



HERO is the leading  
**ENERGY EFFICIENT  
FINANCING**  
program in the nation.



## Background

- ✓ The HERO Program provides financing to property owners to improve their homes and businesses with energy efficient, renewable energy, and water conserving improvements.
- ✓ Funding is paid back through property taxes over time.
- ✓ State legislation (AB 811) enables this Program.
- ✓ WRCOG initiated the HERO Program in December 2011 for its members.
- ✓ WRCOG expanded its Program (called California HERO) to allow other cities and counties in the State participate



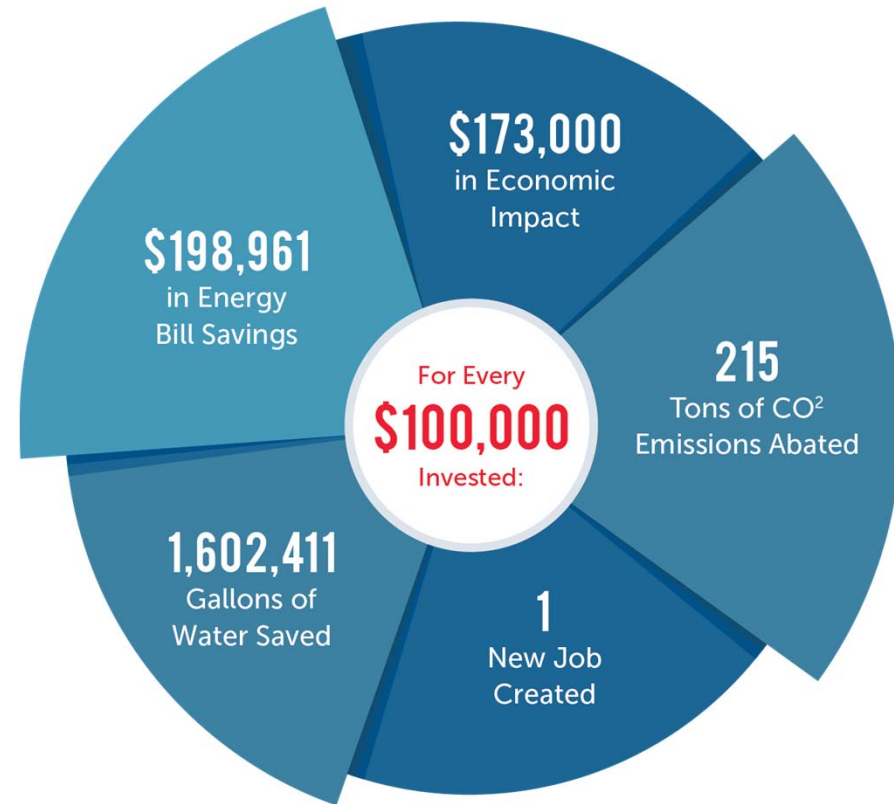
# Impacts

## Economic Stimulus

- ✓ Lower Utility Bills
- ✓ New Job Creation
- ✓ Increased Property Values

## Environmental Benefits

- ✓ Reduced CO2 Emissions
- ✓ Decreased Energy Consumption
- ✓ Substantial Water Savings



## Who qualifies to participate?

- ✓ Property owners may be individuals, associations, business entities, cooperatives, non-profits
- ✓ Bottom line: Any qualifying owner paying property taxes
  - ✓ have clear title to property
  - ✓ be current on property taxes
  - ✓ be current on mortgage payments
  - ✓ have some equity in the property
  - ✓ no bankruptcies
  - ✓ lender consent (commercial only)



## How does it work for the property owner?

- ✓ It's a voluntary program
- ✓ Property owners apply for Program coverage and select improvements desired
- ✓ If approved, property owner enters into contract with administrator; all up-front costs are paid and assessment lien is placed on property
- ✓ Property owner / subsequent property owner repays through property tax assessment over a period of years

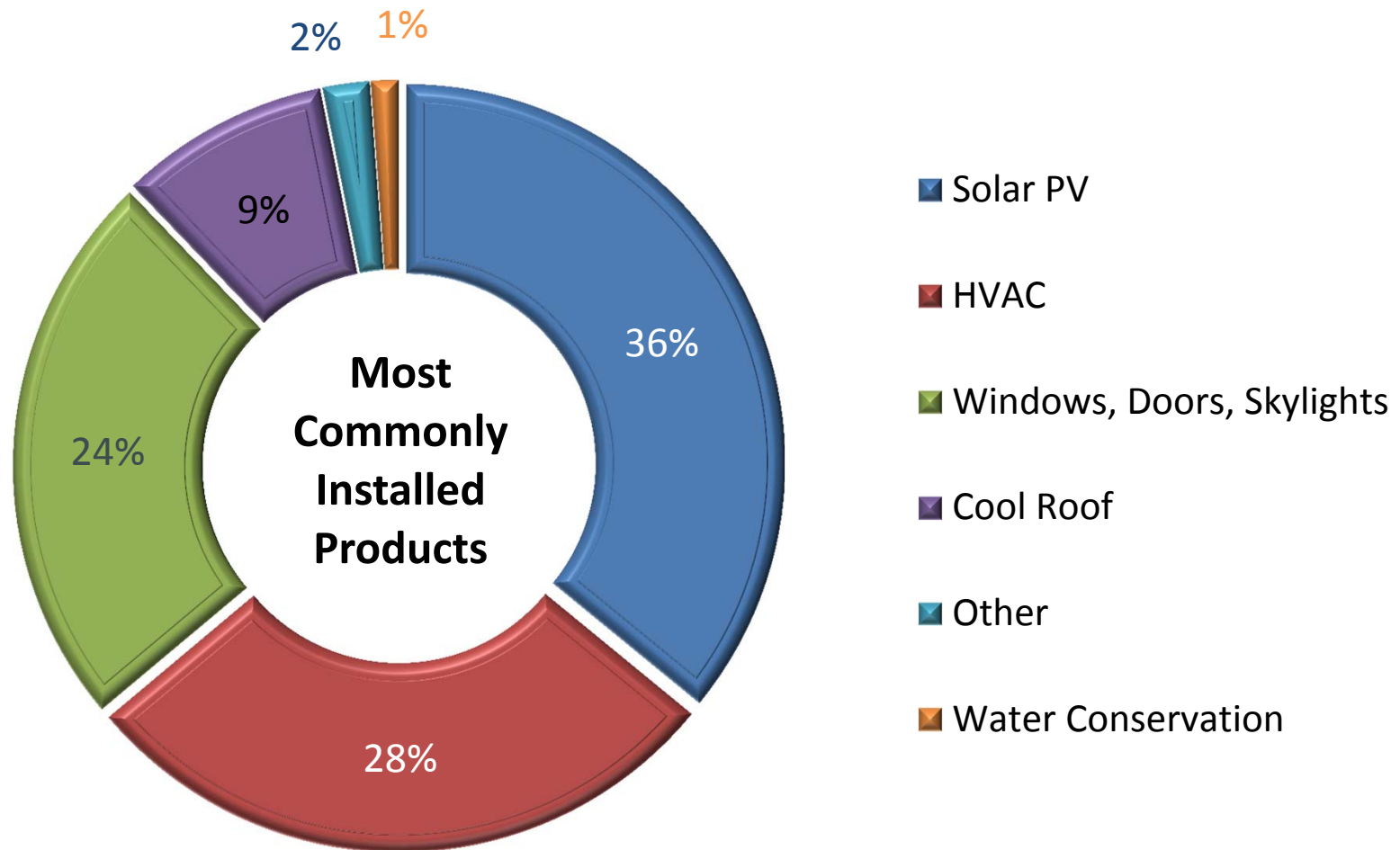


## Examples of eligible improvements

- ✓ Heating and air conditioning
- ✓ Cool roofs
- ✓ Natural gas storage water heater
- ✓ Tankless water heater
- ✓ Windows and glass doors
- ✓ Outside irrigation
- ✓ Insulation
- ✓ Window filming
- ✓ Home sealing
- ✓ Lighting control systems
- ✓ Solar thermal systems (hot water)
- ✓ Solar thermal systems for pool heating
- ✓ Photovoltaic systems
- ✓ Low flush toilets



## Types of projects



## Program costs

- ✓ One-time Administration Fee: 6.95% (Similar to closing costs)
- ✓ Annual Administrative Fee: \$35 Residential and \$385 Commercial
- ✓ Terms: 5, 10, 15, 20, 25 years
- ✓ Interest rates: 5.95%, 7.95%, 8.75%, and 8.95% Residential  
5.95% to 6.85% Commercial
- ✓ Minimum assessment amount: \$5,000
- ✓ Residential maximum is 15% of property value up to \$700k, 10% after
- ✓ Commercial maximum is 20% of property value
- ✓ No prepayment penalties for residential





## Contractors are key...

More than **3,000** participating in the Program

- ✓ Must have an active California State License Board (CSLB) license
- ✓ Must meet CSLB's bond and workers' compensation insurance requirements
- ✓ Must provide evidence of jurisdictional business license if no jurisdictional permit is required for project
- ✓ Must register and be trained on the Program

### FIND THE RIGHT CONTRACTOR FOR YOUR PROJECT

All of the contractors listed below are registered with the HERO Program. Each contractor has attended a HERO Program orientation and has agreed to the policies of the HERO Program. If you'd like to use a contractor not listed below, please have them register online or contact us directly to become a registered HERO Contractor.



# Updated consumer protection policy

- ✓ Registered Contractors
- ✓ CSLB Confirmation, Insured, Bonded
- ✓ Contractor Training
- ✓ Identity Verification
- ✓ In Good Standing
- ✓ Product Eligibility Check
- ✓ Fair Pricing
- ✓ Permits Required
- ✓ Terms Confirmation
- ✓ Paid Upon Job Completion
- ✓ Dispute Resolution



## Protections for the elders and non-English speaking

**Target Homeowner Groups:** Elders (homeowners 64+ or diminished capacity) and Non-English speaking

- ✓ When an Application is submitted, the system automatically flags the file.
- ✓ Homeowners required to verbally 'confirm terms' before Notice to Proceed is issued. The Confirm Terms call includes additional questions about project scope and financing.
- ✓ Homeowners are required to verbally 'confirm work complete' before project will be funded.
- ✓ Pricing must be within tighter than normal controls (e.g., 1 std. from the mean).
- ✓ Consumer Agreement between contractor and homeowner may be required to be submitted to confirm scope of work.



## Program results

- ✓ 201 cities and counties have joined WRCOG's California HERO Program
  - ✓ Represents 6+ million households
- ✓ \$340+ million for 17,000+ completed projects has been funded:
  - ✓ \$230 million in Riverside County
  - ✓ \$110 million in California HERO
- ✓ 34,000+ applications approved
- ✓ \$1.6 billion in approved applications



## California PACE market place

	WRCOG & CA HERO	SANBAG HERO	Sonoma County	CA FIRST	Ygrene
Projects funded	17,695	6,320	2,061	140	<100
\$ funded (in millions \$)	\$342.6	\$112.1	\$58.0	\$2.8	<\$2.0



# Customer satisfaction

Cumulative Property Owner Complaints			
Data Analyzed Since May 1, 2013			
# Applications since May 1	60,275		
Applications with no complaints	59,859	99.31%	of property owners have no complaints
Major Property Owner Complaints	152	0.25%	of property owners voice major complaints
Minor Property Owner Complaints	264	0.44%	of property owners voice minor complaints
Major complaints pending resolution	2	0.0%	of property owners have complaints that still need to be resolved



## Customer satisfaction

- ✓ Beginning June 2014, implemented customer survey for of all funded projects
- ✓ 1,500 people have completed the survey



Said that HERO Program **Representatives are friendly**, knowledgeable and professional.



Said that they would **recommend the HERO Program** to a friend or relative.

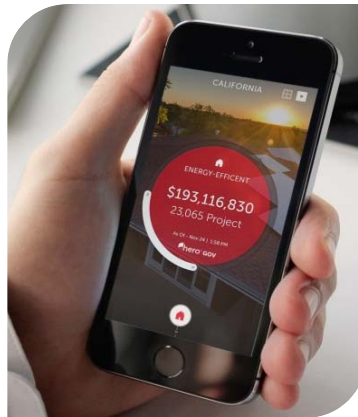


Said that they would **recommend their HERO Registered Contractor** to a friend or relative.



# HERO App coming soon

- ✓ Gain information on:
  - ✓ Applications
  - ✓ Economic impacts
  - ✓ Job creation
  - ✓ And much more!





## Questions ?



[www.heroprogram.com](http://www.heroprogram.com)



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