THE STATE OF PACE

PRESENTED BY:
ADMINISTRATORS OF THE PACE PROGRAMS IN FLORIDA
• PACE (Property Assessed Clean Energy) is a financing mechanism used for energy efficiency, renewable energy, and wind mitigation upgrades to properties.

• PACE financing is repaid as a non-ad valorem special assessment on the property’s regular tax bill, and is processed the same way as other local public benefit assessments such as neighborhood improvement or special taxing districts.
FL STATUTE 163.08: AUTHORIZING A LOCAL GOVERNMENT TO LEVY NON-AD VALOREM ASSESSMENTS TO FUND CERTAIN IMPROVEMENTS FOR ENERGY EFFICIENCY, RENEWABLE ENERGY AND WIND MITIGATION

- Improved property that has been retrofitted with energy-related qualifying improvements receives the benefit of alleviating the property's burden from energy consumption.

- Improved property that has been retrofitted with wind resistance qualifying improvements receives the benefit of reducing the property's burden from potential wind damage.

- The installation and operation of qualifying improvements not only benefit the affected properties for which the improvements are made, but also assist in fulfilling the goals of the state's energy and hurricane mitigation policies.

- In order to make qualifying improvements more affordable and assist property owners who wish to undertake such improvements, the Legislature finds that there is a compelling state interest in enabling property owners to voluntarily finance such improvements with local government assistance.
TYPES OF IMPROVEMENTS

- SOLAR PANELS & STORAGE
- BACKUP POWER GENERATORS
- HVAC: HEATING & COOLING
- ROOFING
- IMPACT WINDOWS & DOORS
- LIGHTING
- INSULATION
- WATER HEATERS
- POOL PUMPS & POOL HEATERS
BENEFITS TO PROPERTY OWNERS

- PACE covers up to 100% upfront cost. Not credit based.
- Long financing terms up to 20 years with fixed interest rates.
- Improvements are permanently affixed to the property.
- Available to residential, commercial, homestead not required.
- Potential to reduce utility bills and realize savings on property insurance.
- Can be combined with utility, local and federal incentive programs.
STEP BY STEP PROCESS FOR PROPERTY OWNERS

1. Check Eligibility
   - 3 minutes

2. Apply for Funding
   - 10 minutes

3. Funding Approved

4. Choose a Contractor

5. Upgrade Your Home

6. Enjoy the Benefits

How It Works
QUALIFICATIONS FOR PROPERTY OWNERS

- Current on Property Taxes for last 3 years or length of ownership if under 3 years.
- Current on Mortgage. No liens against property.
- Must have 10% Equity based on Fair Market Value
- NO Negative Equity Lending
- Improvements must be eligible improvement, affixed to building or facility, part of the property
- Up to 20% just value of the property if the property owner has a mortgage
- Up to 15% fair market value if the property owner owns the property outright
# 2015 Real Estate Property Taxes

**Notice of Ad Valorem and Non-Ad Valorem Assessments**

<table>
<thead>
<tr>
<th>FOLIO NUMBER</th>
<th>MUNICIPALITY</th>
<th>MILL CODE</th>
</tr>
</thead>
<tbody>
<tr>
<td>00-0000-000-0000</td>
<td>MIAMI</td>
<td>0100</td>
</tr>
</tbody>
</table>

**Property Address**
123 Street Name

## AD VALOREM TAXES

<table>
<thead>
<tr>
<th>TAXING AUTHORITY</th>
<th>ASSESSED VALUE</th>
<th>MILLAGE RATE PER</th>
<th>$1,000 OF TAXABLE VALUE</th>
<th>TAXES LEVIED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miami-Dade School Board</td>
<td>175,971</td>
<td>0.19900</td>
<td>175,971</td>
<td>35.02</td>
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<tr>
<td>School Board Debt Service</td>
<td>169,132</td>
<td>0.50000</td>
<td>169,132</td>
<td>84.57</td>
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<tr>
<td>State and Other Childrens Trust Authority</td>
<td>169,132</td>
<td>0.28400</td>
<td>169,132</td>
<td>48.03</td>
</tr>
<tr>
<td>Miami-Dade County Library District</td>
<td>169,132</td>
<td>0.00000</td>
<td>169,132</td>
<td>0.00</td>
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</table>

## NON-AD VALOREM ASSESSMENTS

<table>
<thead>
<tr>
<th>LEVYING AUTHORITY</th>
<th>RATE</th>
<th>FOOTAGE/UNITS</th>
<th>AMOUNTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>X0111 GREEN CORRIDOR PACE</td>
<td>@ 1.0000</td>
<td>2130.940</td>
<td>2,130.94</td>
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</tbody>
</table>

Combined taxes and assessments $2,298.56

**Your Annual Payment**
TYPES OF PROPERTIES

• Single Family Residential
• Multi-Family
• Retail Space
• Office Space
• Industrial
• Agricultural
• Hospitality
• Non-profits
PACE ASSESSMENTS

- Line item on the property tax bill
- Recorded on title (Clerk of Courts)
- Voluntary non-ad valorem assessment
- Annual installment on property tax bill (no discount on PACE assessment)
- Assessment is attached to the property, not the property owners’ credit
- Repaid over a fixed term at a fixed interest rate
- No pre-payment penalty (residential)
- Uniform Method of Collection Agreement with Tax Collector for placement & fee
<table>
<thead>
<tr>
<th>CONSUMER PROTECTION</th>
<th>PACE</th>
<th>HOME EQUITY LOANS</th>
<th>CREDIT CARDS/CONSUMER FINANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvement Requirements</td>
<td>✓</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Contractor Requirements</td>
<td>✓</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Fair Pricing Requirements</td>
<td>✓</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Permit Requirements</td>
<td>✓</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Funding provided ONLY upon successful completion of project and Homeowner Sign off</td>
<td>✓</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Dispute Resolution Support</td>
<td>✓</td>
<td>X</td>
<td>X</td>
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</table>
MIAMI GARDENS PROPERTY OWNER

IMPACT RESISTANT WINDOWS & DOORS
ROOF REPLACEMENT, SOLAR TUBE, HVAC

48% PROPERTY INSURANCE SAVINGS
36% MONTHLY ENERGY SAVINGS

• “Living in this hurricane prone region makes home insurance expensive. Ygrene’s financing made protecting our home with new impact windows and doors and a new roof affordable. Now our house is protected and we are saving $3,700 in insurance premiums every year. On top of that, our energy bills went down $100 every month since we changed our AC. With all of this, our improvements are paying for themselves!”

• – Dr. Paul Cameau, Residential Property Owner
FT LAUDERDALE PROPERTY OWNER

IMPACT RESISTANT WINDOWS & DOORS, HVAC, POOL WATER HEATER, TANKLESS WATER HEATER

$300 MONTHLY ENERGY SAVINGS
$7,000 ANNUAL PROPERTY INSURANCE SAVINGS

• “We had all the hurricane windows and doors put in, a new tankless gas hot water heater, a new central air conditioning system and we had a new energy saving heater for our pool. I am now saving $7,000 per year on insurance plus around $300 dollar a month in our electric bill”

• – Joy Miller, Residential Property Owner
<table>
<thead>
<tr>
<th></th>
<th>$18,000 Project (~$19,800 PACE Assessment Contract¹)</th>
<th>Example PACE Program</th>
<th>Home Equity Line of Credit², ³, ⁴</th>
<th>Home Equity Loan⁴</th>
<th>Personal Unsecured Loans</th>
<th>Credit Card²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repayment Term (years)</td>
<td>15 / 20</td>
<td>15</td>
<td>15</td>
<td>10</td>
<td>7³</td>
<td>15</td>
</tr>
<tr>
<td>Interest Rate</td>
<td>5.99% / 8.29% (F)</td>
<td>3.865% (V)</td>
<td>7.99% (F)</td>
<td>12.00% (F)</td>
<td>7.99% (F)</td>
<td>12.00% (V)</td>
</tr>
<tr>
<td>Monthly Payment⁵</td>
<td>$189 / $169</td>
<td>$132</td>
<td>$172</td>
<td>$258</td>
<td>$280</td>
<td>$216</td>
</tr>
<tr>
<td>Alternatives as % of PACE Pmt.</td>
<td>15 yrs. 100%</td>
<td>70%</td>
<td>91%</td>
<td>137%</td>
<td>148%</td>
<td>114%</td>
</tr>
<tr>
<td></td>
<td>20 yrs. 100%</td>
<td>78%</td>
<td>102%</td>
<td>153%</td>
<td>166%</td>
<td>128%</td>
</tr>
</tbody>
</table>

1. PACE AC is $1,800 greater than project cost to account for capitalized closing fees and pre-paid interest.
2. Assumes payments are made as if financing is fully amortized with equal payments over repayment term.
3. >15% of property owners throughout the US have a HELOC in place.
4. Quote from Wells Fargo web site on 6/20/17 (760+ FICO; HELOC with 1st year fixed, then variable; no HEL options >15 years.
5. Monthly payment calculations do not account for tax deductibility of interest for PACE, HELOC and HEL options.
6. Home Depot's longest term option for fixed rate financing is $55k at 7.99% APR and 84 months

*CREDIT CARD RATES ARE HIGHLY DEPENDENT ON CREDIT SCORES
PROPERTY OWNER FAQ

- Property taxes are legally transferable upon sale, however, mortgage lenders may require full repayment of the PACE assessment upon sale or refinancing. PACE assessments can be paid off in full with no penalty for residential property owners.

- PACE financing payments can be added to a mortgage escrow account, but this does not happen automatically. To increase escrow account reserves, property owners must contact their mortgage lender or servicer and provide them with a copy of the final closing statement.
BREAKDOWN OF TYPES OF PROJECTS IN FL

- Project breakdown of $201M+ in clean energy financing in FL
- 77% Hurricane Protection
- 9% HVAC
- 5% Solar
- 5% Insulation
- 3% Other
- 5% Other
Estimated impact of $370,648,035\textsuperscript{1} in funded energy efficiency, renewable energy and hurricane protection property improvements across Florida

- 23.2 megawatts of solar installed
- 5,560 new jobs created & sustained
- $62.7M savings in insurance claims
- $926M economic stimulus
- $CO\textsubscript{2}$ reduction: 445K metric tons
- Saves energy: equal to providing 1 year of power to 366K homes

Impact metrics are estimates compiled from a Ygrene proprietary impact model using data sourced from UC Berkeley Lawrence Hall of Science, Florida Office of Insurance Regulation, and ECONorthwest Economic Impact Analysis of PACE Programs, and are based on actual Ygrene completed projects as of 2/28/18.

\textsuperscript{1}Represents total dollar amount (rounded to the nearest $100K) of PACE contracts completed by Ygrene as of 2/28/18.
BENEFITS TO LOCAL GOVERNMENTS

- Supports local economic development
- Furthers regional energy and resiliency goals
- Zero cost to government
LAUNCH A PACE PROGRAM

- Multi-Provider Resolution to join PACE Programs
- Interlocal Agreements with the individual providers
- PACE administrators provide turnkey service; pay all costs of program administration, staffing, and marketing, and provides all private funding.