



# California Property Assessed Clean Energy Program

## CA PACE Program Executive Summary



### A PACIFIC HOUSING & FINANCE AGENCY PROGRAM



PUBLIC FINANCE SOLUTIONS  
& ENGINEERING

Excellence. Integrity. Results.

#### Program Administrator:

Public Finance Solutions & Engineering

[www.PFS-Engineering.com](http://www.PFS-Engineering.com)

7670 Opportunity Road, Ste 250, San Diego CA 92111

TEL: (877) 577-PFSE (7373)

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# About CA PACE

## CALIFORNIA PROPERTY ASSESSED CLEAN ENERGY

On April 6, 2010, the City of Tulare City Council unanimously voted to officially adopt the CA PACE program into the City.

Passed into law in June 2008 under Assembly Bill 811, Cities and Counties in California can finance energy and water efficiency assessment financing to property owners within their jurisdictions. As a response, the California **Property Assessed Clean Energy** Program by Pacific Housing & Finance Agency (PHFA), a joint powers authority, was created to provide Cities and Counties a means to provide their property owners the ability to finance energy and water improvements. The CA PACE Program is a stimulus for all parties involved –

- ✓ Property Owners gain savings through reduced energy costs
- ✓ Cities enjoy new sales tax and fee permit revenues from energy installations
- ✓ Local economy booms with new energy jobs



## PACE PROGRAM HIGHLIGHTS

### Program Benefits for Property Owners:

- No money down, no credit check, provides for easy assessment financing for energy saving equipment
- Provides a low, fixed-rate
- Instant savings on energy bills, tax credits and energy rebates\*

\*(In many cases, the assessment financing re-payment can be less than the current energy costs on the property, providing instant savings)



### Program Benefits for the City of Tulare:

- Create and stimulate the local economy through job growth
- Provides a facility to retrofit thousands of homes and business properties, improving the community and increasing values
- No costs to join or have the City of Tulare participate in CA PACE
- The energy improvements help to reduce waste and create a cleaner, healthier environment
- The JPA structure provides cost sharing efficiencies for the City.



Participation in the program is completely voluntary.

### ELIGIBLE PROPERTIES

CA PACE Assessment Financing is available to all owners of improved real properties in the City of Tulare including, but not limited to, residential, commercial, and industrial properties. CA PACE Assessment Financing is not available for properties that do not pay property taxes, such as governmental entities, churches and certain non-profit corporations.

Additional requirements include:

- **Current on Property Taxes.** The property must be current on all property taxes that are due on the property and must not be in foreclosure.
- **Property already developed.** The property must already be developed. New construction is not eligible for the CA PACE Program
- **Value Ratio.** The assessment financing cannot exceed the land assessed value.



## ELIGIBLE PROPERTYOWNERS

All owners of improved real property are eligible for the CA PACE program.

Additional requirements include:

- **No Bankruptcy.** All property owner(s) must certify that they and/or the property are not currently involved a bankruptcy proceeding.
- **Property Ownership.** Property owners may be individuals, associations, business entities, cooperatives, and virtually any owner paying real property taxes.
- **Current on Payments.** A property owner needs to be current in the payment of property taxes and current on any mortgages on the parcel.

## QUALIFICATIONS SUMMARY

CA PACE assessment financing is available to property owners with the following qualifications:

1. Assessment Financing is made to install permanently affixed energy and water improvements to the property (no vacant land or construction property);
2. The CA PACE Assessment Financing amount cannot exceed the assessed land value of the property. (In certain circumstances, additional evidence may be used to support an alternative basis for approval as directed by the PHFA Executive Director);
3. The equipment must be installed by PHFA Approved Vendors, or have been installed no earlier than 6 months prior to the City of Tulare adopting the CA PACE Program;
4. Property owners must be current on their property taxes, and no bankruptcy proceedings initiated.
5. Minimum amount eligible for assessment financing is \$5,000.



For complete qualifications, please see the CA PACE Program Report on file with the City of Tulare.

## AUTHORIZED IMPROVEMENTS

The CA PACE program affords property owners in the City of Tulare the opportunity to take advantage of a wide range of energy-savings measures, consistent with the following provisions:

- CA PACE provides financing for energy and water improvements permanently affixed to property.
- CA PACE Assessment Financing is intended for retrofit activities to replace outdated equipment and to install new equipment that takes energy off the grid. However, CA PACE Assessment Financing also made available for purchasers of new homes and businesses after the property owner takes title to the property.

CA PACE Assessment Financing is made available for the following types of improvements:

- Energy and water improvements that promote energy efficiency and saves water.
- Solar Systems. CA PACE Assessment Financing is available for a range of solar systems, from photovoltaic to solar thermal.
- Pool Equipment. This includes pool circulating pumps and natural gas pool heaters.
- Water Conservation Equipment. This includes high efficiency toilets for residential properties to waterless urinals for commercial properties.
- Energy Efficiency Equipment. This includes tankless water heaters to energy efficient HVAC Equipment.

This is only a sample of the many authorized improvements available. For a more complete list, please see the CA PACE Program Report on file with the City of Tulare.



## HOW TO GET STARTED

The first step is completing a CA PACE application. Applications are available for download at [www.cityenergysavings.com](http://www.cityenergysavings.com).

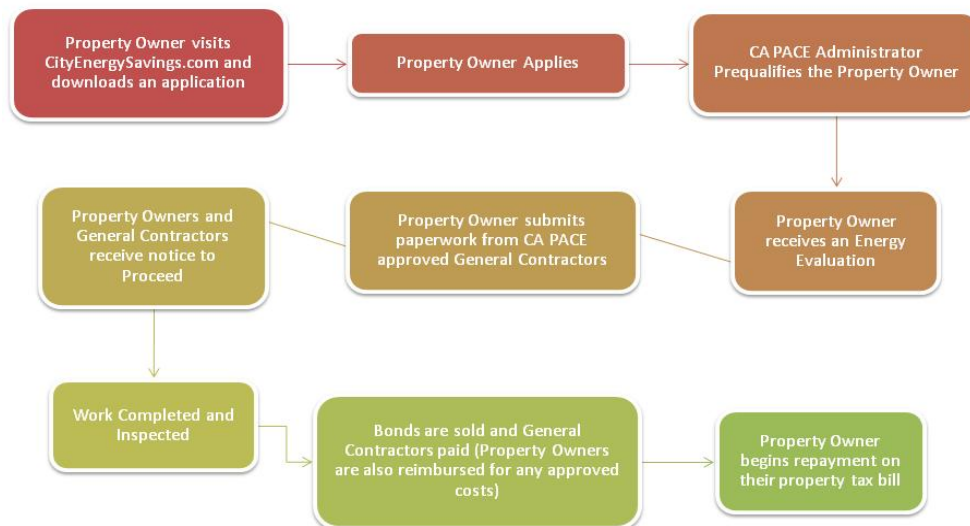
Property owners need to complete and submit the application to Public Finance Solutions and Engineering (PFSE), the administrators of the CA PACE program. See Appendix A for an application.

## APPLICATION PROCESS

Once a property owner submits the CA PACE application, Public Finance Solutions and Engineering (PFSE) will prequalify the applicant. Once the property owner is prequalified, they will be contact by Conner Energy for their energy evaluation (no cost for residential properties).

Property owners will then be given a list of recommended improvements and a list of CA PACE Authorized general contractors. The property owner must choose the improvements and general contractor, and submit the appropriate paperwork to PFSE for approval.

The general contractor and the property owner will be given an authorization number to proceed and complete the improvements once approved. The property owner does not pay any money to any contractor.



## UPCOMING EVENTS NEAR YOU

The City of Tulare will be hosting a CA PACE workshop on August 10<sup>th</sup> at 6:00 PM. All general contractors and interested property owners are invited to attend. The event will be held at the New Library/Council Chambers. See Appendix B for an announcement of the event.

## APPENDICES

CA PACE APPLICATION

CA PACE WORKSHOP ANNOUNCEMENT

FREQUENTLY ASKED QUESTIONS

## APPENDIX A – CA PACE APPLICATION



**CALIFORNIA PACE PROGRAM  
ENERGY AND WATER EFFICIENCY  
ASSESSMENT FINANCING APPLICATION**

The California PACE (Property Assessed Clean Energy) Program provides for energy efficiency assessment financing to property owners to finance the installation of distributed generation renewable energy sources, energy efficiency improvements, and/or water reduction improvements that are permanently fixed to the real property. Assessment financing will be made pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (commencing with Section 5898.10), the California PACE Program Guidelines Program Report and Administrative Guidelines adopted by the City and/or County in cooperation with the California PACE Program, a Pacific Housing & Finance Agency Program.

**CITY NAME:** \_\_\_\_\_

**COUNTY OF:** \_\_\_\_\_

**APPLICANT INFORMATION**

Property Owner(s) Name(s):

\_\_\_\_\_

\_\_\_\_\_

Property Address (where improvements are to be installed): Mailing Address (if same check here ):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Contact Name: \_\_\_\_\_

Daytime Telephone Number: \_\_\_\_\_

Facsimile (Fax) Number: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

**NOTE:** Applicants will be notified via email unless specified otherwise. If you prefer to be notified other than email, please indicate your preference here: (i.e. phone, fax, etc.) \_\_\_\_\_

Property Ownership held as (check one):

_____ Individual	_____ Corporation	_____ LLC
_____ Trust	_____ Partnership	_____ Other, specify below
Other: _____		

**PROPERTY INFORMATION**

1) Are you, or the property described herein, currently involved in a bankruptcy proceeding?

Yes  No



- 2) Is property under construction?  Yes  No
- 3) Are the property taxes in default?  Yes  No

**NOTE:** If you marked yes to any of the above questions, you may not be eligible.

Property Type  
(Please check one):

<input type="checkbox"/> Single-Family Residential	<input type="checkbox"/> Multi-Family Residential	<input type="checkbox"/> Commercial
<input type="checkbox"/> Industrial	<input type="checkbox"/> Mobile Home	<input type="checkbox"/> Other, specify below
Other: _____		

**IMPROVEMENTS INFORMATION**

What types of improvements are you interested in?

- |  |  |
|--|--|
| <input type="checkbox"/> Solar (Photovoltaic) Panels | <input type="checkbox"/> HVAC (Heating / Air Conditioning) |
| <input type="checkbox"/> Water Conservation Measures | <input type="checkbox"/> Whole House Fans                  |
| <input type="checkbox"/> Insulation / Weatherization | <input type="checkbox"/> High Efficiency Windows           |
| <input type="checkbox"/> Efficient Roofs             | <input type="checkbox"/> Solar Hot Water Heaters           |
| <input type="checkbox"/> Renewable Wind Power        | <input type="checkbox"/> Efficient Pool Pumps              |
| <input type="checkbox"/> Lighting Controls           | <input type="checkbox"/> Fuel Cells                        |
| <input type="checkbox"/> Other: _____                |  |

**APPLICATION FEES**

Application Fee (includes Energy Evaluation Visit).....	\$395
+ Add for <b>Commercial Properties only</b> .....	+
\$0.02 cents per square foot for Energy Evaluation Visit .....	\$_____
<b>TOTAL APPLICATION FEE</b>	<b>\$_____</b>

The Applicant will be responsible for \$395 Application fee and must pay this cost at the time of submitting the Assessment Financing Application. The \$395 Application Fee **will be reimbursed to the Property Owner** at the same time the vendor is reimbursed for the equipment improvements completed, which is approximately 90 to 120 after the energy improvements have been verified as installed and completed. The complete application and payment must be sent to:

Payable to: **Public Finance Solutions & Engineering** Phone: (877) 577-7373  
 Attn: CA PACE Assessment Financing Processing  
 7670 Opportunity Road – Suite 250  
 San Diego, CA 92111

**DECLARATIONS:**

By signing this Application, the undersigned hereby declares under penalty of perjury under the laws of the State of California all of the following:

1. I/we am/are all of the current owner(s) of record of the property described herein.
2. I/we am/are not, and the property described herein is not, currently involved in a bankruptcy proceeding.
3. That (i) the information provided in this Application is true and correct as of the date set forth opposite my/our signature(s) on this Application and (ii) that I/we understand that any intentional or negligent misrepresentation(s) of the information contained in this Application may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq. and liability for monetary damages to the Pacific Housing & Finance Agency and/or the City and County Agencies in which the property resides, its agents, successors and assigns, insurers and any other person who may suffer any loss due to reliance upon any misrepresentation which I/we have made in this Application.
4. I/we am/are applying for a assessment financing pursuant to the California PACE Program. I/we understand that I/we must execute an assessment financing agreement with the California PACE Program in order to receive the assessment financing and I/we have the authority, without the consent of any third party which has not been previously obtained, to execute and deliver the Assessment Financing Agreement, this Application, and the various documents and instruments referenced herein.
5. I/we understand that the assessment financing made pursuant to the Assessment Financing Agreement will be repayable through an assessment levied against my/our property. The assessment and the interest and any penalties thereon will constitute a lien against my/our property until they are paid, even if I/we sell the property to another person. I/we understand that assessment installments (including principal, interest and administrative costs) will be collected on my/our property tax bill in the same manner and at the same time as property taxes and will be subject to the same penalties, remedies, and lien priorities as for property taxes in the event of delinquency.
6. That executing the Assessment Financing Agreement, notarizing the assessment lien, and consenting to the assessment levied against my/our property to repay the assessment financing will not constitute a default under any other agreement or security instrument which effects my/our property or to which I/we am/are a party.
7. I/we agree that the selection of product(s), equipment, and/or measures referenced in this Application (the "Equipment"), the selection of manufacturer(s), dealer(s), supplier(s), contractor(s) and/or installer(s), and the decision regarding the purchase, installation and ownership maintenance of the Equipment is/are my/our sole responsibility and that I/we have not relied upon any representations or recommendations of the California PACE Program, Pacific Housing & Finance Agency and/or the City and County Agencies in which the property resides, in making such selection or decision.
8. I/we understand that the California PACE Program, Pacific Housing & Finance Agency and/or the City and County Agencies in which the property resides, makes no warranty, whether express or implied, including without limitation, the implied warranties of merchantability and fitness for any particular purpose, use or application of the Equipment.
9. I/we agree that the California PACE Program, Pacific Housing & Finance Agency and/or the City and County Agencies in which the property resides, has no liability whatsoever concerning (i) the quality or safety of the Equipment, including its fitness for any purpose, (ii) the estimated energy savings produced by the Equipment, (iii) the workmanship of any third parties, (iv) the installation or use of the Equipment including, but not limited to, any effect on indoor pollutants, or any other matter with respect to the California PACE Program.
10. I/we understand that I/we is/are responsible for meeting all the California PACE Program, Pacific Housing & Finance Agency and/or the City and County Agencies in which the

property resides, requirements and complying with all applicable Federal/State/County/City laws and the requirements of any agreement which effects the use of the property (such as homeowner's association requirements, if any).

Signed on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, in the City of \_\_\_\_\_, and/or County of \_\_\_\_\_, State of California

Property Owner Signature: \_\_\_\_\_ Printed Name: \_\_\_\_\_

Property Owner Signature: \_\_\_\_\_ Printed Name: \_\_\_\_\_

**REQUIRED ATTACHMENTS:**

- Organizational Documents if Property Owner is not an individual(s)
- Disclosure Regarding Assessment Financing (attached - please complete and sign)
- State of California Fair Lending Notice (attached - please complete and sign)
- Check in the amount of \$395.00 payable to **Public Finance Solutions & Engineering** (for commercial applications add \$0.02 (2 cents per sq. foot of commercial / industrial space)

IF YOUR APPLICATION IS DENIED, YOU HAVE THE RIGHT TO A WRITTEN STATEMENT OF THE SPECIFIC REASONS FOR THE DENIAL. TO OBTAIN THE WRITTEN STATEMENT, PLEASE CONTACT PACIFIC HOUSING & FINANCE AGENCY AT (877) 577-7373 OR SEND AN EMAIL TO support@cityenergysavings.com WITHIN 60 DAYS FROM THE DATE YOU ARE NOTIFIED OF THE DENIAL. THE PACIFIC HOUSING & FINANCE AGENCY WILL PROVIDE YOU A WRITTEN STATEMENT OF THE REASONS FOR THE DENIAL WITHIN 15 DAYS OF RECEIVING YOUR REQUEST FOR THE STATEMENT.

THE FEDERAL EQUAL CREDIT OPPORTUNITY ACT PROHIBITS CREDITORS FROM DISCRIMINATING AGAINST CREDIT APPLICANTS ON THE BASIS OF RACE, COLOR, RELIGION, NATIONAL ORIGIN, SEX, MARITAL STATUS, AGE (PROVIDED THE APPLICANT HAS THE CAPACITY TO ENTER INTO A BINDING CONTRACT); BECAUSE ALL OR PART OF THE APPLICANT'S INCOME DERIVES FROM ANY PUBLIC ASSISTANCE PROGRAM; OR BECAUSE THE APPLICANT HAS IN GOOD FAITH EXERCISED ANY RIGHT UNDER THE CONSUMER CREDIT PROTECTION ACT. THE FEDERAL AGENCY THAT ADMINISTERS COMPLIANCE WITH THIS LAW CONCERNING THIS CREDITOR IS THE FEDERAL TRADE COMMISSION, EQUAL CREDIT OPPORTUNITY, WASHINGTON, DC 20580.



# The Housing Financial Discrimination Act of 1977

## FAIR LENDING NOTICE

It is illegal to discriminate in the provision of or in the availability of financial assistance because of the consideration of:

1. Trends, characteristics or conditions in the neighborhood or geographic area surrounding a housing accommodation, unless the financial institution can demonstrate in the particular case that such consideration is required to avoid an unsafe and unsound business practice: or
2. Race, color, religion, sex, marital status, domestic partnership, national origin or ancestry.

It is illegal to consider the racial, ethnic, religious or national original composition of a neighborhood or geographic area surrounding a housing accommodation or whether or not such composition is undergoing change, or is expected to undergo change, in appraising a housing accommodation or in determining whether or not, or under what terms and condition, to provide financial assistance.

These provisions govern financial assistance for the purpose of the purchase, construction, rehabilitation or refinancing of one to four unit family residences occupied by the owner and for the purpose of the home improvement of any one to four unit family residence.

If you have any questions about your rights, or if you wish to file a complaint, contact the management of this financial institution or the Department of Real Estate at one of the following locations:

2550 Mariposa Mall, Suite 3070  
Fresno, CA 93721-2273

2201 Broadway  
PO BOX 187000  
Sacramento, CA 95818-7000

320 W 4<sup>th</sup> Street, Suite 350  
Los Angeles, CA 90013-1105

1350 Front Street, Suite 3064  
San Diego, CA 92101-3687

1515 Clay Street, Suite 702  
Oakland, CA 94612-1462

### Acknowledgement of Receipt

I (we) received a copy of this notice.

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

## APPENDIX B – CA PACE WORKSHOP ANNOUNCEMENT

# CALIFORNIA PACE PROGRAM



## NEW ENERGY DISTRICT WORKSHOP TULARE REGIONAL EVENT

August 10th, 2010 at 6:00 PM  
New Library / Council Chambers  
475 North M. Street, Tulare CA 93274

For more information call (877) 577.7373

### Who should come?

- ➔ GENERAL CONTRACTORS
- ➔ SUB-CONTRACTORS
- ➔ ENERGY PROVIDERS
- ➔ ENERGY EQUIPMENT VENDORS
- ➔ THOSE WHO WANT TO LEARN MORE ABOUT CA PACE
- ➔ CITY OFFICIALS

*Tulare Region  
Participating Cities  
(partial listing)*

**CITY OF WOODLAKE**

**CITY OF TULARE**

**CITY OF FARMERSVILLE**

The Tulare region has a new energy retrofit program. The California PACE program provides the financing for energy/water efficiency improvements on homes or businesses and allows property owner to repay the improvements through their property tax bill.

Property owners can learn how the energy retrofit program works including the important money saving features and current Tulare Regional programs. Interested contractors can learn the requirements and responsibilities of becoming an approved CA PACE Contractor.

### TOPICS TO BE DISCUSSED

- ◇ California PACE Program Overview
- ◇ Program Benefits to Property Owners and Cities
- ◇ How to Apply
- ◇ Eligible Equipment
- ◇ Choosing Your General Contractor
- ◇ How to Get On the General/Sub Contractor List

#### GENERAL CONTRACTORS & SUB-CONTRACTORS LEARN HOW:

- \* The CA PACE can help increase your business
- \* To get on the CA PACE General/Sub contractor list

Visit [www.cityenergysavings.com](http://www.cityenergysavings.com) for more information or call Public Finance Solutions & Engineering (the California PACE administrators) at (877) 577.7373.

## APPENDIX C – FREQUENTLY ASKED QUESTIONS



## Frequently Asked Questions AB 811 and the **California PACE** Program

### **1. How does the California PACE program work?**

The program is structured through the establishment of a citywide or countywide Special Assessment District. Owners of individual properties can apply for assessment financing through the CA PACE program and, if approved, authorize the special assessment lien against their property to finance energy and water efficiency improvements to be permanently installed on the property. The financing is repaid through a special line item on their property tax bill. The property owner receives energy savings to offset the annual costs of the approved improvements.

### **2. What types of buildings qualify for this program?**

Residential and commercial buildings of all sizes are eligible. Property qualification criteria for residential properties includes:

The loans amounts cannot exceed the assessed land value of the property.

Property must be current on the tax payments.

If you have any further questions, or need more detail please call 1-877-577-7373 for more information.

### **3. What projects are funded by the California PACE program?**

Eligible projects include energy efficiency upgrades-such as adding insulation, installing energy efficient windows, and upgrading heating and air-conditioning systems; and water conservation upgrades-such as installing low flow toilets, and efficient pool pumps. Program financing is also available for installation of renewable energy generation on buildings such as solar photovoltaic systems and fuel cells.

### **4. What will be the amount of increase in a participant's property taxes?**

Once the property owner has received the energy evaluation at their property, and applied for financing, the property owner receives a final loan amount and interest rate with a detailed amortization schedule detailing each year's principal, interest and administrative charges on an annual basis. Property Owners pay a fixed annual assessment payment that over time will defray the cost of their project. Each individual financing will bear interest at a fixed rate determined at the time of funding request based on market conditions.

## **5. For how many years will the participant have to pay the added special assessment?**

The special assessment payment period will not exceed the expected useful life of the projects (generally up to 75% of the useful life of the improvements), so the property does not wind up paying taxes in future years where it is not expected to gain the energy or water savings from the retrofit. Therefore the length of time will vary according to the projects installed, up to 20 years.

## **6. What happens if the property is sold prior to repayment of the special taxes?**

If the property is sold or transferred, the special assessment payment obligation will be assumed by the new owner. Standard property sales disclosures will indicate the existence of the assessment lien, so owners will know that they are benefiting from the retrofit improvements at the time of sale and can set their price accordingly.

## **7. Can participants deduct the energy efficiency and solar financing costs on their income taxes as they do for other property taxes?**

Participants may be able to deduct the interest component of their project special assessment, similar to a home equity line of credit or a home mortgage. Please consult your tax advisor. An amortization schedule of the amount of interest paid for the prior year can be obtained through the California PACE administrators – Public Finance Solutions & Engineering.

## **8. Can the property owner use any contractor?**

Approved contractors will be provided to homeowners at the time the energy evaluation is performed, and may be available for review at [www.cityenergysavings.com](http://www.cityenergysavings.com) Contractors page. A property owner can choose from any program approved contractors that have met the Program qualification criteria.

## **9. What is the source of funding for the program?**

The Pacific Housing and Finance Agency, (PFHA) a California Joint Powers Authority, has authorized to issue up to \$95 Million in Municipal Bonds to fund the CA PACE Program for program participants. None of the City of Tulare's revenues will be pledged for repayment of the bonds.

## **10. How can I apply?**

First, learn about the program application process and requirements. Then fill out the simple online application and pay the application processing fee (\$395). You will be notified within 5 business days if you're approved. You can find out more about new energy efficient equipment and technologies after your Energy Evaluation scheduled after the approval of your application. Please visit [www.cityenergysavings.com](http://www.cityenergysavings.com).