



THE HERO PROGRAM

Media Kit

THE HERO PROGRAM

Frequently Asked Questions

Q: What is the HERO Program?

A: HERO is the #1 energy-efficiency financing program in the United States. HERO is a private program that partners with local governments to make energy efficient, water efficient, and renewable energy products more affordable for homeowners. The partnership enables any city or county to offer Property Assessed Clean Energy (PACE) financing to property owners within their community. HERO is privately funded and requires no cost outlays by participating communities. To learn more about HERO, visit www.heroprogram.com.

Q: What does the name "HERO" stand for?

A: HERO is an acronym that stands for: Home Energy Renovation Opportunity.

Q: How is HERO different than other forms of financing?

A: HERO partners with local government to provide a private financing option that enables property owners to make upgrades with the newest and most energy and water efficient products. The partnership permits payment of the HERO loan to be made through property taxes and interest on the loan is tax deductible. HERO finances 100% of the cost for purchase and installation of eligible water and energy efficient products. HERO offers low-fixed interest rates, flexible payment terms including 5/10/15/20 years for most products. Additionally, if the property is sold before the HERO loan is paid in full, the remaining payments can be passed on to a new property owner.

Q: What types of improvements are eligible for HERO?

A: More than 900,000 product models qualify, enabling consumers to access to most advanced technology for the efficiency upgrades. Typical projects covered by HERO include: solar photovoltaic (PV) systems; energy efficient space heating, air cooling and ventilation (HVAC); cool roof systems; upgrades to windows, skylights and doors; solar thermal water heating; air sealing and weatherization; insulation; water heating; indoor energy efficient light fixtures and water efficiency measures.

Q: What products are available to help homeowners conserve water?

A: HERO Financing is available for a wide variety of indoor and outdoor water-saving improvements. Inside the home, HERO supports investments in high-efficiency plumbing fixtures and high efficiency water heaters, which cut down on waste by increasing the speed at which hot water reaches the tap. Outdoors, HERO Financing can be used to pay for artificial turf, drip irrigation, rotating sprinkler nozzles and weather-based irrigation control systems. Whole-home graywater reuse and rain catchment systems can also be financed through HERO.

Q: Are all contractors qualified to install eligible HERO products?

A: No. Contractors must be registered with the HERO Program in order to be qualified to install HERO eligible upgrades. To register with the HERO Program contractors must be properly licensed and bonded with the Contractors State License Board. To find a registered HERO Contractor, please enter your zip code at www.heroprogram.com. Property owners are responsible for the selection of the contractor(s) and product(s) necessary to complete their project.

Q: What happens if a property is sold?

A: Property taxes typically stay with the property when it is sold. Under the HERO Program, when you sell or refinance your property, your remaining payments may stay with the property. However, your lender may require you to pay off the remaining balance when you refinance or sell your home.

Q: Who can apply for HERO?

A: The HERO Program is available to commercial and residential property owners in many cities and counties across the State of California. To find out if HERO is available in your community please enter your zip code at www.heroprogram.com or call 1-855-HERO-411(1-855-437-6411).

Q: Are there application fees?

A: There are no fees to apply for HERO.

Q: What interest rates does HERO offer?

A: The interest rate for HERO financing are competitive and vary depending upon the term. Terms can cover 5/10/15/20 years and will affect your rate. HERO interest payments are tax deductible, which can lower the effective interest rate.

Q: What are the eligibility criteria for HERO?

A: Homeowners who meet the minimum criteria below are eligible for HERO financing. Specific eligibility requirements for residential properties include the following:

- All mortgage-related debt must not exceed 90% of the value of the property.
- Mortgage payments must be current at the time of application, and property owner(s) must not have had more than (1) 30-day mortgage late payment over the past twelve months.
- Property taxes for the prior twelve-month period must have been paid on time and no more than one late payment within the past three years.
- No outstanding involuntary liens, such as tax liens or mechanic's liens.
- The property owner(s) must not have filed for bankruptcy in the past two years. If they have a bankruptcy record between two and seven years old, they the property owner(s) must not have had any additional late payments more than (60) days past due in the last (24) months.
- Mobile homes must be permanently attached to the property and the owner of the underlying property must be the applicant and be subject to real property taxes.

Q: Can HERO be used for more than one project?

A: Yes, a property owner can finance multiple projects. However, all projects must be approved in order to make sure they meet efficiency standards.

Q: Who may install HERO financed products?

A: Only contractors registered with the HERO Program or a property owner who has signed a Self-Install Agreement may install HERO Financed Eligible Products. Contractors can register instantly at www.heroprogram.com as long as they have a valid California State Business License.

Q: How is the HERO loan repaid through my property taxes?

A: The repayment of HERO financing is included in your property tax bill, which is delivered and collected by the county. You will see a line item titled HERO financing on your property tax bill. If you make property tax payments through an impound escrow account, your lender will adjust your monthly payment to include the amount due for HERO.

Homeowner Benefits



Affordable Payment
Options



0% Down Payment
Requirement



Easy to Qualify



Transfers with
Property



No Payments up
to 18 Months



Tax Deductible
Benefits

Community Benefits



Creates
Jobs



Reduces
Emissions



Stimulates the
Economy



Saves
Energy

THE HERO PROGRAM

Water Conservation Overview

HERO Helps Homeowners Conserve Water

California is facing persistent drought, and local governments are struggling to reduce demand in their communities. Finding easy and affordable ways for homeowners to make water-saving retrofits, rather than relying on changes in daily behaviors, is a priority for most cities and counties in the state. HERO is already helping 199 California cities and counties save water.

HERO makes water-saving improvements fast and affordable for homeowners.

The HERO Program makes it easy and affordable for homeowners to make water-saving investments in their homes by paying off eligible improvements over time through their property taxes.

Water-saving investments that are eligible for HERO Financing include:

- **High-efficiency plumbing fixtures** including toilets, faucets and showerheads.
- **Water-saving landscaping upgrades** including artificial turf, drip irrigation, rotating sprinkler nozzles and weather-based irrigation control systems.
- **Water capture systems** including whole-home graywater reuse and rain catchment systems.

The HERO Program complements existing programs.

HERO-eligible improvements are often also eligible for local, state, federal and utility-specific rebate programs. That's no problem. Contractors that participate in the HERO program are trained to help homeowners find the most cost-effective solutions to meet their water and energy-saving needs.

It's easy for jurisdictions to make HERO available for local residents.

Offering HERO to residents in your community is simple. The local legislative body (City Council or Board of Supervisors) need only pass a resolution making it possible to offer the Property Assessed Clean Energy (PACE) HERO Financing program available to local residents. HERO staff will then work with city and county staff to bring the program online in your community. Making HERO available to local residents is revenue neutral for participating jurisdictions.



44 GAL/SQ FT

saved on average for turf lawns converted to artificial turf



3 GAL/FLUSH

saved on average for each high efficiency toilet installed



1 GAL/MIN

saved on average for each high efficiency showerhead installed



30K GAL/YEAR

saved on average for each household graywater system installed

THE HERO PROGRAM

Water Conservation FAQs

Q: How does the HERO Program help California jurisdictions to conserve water?

A: The less water that is wasted in each residence, the closer a city and county gets to meeting overall conservation goals. Investments in water-saving improvements also help homeowners to comply with water conservation measures and reduce water bills. HERO-eligible improvements make it easy for homeowners to cut down on water use by helping them to meet conservation targets passively. For example, a low-flow toilet automatically saves up to six gallons of water per flush, regardless of how often a toilet is flushed. A wide variety of water-saving products are available through HERO, and since approval is not based on a homeowner's credit score, a wide section of homeowners are eligible to participate.

Q: What products are available to help homeowners conserve water?

A: Financing through HERO is available for a wide variety of indoor and outdoor water-saving improvements. Inside the home, HERO supports investments in high-efficiency plumbing fixtures and high efficiency water heaters, which cut down on waste by increasing the speed at which hot water reaches the tap. Outdoors, HERO can be used to pay for artificial turf, drip irrigation, rotating sprinkler nozzles and weather-based irrigation control systems. Whole-home graywater reuse and rain catchment systems can also be financed through HERO.

Q: How much water can homeowners expect to save after making HERO-eligible improvements to their homes?

A: Exact savings will vary by home, level of usage, the product that is being replaced and the product installed. For example, rotating sprinkler nozzles save as much as 20% over traditional spray sprinkler models. Whole-home graywater systems save an average of 25,000-35,000 gallons of water each year, depending on the age of the home. A single high efficiency toilet can save as much as 16,000 gallons each year; replacing all toilets in a home can therefore add up to a significant savings. For a full list of water-saving products eligible for HERO financing, see <https://heroprogram.com/products>.

Q: How can jurisdictions track the amount of water saved through participation in the HERO Program?

A: The HERO Program tracks the number of homeowners who make investments using HERO financing as well as what improvements are made within every participating city and county. HERO staff can provide a breakdown of which projects are completing within your jurisdiction along with average water savings for each installed product to help staff track how the program is helping to reach jurisdiction-wide conservation goals.

Q: How do jurisdictions communicate with residents about saving water through HERO?

A: HERO provides a wide range of materials to help jurisdictions communicate with residents about saving water with the program, including mailer-inserts, articles for newsletters, print and online ads, and more. HERO can also provide materials for interacting with the media, including press releases, articles, and FAQs. HERO staff also can help arrange community media events and conduct local media outreach.

In the News: Clean Technica



HERO PACE Financing Poised To Move Into Most Of California

By Roy L Hales | POSTED: 02/14/14

A little more than two years since it was launched in Riverside County, the Home Energy Renovation Opportunity (HERO) financing program is on the verge of an expansion that will soon be accessible to 70% of Californians.

"The past two years have confirmed that California cities are deriving great economic benefits from the HERO program," said Dean Hollander, HERO spokesperson. "We're excited to be expanding into more than 100 California communities in 2014."

Homeowners who receive HERO financing for Property Assessed Clean Energy (PACE) repay the debt through property taxes and the interest is tax deductible. This investment will stay with the property, if the homeowner sells, and the annual payments are often much lower than their current electric bills. Furthermore, the rate is fixed and that means a lot at a time when utility bills keep getting bigger.

HERO officially entered San Bernardino County during October 2013, but it started lining up solar companies a month before that. The installers immediately sought out customers and millions of dollars worth of work were waiting by the time HERO officially launched.

The same thing is happening in San Diego right now. The cities of Carlsbad, Oceanside, Vista, San Marcos, Solana Beach, and Lemon Grove have all opted to offer homeowners HERO PACE Financing. HERO has set up classes for contractors who want to utilize their program.

"I believe this will have a huge impact on the solar industry, home performance and HVAC," said Ken Jutso, of ASI Heating and Air. "We had an introduction to the program last week. We have 3 day long trainings this week. Chula Vista is scheduled to have their own version by March."

Sullivan Solar Power has issued a news release in which it states, "An informational HERO Financing seminar will be held on March 22, at the Oceanside Public Library from 11 a.m.-12 p.m."

The program is about to enter more than 100 cities throughout California. HERO is moving onto the Sacramento area and Southern Los Angeles County. The cities of Fresno, San Jose, and Newport Beach are all coming into the program.

HERO PACE can accommodate up to 3 million additional households in 2014.

In the 25 months since the HERO program first started, \$200 million dollars have been allocated and an additional \$300 million has been approved. Most of that went into Riverside county, but \$110 million worth of applications have been approved in San Bernardino County.

A number of solar contractors appeared today before the council in Bakersfield, to ensure that the residents of their city are among them.



Sullivan Solar Power crew making an install

This Photo & photo at top of page are from the home of Dave Steink, The East County Solar Guy (PURE Solar Power)

Trikin Array done by Home Energy Systems (HESS) Solar

In the News: Del Mar Times

DEL MAR TIMES

Valley News | Solana Beach Sun

Financing tools for water, energy conservation

By Supervisor Dave Roberts | August 8, 2014



The Golden State is rapidly turning brown, thanks to three back-to-back dry years.

Combined with an increasing demand for fresh water,

conservation is becoming an increasingly important piece of our water supply puzzle.

State and local officials are urging the public to use less water. With voluntary reductions falling short, the State Water Resources Control Board is moving forward with steep fines for water waste. That means watering sidewalks or ignoring restrictions on outdoor watering could get you a fine.

This might not change for quite a while. Our reservoirs and mountain snow packs are at near-record-low levels. Bone-dry conditions have communities bracing for another dangerous wildfire season. Even farmers are struggling. Without water, their livelihood is at stake.

For Californians who are already taking steps to use less water, we must find ways to help them do even more. And for those who have not cut their water use, something needs to be done. The good news is that many communities are beginning to implement conservation measures that

actually work. Some utility bills feature water-use report cards. Other counties and cities offer personalized tips for cutting back. Even “cash for grass” programs that pay people to trade water-guzzling lawns for drought-resistant landscaping are now in place.

At the county, I have partnered with Chairwoman Dianne Jacob to bring forward Property Assessed Clean Energy, or PACE, which allows residential property owners to purchase water-conservation and energy-efficiency upgrades by financing them through their property tax bills.

The HERO program has now been launched under PACE. This program supports investments that make conservation seamless for homeowners, like water-conserving sprinklers, high-efficiency shower heads and toilets, and other devices that cut water use without changing habits.

HERO and other PACE financing programs have been shown to generate jobs and economic activity. More than 150 cities in California have embraced PACE programs. The HERO program alone, which specializes in residential PACE financing, has supported \$250 million in projects and helped create more than 2,400 jobs in California since launching in 2011.

The program enables homeowners

to finance thousands of options for water conservation, as well solar power panel installations and energy-saving windows and doors. These improvements can increase property values and lower utility bills — and the interest payments are tax-deductible.

Everybody wins, and best of all, San Diego County is likely to see tremendous water savings through the program. In fact, a recent National Resources Defense Council report found that California residential users could improve water-use efficiency by as much as 60 percent through PACE.

Thank you for doing your part to conserve. As we adapt to a drier future, San Diego County will keep developing innovative programs to help people make positive changes for themselves and their community.

Supervisor Dave Roberts represents the Third District on the San Diego County Board of Supervisors.

THE PRESS-ENTERPRISE

CLEAN ENERGY: Gov's environmental leadership award goes to HERO

By Debra Gruszecki | POSTED: 12/18/13

California Gov. Jerry Brown has presented HERO, the public-private partnership that has helped several thousand home owners make energy efficient upgrades, with the Environmental and Economic Leadership Award.

The state award recognizes individuals, businesses and organizations that demonstrate leadership and make notable contributions to conserve California's resources, enhance the environment, build partnerships and strengthen California's economy.

Severn Williams, a spokesman for the program, says HERO has resulted in more than \$208 million in economic stimulus in the Inland region and other locales in California.

In less than two years, HERO has become the largest Property Assessed Clean Energy (PACE) financing program in the nation — helping more than 6,000 property owners make upgrades to their homes and reduce energy consumption by more than 67 Gigawatts.

HERO has also created more than 1,000 new jobs in the region, according to Williams.

Launched in the Inland region by the Western Riverside Council of Governments, HERO since has been expanded to San Bernardino County — a move that opened the door for more than 3,000 new applications worth \$70 million in projects.

HERO provides property tax financing to homeowners with no FICO-score requirements at low, tax-deductible interest rates for energy efficient products and installations. The program is available to homeowners in Los Angeles, Orange, San Diego, Sacramento, Merced, Kern, Solano, Stanislaus, Imperial, Fresno and Santa Clara counties.

Payments are made with the property taxes; any balance owed on the improvements can be transferred to a new owner, if the property is sold.

Upgrades that are most frequently chosen include heating and cooling systems, solar power, energy saving windows, solar thermal installations for pools and water heaters and insulation.



Anthony Guerrero, at left, and Marvel Castro of California Showcase Construction replace windows for Amy and Eric Fose through a unique HERO financing program, at their Moreno Valley home on Wednesday, August 1, 2012. The Western Riverside Council of Governments' HERO program received more than 1,600 applications for \$33 million in energy efficient improvements since January 2012.

Credit: KURT MILLER

In the News: The Bakersfield Californian

The Bakersfield Californian

LETICIA PEREZ: Energy efficiency program ushers green jobs into Kern

By Leticia Perez | POSTED: 04/24/14



The green economy has arrived in Kern County, and not a moment too soon. Kern faces an unemployment rate of more than 13 percent - well above state and national rates. Our region has struggled since the recent recession, facing not only one of the state's highest unemployment rates but also deep cuts in property values and increasing regulations over oil production, one of our area's main economic drivers.

Fortunately, long-term job prospects for our area are beginning to look more promising. Just last month, Kern County introduced a new public-private partnership that has already increased demand for construction jobs while saving homeowners money and improving property values.

The Home Energy Renovation Opportunity (HERO) program leverages private funding to make it possible for property owners to finance energy- and water-efficiency improvements through their property taxes. HERO increases comfort at home while simultaneously reducing utility bills for participating homeowners. Interest payments are tax deductible and payments can typically be passed on to the homebuyer if the

property is sold before the improvements are paid off.

When the Kern County Board of Supervisors voted to make HERO available to residents, we imagined a modest benefit for homeowners. We could not have predicted the program's rapid growth. Since HERO launched March 10, residents have applied for nearly \$1.9 million in energy- and water-efficiency projects. Work has already begun on the five approved projects, bringing more than \$115,000 into the county in just a few weeks. Almost instantly, we've witnessed one of the main benefits of having HERO available in our community: demand is created for local contractors to make improvements that homeowners might otherwise not have been able to afford. This boost in demand for construction jobs is good news for our region, which is finally seeing an uptick in that sector. As of February, there were 18,400 construction jobs in Kern County, an increase of 2,000 -- or 12 percent -- over the same time in 2013. Given HERO's early success in Kern, the program is sure to help this important job sector continue to grow.

Besides the direct jobs created, the program also leaves more money in the pockets of participating homeowners. With costs of water and energy continuing to rise, property owners who invest in efficiency typically see their utility bills go down. By reducing financial pressures on local homeowners, HERO makes it possible for these residents to invest their hard-earned money in other home improvements or to spend more on dining out, entertainment and durable purchases like new cars and appliances.

People who invest in improving the efficiency of their homes also reap a

bonus in property value. A report by the Oregon-based Earth Advantage Institute shows that homes certified as energy efficient sell for us much as 9.6 percent more, and they sell an average of 18 days faster than similar inefficient homes.

Ultimately, HERO financing could play an important role in improving property values throughout Kern County, something that benefits both public coffers and personal wealth for local residents. All signs point to the fact that investments in efficiency are here to stay. Nationwide, the solar installation industry adds 20 percent more jobs year-over-year; in 2013, 70,000 people were employed installing solar panels. In our sunny region, incentives like the HERO program mean that we should see sustained growth in renewable energy for the foreseeable future.

Between California's extended drought and ongoing state and federal incentives to invest in renewable energy, like solar panels, and efficiency measures, like drip irrigation, insulation and efficient windows, Kern County residents have a lot of good reasons to improve efficiency at home. The easy financing available through HERO, which relies on home equity rather than personal credit, is making it possible for homeowners to actually make those investments. With HERO, we hope to stimulate the economy, create jobs, bring money into the community and improve local property values. The program's strong start shows us that we're moving in the right direction. Adopting HERO is one of the best investments we've made in a long time in the future of our region.

Leticia Perez of Bakersfield is chair of the Kern County Board of Supervisors.

THE HERO PROGRAM

HERO Communities

HERO Communities as of October 2014. *Italicization* indicates pre-launch phase.

Alameda County

Albany
Berkeley

Contra Costa County

Concord
Walnut Creek

Fresno County

Clovis
Fresno
Kingsburg
Reedley
Sanger
Unincorporated Area

Imperial County

Brawley
Calipatria
El Centro
Unincorporated Area

Kern County

Arvin
Bakersfield
California City
Delano
McFarland
Ridgecrest
Shafter
Taft
Tehachapi
Wasco
Unincorporated Area

Kings County

Lemoore

Los Angeles County

Alhambra
Arcadia
Azusa
Baldwin Park
Bellflower
Bradbury
Carson
City of Industry
Claremont
Covina
Diamond Bar
El Monte
El Segundo

Gardena
Glendora
Hawthorne
Hermosa Beach
Inglewood
Irwindale
La Cañada Flintridge
La Verne
Lancaster
Lawndale
Lomita
Monrovia
Montebello
Monterey Park
Palmdale
Pomona
Rancho Palos Verdes
Rolling Hills
Rolling Hills Estates
Rosemead
San Dimas
San Fernando
San Gabriel
San Marino
Santa Monica
Sierra Madre
South El Monte
South Pasadena
Temple City
Torrance
Walnut
West Covina

Madera County

Unincorporated Area

Merced County

Atwater
Merced
Unincorporated Area

Mono County

Mammoth Lakes
Unincorporated Area

Monterey County

Monterey
Unincorporated Area

Napa County

American Canyon
Calistoga
Napa

St. Helena
Yountville
Unincorporated Area

Orange County

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

Riverside County

Banning
Beaumont
Calimesa
Canyon Lake
Corona
Desert Hot Springs
Eastvale
Hemet
Indio
Jurupa Valley
Lake Elsinore
Menifee
Moreno Valley
Murrieta
Norco
Perris
Riverside
San Jacinto
Temecula
Wildomar
Unincorporated Area

Sacramento County

Citrus Heights
Rancho Cordova

San Bernardino County

Adelanto
Apple Valley
Barstow
Big Bear Lake
Chino
Chino Hills
Colton
Fontana
Grand Terrace
Hesperia
Highland
Loma Linda
Montclair
Needles
Ontario
Rancho Cucamonga
Redlands
Rialto
San Bernardino
Twentynine Palms
Upland
Victorville
Yucaipa
Yucca Valley
Unincorporated Area

San Diego County

Carlsbad
Coronado
El Cajon
Encinitas
Escondido
Imperial Beach
La Mesa
Lemon Grove
National City
Oceanside
Poway
San Diego
San Marcos
Santee
Solana Beach
Vista
Unincorporated Area

San Joaquin County

Ripon
Stockton
Tracy

San Mateo County

Foster City
Menlo Park
Redwood City
Woodside
Unincorporated Area

Santa Barbara County

Lompoc

Santa Clara County

San Jose

Santa Cruz County

Scotts Valley
Unincorporated Area

Solano County

Benicia
Dixon
Vacaville
Vallejo
Unincorporated Area

Stanislaus County

Modesto
Newman
Oakdale
Riverbank
Turlock
Waterford

Tulare County

Visalia

Ventura County

Fillmore
Ojai
Santa Paula

THE HERO PROGRAM

Awards & Recognition

Renovate America's HERO Program delivers real impact and has been recognized by industry leaders for excellence and innovation.



ENVIRONMENTAL & ECONOMIC PARTNERSHIP | Governor of California

Awarded California's highest honor by Governor Brown for exceptional leadership in environmental preservation and economic stimulus.



BEST RESIDENTIAL PARTNERSHIP | U.S. Green Building Council

Recognized as a Top 10 Green Building Policy in California, serving as a national model for financing energy efficiency and water conservation retrofits.



BEST OF THE BEST

Urban Land Institute

Recognized for sustainable community development and organizational leadership in providing: economic value, environmental quality, and social equity.



BUSINESS ACHIEVEMENT AWARD

Climate Change Business Journal

Recognized for successfully partnering with local governments to develop residential financing programs for energy efficiency and renewable energy systems.



PRESIDENTS AWARD FOR EXCELLENCE

Southern CA Association of Governments

Recognized for creating successful public-private partnerships and economic stimulus by bringing private funding into communities.



MODEL COMMUNITY ACHIEVEMENT AWARD

South Coast Air Quality Management District

Recognized, in partnership with WRCOG and SANBAG, for developing successful residential PACE programs that create lasting environmental and economic benefits in communities.