



## PACE Financing FAQs

### ***What is PACE?***

PACE stands for Property Assessed Clean Energy, and it's an innovative way to finance energy efficiency and renewable energy upgrades to buildings. This financing option, authorized by State law, is available to San Clemente property owners to fund energy efficient, water-saving and renewable energy upgrade projects through an assessment on their property tax bills.

### ***What are the benefits of PACE?***

PACE financing addresses the challenge of providing the up-front cost of energy efficiency or energy generation projects by providing low-cost, long-term financing for these types of projects. The advantages of PACE financing include no money down, no requirement for credit ratings or credit applications, and repayment terms between 5 and 20 years. PACE provides access to competitive funding for projects that help reduce utility costs, promote job creation, and support local and State resource conservation and environmental goals.

### ***How does it work?***

PACE programs are funded by private capital. The loan cost plus interest is re-paid over time through the property tax bill. In most cases, when a property is sold the PACE assessment remains with the property and the assessment is then paid by the new property owner. In some cases, the new buyer will ask the seller to pay off the obligation or the new mortgage company will require it to be paid off before they will provide a mortgage on the property. PACE financing is completely voluntary on the part of property owners. PACE assessments are only added to property taxes when a property owner applies and enters an agreement to fund their projects.

***What kinds of projects can PACE fund?***

PACE programs will fund a wide range of energy and water efficiency as well as energy generation projects. These include: insulation, heating/cooling systems, windows, doors, low-flow toilets, efficient irrigation systems, solar photovoltaic systems and more. The table below lists just some of the eligible improvements. The City recommends that property owners interested in pursuing solar energy should focus first on any needed building efficiency improvements. Home inspectors or energy auditors can help identify recommended improvements.

**SOME EXAMPLES OF ELIGIBLE PROJECTS**

<b>RENEWABLE ENERGY</b>	<b>ENERGY EFFICIENCY</b>
Electric Vehicle Charging Station	Heating/Cooling systems
Solar Panels	Attic, Wall & Floor Insulation
Solar Pool Heating	Cool Roofs and Walls
Solar Water Heating	Windows & Doors
	Applied Window Films
<b>WATER EFFICIENCY</b>	Air Duct Replacement or Sealing
Efficient Toilets	Gas Water Heaters
Hot Water Delivery Systems	Skylights
Weather-Based Irrigation Control Systems	Ventilating Fans
Drip Irrigation	Indoor & Outdoor Lighting Fixtures
Synthetic Turf	Programmable Thermostat Controls

***What are the PACE programs available in San Clemente?***

Three PACE programs operating in California were authorized by City Council to be available to San Clemente residential and commercial property owners. The programs are:

- CaliforniaFIRST: [www.californiafirst.org](http://www.californiafirst.org)
- Figtree Financing: [www.figtreefinancing.com](http://www.figtreefinancing.com)
- HERO Financing: [www.heroprogram.com/sanclemente](http://www.heroprogram.com/sanclemente)

### ***How do I get PACE funding for my project?***

To participate, interested property owners work with one of the PACE programs directly, not the City, and follow a simple process that includes the following steps:

1. **Apply** - Find out how much funding is approved for your property.
2. **Select** - Choose eligible products and select a program-authorized contractor.
3. **Sign** - Sign your financing documents. Each program determines its own interest rates, and there will be some fees charged as part of the application and payment procedures.
4. **Complete** - Finish the installation and submit follow up documentation.

All three PACE programs operate similarly, but each program sets its own interest rates, so interested property owners may wish to compare all three, plus any other financing options that might be available, to determine which makes the most sense for them. There will be some fees charged as part of the application and payment procedures, so check each program's details and terms.

### ***Who installs the improvements?***

Generally property owners must use contractors who are registered with each program, but in some cases may self-install improvements depending on the program or the improvement project. Contractors who are registered with the PACE programs must be properly licensed and bonded with the Contractors State License Board, and they receive training to ensure that they are familiar with the policies of each program so your project goes smoothly.

### ***Need more details?***

For more information, please visit the PACE program websites listed above. Interested local contractors are also encouraged to visit the program websites above to become registered.