

BayREN and CaliforniaFIRST Residential PACE Financing: What, Why, Who, How, & How Much?

RENEWABLE  FUNDING



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What Is PACE? (Property Assessed Clean Energy)

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



- Establishes program
- Provides complete admin and application processing
- Issues private placement bond

\$\$ Upfront



\$\$ Repaid
on tax bill

- Identifies work & chooses contractor
- Applies for financing
- Enters into “Assessment Contract” with CSCDA
- Repays financing on property tax bill

What: PACE Eligible Products*

Specific R-Values, SEER Ratings, and Other Minimum Performance Specifications Required As Applicable to Each Product		
Renewable Energy		
Solar PV Panels and Inverters	<i>Electric Vehicle Charging Station</i>	Solar Pool Heating
Solar Hot Water	Advanced Energy Storage Systems	Micro Wind
Energy Efficiency		
HVAC replacement	Duct Insulation	Indoor Lighting Fixtures
On-Demand Hot Water	Whole House Fan	Furnace
Windows	Programmable Thermostat	Attic Insulation
Water Conservation		
Lawn Removal	Drip Irrigation Systems	Recirculation systems
Replacement of leaky fresh water pipes	Low flow toilets	Efficient Clothes Washer

*List not exhaustive; and new items and technologies added frequently. See: https://content.renewfund.com/production/california_first/eligible_products_brochure.en.pdf

Why PACE?

The Challenge:

- Homes use more energy and water than necessary.
- Investments to reduce energy and water use are worth the money . . . over the long-term
- Solar is now economical for homeowners . . . over the long-term
- But, these investments come with a high price tag
- Many homeowners don't have the cash lying around, or can't borrow under terms that make sense
 - Terms that are too short
 - Interest rates that are too high
- The utility bill savings might take more years to recoup the investment than the homeowner will stay in the home

Why PACE?

The Opportunity:

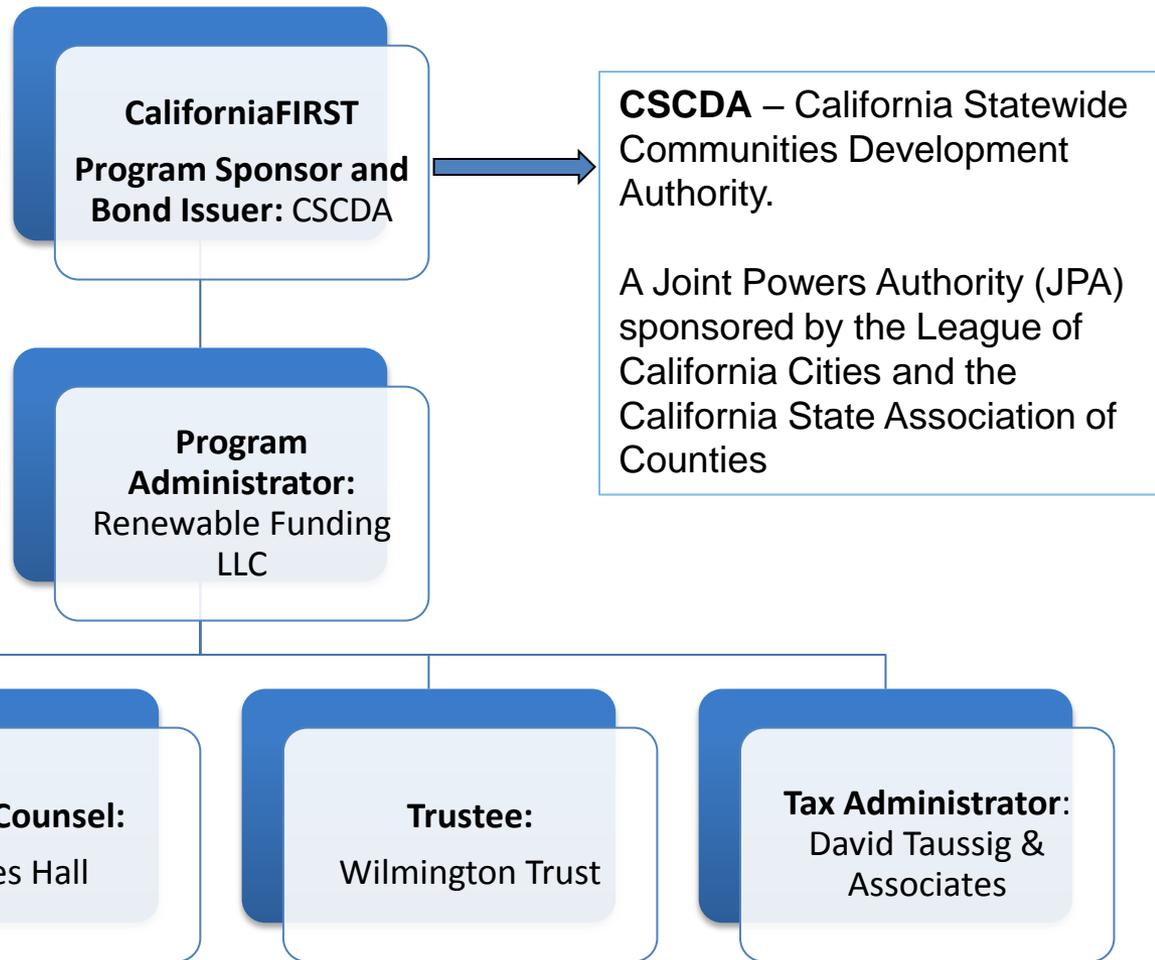
- PACE provides capital with no upfront cost to the homeowner
- PACE provides financing terms of up to 20 years
- PACE repayment obligations, being on property tax bill, can stay with the property, transferring from one owner to the next
- PACE can fund:
 - Water conservation
 - Energy efficiency
 - Renewable energy
 - And improvements to a home necessary to accommodate these improvements (such as an energy panel upgrade)

Who: CaliforniaFIRST's Team Structure & Geographic Coverage

Participating Areas*



* All jurisdictions statewide eligible to be active in CaliforniaFIRST on November 18, 2014.



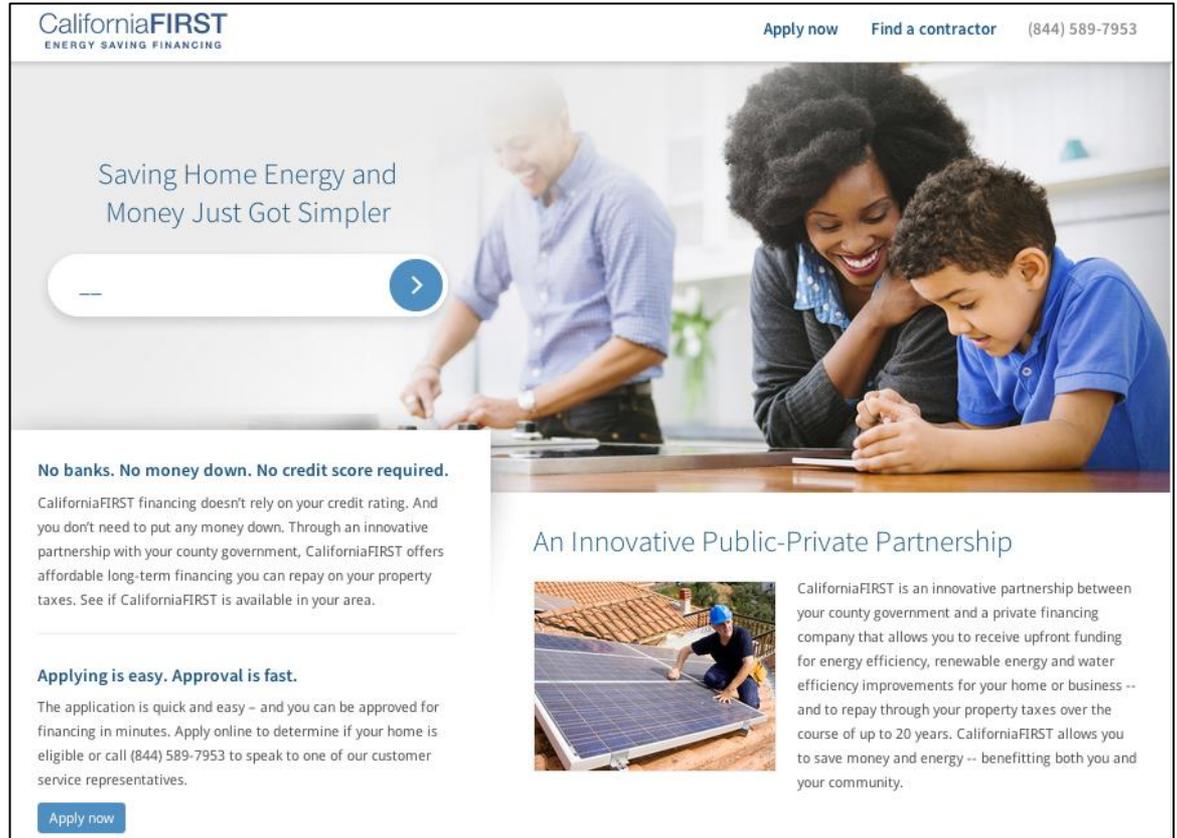
Who: Qualifying for PACE Financing

- 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 10% 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
- **Benefits**
 - Same day approval
 - Project financing does not hit homeowner's debt-to-income ratio
 - Up to 25 year repayment terms
 - Tax deductibility of interest portion of lien payments

How a Homeowner Gets Started

www.CaliforniaFIRST.org OR (888) 855-9961

- Is my local government a participating CaliforniaFIRST jurisdiction?
- Find a contractor (or two or three to compare prices, customer service, etc.)
- Define your project
- Sign the CaliforniaFIRST PACE financing assessment contract



The screenshot shows the CaliforniaFIRST website homepage. At the top left is the logo "CaliforniaFIRST ENERGY SAVING FINANCING". At the top right are links for "Apply now", "Find a contractor", and the phone number "(844) 589-7953". The main header features a photograph of a family (a man, a woman, and a child) looking at a laptop. Below the photo is the text "Saving Home Energy and Money Just Got Simpler" and a white button with a blue right-pointing arrow. Below this is a white box with the heading "No banks. No money down. No credit score required." and a paragraph of text. To the right of this box is another white box with the heading "An Innovative Public-Private Partnership" and a paragraph of text. Below the text in the right box is a small photograph of a person installing solar panels on a roof. At the bottom left of the page is a blue "Apply now" button.

CaliforniaFIRST
ENERGY SAVING FINANCING

Apply now Find a contractor (844) 589-7953

Saving Home Energy and Money Just Got Simpler

No banks. No money down. No credit score required.
CaliforniaFIRST financing doesn't rely on your credit rating. And you don't need to put any money down. Through an innovative partnership with your county government, CaliforniaFIRST offers affordable long-term financing you can repay on your property taxes. See if CaliforniaFIRST is available in your area.

Applying is easy. Approval is fast.
The application is quick and easy – and you can be approved for financing in minutes. Apply online to determine if your home is eligible or call (844) 589-7953 to speak to one of our customer service representatives.

An Innovative Public-Private Partnership
CaliforniaFIRST is an innovative partnership between your county government and a private financing company that allows you to receive upfront funding for energy efficiency, renewable energy and water efficiency improvements for your home or business -- and to repay through your property taxes over the course of up to 20 years. CaliforniaFIRST allows you to save money and energy -- benefitting both you and your community.

Apply now

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:</i>	<i>~6.5% of Project Costs</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.

How Cities Can “Opt-In” to CaliforniaFIRST

■ Three Easy Steps (and maybe only two!)

1. Join CSCDA by passing a resolution
 - (Only necessary for Cities that are not already CSCDA members)
2. Opt-In to CaliforniaFIRST by passing a resolution
3. Send the approved resolution(s) to jkevles@renewfund.com
4. Help raise public awareness of the CaliforniaFIRST option

- **Note:** *These two resolutions can be part of the same day’s City Council agenda*

■ Resolution and staff report templates available

- www.californiafirst.org/opt_in



The screenshot shows a Box.com interface with a blue header. The main title is "CaliforniaFIRST Opt-In Docu...". Below the title, there is a list of four documents:

- 0_Resolution to Join CSCDA.pdf**
Uploaded Apr 14, 2014 · 360.6 KB
- 1_10-21-14 Local Agency Sample Staff Report.doc**
Updated Oct 21, 2014 · 48.5 KB
- 2a_10-21-14 County Request Resolution.doc**
Updated Oct 21, 2014 · 42.0 KB
- 2b_10-21-14 City Request Resolution.doc**
Updated Oct 21, 2014 · 42.5 KB

Each document entry includes a file icon (PDF or DOC), a title, and metadata. To the right of the list, there are interactive options: "More options" (gear icon), "Preview" (eye icon), and "Download" (downward arrow icon).

Contact Information

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**Thank you
very much!**