mr. Erik Caldwell

VP of Government Partnerships

Phone: (877) 577-7373

ecaldwell@figtreefinancing.com

Program Overview

The Figtree PACE Advantage for Local Government

Government Partnership Overview

*"Through a private-public partnership with Figtree, private capital is used to supply the upfront funding for the work so there's no financial impact to the city's General Fund and no upfront costs to owners who choose to make these improvements."
Jerry Sanders, Mayor City of San Diego (2012)*



The Figtree PACE Program offers substantial economic, environmental, social and energy benefits to participating cities and counties. By offering energy and water efficiency financing through property based assessments, the benefits realized by local governments extends from energy savings to green jobs creation.

The Figtree PACE Program is offered by CEDA and Figtree as a non-exclusive, no cost, turn-key solution which enables cities and counties to offer PACE financing to its property owners. The program currently operates in 82 cities and counties in California. Our turn-key solution also eliminates risk to cities and counties as CEDA is the entity that contracts with property owners and capital providers, while Figtree fully indemnifies each participating municipality.

Easy to Join, No Cost Program

The legal framework and program development of the Figtree PACE program has already been proven. Cities and counties need to adopt a resolution authorizing CEDA to implement the Figtree PACE Program. If a city or county is not already a member of CEDA, joining CEDA is also easily done via a single resolution and there are no costs or financial obligations to join.

Statewide Judicial Validation

In 2012, the Figtree PACE Program has completed a statewide judicial validation. Judicial validation brings a comfort level to the legal counsel, underwriter and those involved in issuing Figtree's PACE bonds while assuring attorneys in cities/counties across the state that Figtree is in compliance with all legally-binding protocols and notifications.

Success Story: The Figtree PACE program is the first PACE Program to earn state-wide judicial validation.

Program Overview

The Figtree PACE Advantage for Local Government (Continued)

No Liability / No Exclusivity

Your city/county is fully protected through complete indemnification provided by Figtree Financing. In addition, by adopting the Figtree PACE Program, your municipality is not required to sign an exclusivity agreement. This allows your city or county to make other PACE Programs available in the future.

Job Creation

The benefit of the Figtree PACE Program is that local jobs are created. From local contractors to the building inspectors, new jobs are being created to meet the needs for energy efficient retrofit work. Energy retrofit projects create much needed jobs in local communities. A study by Johnson Controls estimates that approximately 20 new jobs are created for each \$1M invested into energy retrofit work.¹

Greenhouse Gas Emissions (GHG) Reduction

Cities and counties have instituted GHG reduction goals and Climate Action Plans either by state mandate or through local ordinance in order to do their part to help the environment. By offering the Figtree PACE Program to your property owners, energy retrofits can become a reality that will substantially reduce CO2 emissions.

Accessible Financing

Figtree PACE financing is available based on the value of the property. This allows for PACE financing to be available to all property owners regardless of income level or the community they live in so long as they are in good financial standing with their property taxes and mortgage.

Funding Provided by CEDA

Project funding is through taxable bonds, notes or other forms of indebtedness issued by the California Enterprise Development Authority (CEDA). A city/county will not be impacted or liable for any of the funding, but will benefit from the improvements in their communities.

1 - Johnson Controls White Paper: An Awakening in Energy Efficiency: Financing Private Sector Building Retrofits, Based on construction industry economic multipliers generated by the Regional Input-Output Modeling system (RIMS) from the Bureau of Economic Analysis, a bureau of the U.S. Department of Commerce.

Program Overview

The Figtree PACE Advantage for Property Owners

In light of the recent turmoil faced by financial institutions, financing options have become scarce for many property owners looking to make needed retrofits on their properties. Figtree PACE makes qualifying energy and water retrofits accessible and simple for property owners to realize.

No Money Down

The Figtree PACE Program offers property owners the opportunity to finance all costs associated with the financing including any audit and application fees paid. Since PACE financing requires no money down many improvements and upgrades are cash flow positive from day one. This enables property owners to immediately start saving on their energy bills and put more money into their pockets. See figure 1.

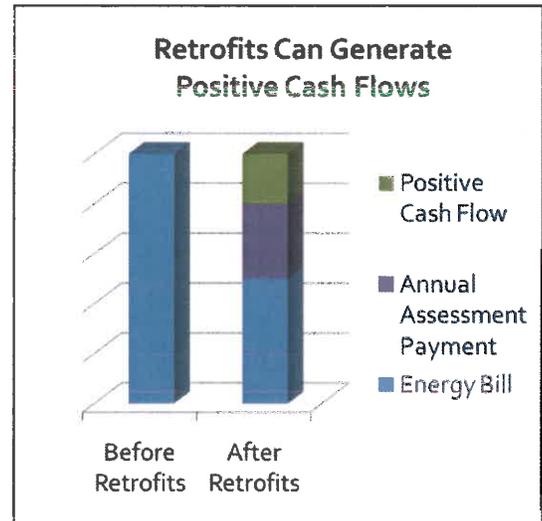


Figure 1. Positive Cash Flow

Fixed Financing Rate

The property owner locks in their interest rate for the entire life of their financing. While their energy rates may continue to rise, property owners benefit from a fixed repayment schedule that doesn't increase over time. Figtree interest rates are market dependent.

Residential Properties

Rates are currently projected to be between 5.50% to 7.50% with financing up to 10% of total property value.

Commercial Properties

Rates are currently 4.63% to 6.65% and maximum financing is up to 10% of total property value. Alternative rates are available for projects in excess of 10% of property value and projects in excess of a million dollars.

Long Term Financing, Up to 20 Years

The term of the financing will match the useful life of the property improvements. For solar, roofing, and HVAC systems the assessment term can be up to 15 or 20 years. For improvements with a shorter useful life, like lighting, the loan term will match. Most projects include a variety of improvements; in those cases Figtree will use a weighted average life to calculate the term length.

Program Overview

The Figtree PACE Advantage for Property Owners (cont.)

Own the System and Keep Rebates and Tax Incentives

With PACE financing the property owner owns the equipment and systems allowing them to claim all tax benefits and rebates. In contrast to other financing mechanisms, like leases and power purchase agreements (PPA), where the lessor claims all rebates and incentives.

Projects Can Generate Savings Immediately

Long term financing enables smaller annual payments. As a result most energy efficiency or renewable energy projects get better cash flow and net operating income. These smaller payments are often offset by rebates, incentives, and energy savings creating cash flow positive projects from day one.

Transfer the Lien Upon Sale

A PACE assessment lien is tied to the property, not the individual owner. As a result, it is possible to transfer the lien to the next owner. The next owner then assumes the cost of the improvements while they are receiving the benefit.

Compare Figtree PACE	Figtree PACE	Traditional Bank Loan	Solar Power Purchase Agreement (PPA)	Lease
Application Process				
Business credit review required	No	Yes	Yes	Yes
Three year financials, tax returns, and history required	No	Yes	Yes	Yes
Down payment is required	No	Yes	Potentially	Potentially
Financial Benefits				
You keep and receive financial benefits from rebates and tax incentives	Yes	Yes	No	No
You permanently add financial value and environmental benefits to your property	Yes	Yes	No	No
Fixed interest, long term ownership financing	Yes	No	No	No
General Considerations				
You can purchase many different energy upgrades like cool roofing and solar panels with one financing	Yes	Yes	No	No
You make your payment on the annual property tax bill rather than each month	Yes	No	No	No
If the property is sold, the financed amount is transitioned to the next owner	Yes	No	Negotiated	Negotiated

Figtree PACE Program

Figtree works with regional and national financial institutions to continually find the lowest cost of financing for participating property owners. The Figtree PACE Program is currently financed through the sale of bonds issued by CEDA. The bond proceeds are payable to:

Approved Contractors — as reimbursement for installation of equipment and improvements approved under the Figtree PACE Program.

Approved Property Owners — as reimbursement for approved out-of-pocket expenses.

The bonds are not a debt of the city/county, the State of California, or any of its political subdivisions (other than CEDA). Member agencies are not liable for payment. The bonds are special obligations of CEDA payable exclusively from the revenues (secured by assessment liens on voluntarily participating properties), and amounts held in certain funds and accounts created pursuant to the Indenture.

Online Application Process

Property owners submit an application directly to Figtree for financing. Figtree evaluates the application and takes the necessary measures to ensure sound financing practices. Once a financeable amount has been approved, property owners may begin to take competitive bids from Figtree PACE registered contractors. When a bid has been selected by the property owner, Figtree works with the property owner to verify that all proposed retrofits are approved efficiency measures eligible for financing. As for billing, Figtree handles all contractor reimbursements and coordinates with the appropriate county tax collector to collect assessment repayments. The property owner repays the assessment as a line item on their property tax bill.

6 STEPS to a More Valuable Property

Figtree OnDemandPACE™ means capital is waiting for you. As soon as the first 4 steps are completed below, we can fund and you can begin your project. It's that easy to start saving on your utility bill and enjoying an improved property.



**CHECK
ELIGIBILITY**



**COMPLETE
APPLICATION**



**FINALIZE
PROJECT SCOPE**



**GET LENDER
ACKNOWLEDGEMENT**



**CLOSE
THE FINANCING**



**COMPLETE
THE PROJECT**



Eligible Properties

All commercial property types are eligible including office, industrial, retail, hotel, and multi-family. Up to 20% of the property value can be financed with a minimum project size of \$5,000.

Eligible Projects

Most energy efficiency, renewable energy, and water conservation projects are eligible: solar, HVAC, boilers & chillers, lighting, building controls, windows, cool roofing, water-efficient plumbing, and more.

Participating Areas

Property must be located in a participating area. Please visit our website for the latest list of cities and counties that have made the Figtree OnDemandPACE™ Program available to their property owners.

State, County, and City Supported

California state law AB-811 created PACE financing. With this legislation in place cities and counties, then choose to adopt the Figtree OnDemandPACE™ Program. Everywhere Figtree OnDemandPACE™ is available, has been reviewed and approved by local government.



Figtree PACE Program

Eligibility Criteria for Figtree Financing

Property owners who meet the following minimum criteria are eligible for financing through the Figtree PACE program:



Residential Properties

- The amount of financing requested shall not exceed 10% of the value of the property.
- All existing private debt recorded against the property does not exceed 85% of the value of the property.
- There are no involuntary liens, defaults or judgments on the property in excess of \$1,000.
- Property owner has not declared bankruptcy in the past seven years.
- Property owner has remained current on their property tax and mortgage payments for the past three (3) years or since owning the Property, if less than 3 years.
- The Property title is not subject to power of attorney, easements, or subordination agreements restricting our authority to subject the Property to a PACE lien.

Commercial Properties

- Property owner is current on property taxes for the property.
- Property owner is current on private property debt and has not been delinquent in the past three years.
- Property owner has not declared bankruptcy in the past five years
- Property is not listed as an asset in bankruptcy.
- The lien-to-value ratio (excluding assessed financing amount) does not exceed one hundred percent (i.e. no negative equity).
- Property is developed and located within the jurisdiction of a Participating Agency.



Figtree PACE Program

Contractors and Program Marketing

Contractors and Training

All contractors are eligible to participate in the Figtree PACE Program. The majority of our existing contractors are local businesses that provide services regionally or throughout California. We require contractors to have 3 years of experience (or provide 3 customer references), be a licensed contractor with the State, and maintain \$1 million in general liability insurance and workers compensation insurance in order to participate in the PACE program.

As a Figtree Registered Contractor in our program contractors receive a comprehensive 1 hour one-on-one training session to review how to utilize PACE successfully, how it can help grow their business, and to answer any questions they have on the program. During this training we share best practices on rebates, incentives, and how to maximize the financial value for property owners with energy efficiency upgrades.

In addition, our program approaches property owners directly to educate them on the availability of PACE financing. If a contractor engages a property owner we are available to support them as they request to facilitate the financing of the project. This includes phone calls, Q&A, and face to face meetings.

As part of our Registered Contractors Program, Figtree performs financial modeling of projects. We create proposals that contractors can utilize to communicate the long term value of implementing energy efficiency and renewable energy measures to property owners. This helps translate the benefits to financially savvy senior decision makers. This program is in addition to our marketing materials, webinars, and on demand trainings available online.

Marketing Efforts

Truly effective marketing is one of the most challenging aspect of successfully implementing a PACE program. Understanding the channels of commerce that drive volume and executing a pro-active marketing plan is essential to achieving success. Figtree has crafted marketing strategies to overcome challenges concerning the adoption of PACE financing among property owners and contractors. These marketing strategies have rapidly expanded our growth in 2014 and have set the program up for future success.

Direct Outreach to Property Owners

Property owners need to be reached directly. They are looking for alternative financing options that allow them to update their homes and buildings. Key messages include savings on energy efficiency, increased net operating income and property value, and the availability of incentives to engage property owners.

Figtree PACE Program

Elements Specific to Commercial PACE

Figtree's commercial and residential programs are both built on the same proven platform. However the commercial program has a few key differences from our residential program offering:

Requires Lender Acknowledgement

One key factor for a commercial property owner to qualify for PACE financing is lender acknowledgement. Since most commercial mortgages have a "Due on Encumbrance" clause that would give the mortgage holder the right to call the loan due if additional debt is placed on the property without prior acknowledgement, the mortgage lien holder is required to provide written acknowledgement before PACE financing is provided by Figtree. Figtree coordinates the process and reaches out to the mortgage lender directly to obtain the required acknowledgement on behalf of the property owner.

Success Story: Figtree successfully negotiated lender acknowledgements from regional banks like Premier Valley Bank and WestAmerica Bank as well as national banks like Wells Fargo and US Bank.



Free Up Capital Budgets and Preserve Credit

Utilizing PACE financing preserves capital expenditure or maintenance budgets for other projects. In addition, off balance sheet PACE financing does not inhibit the property owner's credit, preserving their borrowing capacity for future needs or working capital.

Pass Through Costs to Tenants with Triple Net Lease

PACE assessment liens are administered through a property's tax bill. Triple net leases allow for an allocated portion of the property taxes to be paid in the lease. Since the PACE assessment is on the property tax bill the tenant can share in the cost of the upgrades. Passing the costs through to the tenant solves the split incentive issue commonly found with leased spaces. The tenant is now paying for the benefits they receive in better facilities and the energy savings.

Assessment District Financing Structure

Legal Authority for PACE

Assembly Bill 811, signed into law in 2009, amended existing California law which already allowed for contractual assessment financing for public improvements. The law specifically allows cities and counties to establish PACE programs to finance privately owned renewable energy, energy efficiency, and water conservation measures. Additionally, the law requires improvements financed using PACE to be permanently fixed to real property. California law also enables municipalities to authorize more than one PACE provider.

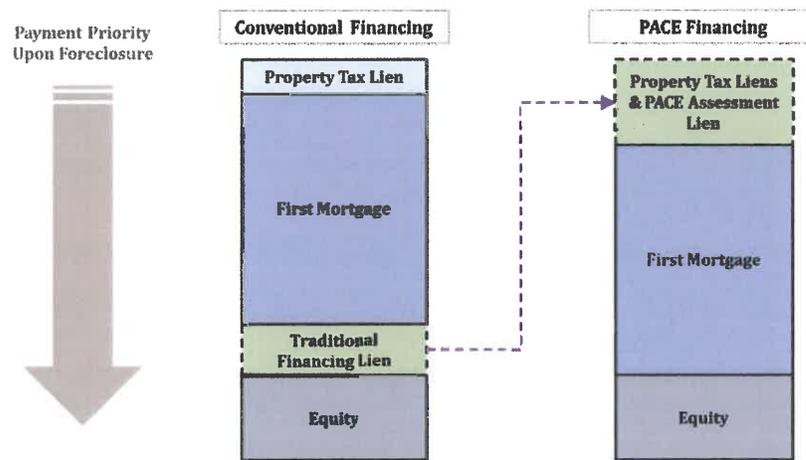


Figure 2. PACE Lien Priority

Assessment Districts are Well Established in Law

Municipal assessment financing has been around for over 100 years and many property owners around the country will find assessment line items on their property tax bill for improvements to sewer systems, sidewalks, street lighting and many other purposes. In fact, coordinating between tax assessors and bond trustees to ensure proper billing and remittance for all the various assessment districts in existence has evolved into a specialized business expertise known as assessment district administration. Figtree has incorporated this expertise into its PACE program in California by partnering with Willdan Financial Services (Willdan). Willdan is the leading assessment district administrator nationwide.

The role this Willdan plays in Figtree's PACE Program is in many ways akin to a loan servicer in more traditional financing products. Although there are many different taxing jurisdictions participating Figtree's program and therefore many different tax assessor's offices, there is only one entity coordinating remittances and interfacing with the bond trustee for the benefit of our capital partners.

Assessment District Financing Structure

The Figtree / CEDA Relationship

Perhaps the most important relationship in Figtree's California program is with the California Enterprise Development Authority. CEDA is a statewide Joint Powers Authority (JPA) created under California statute as a governmental membership organization with a controlling board distinct from any of its members. In this context, CEDA is the legal entity at the center of the Figtree PACE program. As such, CEDA is responsible for:

- Entering into Associate Membership Agreements with municipalities that wish to join the Figtree PACE Program;
- Executing Contractual Assessment Agreements with property owner specifying the assessment terms;
- Placing PACE assessment liens on properties and enforcing assessment collection remedies; and
- Issuing bonds secured by PACE assessment liens.

Figtree is the administrator of the program under a Program Administration Agreement executed with CEDA, and not individual municipalities. This eliminates the need for a lengthy procurement process. Under this agreement, Figtree is responsible for:

- Developing the legal infrastructure;
- Developing and maintaining the program report;
- Arranging for financing capital;
- Promoting expansion and municipal adoption of the program;
- Marketing the program in the marketplace as the Figtree PACE Program; and
- Originating PACE assessments in compliance with statute and programmatic underwriting guidelines.

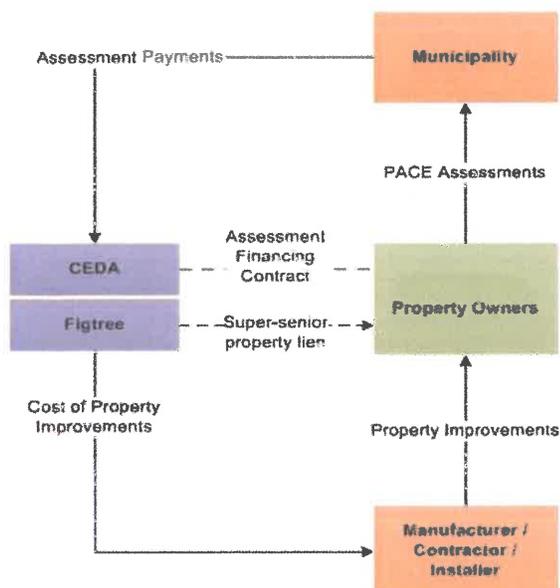


Figure 3. Figtree PACE Financing Cycle

The relationship between Figtree and CEDA is a partnership based on shared objectives around providing a cost effective successful PACE financing product to commercial property owners within CEDA's membership jurisdictions. Both Figtree and CEDA are compensated for their roles from upfront and ongoing fees funded by the participating property owners as established in each Contractual Assessment Agreement.

The Figtree Professional Team

Figtree has assembled a strong professional team of strategic partners within our program. Our current strategic partners are as follows:



Program Administrator and Originator: Figtree Company, Inc. program finance and administration.



Statewide Governmental Conduit: California Enterprise Development Authority (CEDA) is a California Joint Powers Authority established by the California Association for Local Economic Development (CALED). Figtree and CEDA have established an exclusive partnership to offer the Figtree PACE Program to municipalities across California.



Deutsche Bank

Bond Trustee: Deutsche Bank's Trust & Securities Services unit has nearly 2 trillion of assets under custody and is one of the world's largest and most experienced providers of administrative services for capital market instruments and other types of financing. It provides custody, clearing and related services in more than 30 markets.



Asset Servicer: Willdan Financial Services (Willdan), a subsidiary of publicly traded Willdan Group, Inc. (NASDAQ: WLDN), has a proven, specialized assessment administration practice that has been forming and administering assessment districts for over 20 years.



Issuer Counsel & Bond Counsel: Kutak Rock LLP is a national law firm of more than 500 lawyers with offices from coast to coast. The firm has represented hundreds of state and local governmental units and a substantial number of Fortune 500 corporations.



Securitization Counsel: Kramer Levin Naftalis & Frankel, LLP is a global law firm with an unqualified expertise in the process of securitization. The lawyers of their Securitization group have been, and continue to be, leading innovators in this constantly evolving discipline.



Corporate Counsel: Stradling Yocca Carlson & Rauth, P.C.



Structuring Advisor and Placement Agent: KGS-Alpha Capital Markets, L.P.



What if I already have a PACE program?

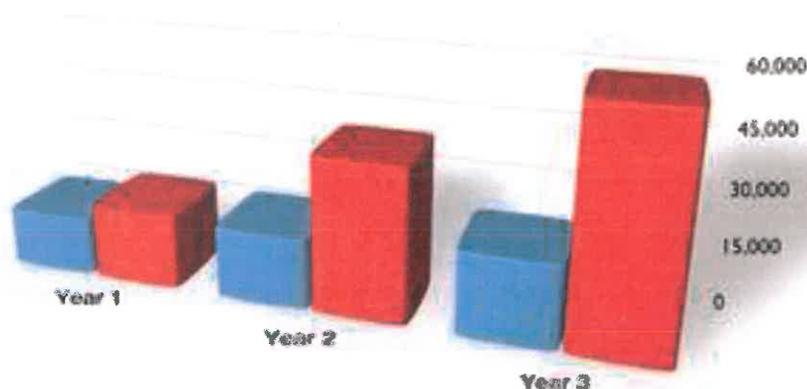
Benefits of a Non-Exclusive Arrangement

Property owners are best served when municipalities allow for multiple PACE programs to operate. A growing number of private companies are implementing privately-funded PACE programs on a significant scale. While the core service provided by each of these companies may appear to be similar, each has a different approach that may make their business model more or less beneficial to different property owners. Additionally, the interest rates offered by these companies will vary over time, no different than identifying who provides the lowest interest rates on mortgages, auto loans, or any other loan.

Municipal governments rarely insert themselves into the process of determining which private companies are allowed to offer services within their communities; they allow the supply and demand of the marketplace determine which companies offer the best services to meet the needs of their residents. This same principle should apply to PACE financing as well.

A non-exclusive open PACE marketplace ensures that PACE program benefits and services will be robust and lasting. Competition is good for business. It improves the product, program, and experience for property owners by encouraging companies to provide what they believe to be the best possible product, including quality customer service.

In California, establishing a non-exclusive marketplace has become a best practice among municipalities. They are still taking the time to ensure programs are appropriately vetted and that they meet their requirements. But their risk assessment process is now less arduous, because providing an open marketplace is more straightforward than comparing the pros and cons of individual programs, especially since a winning solution can change based on the consumers need.



Adopting Figtree PACE

Adopting the Figtree PACE Program is easy. CEDA will perform the assessment district proceedings required on behalf of your city or county. This includes passing the Resolution of Intention and Holding the Public Hearing. All your public agency needs to do is pass a resolution authorizing CEDA to perform the assessment district proceedings on behalf of your public agency. If your city or county is not already a member of CEDA, then an additional resolution joining CEDA would also be adopted.

As the program administrator, Figtree will provide you the resolutions needed as well as a sample staff report that can be used.

Assessment District Formation Timeline

Since there are many Cities and Counties that CEDA will be performing the assessment district proceedings for, it is necessary for your public agency to notify Figtree as soon as possible of your interest to participate. See Figure 3 for the assessment district formation schedule sample.

	ACTION	DETAIL
Date TBD	Adopt Resolution Authorizing CEDA	Your city/county adopts a Resolution Authorizing CEDA to perform Assessment Proceedings on your city/county's behalf.
Date TBD	Utility Notices	Figtree mails out utility notices to Utility Providers per Streets & Highways Code Section 5898.24(b), 60 days prior to CEDA Public Hearing
Date TBD	Resolution of Intention	CEDA initiates assessment proceeds and Adopts the Resolution of Intention.
Date TBD	Publication	CEDA publishes Notice of Public Hearing per Streets & Highways Code Section 5898.24(a) at least 20 days before hearing.
Date TBD	Public Hearing	CEDA holds Public Hearing and Figtree PACE Program goes live in participating public agencies.

Figure 3. Assessment District Formation Schedule Sample

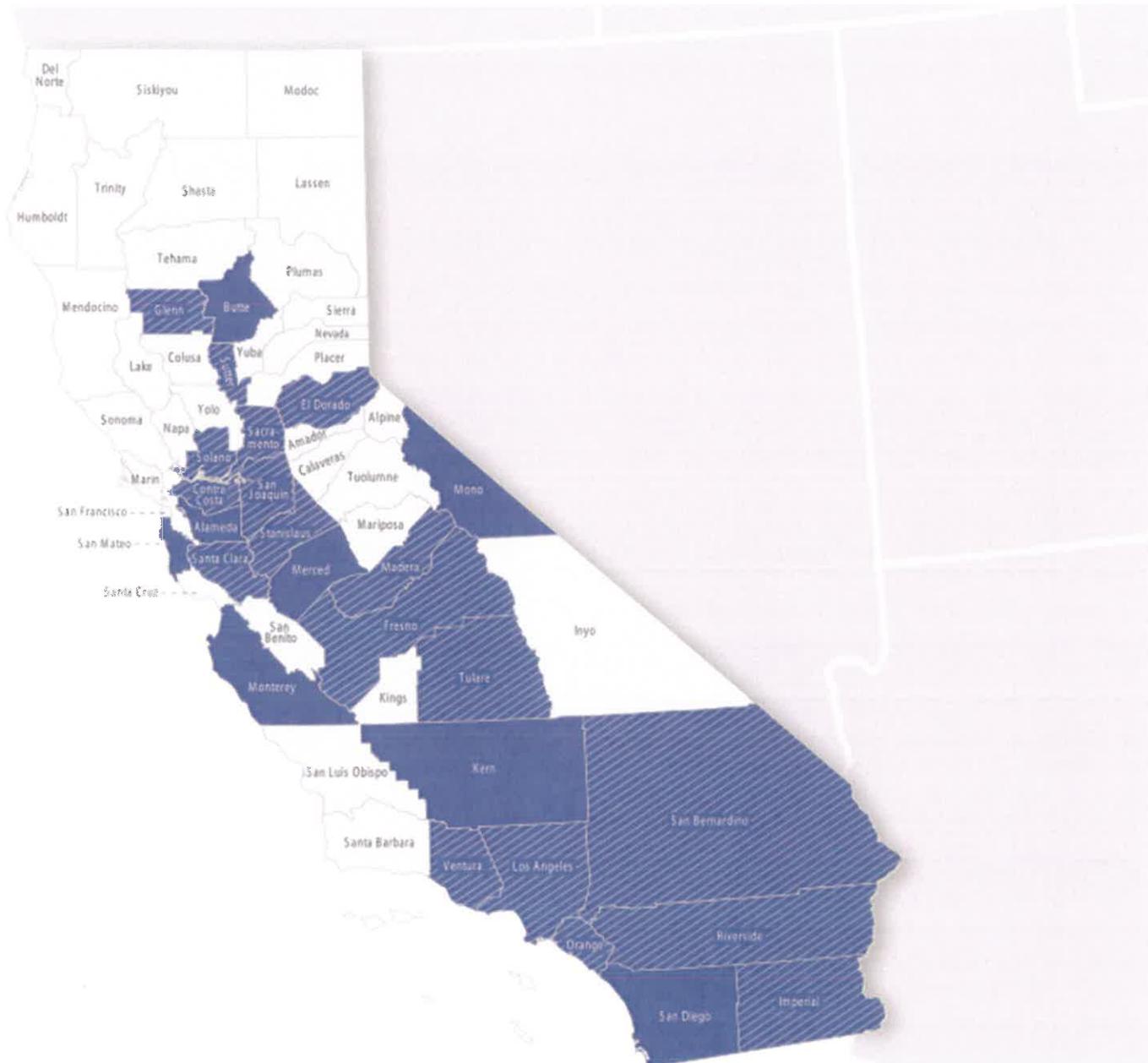
Please visit our website [Government Section / Agreements & Resolutions](#) for additional detail and resolutions. You can also call Erik Caldwell, Director of Government Partnerships at (877) 577-7373 to learn more about how to get started.

Figtree PACE Financing - Commercial Participating Areas

All commercial property types are eligible including office, industrial, retail, hotel, and multi-family. Up to 20% of the property value can be financed with a minimum project size of \$5,000.

Don't see your city or county? Contact Figtree at 877-577-7373 for assistance with making Figtree PACE available in your area.

Figtree Financing is working with cities and counties across California to make PACE financing available. If you have a project in a city or county that is not shown as active below, please contact us for the latest status.



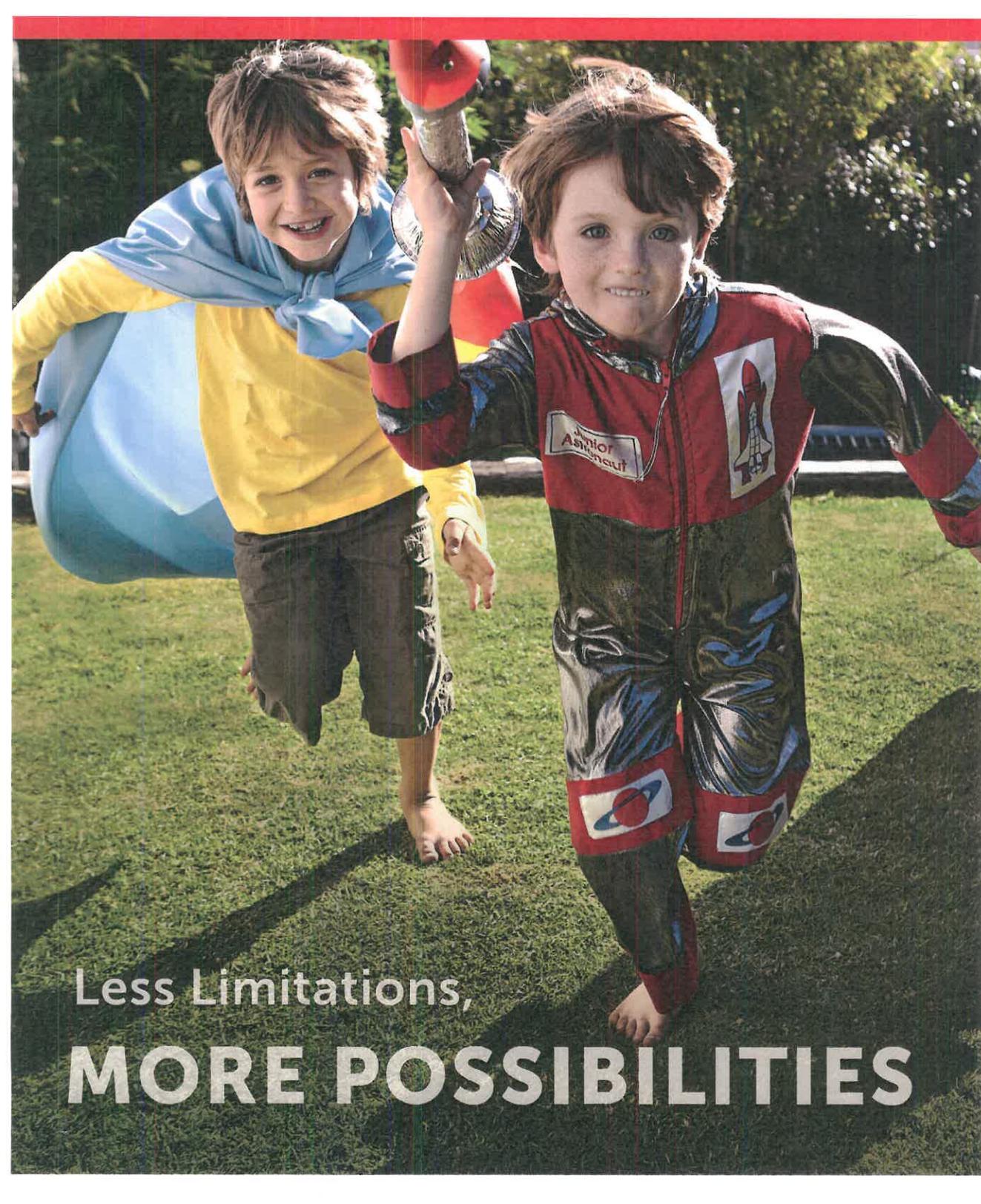
ATTACHMENT – 3

HERO

Program Brochures and/or Information



Your energy efficient future, today.



Less Limitations,
MORE POSSIBILITIES

Contents:

Overview

Why HERO?	3
HERO Advantage	4
PACE Track Record	5

Platform

Integrated Technology	6
HERO Gov	7
HERO Pro	8

Services

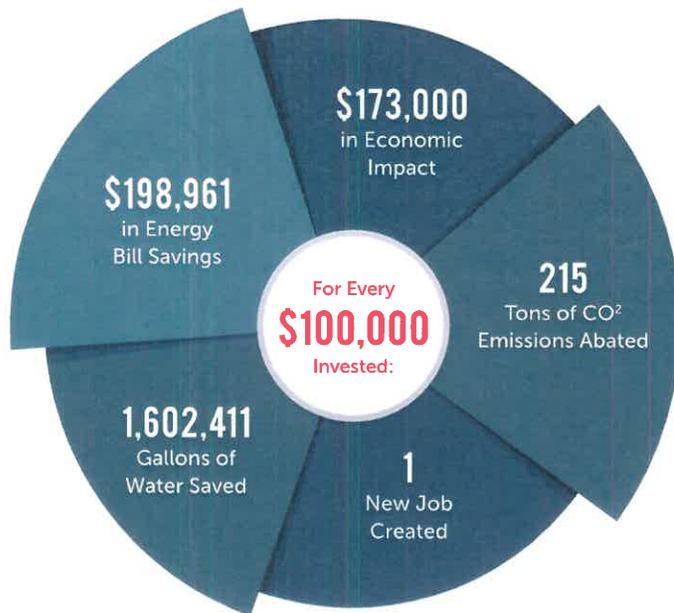
Support Services	9
Contractor Registration	10
Consumer Protection	11

Results

Awards & Recognition	12
HERO Communities	13
Get HERO	14

Why HERO?

HERO is helping communities across California realize the promise of an energy efficient future by making the energy efficient choice the safe and affordable choice for property owners.



Community Impact

When property owners invest in energy efficient upgrades, they do more than save energy. HERO also helps communities create new jobs, save water and increase property values. HERO provides:

Consumer Protection:

- Price / Value Confirmation
- Pay Upon Job Completion
- Dispute Resolution

Economic Stimulus:

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

Environmental Benefits:

- Reduced CO² Emissions
- Decreased Energy Consumption
- Water Savings

HERO Advantage

When you approve HERO in your community you're protecting consumers before, during and upon completion of every project. Contractors must be in good standing with the Program and are only paid after the job is completed to the consumer's satisfaction.

Consumer Protection		Before HERO	After HERO
Training	Eligibility Requirements Proposal Automation Estimating Calculators Application Verification	✘	✔
Compliance	Marketing Product Eligibility Fair Pricing CSLB Confirmation Permit Verification	✘	✔
Protection	Pay Upon Completion ID Verification Terms Confirmation In Good Standing Dispute Resolution	✘	✔

HERO Features:

- Quality Control
- Approvals Based on Home Equity
- Long-Term Low Fixed Interest Rates

HERO Products:

Over 900,000 models of energy saving products qualify:

- Solar
- HVAC
- Roofing
- Windows
- Artificial Turf
- Pool Pumps
- Water Savings
- Insulation

PACE Track Record

HERO is the largest and most successful residential PACE based financing program in the nation, and the only program that has successfully securitized PACE based loans. All funding, support services and technology are provided at no cost to the municipality.

Our proven model enables us to continue to provide:

- ✓ Ongoing Lending Capital
- ✓ Dependable Support Services
- ✓ Comprehensive Technology Infrastructure
- ✓ Unrivaled Consumer Protections

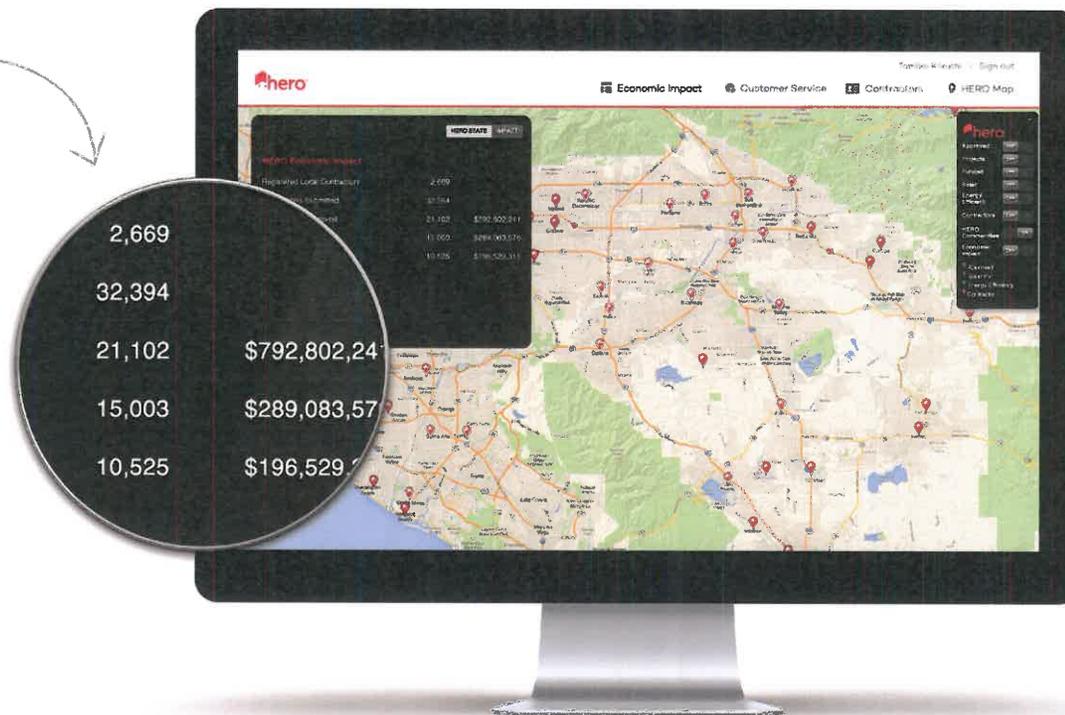


Integrated Technology

HERO provides communities an extensive technology platform designed to deliver accurate and timely information during every step of the process.

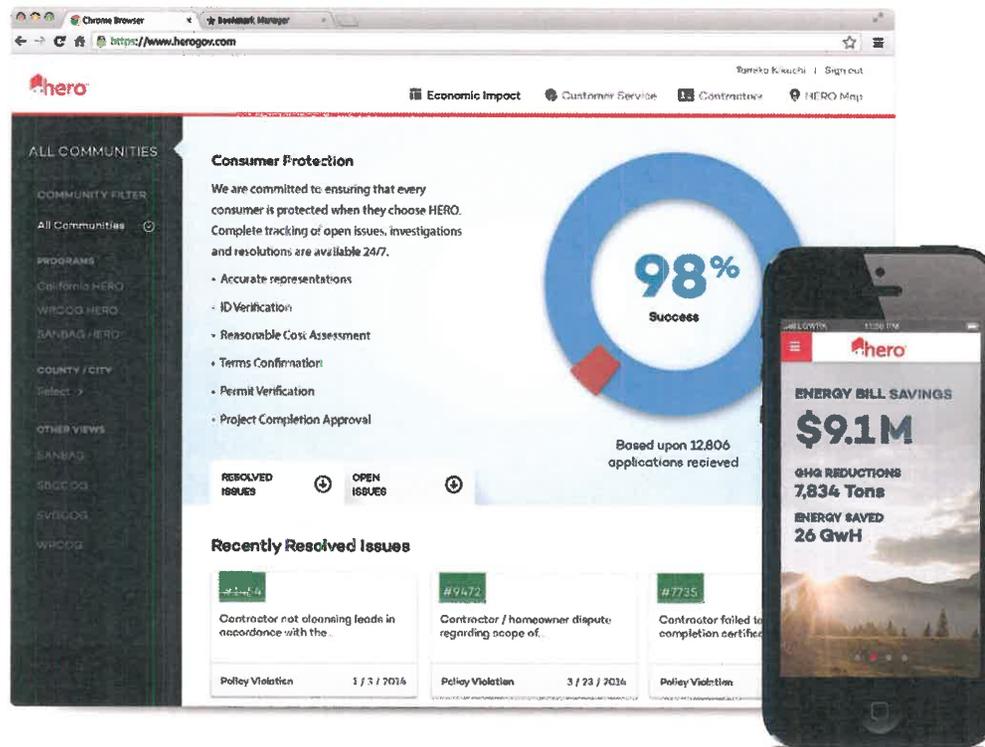
Real-time Tracking:

- Project Types
- Active Contractors
- New Job Creation
- CO² Reduction
- Economic Impact



HERO Gov

HERO Gov provides municipalities direct insight on Program performance and transparency on all consumer protection support items.



Features:

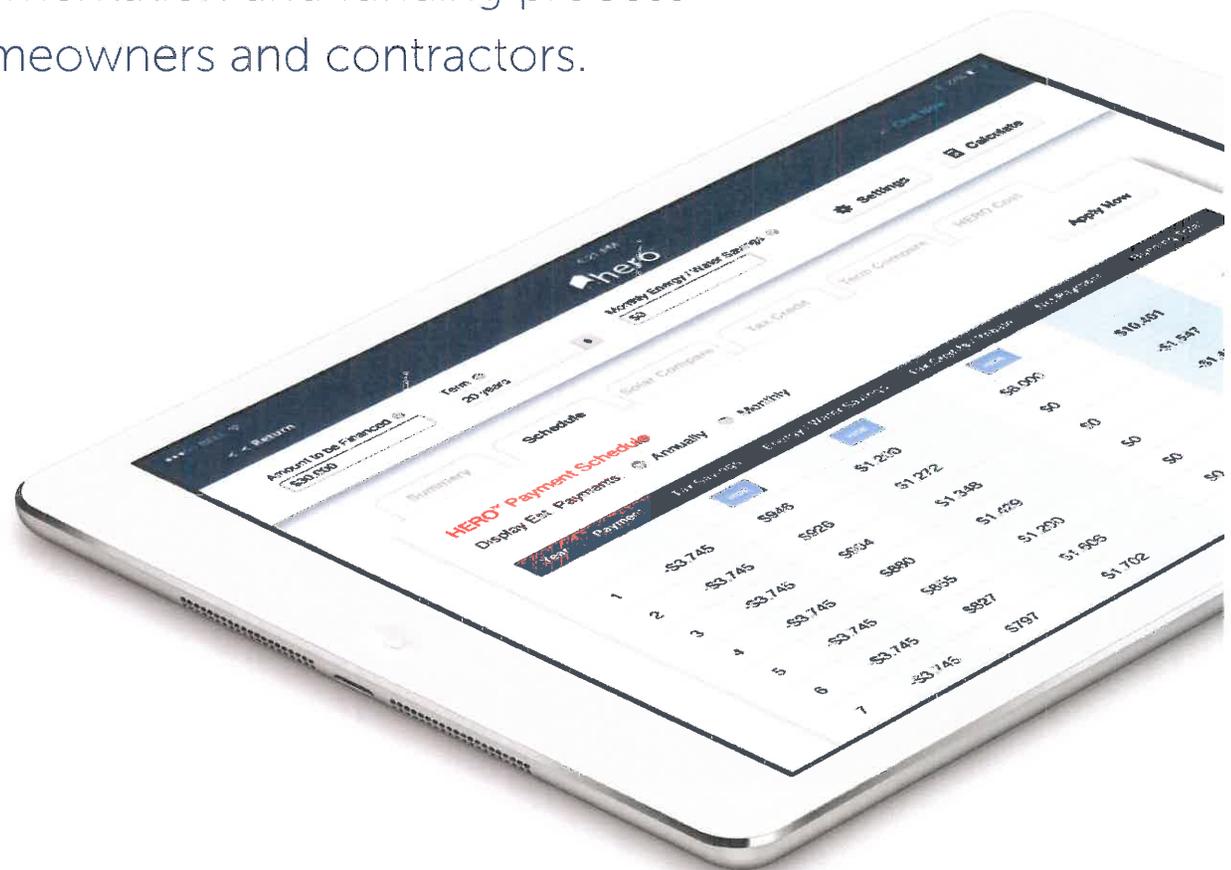
- HERO Map
- Mobile App
- Real Time Data
- Projects Financed
- Amounts Financed
- Environmental Impact
- Jobs Created
- Consumer Protection Inquiries and Resolutions

HERO Pro

An integrated, secure platform designed to make the estimating, approval, documentation and funding process as easy as possible for homeowners and contractors.

Features:

- Interactive Sales Tools
- Estimating Calculators
- Energy Savings Calculators
- Financing Document Generation
- Electronic Signature Capabilities
- Information and Updates
- Web Based Training Curriculum
- Webpage at heroprogram.com/companyname



Community Support

We provide dedicated support to consumers, contractors and municipalities through every step of the process.

Contractor Training

Our representatives in the field deliver training and provide ongoing support for application processing and program implementation.

Municipal Support

Dedicated account managers are assigned to every municipality to provide training, ongoing support, and to respond to any constituent inquiries.

Dispute Resolution

Every consumer complaint receives a full investigation. When necessary, our investigators with law enforcement experience will intervene to resolve any disputes.

HERO Hotline (855-HERO-411)

Our full service call center is available to consumers and contractors from project start to completion.

Mon-Th	8am – 10pm
Friday	8am – 9pm
Saturday	10am – 8pm
Sunday	10am – 6pm



Contractor Training & Registration

The HERO Program provides a comprehensive training program, designed to get contractors comfortable with the all of the financing terms and the property owner approval process.

Training includes:

- Sales Training
- Software Training
- Product Eligibility
- Document Processing
- Completion Certification
- Payment Options
- Co-Marketing Policies
- Brand Usage Guidelines



Consumer Protection Policy

HERO has developed the #1 Consumer Protection Policy in the home energy improvement financing sector.

Contractor ID Verification

Every contractor must be in good standing with the Program, and have active license status with the CSLB.

Pricing Controls

We conduct a Reasonable Cost Test on all major product types and projects to ensure consumers get a fair price.

Permit Verification

We require verification that the necessary permits for qualifying products (including HVAC, solar PV, roofing, and many other products) have been issued.

Payment Protection

No payments are made to the contractor until the property owner signs a completion certificate to verify the project has been completed to their satisfaction.



Awards & Recognition

HERO delivers real impact and has been recognized by industry leaders for excellence and innovation.



ENVIRONMENTAL & ECONOMIC PARTNERSHIP | Governor of California

Awarded California's highest honor by Governor Brown for exceptional leadership in environmental preservation and economic stimulus.



BEST RESIDENTIAL PARTNERSHIP | U.S. Green Building Council

Recognized as a Top 10 Green Building Policy in California, serving as a national model for financing energy efficiency and water conservation retrofits.



BEST OF THE BEST

Urban Land Institute

Recognized for sustainable community development and organizational leadership in providing: economic value, environmental quality, and social equity.



BUSINESS ACHIEVEMENT AWARD

Climate Change Business Journal

Recognized for successfully partnering with local governments to develop residential financing programs for energy efficiency and renewable energy systems.



PRESIDENTS AWARD FOR EXCELLENCE

Southern CA Association of Governments

Recognized for creating successful public-private partnerships and economic stimulus by bringing private funding into communities.

HERO Communities

Fresno County

Fresno
Clovis

Imperial County

Brawley
El Centro

Kern County

Delano
Kern County
Unincorporated
Ridgecrest
Taft

Kings County

Lemoore

Los Angeles County

Alhambra
Arcadia
Azusa
Baldwin Park
Bellflower
Bradbury
Carson
City of Industry
Claremont
Covina
Diamond Bar
El Monte
El Segundo
Gardena
Glendora
Hawthorne

Hermosa Beach
Inglewood
Irwindale
La Cañada Flintridge
La Verne
Lawndale
Lomita
Monrovia
Montebello
Monterey Park
Palmdale
Pomona

Rancho Palos Verdes
Rolling Hills
Rolling Hills Estates
Rosemead
San Dimas
San Gabriel
San Marino
Santa Monica
South El Monte
South Pasadena
Temple City
Torrance
Walnut
West Covina

Merced County

Atwater
Merced County
Unincorporated

Mono County

Mono County
Unincorporated
Mammoth Lakes

Monterey County

Monterey
Monterey County
Unincorporated

Napa County

American Canyon
Calistoga
Napa
Napa County
Unincorporated
Yountville

Orange County

Anaheim
Brea
Buena Park
Costa Mesa
Garden Grove
Huntington Beach
La Palma
Laguna Hills
Newport Beach
Placentia
Santa Ana
Stanton
Tustin
Westminster

Riverside County

Banning
Calimesa
Canyon Lake
Corona
Eastvale
Hemet

Jurupa Valley
Lake Elsinore
Menifee
Moreno Valley
Murrieta
Norco
Perris
Riverside
Riverside County
Unincorporated
San Jacinto
Temecula
Wildomar

Sacramento County

Citrus Heights

San Bernardino County

Adelanto
Apple Valley
Barstow
Big Bear Lake
Chino
Chino Hills
Colton
Fontana
Grand Terrace
Hesperia
Highland
Loma Linda
Montclair
Needles
Ontario
Rancho Cucamonga

Redlands
Rialto
San Bernardino
San Bernardino County
Unincorporated
Twentynine Palms
Upland
Victorville
Yucaipa
Yucca Valley

San Diego County

Carlsbad
Escondido
Lemon Grove
Oceanside
San Diego
San Diego County
Unincorporated
San Marcos
Solana Beach
Vista

San Joaquin County

Stockton
Tracy

San Mateo County

Menlo Park

Santa Barbara County

Lompoc

Santa Clara County

San Jose

Santa Cruz County

Scotts Valley

Solano County

Solano County
Unincorporated
Vacaville

Stanislaus County

Modesto
Newman
Oakdale
Turlock
Waterford

Tulare County

Visalia

HERO Communities
as of May 2014

*(Italicization indicates
pre-launch phase)*

Get HERO

It's easy to bring HERO to your community. Learn more by visiting heroprogram.com or calling 855-HERO-411.



"Why HERO? It's made our community better by lowering unemployment, increasing environmental efforts, and boosting our economy!"

Mayor Rusty Bailey, Riverside, CA

"As HERO helps our residents lower their utility bills, San José furthers its sustainability goals by reducing energy and water use. Our economy and job market benefits from home improvement-related activity making it a win-win for all aspects of San José."

Kerrie Romanow, Director of Environmental Services, San José, CA

Chat Now

Login **855-HERO-411**

Home Energy Products

HERO Communities

Learn More

Apply Now

291 HERO Communities

Don't see your community? **GET HERO** ›

California

★ COMING SOON

Alameda County	Los Angeles County	Madera County	Sacramento County	Santa Cruz County
Albany	Alhambra	Unincorporated Area	Citrus Heights	Capitola *
Berkeley	Arcadia		Elk Grove *	Scotts Valley
	Artesia *	Merced County	Rancho Cordova	Unincorporated Area
Contra Costa County	Avalon *	Atwater	Unincorporated Area *	
Antioch *	Azusa	Livingston		Solano County
Brentwood	Baldwin Park	Merced	San Bernardino County	Benicia
Concord	Bell Gardens *	Unincorporated Area	Adelanto	Dixon
Danville *	Bellflower		Apple Valley	Vacaville
El Cerrito *	Beverly Hills *	Mono County	Barstow	Vallejo
Lafayette *	Bradbury	Mammoth Lakes	Big Bear Lake	Unincorporated Area
Martinez *	Burbank *	Unincorporated Area	Chino	
Oakley	Calabasas *		Chino Hills	Sonoma County
Pittsburg *	Carson	Monterey County	Colton	Sebastopol
Pleasant Hill *	City of Industry	Carmel-by-the-Sea *	Fontana	Sonoma *
Richmond *	Claremont	Del Rey Oaks *	Grand Terrace	Unincorporated Area
San Pablo	Commerce	Monterey	Hesperia	
San Ramon	Covina	Pacific Grove *	Highland	Stanislaus County
Walnut Creek	Cudahy *	Unincorporated Area	Loma Linda	Hughson
	Culver City *		Montclair	Modesto
El Dorado County	Diamond Bar	Napa County	Needles	Newman
South Lake Tahoe	Downey *	American Canyon	Ontario	Oakdale
	Duarte *	Calistoga	Rancho Cucamonga	Riverbank
Fresno County	El Monte	Napa	Redlands	Turlock
Clovis	El Segundo	St. Helena	Rialto	Waterford
Fresno	Gardena	Yountville	San Bernardino	
Kerman *	Glendale *	Unincorporated Area	Twenty Nine Palms	Tulare County

Kingsburg	Glendora	Orange County	Upland	Tulare *
Parlier	Hawaiian Gardens *	Aliso Viejo	Victorville	Visalia
Reedley	Hawthorne	Anaheim	Yucaipa	
Sanger	Hermosa Beach	Brea	Yucca Valley	Ventura County
Selma	Hidden Hills *	Buena Park	Unincorporated Area	Fillmore
Unincorporated Area	Huntington Park *	Costa Mesa		Ojai
	Inglewood	Cypress	San Diego County	Oxnard
Imperial County	Inwindale	Fountain Valley	Carlsbad	Port Hueneme
Brawley	La Canada Flintridge	Garden Grove	Coronado	Santa Paula
Calexico	La Habra Heights *	Huntington Beach	Del Mar *	Simi Valley
Calipatria	La Mirada *	La Habra	El Cajon	Ventura *
El Centro	La Puente *	La Palma	Encinitas	
Holtville	La Verne	Laguna Hills	Escondido	Yolo County
Imperial *	Lakewood *	Lake Forest	Imperial Beach	Winters *
Unincorporated Area	Lancaster	Newport Beach	La Mesa	
	Lawndale	Placentia	Lemon Grove	
Kern County	Lomita	Rancho Santa Margarita	National City	
Arvin	Long Beach *	San Clemente	Oceanside	
Bakersfield	Los Angeles *	Santa Ana	Poway	
California City	Lynwood *	Stanton	San Diego	
Delano	Malibu *	Tustin	San Marcos	
McFarland	Manhattan Beach *	Westminster	Santee	
Ridgecrest	Monrovia	Yorba Linda *	Solana Beach	
Shafter	Montebello		Vista	
Taft	Monterey Park	Riverside County	Unincorporated Area	
Tehachapi	Norwalk *	Banning		
Wasco	Palmdale	Beaumont	San Francisco County	
Unincorporated Area	Palos Verdes Estates *	Blythe *	San Francisco	
	Paramount *	Calimesa		
Kings County	Pasadena *	Canyon Lake	San Joaquin County	
Lemoore	Pico Rivera *	Cathedral City *	Lodi	
	Pomona	Coachella	Manteca *	
	Rancho Palos Verdes	Corona	Ripon	
	Redondo Beach	Desert Hot Springs	Stockton	
	Rolling Hills	Eastvale	Tracy	
	Rolling Hills Estates	Hemet		
	Rosemead	Indian Wells *	San Mateo County	
	San Dimas	Indio	Daly City	
	San Fernando	Jurupa Valley	Foster City	
	San Gabriel	La Quinta *	Menlo Park	
	San Marino	Lake Elsinore	Redwood City	
	Santa Clarita *	Menifee	San Bruno	
	Santa Fe Springs *	Moreno Valley	San Carlos *	
	Santa Monica	Murrieta	San Mateo *	
	Sierra Madre	Norco	South San Francisco *	
	Signal Hill *	Palm Desert	Woodside	
	South El Monte	Palm Springs *		

South Gate *	Perris	Unincorporated Area
South Pasadena	Rancho Mirage *	
Temple City	Riverside	Santa Barbara County
Torrance	San Jacinto	Lompoc *
Walnut	Temecula	
West Covina	Wildomar	Santa Clara County
West Hollywood *	Unincorporated Area	Gilroy *
Whittier *		Morgan Hill *
Unincorporated Area *		San Jose

HERO PROGRAM

- [For Homeowners](#)
- [For Contractors](#)
- [For Municipalities](#)
- [For Real Estate Agents](#)
- [For Commercial](#)
- [HERO Communities](#)

HELP & INFO

- [Contact](#)
- [FAQs](#)
- [News](#)

FOLLOW US

- [Facebook](#)
- [Twitter](#)
- [Blog](#)
- [Instagram](#)
- [YouTube](#)

Enter Email Address For HERO Updates

Signup

[Privacy Policy](#) | [Terms & Conditions](#) | Copyright © 2015 Renovate America Inc. All Rights Reserved

HERO Footprint & Program Stats

45,000 approved applications for \$2.0 Billion

50% California households can participate in the Program - 29 counties, 6.8 Million households

23,000 completed residential projects

\$435 Million funded in upgrades

3,700 local jobs created

\$760 Million in annual economic impact

44,000 Tons of abated CO₂ emissions

\$22 Million in utility bill savings

