

Property Eligibility Criteria for PACE Financing

The PACE structure was enacted into California State law in 2008, to help property owners fund efficiency upgrades and onsite clean power generation projects. According to the law, AB 811, eligible upgrades must be permanently affixed to the property, and must either demonstrably save energy or water, or generate clean power.

PACE is available to fund performance upgrades in non-residential, non-publicly-owned, income-producing commercial properties, such as:

- Commercial Office
- Hospitality
- Hospital/Health Care
- Industrial/Distribution/Storage
- Private School/University
- Retail/Restaurant
- Other non-residential income-producing properties that receive a property tax bill (including non-profits)

Eligible properties must also meet the following requirements:

- The property must be located within Los Angeles County, and within the boundaries of a city that has adopted a resolution to join the County-wide PACE district¹;
- The applicant must be the legal owner of the property, and all the legal owners of such property must agree to participate;

Why PACE?

- Funding for up to 100% of installed project costs
- Lower financing rates than other products in the market
- Longer financing terms than would otherwise be possible
- Enables projects to be cash flow positive in year one
- PACE assessments may be treated as Operating Expenses for accounting purposes
- Allows for equitable sharing of costs and savings with current tenants, and future owners

- The mortgage holder(s) must explicitly consent to the PACE assessment;
- The property owner must be current on any existing mortgage(s);
- The property must not have any notices of default or foreclosure for past five years;
- The property must not be subject to any involuntary liens or judgments;
- The property must not have been delinquent on property taxes for the past three years;
- Property tax and assessment payments must be current; and

1. See pages 2-4 for lists of Cities that have or have not joined the County-wide PACE district. Current as of 6/15/11.

- The property will still be subject to the appropriate jurisdiction's (county, city, or town) permitting and inspections and all other applicable federal, state, and local codes and regulations.

In addition to the requirements set forth above, the Owner and the Investor, and/or Mortgagee may agree upon additional requirements, which may be covered in a separate side agreement between the parties (or an Inter-creditor Agreement).

City	Date of Adoption
Alhambra	7/13/2010
Arcadia	7/20/2010
Artesia	6/14/2010
Avalon	8/1/2010
Baldwin Park	6/16/2010
Bell Gardens	6/14/2010
Bellflower	6/28/2010
Beverly Hills	6/3/2010
Bradbury	6/15/2010
Burbank	7/6/2010
Calabasas	10/13/2010
Carson	6/15/2010
Cerritos	6/24/2010
Claremont	6/22/2010
Commerce	7/6/2010
Covina	6/15/2010
Cudahy	7/6/2010
Culver City	6/28/2010
Diamond Bar	6/15/2010
Downey	6/15/2010
Duarte	6/8/2010
El Monte	7/6/2010
El Segundo	7/6/2010
Gardena	9/14/2010
Glendale	7/6/2010

City	Date of Adoption
Glendora	7/3/2010
Hawaiian Gardens	7/27/2010
Hawthorne	6/22/2010
Hermosa Beach	6/8/2010
Hidden Hills	6/14/2010
Huntington Park	6/7/2010
Inglewood	7/27/2010
La Cañada Flintridge	6/21/2010
La Habra Heights	7/8/2010
La Mirada	6/22/2010
La Verne	6/7/2010
Lakewood	6/22/2010
Lancaster	6/8/2010
Lawndale	10/18/2010
Lomita	6/21/2010
Long Beach	6/22/2010
Los Angeles	5/1/2011
Lynwood	7/6/2010
Malibu	6/28/2010
Manhattan Beach	6/15/2010
Monrovia	7/6/2010
Monterey Park	7/7/2010
Norwalk	7/20/2010
Palmdale	6/2/2010
Palos Verdes Estates	6/22/2010

City	Date of Adoption
Paramount	7/6/2010
Pasadena	6/14/2010
Pico Rivera	7/13/2010
Pomona	6/7/2010
Rancho Palos Verdes	6/15/2010
Redondo Beach	6/22/2010
Rolling Hills	6/14/2010
Rolling Hills Estates	6/22/2010
Rosemead	7/13/2010
San Dimas	6/8/2010
San Marino	6/9/2010
Santa Fe Springs	6/10/2010
Santa Monica	7/13/2010
Sierra Madre	6/8/2010
Signal Hill	6/1/2010
South El Monte	6/22/2010
South Gate	6/22/2010
South Pasadena	7/7/2010
Temple City	6/15/2010
Torrance	7/26/2010
Walnut	6/23/2010
West Covina	6/15/2010
West Hollywood	6/14/2010
Whittier	7/27/2010
Santa Clarita	3/22/2011

Cities that Have NOT yet adopted a Resolution to enable PACE	Date of Adoption
Agoura Hills	TBD
Azusa	TBD
Bell	TBD
Compton	TBD
Industry	TBD
Irwindale	TBD
La Puente	TBD
Maywood	TBD
Montebello	TBD
San Fernando	TBD
San Gabriel	TBD
Vernon	TBD
Westlake Village	TBD