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Gilroy and Morgan Hill launch innovative program to help homeowners conserve water and energy

SANTA CLARA COUNTY, Calif., June 15, 2015 – The City Councils of Gilroy and Morgan Hill launched the HERO Property Assessed Clean Energy (PACE) Program today. HERO PACE financing enables homeowners to make energy- and water-efficiency improvements and pay for them through their property tax bill. Property owners repay the assessment over 5 to 20 years and the interest is tax-deductible. Homeowners see immediate savings on utility bills. Given the State of California’s newly-adopted regulations aimed at reducing urban water consumption by 25%, PACE financing is a particularly appealing option for homeowners and municipalities.

“We’re excited that the HERO program will make energy and water conservation improvements more affordable for Gilroy residents and businesses,” said Mayor Don Gage of Gilroy. “We hope to have as many people as possible take advantage of this program.”

Gilroy and Morgan Hill join San Jose, which launched the program a year ago. Since then, 230 efficiency projects have already been completed, with HERO helping to provide more than \$5.8 million in financing.

As California's drought drags on, eligible retrofits give homeowners a fast, affordable way to lower water bills and conserve a desperately-needed resource. HERO has a wide variety of products to help homeowners save water, including high-efficiency toilets, faucets and showerheads; drip irrigation systems; rainwater catchment systems; gray water systems; and artificial turf and drought-tolerant landscaping.

A wide variety of energy-saving products are available through HERO as well. Some of HERO’s most popular products include solar panel installations, whole-home heating and cooling systems, energy-saving windows and doors, roofing and insulation.

The HERO Program’s success rests in its extensive contractor network. When a homeowner faces unexpected and inevitable repairs such as a broken water heater or leaking roof, HERO-qualified

contractors can steer their customers toward more efficient upgrades. Bringing HERO into the process has many advantages for the homeowner. Homeowners can select a truly efficient product for their repair since they don't have to put down large amounts of money upfront; they then enjoy immediate savings on water and/or energy bills. Cities and counties benefit through economic stimulus and local job growth, while helping their communities reach state-imposed water and energy savings goals.

HERO has helped fund more than 33,000 residential efficiency projects totaling more than \$650 million in financing in California. By stimulating home renovation activity, the HERO Program increases demand for local contractor services. HERO is estimated to have spurred the creation of more than 5,500 jobs in California since beginning in December 2011.

"As this drought continues on, each year we see a direct response and interest in the type of water-efficient landscaping Heavenly Greens provides," said Troy Scott of Heavenly Greens. "I've also heard from friends and neighbors that they've had to let their lawn go dead and brown without replacing it with a suitable alternative simply because they can't afford it. Now that HERO Financing is an option in our community, I expect we'll be seeing fewer brown lawns as a result of this great program. We're excited that Heavenly Greens can help more homeowners not only save our community thousands of gallons of water each year - we can transform those dead brown lawns into beautifully manicured showcases."

HERO's ongoing contribution to the environment is significant – and growing daily. An estimated 4.5 billion Kwhs of energy are already being saved by projects completed to date. This is equivalent to the CO2 emissions from 28,000 homes' energy use for a year. Water-efficiency projects HERO has helped finance to date will save 790 million gallons of water, or the equivalent of 25 million showers. If every resident of California used HERO, we could save the equivalent of twice the volume of Lake Tahoe, every year.

PACE is relatively new, so it is essential that customers educate themselves about the details of this type of financing. HERO's consumer protection policy sets the industry standard for PACE financing. HERO-qualified contractors undergo rigorous training aimed at ensuring customers are fully informed about the costs and benefits of the Program. Funding for projects is made available to the contractor only after the homeowner has indicated full satisfaction with the completed project. HERO also staffs a hotline to respond to homeowner queries that is available for 15 hours a day, 7 days a week.

The HERO Program has now been adopted by 319 communities in California and is available to more than 10 million households.

"Between the extended drought and rising energy costs, property owners are eager to make the types of investments HERO supports," said Blair McNeill, Vice President of Community Development for Renovate America, the company that administers the HERO Program. "We're happy to provide an avenue for financing that requires no money down and does not depend on personal credit, bringing efficiency improvements within reach for a broad range of homeowners."

Cities and counties need only pass a resolution to make PACE programs like HERO available to local property owners. The HERO Program has received numerous awards, including the Governor's Environmental and Economic Leadership Award, the Urban Land Institute Best of the Best and the Southern California Association of Governments President's Award for Excellence. Taking part in HERO is 100% voluntary for both jurisdictions and property owners. PACE financing is cost neutral to participating local governments.

To learn more about the HERO Financing Program, and to apply, property owners can visit www.HEROProgram.com or call 855-HERO-411 (855-437-6411).

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