

CSCDA voted on July 17, 2014 to develop an Open PACE program which would include not only CaliforniaFIRST residential and commercial programs administered by Renewable Funding, but also the HERO residential and commercial program administered by Renovate America and the AllianceNRG PACE residential and commercial program administered by a consortium consisting of Deutsche Bank, Leidos Engineering and Counterpointe Energy Solutions. The additional residential PACE programs cannot originate any liens prior to January 1, 2015 in order to allow the CaliforniaFIRST residential program to fully implement its residential program and to allow sufficient time to conduct the validation hearings on behalf of the Open PACE program sponsored by CSCDA. The additional commercial PACE programs can begin immediately because lender consent must be obtained prior to establishing a tax lien.

No adversarial action has been initiated by FHFA against any of the residential programs currently operating anywhere in the United States. In California alone, the HERO program has funded over 7,000 residential projects for a total of over \$130 million, mostly in Riverside County. Residential PACE program administrators have stated that they believe that while FHFA has not withdrawn its position letter, that no remedial action will be initiated unless mortgagors begin to experience losses from defaults on PACE lien properties. Further, the CAEATFA program will be allowed to demonstrate how potential losses will be covered in the event of defaults or foreclosures.

The authorization to launch in the unincorporated portion of Monterey County requested today would allow Renewable Funding to launch the CaliforniaFIRST residential program. A list of projects that can be financed is attached, along with a fee schedule showing interest rates related to the various terms and fees. Marketing of this program will be conducted primarily through registered contractors. A link will be placed on the County website to facilitate resident inquiries. Implementation will require ITD staff to place the link of the website. Auditor-Controller staff time to place liens on the tax roll is reimbursed by the statutory fee of 0.25%. No other staff time will be required.

OTHER AGENCY INVOLVEMENT:

The Alternative Energy Committee has recommended adoption of the program launch.

FINANCING:

The approval of the CaliforniaFIRST residential PACE program launch has no financing impact to the County.

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Attachments:

Sample CaliforniaFIRST Residential Application

Interest Rate and Fee Schedule

List of Approved PACE projects