



CITY OF
HAYWARD
HEART OF THE BAY

PACE (Property Assessed Clean Energy)

Home Energy Renovation Opportunity (HERO),
Ygrene, and Open PACE Programs

June 18, 2014

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Utilities & Environmental Services



General Plan Policies

Natural Resources Element, Programs 9 and 10

Financing Program for Residential Energy Efficiency Retrofits

The City shall work with regional agencies and organizations to develop a residential energy efficiency retrofit financing program for single-family and multi-family homes.

Financing Program for Commercial Energy Efficiency Retrofits

The City shall work with regional agencies and organizations to develop a commercial energy efficiency retrofit financing program for commercial and industrial properties.



Open Market for PACE

Benefits include increased access to financing and expertise in different types of properties and improvements.





JPA: Western Riverside Council of Governments

Launched: December 2011 for residential
December 2012 for commercial

- Approximately 220 jurisdictions, covering 44% of the total households in California
- Funded more than \$617 million in projects





JPA: Golden State Finance Authority

Launched: In 2010 for residential, commercial, industrial, and agricultural properties

- Approximately 50 jurisdictions
- First PACE Program to complete a Multifamily project
- Operates under SB 555





JPA: California Statewide Communities
Development Authority

Launched: In 2015

- Goal of creating a platform to vet and pre-qualify PACE providers so that local governments only need to pass a single resolution to authorize multiple programs
- Has prequalified two PACE programs – California FIRST and AllianceNRG
- Approximately 20 jurisdictions



Recent State legislation and programs are paving the way for PACE expansion.

MAGAZINE

BUILDING SECTORS

BUILDING TEAM

GIANTS

40 UNDER 40

BIM/VDC

AWARDS

BD+C EVENTS

California launches pilot program to finance multifamily retrofits for energy efficiency

The state is working with HUD and the MacArthur Foundation.

MULTIFAMILY HOUSING | FEBRUARY 17, 2015 | JOHN CAULFIELD, SENIOR EDITOR



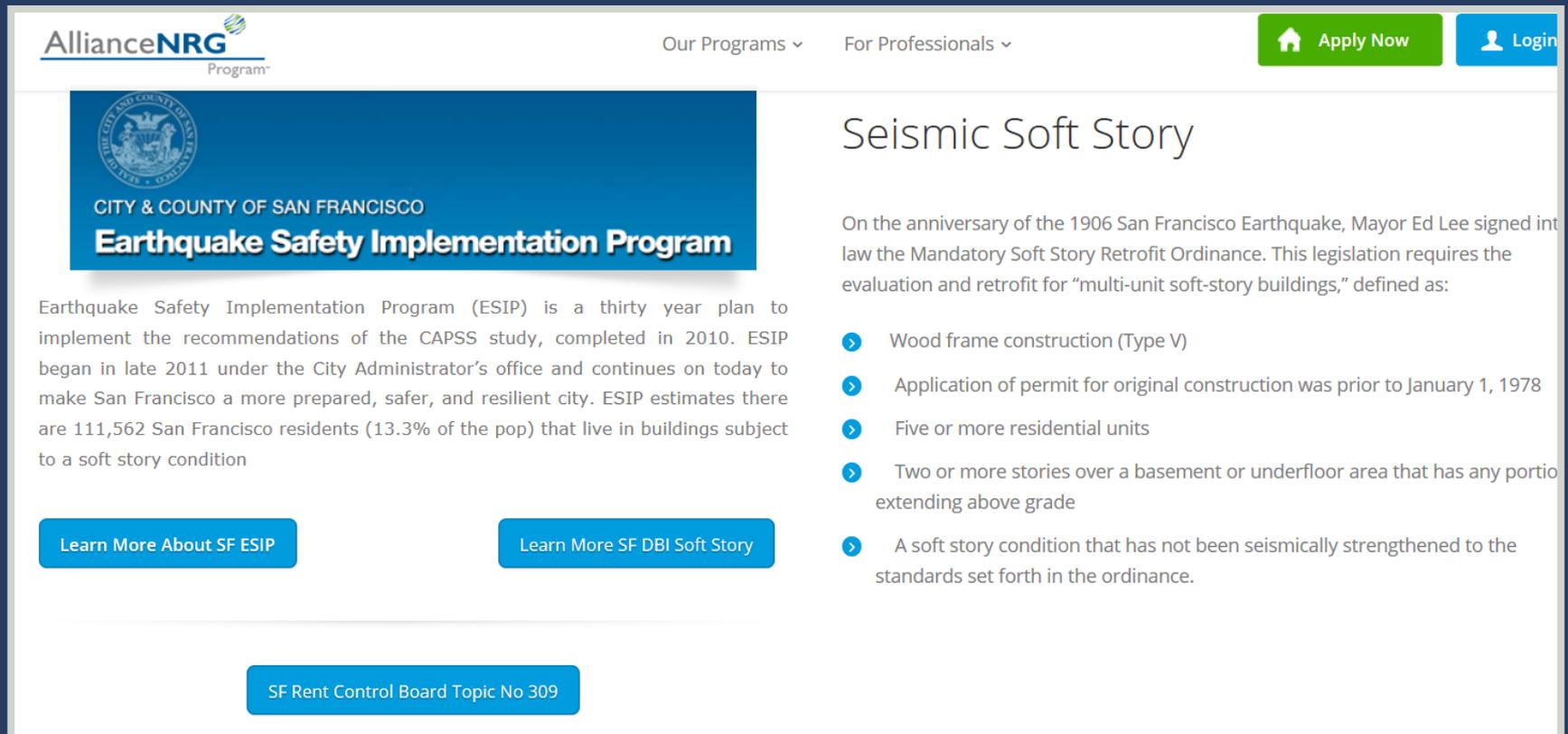
HUD has also committed to support California's creation of another pilot financing program for multifamily building, where most or all of the energy use is billed through a common meter. Photo: Almonroth via Wikimedia Commons



PACE is increasingly being used to finance water efficiency improvements in light of the drought.



Cities are partnering with PACE providers to provide financing for their seismic retrofit programs.



The screenshot shows the AllianceNRG website interface. At the top left is the AllianceNRG logo with the word "Program" underneath. To the right are navigation links for "Our Programs" and "For Professionals". Further right are buttons for "Apply Now" (with a home icon) and "Login" (with a user icon). The main content area features a blue banner for the "CITY & COUNTY OF SAN FRANCISCO Earthquake Safety Implementation Program". Below the banner is a paragraph of text describing the ESIP program. To the right of the text is a section titled "Seismic Soft Story" with a list of five criteria. At the bottom of the page, there are two blue buttons: "Learn More About SF ESIP" and "Learn More SF DBI Soft Story". A separate blue button at the bottom center reads "SF Rent Control Board Topic No 309".

AllianceNRG
Program

Our Programs ▾ For Professionals ▾

Apply Now Login


CITY & COUNTY OF SAN FRANCISCO
Earthquake Safety Implementation Program

Earthquake Safety Implementation Program (ESIP) is a thirty year plan to implement the recommendations of the CAPSS study, completed in 2010. ESIP began in late 2011 under the City Administrator's office and continues on today to make San Francisco a more prepared, safer, and resilient city. ESIP estimates there are 111,562 San Francisco residents (13.3% of the pop) that live in buildings subject to a soft story condition

[Learn More About SF ESIP](#) [Learn More SF DBI Soft Story](#)

Seismic Soft Story

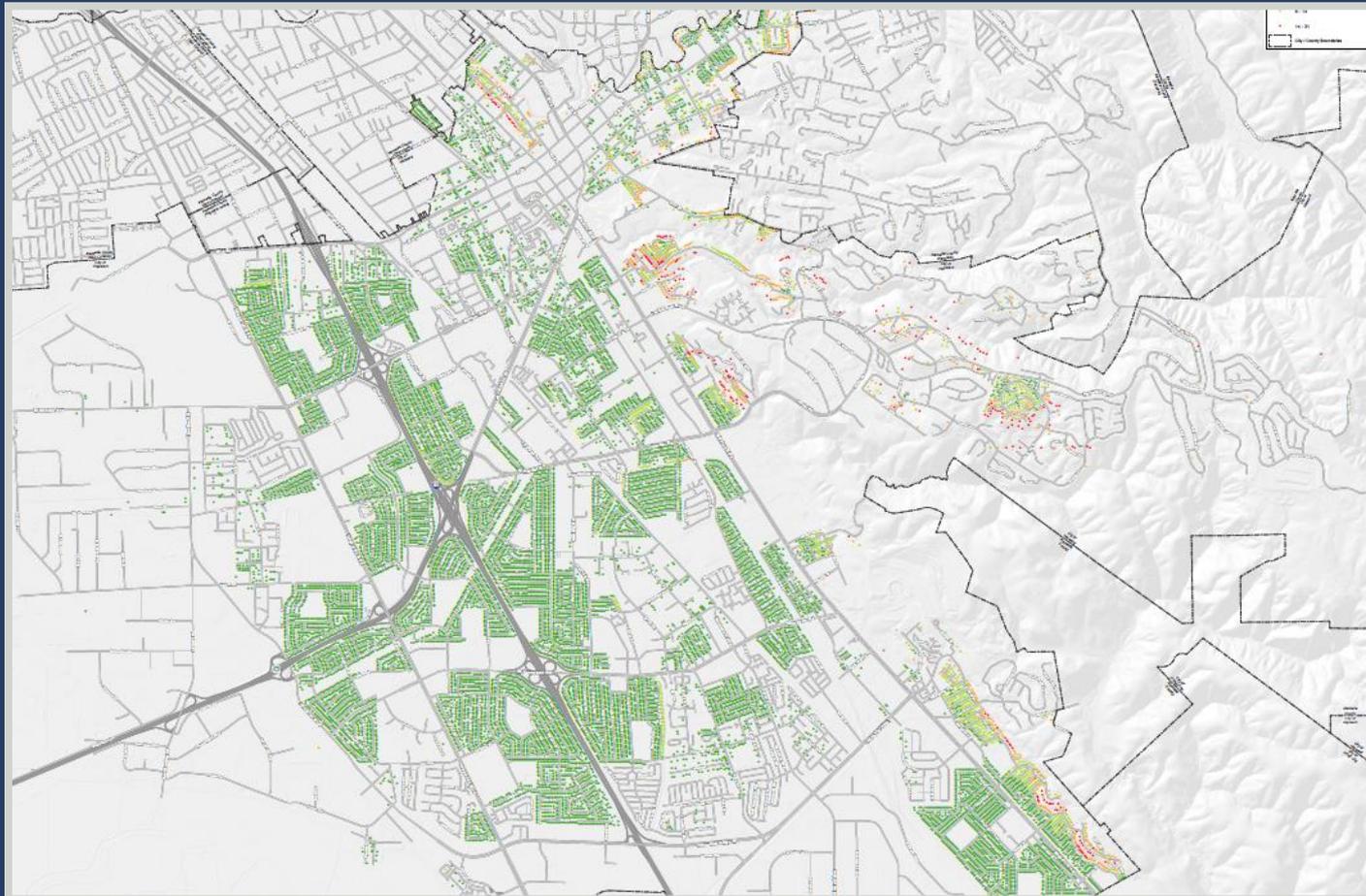
On the anniversary of the 1906 San Francisco Earthquake, Mayor Ed Lee signed into law the Mandatory Soft Story Retrofit Ordinance. This legislation requires the evaluation and retrofit for "multi-unit soft-story buildings," defined as:

- ▶ Wood frame construction (Type V)
- ▶ Application of permit for original construction was prior to January 1, 1978
- ▶ Five or more residential units
- ▶ Two or more stories over a basement or underfloor area that has any portion extending above grade
- ▶ A soft story condition that has not been seismically strengthened to the standards set forth in the ordinance.

[SF Rent Control Board Topic No 309](#)



Hayward staff is in the preliminary stages of establishing a voluntary seismic retrofit program for single-family homes.



The PACE Loss Reserve has taken the role of setting consumer protection standards for PACE programs statewide.



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 **John Chiang**  Search

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 **CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED TRANSPORTATION FINANCING AUTHORITY**

 **Property Assessed Clean Energy (PACE) Loss Reserve Program**

About the PACE Loss Reserve Program

In 2013, Senate Bill 96 directed the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) to develop the PACE Loss Reserve Program (the Program) to mitigate the potential risk to mortgage lenders associated with residential PACE financing. The \$10 million Loss Reserve will make first mortgage lenders whole for any losses in a foreclosure or a forced sale that are attributable to a PACE lien covered under the Program. The goal of the Program is to put first mortgage lenders in the same position they would be in without a PACE lien.

PACE administrators can participate in the Program by applying to CAEATFA and demonstrating that they meet the Program's minimum underwriting criteria. Once a PACE program is enrolled, the Loss Reserve will cover assessments issued by that program for their full terms, or until funds are exhausted. Enrolled PACE programs report their financing activity to CAEATFA semi-annually.

Additional Information

- [PACE Participants](#)
- [Program Activity](#)



PACE programs continue to experience low default rates.

In addition, HERO, Ygrene, and Open PACE have not initiated a single foreclosure since they began operations.



Next Steps

1. Prepare City Council resolutions to join HERO, Ygrene, and OPEN Pace.
2. Devote staff time in the coming year to providing further information on the City's website and hosting a financing workshop for property owners.

