



California**FIRST**  
EFFICIENCY FINANCING

# **Residential Property Owner Handbook**

Version 16.0 – October 2018

**Table of Contents**

<b>1</b>	<b>PROGRAM INTRODUCTION</b>	<b>4</b>
1.1	PROGRAM OVERVIEW	4
1.2	PROGRAM CONTACT INFORMATION	4
1.3	PROGRAM CALL CENTER HOURS	5
1.4	HELPFUL TERMS	5
1.5	FEDERAL HOUSING FINANCE ADMINISTRATION OVERVIEW	7
1.6	OTHER USEFUL RESOURCES	7
1.7	FUTURE PROGRAM CHANGES	7
<b>2</b>	<b>PROGRAM ELIGIBILITY REQUIREMENTS</b>	<b>8</b>
2.1	ELIGIBLE PROPERTIES	9
2.2	ELIGIBLE PROPERTY OWNERS	9
2.3	ELIGIBLE PRODUCTS	10
2.4	ELIGIBLE COSTS	11
2.5	ELIGIBLE PARTICIPATING CONTRACTORS	11
2.6	ELIGIBLE ASSESSMENT AMOUNTS	11
2.7	ELIGIBLE ASSESSMENT TERM(S)	12
2.8	ELIGIBLE REBATE PROGRAMS AND TAX CREDITS	12
2.9	ELIGIBLE NUMBER OF ASSESSMENTS	12
2.10	ADDITIONAL PROGRAM TERMS AND DISCLAIMERS	12
<b>3</b>	<b>FINANCIAL TERMS</b>	<b>14</b>
3.1	ASSESSMENT COSTS	14
3.2	ANNUAL REPAYMENTS	15
3.3	FORECLOSURE	15
3.4	PREPAYMENT OF THE ASSESSMENT	15
<b>4</b>	<b>PROGRAM PROCESS</b>	<b>15</b>
4.1	SCOPE OF PROJECT - OBTAIN QUOTE	15
4.2	APPLY FOR THE PROGRAM	16
4.3	APPLICATION REVIEW	17
4.4	PROVIDE PROJECT DETAILS AND SELECT RATE AND TERM	17
4.5	FINANCING DOCUMENTS	18
4.6	NOTICE TO PROCEED AND INSTALLATION OF ELIGIBLE PRODUCTS	19
4.7	SUBMIT COMPLETION CERTIFICATE	19
4.8	RECORD LIEN ON PROPERTY AND ISSUE PAYMENT	20
4.9	ADD ASSESSMENT TO PROPERTY TAXES	20
<b>5</b>	<b>PRODUCT INSTALLATION REQUIREMENTS</b>	<b>21</b>
5.1	CONTRACTOR SIGN-UP	21
5.2	BUILDING PERMITS AND INSPECTION	21
5.3	FRAUDULENT ACTIVITY	21
5.4	REQUIRED DOCUMENTS	21

<b>6</b>	<b><u>DISPUTE RESOLUTION</u></b>	<b><u>21</u></b>
<b>7</b>	<b><u>APPENDICES</u></b>	<b><u>22</u></b>
	<b>APPENDIX A: OTHER USEFUL RESOURCES</b>	<b>23</b>
	<b>APPENDIX B: PROGRAM FORMS AND DOCUMENTS</b>	<b>24</b>
	<b>APPENDIX D: PARTICIPATING COMMUNITIES BY COUNTY</b>	<b>26</b>
	<b>APPENDIX E: ADDITIONAL UNDERWRITING CRITERIA</b>	<b>29</b>

# 1 Program Introduction

## 1.1 Program Overview

The CaliforniaFIRST Program (“Program”) is intended to help property owners make capital investments in distributed generation renewable energy sources, energy efficiency, water efficiency, and seismic improvements\* (collectively known as “Eligible Products”) that will provide long-term benefits and reduce energy bills. There are three separate Sponsors of distinct CaliforniaFIRST programs: the California Statewide Communities Development Authority (CSCDA), the County of Los Angeles and the Western Riverside Council of Governments (WRCOG). Each Sponsor determines the guidelines and rules of the Program, and there may be differences in underwriting requirements, fees, and eligible products between Sponsors. These Sponsors selected Renew Financial Group LLC (“Renew Financial”) (formerly known as Renewable Funding, LLC) to administer the Program as part of CaliforniaFIRST, a statewide Property Assessed Clean Energy (PACE) program. As Program Administrator, Renew Financial manages the Program Call Center and daily activities of the Program.

The Program will provide a financing mechanism for the Eligible Products through an assessment contract (the “Assessment Contract”) between the Sponsor and the property owner, pursuant to which the Sponsor will disburse a specified amount to the property owner. The property owner will pay contractual assessments levied against the property through annual installments on the property tax bill. If the owner sells the subject property prior to full repayment of the assessment, the repayment obligation remains a lien on the subject property. The Sponsor intends to finance the Program in part by issuing (or causing to be issued) bonds payable from contractual assessment revenues. Participation in the Program is completely voluntary and property taxes for non-participating property owners are unaffected by the Program.

You and all other property owners sign an assessment agreement and agree to repay the amount financed over a period of 5, 10, 15, 20, 25 or 30\*\* years, depending on the type of property, the financing amount, and the expected useful lifetime of the installed Eligible Products. An assessment lien is recorded on your property to secure the financing. The lien will be senior to liens for mortgages and other non-governmental liens on the property.

**\*The list of Eligible Products may vary by Sponsor.**

**\*\*30-year financing term is only available for certain products in certain areas. See Appendix F for interest rates and financing terms.**

The list of Participating Communities is available on the Program website and in this Handbook, as Appendix D. In addition, you and all other property owners on title must meet all of the eligibility requirements and agree to comply with all of the Program rules for the application and funding processes, installment of Eligible Products, and repayment of the Total Assessment Obligations, as outlined in this Handbook.

## 1.2 Program Contact Information

Main Program Address	CaliforniaFIRST c/o Renew Financial Group LLC 1620 E. Roseville Parkway, Suite 240 Roseville, CA 95661
Program Local Address (For LA County Only)	General questions about CaliforniaFIRST can be answered by staff at: Center for Sustainable Energy 617 West 7th Street, Suite 305 Los Angeles, CA 90017
Program Website	<a href="https://renewfinancial.com/product/californiafirst">https://renewfinancial.com/product/californiafirst</a>
Program Email	<a href="mailto:info@renewfinancial.com">info@renewfinancial.com</a>
Program Phone Number	844-RENEWFI (844-736-3934)
Program Fax Number	(510) 379-5300
Contractor Registration Phone Number	844-RENEWFI (844-736-3934)
Contractor Registration Email	<a href="mailto:contractors@renewfinancial.com">contractors@renewfinancial.com</a>

### 1.3 Program Call Center Hours

Program Call Center hours are 8 am to 9 pm, Monday through Friday, 9 am to 6 pm on Saturdays, and 10 am to 6 pm on Sundays. Please see the Program website for recent updates about the Call Center operation times, phone number and other relevant information.

### 1.4 Helpful Terms

This Handbook lays out how you can participate in the Program. Below is a reference list of key terms that will help you understand what is required for participation in the Program.

**Annual Assessment Obligation:** the annual amount added to your property tax bill, which is equal to Principal, Interest, and Estimated Administrative Expenses for one tax year.

**Annual Financing Installment:** the annual Principal and interest paid for one tax year.

**Assessed Value:** the dollar value on which you pay property taxes.

**Assessment:** also called Principal or Total Financed Amount. This is equal to the sum of the Project Amount and Upfront Costs.

**Assessment Contract:** the legal financing agreement between Property Owner(s) and the Sponsor.

**Assessment Contract Date:** the date that the Assessment Contract was generated for Property Owner(s) signature.

**Building Permits:** the formal approval of building plans by the designated government agency as meeting the requirements of prescribed codes. It is an authorization to proceed with the construction or reconfiguration of a specific structure at a particular site, in accordance with the approved drawings and specifications.

**California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA):** a part of the California State Treasurer's office that manages the PACE Loss Reserve Program.

**California Statewide Communities Development Authority (CSCDA):** the sponsoring entity and bond issuer for the Program with the exception of properties within Los Angeles County and participating WRCOG cities.

**California State Licensing Board (CSLB):** the state entity in California that licenses and regulates all contractors.

**Capitalized Interest:** the interest on the financed amount for the period prior to the first tax year (or initial tax year) in which payment is made.

**Custom Products:** renewable energy, energy efficiency, water efficiency, or seismic products that require special approval to be financed by the Sponsor through the Program because the products are not included on the Eligible Products List. Custom Products should produce renewable energy or save energy or water for a reasonable cost. The list of Eligible Products may vary by Sponsor.

**Energy Auditor:** performs an energy audit, which is an evaluation of energy consumption in a home to determine ways in which energy can be conserved.

**Eligible Products:** approved items that are authorized improvements to the Property and may be financed through the Program. Eligible Products are listed in Appendix C.

**Estimated Administrative Fee:** the annual fee to cover the applicable county's and the Sponsor's costs of collecting the Assessment on your property tax bill.

**Expiration Date:** the date that all approved Eligible Products must be installed and completed in order for the locked interest rate on the Assessment Contract to remain unchanged. (90-120 days after the Assessment Contract Date, depending on the installed Eligible Products).

**Financing Documents:** the Assessment Contract and related documents that are sent to Property Owner(s) after an application is approved.

**Financing Installment:** the Principal and interest component of the Annual Assessment Obligation.

**Funding Date:** the latest possible date for disbursement of payment to the designated payee indicated on the Completion Certificate.

**Interest Rate:** the rate applied to the financed amount. This is not compounded.

**Lien Recording Fee:** the County fee charged for recording notice documents relating to the Assessment on the Property.

**Los Angeles County:** the sponsoring entity and bond issuer for the Program within the County of Los Angeles.

**Notice to Proceed:** The formal notice from the Program Administrator that your financing application has received final approval and you may begin your project. Your Participating Contractor should not begin installation of your project prior to receiving the Notice to Proceed.

**Participating Contractor:** the person or business entity who contracts to install Eligible Products and has signed a Contractor Participation Agreement.

**Participating Communities:** areas where Program financing is available as identified in Appendix D. Other member agencies of the Sponsor may elect to participate in the future.

**Principal:** also called Total Financed Amount or Assessment. This is equal to the sum of the Project Amount and Upfront Costs.

**Project Amount:** the total amount requested by Property Owner to finance the installation of Eligible Products.

**Property:** the real property where Eligible Products will be installed.

**Property Owner:** the record owner(s) of the fee title to the Property.

**Program:** the CaliforniaFIRST Program. There are three distinct Programs with separate Sponsors: CSCDA, the County of Los Angeles, and WRCOG. For detailed underwriting differences in these Programs, see Appendix E.

**Program Administrator:** Renew Financial (formerly known as Renewable Funding, LLC) is the designated Program Administrator on behalf of the Sponsor.

**Program-Related Fees:** one-time fees incurred at funding. Program-Related Fees include program administration, origination, program sponsor, bond counsel, and tax administration.

**Program Sponsor:** California Statewide Communities Development Authority (CSCDA), the County of Los Angeles, and the Western Riverside Council of Governments (WRCOG).

**Property Value:** the value derived from an automated valuation model, the Assessed Value, Broker Price Opinion or the appraised value.

**Residential:** 4 residential units or fewer.

**Reserve Fees:** one-time fees or deposits incurred at funding to pay for reserves that support bond holders' and mortgage holders' interest, such as Reserve Fund.

**Term:** the number of years to pay off the Assessment.

**Total Financed Amount:** also called Principal or Assessment. This is equal to the sum of the Project Amount and Upfront Costs.

**Total Assessment Obligations:** the sum total of Principal, interest and Estimated Administrative Expenses over the Term.

**Total Project Amount:** amount to be disbursed to the Property Owner or Participating Contractor for the costs of the Eligible Product(s) installed on the Property.

**Upfront Costs:** one-time fees incurred at funding. Upfront Costs include Program-Related Fees, Lien Recording Fee, Reserve Fund, and Capitalized Interest.

**Western Riverside Council of Governments (WRCOG):** the sponsoring entity and bond issuer for the Program for certain jurisdictions within the western region of Riverside County.

## 1.5 Federal Housing Finance Administration overview

It is important to note that on July 26, 2010, the Federal Housing Finance Administration (FHFA) issued its statement entitled, "FHFA Statement on Certain Energy Retrofit Loan Programs" (FHFA Statement) which provided in part that:

"[...]In addressing PACE programs with first liens, Fannie Mae and Freddie Mac should undertake actions that protect their safe and sound operations. These include, but are not limited to:

- Adjusting loan-to-value ratios to reflect the maximum permissible PACE loan amount available to borrowers in PACE jurisdictions;
- Ensuring that loan covenants require approval/consent for any PACE loan;
- Tightening borrower debt-to-income ratios to account for additional obligations associated with possible future PACE loans;
- Ensuring that mortgages on properties in a jurisdiction offering PACE-like programs satisfy all applicable federal and state lending regulations and guidance[...]"

In September 2013, Governor Jerry Brown signed Senate Bill 96 into law, authorizing California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) to establish a PACE Loss Reserve Program to assist in addressing FHFA's financial concerns and support these residential PACE financing programs. The \$10 million Loss Reserve, launched in March 2014, makes first mortgage lenders whole for any losses in a foreclosure or a forced sale that are attributable to a PACE lien which has been registered with CAEATFA. The goal of the PACE Loss Reserve Program is to put first mortgage lenders in the same position they would be in without a PACE lien. CaliforniaFIRST is a participant in the PACE Loss Reserve Program.

There can be no assurance that the FHFA will not act to reemphasize, or take other similar action to issuing, the FHFA Statement in the future. Please see Section 4.9 for more information about the Assessment lien and potential implications for a refinancing or sale of the property.

## 1.6 Other Useful Resources

Information on rebate programs, contractor standards, and other useful information is provided in Appendix A.

## 1.7 Future Program Changes

The Sponsor reserves the right to change the Program and its terms at any time; however, any such change will not affect your existing responsibility to pay the Total Assessment Obligations agreed to in an executed Assessment Contract.

Your participation in the Program will be subject to this Handbook and other documents signed as part of the Program. If any provisions of this Handbook are determined to be unlawful, void or for any reason unenforceable, then that provision shall be deemed severable from the Handbook and shall not affect the validity and enforceability of any remaining provisions.

## 2 Program Eligibility Requirements

You should carefully review this section in order to determine whether you are eligible for the Program before submitting an application. A summary of eligibility requirements is listed below, with details on each requirement provided in sections 2.1 - 2.10. The CaliforniaFIRST programs are compliant with recent PACE consumer protection legislative bills – California Senate Bill 242 and Assembly Bill 1284 – and the Program Administrator will continue to ensure compliance with upcoming requirements related to these pieces of legislation.

### Summary of Eligibility Requirements

<b>PROPERTY</b>
Property must be in a Participating Community.
Property must be Residential.
Improvements must be made to existing properties or new residential properties where the initial construction is undertaken by the intended owner or occupant.
Manufactured homes approved if permanently attached to Property.
No current involuntary liens and/or judgments totaling more than \$1,000 for all Property Owner(s).*
<b>PROPERTY OWNER(S)</b>
Applicant(s) must be the owner(s) of record of the Property.
Property Owner(s) must sign all required documentation.
Property Owner(s) must be current on their property taxes and have no more than 1 late payment in the last 3 years, or since the Property Owner(s) acquired the property.*
The Property is not subject to Home Equity Conversion Mortgage or other type of reverse mortgage.
Property Owner(s) must be current on all subject Property-secured debt and have no more than 1 30-day late payment in the last 12 months.*
There must be no notices of default or foreclosure filed against the Property within the last 2 years.*
Property Owner(s) must not currently be in bankruptcy proceedings, and must not have any bankruptcies released, discharged, or dismissed in the last 2 years. If a bankruptcy has been released, discharged, or dismissed in the last 2 to 7 years, then the Property Owner(s) must have no payments more than 30 days past due in the last 12 months.*
Property title cannot be subject to power of attorney, easements or subordination agreements restricting authority of the Property Owner(s) to a PACE lien.
Property Owner(s) must demonstrate a reasonable ability to pay the annual payment obligations for the PACE assessment based on income, assets, and current debt obligations. (See Section 2.3 for more information on waiving income verification for emergency HVAC systems.)
<b>PRODUCTS</b>
The products must be energy efficiency, renewable energy, water efficiency, and/or seismic products; they must be permanently fixed to the property, they must be new products; and they must meet minimum efficiency and/or other requirements identified for Eligible Products. The list of Eligible Products may vary by Sponsor.
<b>CONTRACTORS</b>
All Eligible Products must be installed by a Participating Contractor.
<b>PROJECT AND ASSESSMENT AMOUNTS</b>
Minimum Total Project Amount is \$5,000.
Total Maximum Assessment amount per Property is the lesser of \$250,000 or 15%** of the value of the Property and, when combined with any other debts or obligations secured by the Property, cannot exceed 97% of the value of the Property.***
Financing term cannot exceed the useful life of the Eligible Product.
The all-in tax rate on the Property (including the Assessment and other assessments) may not exceed 5% of the Property value.
Maximum Assessment amount depends on the Property Owner’s annual income.
Property Owner(s) should participate in available state and federal incentive and rebate programs and must declare any rebates received for the project.

\* Additional underwriting criteria apply to properties in certain jurisdictions. See Appendix E.

\*\* Maximum Assessment amount is limited to 15% of value of the property for the first \$700,000 of the property value, then no greater than 10% is allowed for the remaining value over \$700,000.

\*\*\* Any Assessment amount in excess of \$250,000 In Los Angeles County requires specific approval of the Sponsor.



## 2.1 Eligible Properties

Properties of three or fewer residential units are generally eligible, with the following eligibility requirements:

### Property Located Within Participating Community

Property must be located in a Participating Community, and if within the boundaries of a city, the city must have adopted a resolution to join the Program. A list showing Participating Communities is located in Appendix D of the Handbook. The Property must also not be exempt from ad valorem real property taxes, which is a tax on goods or property expressed as a percentage of the sales price or assessed value. The Property must also comply with the California Environmental Quality Act.

### Limited New Construction

All eligible improvements that qualify for Program financing must be on existing properties or on new residential properties where the initial construction is undertaken by the intended owner or occupant.

### Manufactured Homes, Condominiums, and HOAs

Only mobile and manufactured homes that are permanently-attached to the real property shall qualify. Manufactured homes are eligible if the manufactured home owner(s) also own the underlying land and pay real property taxes (DMV fees do not qualify).

Condominium and HOA-controlled property may qualify, pending management or association approval of requested Program improvements. Condominiums may be restricted as to the Eligible Products that may be installed depending on the rules of the condominium association as well as the physical design of the unit. It is the responsibility of condominium owners to obtain authorization from the condominium association's management stating that the Property Owner is allowed to install the requested Eligible Products. For properties subject to homeowner's association (HOA) restrictions, it is the responsibility of the Property Owner to obtain authorization that the requested Eligible Products meet all the HOA requirements, as applicable.

### Minimum Total Project Amount

The amount to be financed must be at least \$5,000.

### Maximum Assessment to Value Amount

The total maximum Assessment amount per Property must be less than 15% of the value of the Property. Note that 15% of Property Value is only available for first \$700,000 of the property value then 10% of any property value thereafter. Any property located within the County of Los Angeles with an assessment amount in excess of \$250,000 requires specific approval of the County. In addition, the amount financed under the Program, when combined with any other debts or obligations secured by the Property, cannot exceed 100% of the value of the Property.

### Required Equity in the Property

Within some jurisdictions, mortgage-related debt on the Property must not exceed 90% of the value of the Property, which is equivalent to having 10% equity in the Property. See Appenix E for a list of which jurisdictions have this requirement.

### Liens on Property

The Property must not have any federal or state income tax liens, judgment liens, mechanic's liens, or similar involuntary liens on the Property greater than \$1,000 in aggregate. Prohibited liens do not include community facility district assessments or other financing district liens placed on all properties in that particular financing district\*. Any non-mortgage-related debt will be subject to review.

\*Additional underwriting criteria apply to properties in certain jurisdictions. See Appendix E.

## 2.2 Eligible Property Owners

In addition to the property eligibility requirements, you as a Property Owner must meet specific criteria in order to be eligible to participate in the Program. The eligibility criteria for all Property Owners on the title are set forth below.

**Residential Property Owners:**

1. You must be the Property Owner(s) of record - Only Property Owners who are the owners on record for respective property shall be considered for Program approval;
2. All Property Owners must sign all required documentation, including, but not limited to, the application, the Assessment Contract and the Completion Certificate - All Property Owners on record for the respective property who meet the requirements mentioned heretofore must sign and thusly execute all related Financing and Program Documents;
3. You must be current on your property taxes and have no more than 1 late payment in the last 3 years, or since you acquired the property;\*
4. You must be current on all subject Property-secured debt at the time of application and have no more than 1 30-day late payment in the last 12 months;\*
5. The Property is not subject to Home Equity Conversion Mortgage or other type of reverse mortgage.
6. There must be no notices of default or foreclosure filed against the Property while held by the current Property Owner(s) within the last 2 years; and
7. You are not currently be in bankruptcy proceedings, and did not have any bankruptcies released, discharged, or dismissed in the last 2 years. If you had a bankruptcy has been released, discharged, or dismissed in the last 2 to 7 years, then you have no payments more than 30 days past due in the last 12 months.\*

\* Additional underwriting criteria apply to properties in certain jurisdictions. See Appendix E.

**Ability to Pay**

Property Owner(s) must demonstrate a reasonable ability to pay the annual payment obligations for the PACE assessment by providing accurate information on income, assets, and current debt obligations. The maximum Assessment amount depends on the Property Owner’s annual income, assets, and current debt obligations. Property Owner(s) attest to true and accurate ability to pay information by signing the Application Form and Disclosures.

**Authority of Property Owner**

The Property’s title cannot be subject to power of attorney, easements or subordination agreements restricting authority of the Property Owner(s) to subject the Property to a PACE lien, other than issues related to standard mortgage loan agreements.

**Trust Ownership of the Property**

To be considered for the Program, properties held in a trust must furnish relevant documentation providing the clear and exact right of the trustee(s) to attach a Program-resultant encumbrance upon the respective property. All trustees must meet all applicable underwriting requirements and all trustees must sign all Program documents, including the Assessment Contract.

**2.3 Eligible Products**

The Program offers financing for various energy efficiency, renewable energy, water efficiency and seismic products (Eligible Products). The list of Eligible Products may vary by Sponsor.

**Eligible Products Must Be Permanently Affixed, New Products**

Only permanently affixed, new products are considered “Eligible Products” and thus financeable through the Program. Remanufactured, refurbished, used or new equipment transferred from a previous location are not eligible. Previously installed products are not eligible for Program financing. Products that are not permanently affixed are not eligible, such as light bulbs and other non-fixtures.

**Proposed Products Must Meet Minimum Eligibility Requirements**

There are minimum efficiency and/or other requirements tied to each Eligible Product. A complete list of Eligible Products with minimum specifications for Residential properties is available in Appendix C. Property Owners should confirm with their contractor(s) that proposed products meet the minimum specifications set forth in the Eligible Products List. Your Participating Contractor must attest that all Eligible Products meet the stated minimum eligibility criteria.

Before installing Eligible Products, you or your Participating Contractor are required to provide details regarding the proposed Eligible Products, which you can do by calling the Program Call Center (see Section 1.2).

**Custom Products May Be Eligible**

You may apply to install a permanently affixed energy efficiency, renewable energy, water-efficiency or seismic product (depending on Sponsor) not included on the Eligible Products List by submitting a Custom Product Application. The Program Administrator must approve all Custom Product Applications. See Section 4.5 for additional details on submitting a Custom Product Application.

### Solar Systems Must Meet CSI Requirements

All solar photovoltaics (solar PV) and solar thermal systems must use California Solar Initiative (CSI) eligible equipment and must be installed according to CSI requirements. The Program Administrator recommends that energy efficiency measures be completed prior to installing solar PV systems in order to address energy conservation prior to energy generation.

### Emergency Heating, Ventilation, and Air Conditioning (HVAC)

Per the terms of California Assembly Bill 1284, in the case of emergency or immediate necessity to finance an eligible HVAC system, boiler, or other system whose primary function is temperature regulation in a home, income verification may be waived if automated income verification is not available and the following conditions are met:

- Automated verification of income is attempted by the Program Administrator;
- The Program Administrator asks open-ended questions to confirm Property Owner(s)' income;
- The Property Owner(s) waive(s) the right to cancel financing as found in the Acknowledged Notice of Right to Cancel document; and
- The assessment amount is capped at \$15,000.

## 2.4 Eligible Costs

Eligible costs under the Program include both the cost of the equipment and installation. Installation costs may include, but are not limited to, energy/water audit, appraisals, labor, design, drafting, engineering, permit fees, and inspection charges. The installation must be completed by a Participating Contractor who is registered with the Program

If you elect to complete your financed improvements at the same time as a larger remodeling project, financing is only available for the Eligible Products used to improve the existing structure. Repairs to the existing building's envelope, systems and/or infrastructure are not eligible except where necessary to install the Eligible Product. If you are planning to finance Eligible Products included in a larger remodeling project, you should first contact the Program Call Center to determine what costs will be eligible for financing.

The cost of installing the Eligible Products must be reasonable and accomplished within industry cost guidelines. You are encouraged to get multiple bids so that you may determine an appropriate range of costs for your home improvements. The Program Administrator shall have the right to refuse to finance an Eligible Product that exceeds such guidelines, and/or to request additional documentation or other information to determine the reasonableness of any Eligible Product.

## 2.5 Eligible Participating Contractors

You must select a Participating Contractor who has signed-up with the Program. Participating Contractors must have an active license with the CSLB, which includes meeting the CSLB's bonding and workers' compensation insurance requirements, and agree to all Program terms and conditions via a Contractor Participation Agreement. In addition, Participating Contractors may only install Eligible Products for which they have the appropriate CSLB license.

You independently choose which Participating Contractor will work on the installation of your Eligible Products. **The Sponsor, the purchaser of bonds issued by the Sponsor, and the Program Administrator do not endorse contractors who register with the Program, any other person involved with the installed products, or the design of the products, or warrant the economic value, energy savings, safety, durability or reliability of the Eligible Products.**

## 2.6 Eligible Assessment Amounts

The minimum total project amount is \$5,000. The total maximum Assessment amount per Property must be less than 15% of the value of the Property. Note that 15% of Property Value is only available for first \$700,000 of the property value then 10% of any property value thereafter. In Los Angeles County any assessment amount in excess of \$250,000 requires specific approval by that County. The Assessment amount plus the mortgage-related debt must not exceed 97% of the value of the Property.\*

The maximum Assessment amount depends on the Property Owner's annual income.

The value of the Property will be the market value based on an automated valuation model (AVM) value provided by a third party independent vendor. In certain circumstances, a recent appraisal may be used instead of the AVM value. Property owners interested in an alternative valuation of their property should contact the Call Center. The Program Administrator does not coordinate, advance the cost, nor choose an appraiser.

\* Additional underwriting criteria apply to properties in certain jurisdictions. See Appendix E.

## 2.7 Eligible Assessment Term(s)

Assessment Contracts may include financing for a term of 5, 10, 15, 20, 25 or 30\* years. The financing term may not exceed the useful life of the installed Eligible Product, as indicated in Appendix C. If a project includes multiple products with various terms, the financing term will be determined by summing the dollar value of products under each term and selecting the term associated with the greatest value. A Property Owner may select a shorter assessment term than the useful life of the Eligible Product(s) to be installed.

\*30-year financing term is only available for certain products in certain areas. See Appendix F for interest rates and financing terms.

## 2.8 Eligible Rebate Programs and Tax Credits

Various federal tax credits, state and local rebates, and incentive programs exist for energy efficiency, renewable energy, and water efficiency Eligible Products. Not all Eligible Products under the Program will qualify for federal tax credits and/or state or local utility rebates.

For information on rebates and tax credits, please visit the rebates pages listed in Appendix A and talk to your Participating Contractor and/or a tax advisor.

### Deductions from Financing Amount

All available up-front federal, state or utility rebates that are received for installed Eligible Products should be deducted from the requested finance amount.

Any performance-based incentives that are paid over time do not need to be deducted from the requested finance amount. State or federal tax credits resulting from the installation of Eligible Products also do not need to be deducted from the requested finance amount; however, you may wish to consider these additional benefits in determining your requested financing amount.

### Solar Rebates

If you plan to install solar PV or solar water heating systems, the project must be eligible for and participate in the appropriate CSI rebate program, if available. Most solar installers can assist you with applying for these rebates.

## 2.9 Eligible Number of Assessments

You may apply for another Assessment under the Program for the same Property or an additional Property(ies), as long as all Assessments under the Program for a particular Property still meet all Program guidelines as to maximum Assessment limits. For all applications submitted after September 2, 2016, a residential property owner submitting multiple applications for the same property must meet certain underwriting rules for the combined value of all applications based on the valuation criteria as indicated in Section 2.6:

1. All PACE liens combined must be less than 15% of property market value,
2. In accordance with State Law, all annual payments combined (annual property tax + all PACE annual payments) must be less than 5% of property market value,
3. All debt liens combined (mortgages + all PACE liens) must be less than 97% of Property market value.\*

\* Additional underwriting criteria apply to properties in certain jurisdictions. See Appendix E.

## 2.10 Additional Program Terms and Disclaimers

This section further highlights certain of the obligations you will have as a participant in the Program.

### Property Owner Agrees to All Program Terms

By signing the Assessment Contract and related Financing Documents, you and all other Property Owners certify that you have read, understood and agree to the terms of the Program as outlined in the Property Owner Handbook in addition to the terms of the Assessment Contract. You and all other Property Owners also certify that you, the Property, and the products meet all Program eligibility requirements.

### **Authority to Install Products**

By signing the Financing Documents, you and all other Property Owners represent that you have the authority to install the approved Eligible Products on the Property named in the Assessment Contract.

### **No Endorsement by Program Administrator**

You and all other Property Owners agree that you understand that the Program Administrator's review of the proposed products and approval for Program funding shall not be construed as confirming or endorsing the qualifications of you, the Participating Contractor, or any other person involved with the products; endorsing the design of the products; or as warranting the economic value, energy savings, safety, durability or reliability of the products.

### **Property Owner Is Responsible for Products, Permits and Inspections**

Although the Program Administrator sets minimum efficiency standards for eligible products, you are solely responsible for all products installed on your Property, including the selection of any Participating Contractor(s), energy auditor(s), or equipment. Any performance-related issues are the responsibility of you and the Participating Contractor(s). Neither the Sponsor, the purchaser of bonds issued by the Sponsor, or the Program Administrator is responsible for the performance of the products. Completion of all city and county permitting and inspections are the responsibility of you and the Participating Contractor.

### **Right to Validate Products by Program Administrator**

You have agreed that the Program Administrator may perform independent on-site validation(s) of any Eligible Products financed through the Program, including if permit inspections have already been completed. If a validation visit is required, the Program Administrator will schedule any such on-site validation visit with you at your convenience.

### **Defaults on Assessment Payments**

Not later than October 1<sup>st</sup> of every year until your Assessment Obligation is paid off it will be determined whether any Annual Assessment Obligation is delinquent. After written notification, defaults in payment of Annual Assessment Obligations may result in the initiation of foreclosure proceedings with respect to the Property on the December 1<sup>st</sup> following such default.

### **Rebates and Tax Credits**

Federal, state or local laws or rebate programs may change at any time. Therefore, neither the Sponsor nor the Program Administrator is liable for any loss of or change in a rebate or tax credit. You should consult your tax advisors and/or accountants as to the applicability of any federal tax credits to your personal tax situation.

### **Tax Deductibility of Assessment**

The interest portion of your PACE assessment may be tax deductible. You are urged to consult a tax advisor regarding the deductibility of such payments.

### **Program Database**

All information obtained from you through the Program will be used only for purposes of the Program.

### **Releases and Indemnification**

By submitting an application, you acknowledge that the Sponsor has formed the Program solely for the purpose of assisting you and other Property Owners in the Participating Community with the financing of approved Eligible Products and that the Sponsor, the purchasers of bonds from the Sponsor, and the Program Administrator have no responsibility of any kind for, and shall have no liability arising out of, the installation, operation, financing, refinancing or maintenance of the products. You and all other Property Owners shall be solely responsible for the installation, operation, financing, refinancing or maintenance of the products. Participation in the Program does not in any way obligate the Sponsor, the purchasers of bonds from the Sponsor, or the Program Administrator to guarantee or ensure the performance of any products. You acknowledge that you will be responsible for payment of the Total Assessment Obligations regardless of whether the products are properly installed or operate as expected.

You also agree to release, defend, indemnify and hold harmless the Sponsor, the purchasers of bonds from the Sponsor, and the Program Administrator, including their officers, directors, employees, affiliates and agents, from and against any claims, actions, demands, costs, damages or lawsuits, including the payment of attorneys fees and cost of court, arising out of or in any way connected with your participation in this Program, including, without limitation, the installation, maintenance or repair of the products or compliance with any applicable federal, state or local laws.

### Disclosure of Participant Information

By submitting an application, you agree that the Sponsor may disclose your personal information to the Program Administrator, and that the Sponsor and the Program Administrator may disclose that information to third parties when such disclosure is essential to the conduct of the Sponsor's or its member agencies' business or to provide services to you, including, but not limited to, where such disclosure is necessary to (i) comply with the law, legal process or regulators, (ii) enable the Sponsor or the Program Administrator to provide services to you and to otherwise perform their duties, and (iii) obtain and provide credit reporting information. The Privacy Policy Notice provides further details on the Sponsor's information collection and sharing practices.

You agree to the release of your name and contact information and the Property's utility usage data from the local utility company for 12 months before installation of the improvements and up to 24 months after the end of the financing term to the Sponsor and the Program Administrator for the purpose of conducting surveys and evaluating the Program and its impact. In addition, you understand that the Sponsor is a public agency which, in certain circumstances, may have an obligation to release information under the California Public Records Act or pursuant to court order.

### Renewable Energy Certificates and other Environmental Attributes

If you install solar PV or non-PV electricity generating systems, Renewable Energy Certificates (RECs) and all related environmental attributes will be assigned to the Sponsor for the length of the financing term.

## 3 Financial Terms

### 3.1 Assessment Costs

Below are the costs associated with Program financing. All interest rates and fees are subject to change. Interest rates and fees for an Assessment are set at the time that Financing Documents (see Section 4.6) are issued. If work is not completed by the Expiration Date indicated on the Financing Documents, then the Program Administrator reserves the right to require you to enter into a new Assessment Contract for Program financing. The new contract may have a different interest rate and costs.

#### Upfront Costs

Upfront Costs are one-time fees that become part of the Assessment including the following:

#### Program-Related Fees

Program-Related Fees are one-time fees added to the Assessment at the time of funding. Program-Related Fees include the costs of Program administration and origination, bond counsel, Program sponsor fee (the Sponsor), and tax administration. The amount of the Program-Related Fees is identified in the Financing Statement.

#### Lien Recording Fee

You will need to pay for any and all fees the Sponsor charges to record the Assessment lien documents on your Property. These fees will be added to the Assessment amount. The Lien Recording Fee amount will be listed in the Financing Statement.

#### Reserve Fees

Reserve fees are one-time fees or deposits incurred at funding to pay for reserves that support bondholders' and mortgage holders' interests. The amount of the deposit to all reserve funds will be provided in the Financing Statement. These include:

- Reserve Fund: A deposit to pay debt service on the bonds in the event of delinquencies in payments of Assessments.
- Foreclosure Fee: This fee does not apply under all Sponsors. A deposit to cover the Sponsor's costs to initiate judicial foreclosure for properties of Property Owners that are delinquent on payment of their Annual Assessment Obligations.

The amount of the deposit to all reserve funds will be provided in the Financing Statement.

#### Capitalized Interest

Based on the Funding Date of your Assessment Contract, payments on your Assessment may not begin until the following year's tax statement. Capitalized Interest is the amount of interest that is added to the Assessment amount for the period prior to the first tax year in which payment is made. The amount of Capitalized Interest for your Assessment will be included in the Financing Statement.

#### Estimated Administrative Expenses (Annual)

Each year an administrative fee will be included in the Annual Assessment Obligation on your property tax bill. This fee covers the annual costs to place the lien on the property tax rolls and manage the tax payments. These expenses may vary over the Term based on changes

to local government and the County fees. The Estimated Administrative Fees will be identified in the Assessment Contract and will not exceed \$100 per year.

### 3.2 Annual Repayments

You will repay Principal and interest, plus an Estimated Administrative Expense over 5, 10, 15, 20, 25 and 30\* years, depending on the approved Term. Payment will be billed and paid through a separate line item on your property tax bill. As with other property taxes, the Annual Assessment Obligation is due in one or two installments each year. The payment schedule will be attached to the Assessment Contract that you sign. Failure to repay the Annual Assessment Obligation will result in interest and penalties and may result in foreclosure on your Property.

\*30-year financing term is only available for certain products in certain areas. See Appendix F for interest rates and financing terms.

### 3.3 Foreclosure

Not later than October 1 each year, the County shall determine whether any annual assessment obligation is not paid when due and shall have the right to order that any such delinquent payment, penalties, interest, and associated costs be collected by a foreclosure action brought in Superior Court that could result in a sale of the Property for the payment of such delinquent assessment obligation.

### 3.4 Prepayment of the Assessment

The Assessment may be prepaid, in whole or any other amount of \$2,500 or more, at any time. Prepayments will be applied at the end of the month in which funds are received. Upon request, a payoff statement and payment instructions will be provided. The prepayment amount will include (i) a credit for any refund of capitalized interest, (ii) accrued interest and interest that would otherwise accrue on the amount prepaid through the first bond interest payment date that is at least 65 days following the date of the prepayment and (iii) the reasonable costs of the County related to the prepayment.

If you make any prepayments, then on or prior to June 30\*, an updated payment schedule that reduces subsequent annual installments so that the remaining scheduled payments will be sufficient to repay all amounts then due under the Assessment by the end of the original term of this Agreement will be sent. **While you will enjoy a lower annual installment following a prepayment, the term of the Assessment will not reduce. Therefore, you will pay more interest over the remaining term of the Assessment than you would pay if the subsequent annual installments were not reduced because the remaining principal balance of the Assessment will be repaid more slowly.**

\*This date will change depending on year and Sponsor. Please contact Renew Financial for the exact dates.

Due to circumstances outside the Sponsor's control, prepayments made after June 30 of any calendar year may result in you receiving a tax bill that does not reflect that prepayment. In these circumstances, you must pay the full tax bill and the Sponsor will refund overpayments to you when the Sponsor receives the money from the tax collector.

In order to prepay, you will need to contact the Program Call Center to initiate the prepayment. If the Assessment is to be prepaid in full or part, this will include a calculation of the prepayment amount as described above. Renew Financial does not charge the property owner a fee when a prepayment is made.

## 4 Program Process

This section describes the application and financing process for you and the Participating Contractor.

### 4.1 Scope of Project - Obtain Quote

You can select which Eligible Product(s) you wish to finance through the Program. A Participating Contractor can help you determine which measures are best suited for your home and offer the best energy savings.

Funding is only available for products listed on the Eligible Products List and Custom Products, if approved by the Program Administrator. Eligible Products are listed in Appendix C of this Handbook.



### Energy Audit and Solar Site Evaluation

It is highly recommended that you get a comprehensive energy and/or water audit on your Property before considering any Eligible Products. An energy or water audit can help you identify which products are most applicable to your home and which present the greatest energy or water savings potential.

If you are interested in solar PV or solar thermal, many solar contractors can provide a solar evaluation of your home.

### Eligible Products

Prior to submitting an application, you should work with your Participating Contractor to determine whether a product is eligible by reviewing the current Eligible Products List. However, you should not purchase or install Eligible Products until you have a Notice to Proceed from the Program Administrator.

## 4.2 Apply for the Program

### Application

You will need to complete an application to receive financing. You can submit the application online, by phone, or mail at the contact information provided in Section 1.2.

Submission of an application does not guarantee that you will be approved for financing. Additionally, if you proceed with installing your project prior to receiving approval, you assume the risk that your project, Property or Participating Contractor may not be eligible for financing. Your Participating Contractor should not begin installation of your project prior to receiving the Notice to Proceed.

By submitting an application, you are specifically authorizing and agreeing that the Program Administrator has permission to obtain a credit report for each Property Owner and any other consumer reports needed to verify bankruptcy and current property debt, obtain a property valuation, verify your declarations regarding title to the Property and current and historical property tax status, verify information on income and employment status, and complete any other necessary record checks to verify information in the application or confirm eligibility for the Program.

#### Participating Contractor Call In or Online Application

Participating Contractors may submit an application online on your behalf or call in an application to the Program. You and all other Property Owners must be available to provide information and authorization for a credit report to be pulled when the Participating Contractor calls in the application.

#### Hard Copy Application

A hard copy application is available for you to fill out. You may obtain the hard copy application from the Program website or from your Participating Contractor. Once completed, you may submit a hard copy application by mail or fax.

### Financing Disclosures

The following describes some (but not all) characteristics and risks of participation in the Program as well as laws to which the Program is subject. A full understanding of any item listed below can be gained only by reviewing the relevant laws, policy statements, and/or the contractual documents related to the Program. The Program Administrator is committed to your understanding each of the items listed below before you enter into an Assessment Contract, and invites you to ask Program representatives any questions regarding these items or if you need copies of any document related to the Program.

**Existing Mortgage.** The Program establishes the manner by which the Sponsor may finance, pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (commencing with Section 5898.10), the installation of Eligible Products. Eligible Products will be financed pursuant to an Assessment Contract between you and the Sponsor.

BEFORE COMPLETING A PROGRAM APPLICATION, YOU SHOULD CAREFULLY REVIEW ANY MORTGAGE AGREEMENT(S) OR OTHER SECURITY INSTRUMENT(S) WHICH AFFECT THE PROPERTY OR TO WHICH YOU AS THE PROPERTY OWNER ARE A PARTY. ENTERING INTO A PROGRAM ASSESSMENT CONTRACT WITHOUT THE CONSENT OF YOUR EXISTING LENDER(S) COULD CONSTITUTE AN EVENT OF DEFAULT UNDER SUCH AGREEMENTS OR SECURITY INSTRUMENTS. DEFAULTING UNDER AN EXISTING MORTGAGE AGREEMENT OR SECURITY INSTRUMENT COULD HAVE SERIOUS CONSEQUENCES TO YOU, WHICH COULD INCLUDE THE ACCELERATION OF THE REPAYMENT OBLIGATIONS DUE UNDER SUCH AGREEMENT OR SECURITY INSTRUMENT. IN ADDITION, FANNIE MAE AND FREDDIE MAC, THE OWNER OF A SIGNIFICANT PORTION OF ALL HOME MORTGAGES, STATED THAT THEY WOULD NOT PURCHASE HOME LOANS WITH ASSESSMENTS SUCH AS THOSE OFFERED BY THE SPONSOR. THIS MAY MEAN THAT PROPERTY OWNERS WHO SELL OR REFINANCE THEIR PROPERTY MAY BE REQUIRED TO PREPAY SUCH



ASSESSMENTS AT THE TIME THEY CLOSE THEIR SALE OR REFINANCING.

See Section 3.4 for details on prepayment of the Assessment.

If your lender requires an impound for your property taxes, please consider notifying them of the annual assessment payment amount so they can adjust your impound amount.

**Foreclosure.** Please see section 3.3.

### 4.3 Application Review

The Program Administrator will review the application and issue a notification of status as defined below.

#### Application Review Results

You will receive an email notification of the status of your application immediately if applying through the contractor call in method. If applying through a hard copy application, the Program Administrator will notify you of the application status determination by email or mail once the application is processed. There are five possible application review results:

Approved. An application will be “Approved” if the Program Administrator has verified all of the items’ eligibility requirements and Eligible Products have been approved. An “approved” Property Owner will receive the Financing Documents listed in Section 4.5 for signature.

Conditionally Approved. An application will be “Conditionally Approved” if the information submitted in the application meets all the underwriting eligibility requirements, on the condition that the Program Administrator can verify all such information. Additional information or documentation will be required to approve the application. When “Conditionally Approved”, a Property Owner will receive the Financing Documents listed in Section 4.5 for electronic signature but the Program Administrator may cancel the conditional approval and may not issue the final approval in the form of a Notice to Proceed if further review indicates that any program requirements for financing are not satisfied. Examples of reasons for an application to receive Conditional Approval may include 1) income must be verified, 2) mortgage or other property secured debt balance or payment history is missing or incomplete in consumer reports from consumer reporting agencies, 3) mismatch between applicants and owners listed on title, 4) number of units on property not available in reports from consumer reporting agencies, 5) property is owned by a trust.

More Information Needed. An application will be considered “More Information Needed” if additional information or documentation is required from the Property Owner to complete the application. The Program Administrator will contact the Property Owner to collect the required information or the Property Owner may contact the Program Administrator to provide the information. The Property Owner may be approved, conditionally approved or declined once the required information is received.

Under Review. An application will be considered “Under Review” if the Program Administrator must verify certain information provided in the application before a determination can be made. The Program Administrator will review third-party information to make the determination. No action is required from the Property Owner or contractor. The Property Owner may be approved, conditionally approved or declined once the required information is received.

Declined. An application will be declined if the Program Administrator determines the applicant(s), the Property, or Products do not meet the Eligibility Requirements. A Property Owner will be notified by US mail of the specific reason(s) why his or her application was denied. If the Property Owner believes there has been an error based on the stated reasons in the declination letter and is unable to resolve it quickly by contacting the Program Administrator, the Property Owner must follow the steps set forth in Section 6, Dispute Resolution, in order to formally contest the Program Administrator’s decision.

### 4.4 Provide Project Details and Select Rate and Term

Your Participating Contractor must submit project details and you must select an interest rate and term before financing documents can be released. You must obtain approval of all Eligible Products to be installed prior to installation.

### **Project Details**

Required project details include 1) type of equipment, 2) quantity of equipment, and 3) cost per item. The installation cost provided by you or your Participating Contractor to the Program Administrator is a “Not to Exceed” amount and the final invoiced amount of the project may not exceed this number.

You or your Participating Contractor will need to call the Program Call Center to obtain approval of certain Eligible Products and installation costs before an application can be approved. The current Eligible Products List and the minimum requirements for each Eligible Product are available in Appendix C.

### **Rate and Term**

You will receive a summary of available rates and terms, as well as approximate monthly and total payments, and be able to select your preferred rate and term once your contractor provides project details.

### **Product Cost Review**

Applications may be reviewed by the Program Administrator and/or the Sponsor to assess the costs of installed eligible products and ensure consumer protection standards are being met. You should notify CaliforniaFIRST if your project installation has extenuating issues that could cause an increase in project costs. Your Participating Contractor should not begin installation of your project prior to receiving the Notice to Proceed.

### **Custom Products**

If you wish to finance a Custom Product, you must request approval for the Custom Product. To do so, you or your Participating Contractor must complete the Custom Product Application and provide information on the product, such as:

- (a) product specifications,
- (b) the cost to install, and
- (c) estimated energy or water savings or renewable energy production.

During Custom Product review, the Program Administrator may request additional documentation or additional contractor(s) bid(s) for proposed Custom Products in order to determine that the submitted bid(s) appear to be reasonable as to cost or scope.

All Custom Product Applications must be approved by the Program Administrator and may require approval by the Sponsor. Your Participating Contractor should not begin installation of your project prior to receiving the Notice to Proceed.

The Program Administrator reserves the right to deny any Custom Product Application. Reasons for denial may include the following: the product is too experimental or unreliable; the claimed energy or water savings or renewable energy generation product is not clearly supported; the costs do not appear to be in conformance with industry standards; or installation of the product may violate local laws or regulations. The Program Administrator will provide a written explanation for any denial of a Custom Product Application.

## **4.5 Financing Documents**

After project details are submitted and you select your rate and term the Program Administrator will provide you with your Financing Documents for signature. Financing Documents are generally provided electronically and signed with an electronic signature. Prior to signing, the Property Owner must complete a confirmation call with the Program Administrator. At the conclusion of that call the Property Owner will be provided a PIN number that will enable them to sign the documents.

The Financing Documents must be signed and received by the Program Administrator within 5 days of the Assessment Contract Date. If Financing Documents are printed for signature, all signed documents must be notarized. Below is a list of the Financing Documents that will be provided:

### **Financing Documents Provided**

1. Welcome Letter (with Property Owner Handbook link)
2. Financing Application & Disclosure
3. Assessment Contract
4. Financing Estimate and Disclosures
5. Notice of Right to Cancel
6. Electronic Record and Signature Disclosure (upon request)
7. Privacy Policy
8. Customer Verification PIN Requirement

### Financing Documents to Return to the Program

1. Signed Financing Application & Disclosure
2. Signed Assessment Contract
3. Signed Financing Estimate and Disclosures
4. Acknowledged Notice of Right to Cancel
5. Customer Verification PIN Requirement

If you or any of the other Property Owners fail to sign and submit Financing Documents by the required date, new Financing Documents may need to be issued. Reissuance of Financing Documents may impact the length of time remaining for installation, result in a new interest rate, and/or change other fees.

### Conditional Approval

In certain situations, an application may be conditionally approved subject to confirmation of information provided by the Property Owner on their application and/or receipt of additional information or documentation by the Program Administrator. If your project is conditionally approved, we will issue financing documents but reserve the right to cancel the conditional approval and may not issue the final approval in the form of a Notice to Proceed if further review indicates that any program requirements for financing are not satisfied. If all conditions are met and confirmed, the Program Administrator will issue the Notice to Proceed, notifying you that project installation can begin. Your Participating Contractor should not begin installation of your project prior to receiving the Notice to Proceed.

## 4.6 Notice to Proceed and Installation of Eligible Products

After Financing Documents are signed and returned, you and your Participating Contractor will receive a Notice to Proceed, which indicates that you may begin your project. Your Participating Contractor should not begin installation of your project prior to receiving the Notice to Proceed. The Notice to Proceed will indicate the time by which all Eligible Products must be installed and payment requested. Eligible projects will have a 150-day period to install products.

A Completion Certificate will also be sent with the Notice to Proceed. You must complete and return the Completion Certificate after the project has been installed by your Participating Contractor prior to the Expiration Date in order to receive funding.

You and your Participating Contractor are responsible for attaining all necessary approvals from a homeowners' association and/or historical review board regarding the installation of Eligible Products, as applicable to the Property.

If the approval period expires, the Property Owner may be required to submit a new application and may be subject to a new interest rate.

**The Sponsor, the purchasers of bonds from the Sponsor, and the Program Administrator do not endorse contractors who register with the Program, any other person involved with the installed products, or the design of the products, or warrant the economic value, energy savings, safety, durability or reliability of the Eligible Products.**

### Building Permits and Inspection

You and your Participating Contractor are responsible for obtaining building permits and completing final inspections by the appropriate city or county Building Department. You and your Participating Contractors are also responsible for ensuring that your Eligible Products have met all other applicable federal, state and local laws and regulations. You should speak with your Participating Contractor to determine if your Eligible Products require a building permit and/or inspection and what requirements must be met.

## 4.7 Submit Completion Certificate

Once installation is complete, you must submit an executed Completion Certificate and all required attachments to the Program Administrator for approval by the Expiration Date.

The Completion Certificate must be submitted with the following documents:

1. Final invoice or contract from Participating Contractor which includes a detailed scope of work (including all financed products) and costs;
2. If required by the jurisdiction, a pulled permit from the appropriate city or county building department for all permitted Eligible Products or Custom Products.

The required attachments are listed on your Completion Certificate Instructions page. The Completion Certificate and required attachments may be submitted to the Program Administrator by fax, mail or via the electronic signature portal.

**Assignment of Payment**

Payment may be assigned to the contractor or designee.

**Generation of New Financing Documents**

New Financing Documents must be generated if the Completion Certificate indicates a final financing amount that exceeds the amount approved at application. All appropriate documents reflecting the new financing amount must be signed and a 3-day rescission period will be required prior to the Program Administrator generating a new Completion Certificate.

**Right to Validate Products by Program Administrator**

The Program Administrator reserves the right to perform independent on-site validation(s) of any Eligible Products financed through the Program at any time, including if permit inspections have already been completed. If a validation visit is required, the Program Administrator will schedule any such on-site validation visit with you.

**Payment**

The timing of payment is dependent on when the Completion Certificate and all other requirement documents are received and approved by the Program Administrator. Payment will be issued to your Participating Contractor or a payment designee as indicated on your final Completion Certificate. If payment is issued to the Contractor, we will issue payment within 2 business days of approving the Completion Certificate if payment is wired directly into the bank account account.

**4.8 Record Lien on Property and Issue Payment**

After receiving the executed Completion Certificate and associated documents, the Program Administrator will record the Assessment lien documents on your Property with the county, issue bonds and disburse payment.

**4.9 Add Assessment to Property Taxes**

The Assessment and a notice of assessment will be recorded with the county and appear along with interest and administrative expenses on your property tax bill for the duration of the Term.

**Annual Assessment Obligation Payments on Property Tax Bill**

You must be able to pay the agreed-upon Total Assessment Obligations regardless of a change in personal financial circumstances, the condition of the Property, or the condition of the newly installed Eligible Products. As with other property taxes, failure to pay the Total Assessment Obligations will result in penalties, interest and, eventually, foreclosure of the Property by the Sponsor or the county tax collector.

Recordation of the Assessment lien on the Property will establish a continuing annual lien. As with other property taxes, you may pay the entire annual amount due on the date the first installment is due or you may pay in two installments on the dates the installments are due.

Under California law, property taxes and assessments typically stay with the Property when it is sold. However, if you attempt to refinance your Property once the Assessment lien is recorded on the Property, your lender may require that you pay off the entirety of the Assessment prior to granting approval of your refinancing. Similarly, if you wish to sell your Property after the Assessment lien is recorded, the purchaser's mortgage lender may require that the Assessment be paid off in full prior to granting approval of a new mortgage to the purchaser for your Property. You should consult your lenders at the time of refinance or sale of the Property to determine whether your Assessment will need to be paid in full. In addition, by law, you must provide notice of the Assessment to a buyer prior to sale of the Property.

If you use an impound account to pay your taxes, you should contact your lender to increase monthly impound payments by an amount equal to the total Annual Assessment Obligation divided by 12 months.

The Annual Assessment Obligation will be based on the Project Amount, Upfront Costs, the effective Interest Rate of the Program, and Estimated Administrative Fees. Estimated amounts will be specified in the Assessment Contract and in the Financing Statement.

## 5 Product Installation Requirements

### 5.1 Contractor Sign-Up

All contractors who install Eligible Products under the Program must sign-up with CaliforniaFIRST in order to become a Participating Contractor.

To be eligible as a Participating Contractor in the Program, contractors must be licensed by the State of California and in good standing with the CSLB, meet all applicable bonding and insurance requirements, and meet any fraud check requirements, and agree to the terms and conditions of a Program. All contractors must meet the requirements outlined here:

<https://renewfund.secure.force.com/apply/resource/1482564616000/ContractorEnrollmentRequirement>

When a contractor is accepted into the CaliforniaFIRST Program, it is required that he/she agrees to abide by all Program terms and conditions as listed in the Contractor Participation Agreement and comply with all policies and procedures outlined in any handbook or other policy document Renew Financial provides to Participating Contractors, each as amended from time to time, including:

- pulling permits as required by the local building department,
- obtaining approval of proposed Eligible Products,
- installing Eligible Products that meet the required eligibility specifications,
- obtaining a business license in each jurisdiction where the contractor does Program-financed work, and
- only installing Eligible Products for which he/she has the correct contractor's license.

If your contractor is interested in being part of the Program but has not yet become a Participating Contractor, please have him or her call CaliforniaFIRST at the Contractor Registration contact information provided in Section 1.2 or visit [www.renewfinancial.com](http://www.renewfinancial.com).

### 5.2 Building Permits and Inspection

You and your Participating Contractor are responsible for obtaining building permits and completing final inspections by the appropriate city or county Building Department. You and your Participating Contractors are also responsible for ensuring that your Eligible Products have met all other applicable federal, state and local laws and regulations. You should speak with your Participating Contractor to determine if your Eligible Products require a building permit and/or inspection and what requirements must be met.

### 5.3 Fraudulent Activity

Any misrepresentations made in connection with the Program in the application, the Participating Contractor's bid, or any other document at any time while you are participating in the may result in a denied application, a notification that any installed Eligible Products will be at your expense, or a legal proceeding, civil or criminal, to recover any fraudulently obtained funds, or other legal action.

### 5.4 Required Documents

Required documents must be submitted at different steps in the Program process. For a list of required documents which must be submitted and when they need to be submitted, please see Section 4, Program Process.

## 6 Dispute Resolution

You, the Sponsor and the Program Administrator shall attempt in good faith to promptly resolve any dispute arising out of or relating to any Assessment Contract under the Program. Any party must give the other parties written notice of any dispute. Within 30 calendar days after delivery of the notice to the Program Administrator address or email per Section 1.2, you and the Sponsor and/or the Program Administrator shall have a meeting, and shall attempt to resolve the dispute. If the matter has not been resolved within 30 calendar days of the first meeting, any party may pursue other remedies, including mediation. All negotiations and any mediation conducted pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations, to which Section 1152.5 of the California Evidence Code shall apply, and Section 1152.5 is incorporated herein by reference. You and the Sponsor are required to continue to perform the obligations under the Assessment Contract pending final resolution of any dispute arising out of or relating to the Assessment Contract.

Dispute resolution will follow a similar process if you wish to dispute decision(s) made by the Program Administrator on behalf of the Sponsor, but have not signed a formal Assessment Contract. Written notice must be sent to the Program address identified in Section 1.2. The notice must identify the issue(s) for resolution, the circumstances that surround the issue(s), the section in the Handbook that the issue(s) pertain(s) to, and a timeline of events. Within 30 calendar days after delivery of the notice, you, the Sponsor and the Program Administrator shall attempt to resolve the dispute. The Program Administrator on behalf of the Sponsor shall render a final written decision in 30 calendar days and send that decision to you.

## **7 Appendices**

## Appendix A: Other Useful Resources

<b>California Solar Initiative (Go Solar California)</b>	The California Solar Initiative (CSI) is the solar rebate program for California consumers that are customers of the investor-owned utilities.	<a href="http://www.gosolarcalifornia.ca.gov/contacts/consumers.php">http://www.gosolarcalifornia.ca.gov/contacts/consumers.php</a>
<b>Contractors State License Board</b>	The Contractors State License Board (CSLB) protects consumers by licensing and regulating California's construction industry.	<a href="http://www.cslb.ca.gov">www.cslb.ca.gov</a>  <a href="#">CLSB License Check</a> check Contractor's License Status 1 (800) 321-CSLB (2752)
<b>Federal Tax Credits</b>	Information page about federal tax credits available for energy efficiency and renewable energy improvements.	<a href="http://www.energysavers.gov/financial/70010.html">www.energysavers.gov/financial/70010.html</a>
<b>State and Local Rebates</b>	See your local utility company information above. See also, Energy Upgrade California to search for rebates by zip code.	See local utility company information above. See also Energy Upgrade California, <a href="https://energyupgradeca.org/">https://energyupgradeca.org/</a>
<b>Energy Star</b>	Energy Star is a government-backed program helping businesses and individuals protect the environment through superior energy efficiency. Energy Star provides energy efficiency standards, qualified and labeled energy efficiency products and recommended installation methods, among other things.	<a href="http://www.energystar.gov">www.energystar.gov</a> Energy Star Hotline for specific questions about specific products (888) 782-7937
<b>Building Performance Institute</b>	BPI is a national standards development and credentialing organization for residential energy efficiency retrofit work – providing training through a network of training affiliate organizations, individual certifications, company accreditations and quality assurance programs.	<a href="http://www.bpi.org">www.bpi.org</a> (877) 274-1274
<b>California Building Performance Contractors Association</b>	CBPCA is a non-profit 501c-6 trade association that develops, trains and promotes whole house energy-efficient retrofitting for contractors and professionals in the building performance industry. BPI and HERS training and certification are available.	<a href="http://thebpcpa.org/">http://thebpcpa.org/</a> (510) 433-5042
<b>CalCERTS</b>	CalCERTS is an approved California Energy Commission (CEC) Home Energy Rating System (HERS) Provider. CalCERTS, Inc. is a private organization that provides service, support, training and certification to HERS raters.	<a href="https://www.calcerts.com/">https://www.calcerts.com/</a> (877) 437-7787
<b>Title 24 Hot Line</b>	The Title 24 Hotline is provided by the California Energy Commission and is intended to help contractors and others interpret and understand the rules in California's Title 24 regulations for new construction of and retrofitting of residential and commercial buildings.	<a href="http://www.energy.ca.gov/efficiency/contacts.html">http://www.energy.ca.gov/efficiency/contacts.html</a> (800) 772-3300 Mon.-Fri. 8AM – 12 PM, 1 PM – 4:30 PM

## **Appendix B: Program Forms and Documents**

Samples of Program documents can be found at [the following links](#):

***Sample CaliforniaFIRST Financing Documents***

<https://renewfinancial.box.com/v/cafirst-fin-docsh>

***Sample Notice to Proceed***

<https://renewfinancial.box.com/v/cafirst-ntp>

***Sample Completion Certificate***

<https://renewfinancial.box.com/v/cafirst-comp-cert>

***Contractor Participation Agreement***

<https://renewfund.secure.force.com/apply/resource/1482564616000/ContractorEnrollmentRequirements>



## Appendix C: Eligible Products List

# Eligible Product List

All product specifications and installation quality must meet or exceed applicable local and state permitting, codes and health and safety standards. CaliforniaFIRST requires permits for many of the products below if required by the local jurisdiction. All products must be installed per manufacturer's specifications. All products must be permanently installed and remain at the property upon sale or transfer.

Product Category	Product Type	Eligibility Criteria	Pulled Permit Needed?	Max Term
Drought Tolerant Landscaping	Artificial Turf	Product must be water-permeable.	No	15
Drought Tolerant Landscaping	Hardscape	Impervious hardscape must be installed so that entire surface drains to one of the following: a. Bioretention Basin with a surface area of the Basin must be at least 4% of the area draining to it. b. Dry Well or Infiltration Basin with a volume of at least 50 gallons (6.8 cubic feet) per 100 sq ft of the area draining to it. Financed amount cannot include the cost of plants. Product is not eligible in Los Angeles County.	No	20
Drought Tolerant Landscaping	Permeable Ground Cover	Product must be water-permeable. The following products are eligible: Decomposed granite, Pavers and patio stones with a minimum of 1/4" joint spacing, Gravel/rock/boulders/stone, Artificial Turf underlayment. (Plants and biodegradable material are not eligible.) Product depth must be at least 2".	No	20
Electric Vehicle Charging Station	Electric Vehicle Charging Station	Product must be a Level 2 charger with SAE J1772 standard charging plug.	Yes	10
Fuel Cells	Stationary Fuel Cell Power System	System must be certified as meeting the ANSI/CSA America FC1 standard. Installation must comply with the Standard for the Installation of Stationary Fuel Cell Power Plants (NFPA 853).	Yes	10
HVAC	Air-Source Heat Pump*	Product must comply with Title 24.	Yes	15
HVAC	Attic Fan*	Product must have a thermostat control.	No	15
HVAC	Boiler*	Product must comply with Title 24.	Yes	20
HVAC	Ceiling Fan*	Product must comply with Title 24.	No	10
HVAC	Central Air Conditioner*	Product must comply with Title 24.	Yes	15
HVAC	Duct Insulation*	Product must comply with Title 24.	No	20
HVAC	Duct Replacement*	Product must comply with Title 24.	No	20
HVAC	Duct Sealing*	Product must comply with Title 24.	No	20
HVAC	Ductless Mini-Split*	Product must comply with Title 24.	Yes	15
HVAC	Ductless Mini-Split Air Conditioner*	Product must comply with Title 24.	Yes	15
HVAC	Energy Recovery Ventilation (ERV) System	Product must be certified by the Home Ventilating Institute (HVI).	No	15
HVAC	Evaporative Cooler*	Product must comply with Title 24. Product must be permanently affixed to the home.	No	15
HVAC	Furnace*	Product must comply with Title 24.	Yes	20
HVAC	Gas Fireplace*	Product must comply with Title 24.	Yes	20
HVAC	Geothermal Heat Pump*	Product must comply with Title 24.	Yes	20
HVAC	Heat Recovery Ventilation (HRV) System	Product must be certified by the Home Ventilating Institute (HVI).	No	15
HVAC	Heating and Air Conditioning Package Unit*	Product must comply with Title 24.	Yes	15
HVAC	Pellet Stove or Insert*	Product must be on the List of EPA Certified Wood Stoves.	No	20
HVAC	Programmable Thermostat*	Product must comply with Title 24.	No	15
HVAC	Radiant Heating*	Product must comply with Title 24.	Yes	15
HVAC	Ventilating Fans	Product must comply with Title 24.	No	10
HVAC	Whole House Fan*	Product must comply with Title 24.	No	20
Indoor Water Efficiency	High-Efficiency Faucet Fitting	Product must comply with Title 24. Product is not eligible in WRCOG.	No	15
Indoor Water Efficiency	High-Efficiency Showerhead	Product must comply with Title 24. Product is not eligible in WRCOG.	No	15
Indoor Water Efficiency	Toilets	Product must comply with Title 24. Product is not eligible in WRCOG.	No	25
Indoor Water Efficiency	Urinal	Product must comply with Title 24.	No	20

# Eligible Product List

Indoor Water Efficiency	Water Delivery Systems <i>These products and plumbing layouts reduce water usage stemming from waiting for hot water to be delivered to a tap.</i>	Product must meet the definition of one of the following water delivery options: Dedicated Recirculation Line, Whole House Manifold System, Demand-initiated Recirculating System, Core Plumbing System. Installation cannot include any work on the wastewater system or the city main.	Yes	25
Insulation and Air Sealing	Air Sealing	Product must comply with Title 24.	No	20
Insulation and Air Sealing	Attic Insulation	Product must comply with Title 24.	No	25
Insulation and Air Sealing	Floor Insulation	Product must comply with Title 24.	No	25
Insulation and Air Sealing	Foam Insulation - Attic or Roof	Product must comply with Title 24.	No	25
Insulation and Air Sealing	Wall Insulation	Product must comply with Title 24.	No	25
Lighting	Indoor Lighting Fixtures	Product must comply with Title 24 or use LED technology.	No	20
Lighting	Lighting Control	Product must comply with Title 24.	No	20
Lighting	Outdoor Lighting Fixtures	Product must comply with Title 24 or use LED technology. Product is not eligible in WRCOG.	No	20
Outdoor Water Efficiency	Drip Irrigation	Product must be installed in turf, garden, planter, or flowerbed areas.	No	10
Outdoor Water Efficiency	Greywater Systems	N/A	Yes	15
Outdoor Water Efficiency	Rainwater Catchment Systems	Product must comply with SoCal WaterSmart Program Guidelines.	No	20
Outdoor Water Efficiency	Rotating Sprinkler Control	Product must comply with SoCal WaterSmart Program Guidelines. Product is not eligible in WRCOG.	No	10
Outdoor Water Efficiency	Weather-Based Irrigation Control Systems	Product must be WaterSense Certified.	No	10
Pool Equipment	Automatic Pool Covers	Product must be automatic.	No	10
Pool Equipment	Gas Pool Heater	Product must comply with Title 24.	Yes	10
Pool Equipment	Heat Pump Pool Heater	Product must comply with Title 24.	Yes	10
Pool Equipment	Pool Filter	Product must be a cartridge pool filter. Product is not eligible in Los Angeles County or WRCOG.	No	5
Pool Equipment	Pool Pump and Motor	Product must comply with Title 24.	No	10
Roofing and siding	Air Space Above Roof Deck	Air space must be at least 1 inch between top of roof deck and bottom of roofing product. Product must be installed with Cool Roof - Performance	No	25
Roofing and Siding	Cool Roof - Performance <i>This product is any roof material, as long as one of the supporting products is also installed to reduce heat transfer into the home and reduce cooling needs.</i>	One of the following supporting products must be installed in order to be eligible: Eligible Attic Insulation is installed, Eligible Duct Replacement is installed, Eligible Duct Sealing and Duct Insulation is completed, Eligible Radiant Barrier is installed, Eligible Air Space Above Roof Deck is installed, Eligible Insulation Above Roof Deck is installed.	Yes	25
Roofing and Siding	Cool Roof - Prescriptive <i>This product is for roof materials that reflect sunlight and reduce cooling needs.</i>	Product must comply with Title 24 criteria for cool roofs in ALL climate zones.	Yes	25
Roofing and Siding	Exterior Coating	Product must have solar reflectance $\geq 0.5$ as tested by third-party laboratory using ASTM C1549-09 test method. Product color must be listed on the Renew Financial Exterior Coating Pre-Approval List. Product is not eligible in CSCDA or WRCOG.	No	20
Roofing and Siding	Insulated Siding	One of the following performance criteria must be met to be eligible: The siding includes an insulated backing with R-value $\geq 2$ , OR Insulation with R-value $\geq 2$ is installed beneath the siding.	No	25
Roofing and Siding	Insulation Above Roof Deck	Insulation with R-value $\geq 2$ must be installed between top of roof deck and bottom of roofing product. Product must be installed with Cool Roof - Performance.	No	25

# Eligible Product List

Roofing and Siding	Radiant Barrier	Product must comply with Title 24.	No	25
Safety and Resiliency	Seismic Retrofit	A copy of the pulled permit must be submitted for this product prior to funding. The permit must reference in the scope of work that the work is being done in accordance with Chapter A3, an approved standard plan set, or custom engineered solution. Product is not eligible in Los Angeles County or WRCOG.	Yes	25
Solar Photovoltaic	Solar Array - PPA	Product must be on California Solar Initiative Eligible Products list. Product is not eligible in Los Angeles County.	Final Inspection Card	20
Solar Photovoltaic	Solar Array	Product must be on California Solar Initiative Eligible Products list. If in WRCOG, product must be installed with monitoring. 30-year term is not available in Los Angeles County, unincorporated Sacramento County, or the City of Chula Vista.	Final Inspection Card	30
Solar Thermal	Solar Pool Heating	System must have OG-100 System Certification by Solar Rating and Certification Corporation (SRCC).	No	15
Solar Thermal	Solar Water Heating	Product must comply with Title 24.	Yes	15
Storage	Advanced Energy Storage Systems	Product must meet the eligibility requirements outlined in the current California Self-Generation Incentive Program (SGIP) Handbook.	Yes	10
Water Heating	Electric Heat Pump Tank Water Heater	Product must comply with Title 24.	Yes	10
Water Heating	Electric Tankless Water Heater	Product must comply with Title 24. Product is only eligible in WRCOG.	Yes	10
Water Heating	Gas Storage Tank Water Heater	Product must comply with Title 24.	Yes	10
Water Heating	Gas Tankless Water Heater	Product must comply with Title 24.	Yes	20
Water Heating	Hot Water Tank Insulation	Product must comply with Title 24.	No	10
Water Heating	Pipe Insulation - Hot Water	Product must comply with Title 24.	No	10
Water Heating	Water Heat Recovery	Heat exchanger must transfer waste heat from drain to hot water tank or hot water delivery system.	No	25
Water Heating	Water Softener	Product must be a central cation-exchange water softener. (Descalers, water conditioners, and other water treatment products are not eligible.) Product is not eligible in Los Angeles County or WRCOG	No	20
Wind Energy	Small Wind Turbine	Product must meet the eligibility requirements outlined in the current California Self-Generation Incentive Program (SGIP) Handbook.	Yes	20
Windows and Doors	Applied Window Films	Product must be NFRC Certified.	No	10
Windows and Doors	Doors	Product must comply with Title 24.	Yes	25
Windows and Doors	Exterior Shade Products	Product must be permanently installed on the building exterior to shade at least one window or door. The following products are eligible: Awning, Exterior window Shade, Solar screen, Patio cover, Roof overhang. (Other exterior structural elements are not eligible.) In Los Angeles County, product must be installed on the West or South side of property. Product is not eligible in CSCDA or WRCOG.	No	15
Windows and Doors	Interior Window Treatment	Product must be permanently installed on the interior of a window or door. The following products are eligible: Blinds, Shades, Interior Shutters. (Draperies, Insulated Panels, Mesh Screens, and Storm Panels are not eligible.) Product is not eligible in Los Angeles County or WRCOG.	No	10
Windows and Doors	Skylights and Tubular Daylighting Devices	Product must comply with Title 24.	No	20
Windows and Doors	Windows	Product must comply with Title 24.	Yes	25
Enabling Work	Enabling Work*	Work must be installed on the property. Work must enable the installation of an eligible product. Total cost of Enabling Work cannot exceed \$10,000 and 25% of the total project cost. Product is not eligible in WRCOG.	No	5
Custom Product	Custom Product	Product must be approved by Program Administrator. Submissions can be entered here: <a href="https://renewfinancial.com/custom-product-request/">https://renewfinancial.com/custom-product-request/</a>	TBD	TBD

\* Product is also available in the category "HVAC - Emergency". Projects that qualify for Emergency HVAC can receive an expedited Notice to Proceed. In order to qualify for Emergency HVAC, the project cost cannot exceed \$12,500, and the project may only include products in the category "HVAC – Emergency".

## Appendix D: Participating Communities by County

### Alameda

- Alameda
- Albany
- Berkeley
- Dublin
- Fremont
- Livermore
- Newark
- Oakland
- Piedmont
- Pleasanton
- San Leandro
- Union City
- Unincorp. County

### Amador

- Ione

### Butte

- Chico
- Oroville
- Paradise
- Unincorp. County

### Contra Costa

- Antioch
- Brentwood
- Clayton
- Concord
- Danville
- El Cerrito
- Hercules
- Lafayette
- Martinez
- Moraga
- Oakley
- Pinole
- Pittsburg
- Pleasant Hill
- Richmond
- San Pablo
- San Ramon
- Walnut Creek
- Unincorp. County

### El Dorado

- Placerville
- South Lake Tahoe
- Unincorp. County

### Fresno

- Clovis
- Coalinga
- Firebaugh
- Fowler
- Fresno
- Huron
- Kerman

- Kingsburg
- Orange Cove
- Parlier
- Reedley
- San Joaquin
- Sanger
- Selma
- Unincorp. County

### Glenn

- Orland
- Unincorp. County

### Humboldt

- Arcata
- Blue Lake
- Eureka
- Fortuna
- Unincorp. County

### Imperial

- El Centro
- Imperial
- Unincorp. County

### Kern

- Arvin
- Ridgecrest
- Shafter
- Taft
- Wasco

### Kings

- Corcoran
- Hanford
- Lemoore

### Los Angeles

- Agoura Hills
- Alhambra
- Arcadia
- Artesia
- Avalon
- Azusa
- Baldwin Park
- Bell
- Bell Gardens
- Bellflower
- Beverly Hills
- Bradbury
- Burbank
- Calabasas
- Carson
- Cerritos
- Claremont
- Commerce
- Compton
- Covina
- Cudahy

- Culver City
- Diamond Bar
- Downey
- Duarte
- El Monte
- El Segundo
- Gardena
- Glendale
- Glendora
- Hawaiian Gardens
- Hawthorne
- Hermosa Beach
- Hidden Hills
- Huntington Park
- Industry
- Inglewood
- Irwindale
- La Canada-Flintridge
- La Habra Heights
- La Mirada
- La Verne
- La Puente
- Lakewood
- Lancaster
- Lawndale
- Lomita
- Long Beach
- Los Angeles
- Lynwood
- Malibu
- Manhattan Beach
- Maywood
- Monrovia
- Montebello
- Monterey Park
- Norwalk
- Palmdale
- Palos Verdes Estates
- Paramount
- Pasadena
- Pico Rivera
- Pomona
- Rancho Palos Verdes
- Redondo Beach
- Rolling Hills
- Rolling Hills Estates
- Rosemead
- San Dimas
- San Fernando
- San Gabriel
- San Marino
- Santa Clarita
- Santa Fe Springs

- **Los Angeles (cont.)**
- Santa Monica
- Sierra Madre
- Signal Hill
- South El Monte
- South Gate
- South Pasadena
- Temple City
- Torrance
- Walnut
- West Covina
- West Hollywood
- Westlake Village
- Whittier
- Unincorporated County

**Madera**

- Madera
- Unincorp. County

**Marin**

- Belvedere
- Corte Madera
- Fairfax
- Larkspur
- Mill Valley
- Novato
- Ross
- San Anselmo
- San Rafael
- Sausalito
- Tiburon
- Unincorp. County

**Mariposa**

- Unincorp. County

**Mendocino**

- Fort Bragg
- Point Arena
- Ukiah
- Unincorp. County

**Merced**

- Atwater
- Gustine
- Los Banos
- Unincorp. County

**Mono**

- Unincorp. County

**Monterey**

- Carmel-By-The-Sea
- Del Rey Oaks
- Gonzales
- Greenfield
- King City
- Marina
- Monterey
- Pacific Grove
- Salinas
- Sand City

- Seaside
- Soledad
- Unincorp. County

**Napa**

- American Canyon
- Calistoga
- Napa
- St. Helena
- Yountville
- Unincorp. County

**Nevada**

- Nevada City
- Truckee

**Orange**

- Aliso Viejo
- Anaheim
- Brea
- Buena Park
- Costa Mesa
- Fountain Valley
- Garden Grove
- Huntington Beach
- La Habra
- Laguna Beach
- Laguna Hills
- Lake Forest
- Mission Viejo
- Newport Beach
- San Clemente
- Santa Ana
- Stanton
- Tustin
- Westminster

**Riverside**

- Banning\*
- Beaumont
- Blythe
- Calimesa\*
- Canyon Lake\*
- Cathedral City
- Coachella
- Corona\*
- Desert Hot Springs
- Eastvale\*
- Hemet\*
- Indian Wells
- Indio
- Jurupa Valley\*
- La Quinta
- Lake Elsinore\*
- Menifee\*
- Moreno Valley
- Murrieta\*
- Norco\*
- Palm Desert
- Palm Springs

- Perris\*
- Rancho Mirage
- Riverside
- San Jacinto
- Temecula\*
- Wildomar\*
- Unincorp. County

**Sacramento**

- Citrus Heights
- Elk Grove
- Galt
- Rancho Cordova
- Sacramento
- Unincorp. County

**San Benito**

- Hollister
- San Juan Bautista
- Unincorp. County

**San Bernardino**

- Adelanto
- Apple Valley
- Barstow
- Big Bear Lake
- Chino
- Chino Hills
- Colton
- Fontana
- Hesperia
- Highland
- Montclair
- Ontario
- Rancho Cucamonga
- Redlands
- Rialto
- San Bernardino
- Twentynine Palms
- Upland
- Victorville
- Yucca Valley
- Unincorp. County

**San Diego**

- Carlsbad
- Chula Vista
- Coronado
- Del Mar
- El Cajon
- Encinitas
- Escondido
- Imperial Beach
- La Mesa
- Lemon Grove
- National City
- Oceanside
- Poway
- San Diego
- San Marcos

• **San Diego (cont.)**

- Santee
- Solana Beach
- Vista
- Unincorp. County

**San Francisco**

- San Francisco

**San Joaquin**

- Lodi
- Manteca
- Stockton
- Tracy
- Unincorp. County

**San Luis Obispo**

- Arroyo Grande
- Atascadero
- El Paso De Robles
- Grover Beach
- Morro Bay
- Pismo Beach
- San Luis Obispo
- Unincorp. County

**San Mateo**

- Atherton
- Belmont
- Brisbane
- Burlingame
- Colma
- Daly City
- East Palo Alto
- Foster City
- Half Moon Bay
- Hillsborough
- Menlo Park
- Millbrae
- Pacifica
- Portola Valley
- Redwood City
- San Bruno
- San Carlos
- San Mateo
- South San Francisco
- Woodside
- Unincorp. County

**Santa Barbara**

- Lompoc
- Santa Barbara

**Santa Clara**

- Campbell
- Cupertino
- Gilroy
- Los Altos
- Los Altos Hills
- Los Gatos
- Milpitas
- Monte Sereno
- Morgan Hill
- Mountain View

- Palo Alto

- San Jose
- Santa Clara
- Saratoga
- Sunnyvale

**Santa Cruz**

- Capitola
- Santa Cruz
- Scotts Valley
- Watsonville
- Unincorp. County

**Shasta**

- Anderson
- Redding
- Unincorp. County

**Siskiyou**

- Mount Shasta
- Yreka

**Solano**

- Benicia
- Dixon
- Fairfield
- Suisun City
- Vacaville
- Vallejo
- Unincorp. County

**Sonoma**

- Cloverdale
- Cotati
- Healdsburg

- Petaluma
- Rohnert Park
- Sebastopol
- Sonoma
- Windsor
- Unincorp. County

**Stanislaus**

- Ceres
- Hughson
- Modesto
- Newman
- Turlock
- Waterford

**Sutter**

- Live Oak
- Yuba City

**Tulare**

- Lindsay
- Porterville
- Tulare
- Visalia
- Unincorp. County

**Ventura**

- Camarillo
- Fillmore
- Moorpark
- Ojai
- Oxnard
- Port Hueneme
- San Buenaventura
- Santa Paula
- Simi Valley
- Thousand Oaks
- Unincorp. County

**Yolo**

- Davis
- West Sacramento
- Winters
- Woodland
- Unincorp. County

**Yuba**

- Unincorp. County

\*These participating areas are part of the Western Riverside Council of Governments (WRCOG)

## Appendix E: Additional Underwriting Criteria

For properties within the City of **Chula Vista** only:

- No current involuntary liens and/or judgments for all Property Owner(s)
- Property Owner(s) must be current on all subject Property-secured debt and have no more than 1 30-day late payment in the last 36 months
- Total Maximum Assessment amount per Property cannot exceed 95% of the value of the Property when combined with other debts or obligations secured by the Property.
- No project may be financed for longer than 25 years

For properties within the unincorporated area of **Contra Costa County** only:

- Property Owner(s) must be current on their property taxes and have no late payments in the last 3 years, or since the Property Owner(s) acquired the property
- Property Owner(s) must not currently be in bankruptcy proceedings, and must not have any bankruptcies released, discharged, or dismissed in the last 3 years. If a bankruptcy has been released, discharged, or dismissed in the last 3 to 7 years, then the Property Owner(s) must have no payments more than 30 days past due in the last 12 months.
- Total Maximum Assessment amount per Property cannot exceed 95% of the value of the Property when combined with other debts or obligations secured by the Property.

For properties within the City of **San Diego** only:

- No current involuntary liens and/or judgments for all Property Owner(s)
- Property Owner(s) must be current on all subject Property-secured debt and have no 30-day late payments in the last 24 months.
- Property Owner(s) must not currently be in bankruptcy proceedings, and must not have any bankruptcies released, discharged, or dismissed in the last 7 years.
- Total Maximum Assessment amount per Property cannot exceed 95% of the value of the Property when combined with other debts or obligations secured by the Property.

For properties within the unincorporated area of **Sacramento County** only:

- Property Owner(s) must be current on their property taxes and have no late payments in the last 3 years, or since the Property Owner(s) acquired the property
- Property Owner(s) must not currently be in bankruptcy proceedings, and must not have any bankruptcies released, discharged, or dismissed in the last 3 years. If a bankruptcy has been released, discharged, or dismissed in the last 3 to 7 years, then the Property Owner(s) must have no payments more than 30 days past due in the last 12 months.
- Property Owner(s) must have at least 10% equity in the Property (mortgage-related debt is no more than 90% of the value of the Property)
- No project may be financed for longer than 25 years

For properties within **Los Angeles County** only:

- Property Owner(s) must have at least 10% equity in the Property (mortgage-related debt is no more than 90% of the value of the Property)
- No project may be financed for longer than 25 years



### Appendix F: Program Interest Rates and Financing Terms

Note that All interest rates and fees are subject to change. Interest rates and fees for an Assessment are set at the time that Financing Documents (see Section 4.5) are issued

Term	CSCDA	WRCOG	Los Angeles County
30	7.99 %	7.99 %	N/A
25	7.99 %	7.99 %	7.99 %
20	7.99 %	7.99 %	7.99 %
15	7.89 %	7.89 %	7.89 %
10	7.49 %	7.49 %	7.49 %
5	6.99 %	6.75 %	6.99 %