SAMPLE SUPPORT LETTER  
SB 476 (MIN)

DATE

The Honorable Dave Min

California State Senate

California State Capitol, Room 2048

Sacramento, CA 95814

cc: Jano.Dekermenjian@sen.ca.gov

**Re: SB 476 (Min) – California Financing Law: Program Administrators - SUPPORT**

Dear Senator Min:

**YOUR ORGANIZATION** supports SB 476 (Min) and urges an aye vote. The promise of the Property Assessed Clean Energy (PACE) program has been significantly diminished by the deceptive actions of administrators and contractors who have misled California’s homeowners into signing up for home improvements with no energy or cost savings, and no actual environmental benefit., and far too many cases of PACE improvements being left unfinished, done poorly, or not done at all.

# SB 476 introduces much-needed safeguards to PACE financing, by requiring that energy audits be performed on a property *before* the execution of a PACE financing contract and that a home inspection be done to ensure that all work has been performed as required by state and local law *before* payment is disbursed to any contractor.

**YOUR ORGANIZATION’S DESCRIPTION AND ADDITIONAL REASONS FOR SUPPORTING THIS LEGISLATION.**

Too often homeowners, especially elderly homeowners and those living in communities of color, have been misled about the energy savings that can be realized through the energy-efficiency measures financed by PACE. Unscrupulous contractors make false or misleading environmental and energy claims that PACE-financed home improvements will generate energy savings that “pay for themselves” – claims that lead to buyer’s remorse and claims of fraud and misrepresentation.

It is paradoxical that the PACE program for *commercial* properties routinely mandates energy audits as a precondition for financing – but that the program for *residential* properties does not. The current structure of the program fails to provide adequate protections against environmental under-performance, financial miscalculation, and contractor fraud in residential PACE programs, which are frequently marketed to low-income homeowners.

# Additionally, the unique structure of PACE financing takes homeowners entirely out of the traditional payment loop. State law requires that in general contracting, homeowners have access to tools such as bonds, letters of credit, and escrow accounts that protect both the homeowner and the contractor. PACE’s financing structure, by contrast, guarantees direct and full payment to contractors when PACE program administrators receive a single document: the “completion certificate.” This arrangement has invited abuse, with many contractors having used fraud, misrepresentation, forgery, harassment, and/or undue influence to obtain a homeowner’s signature on a completion certificate.

# Instances of “no work” and ineligible-work cases have *increased* since 2018, despite earlier PACE reforms. The need for greater protections and greater transparency is urgent and clear. The pre-construction audits and post-construction inspections required by this bill will enhance the energy benefits and the reliability of the PACE program. They will protect low-income homeowners from contractor fraud, and from debilitating property-secured debt that too easily can lead to foreclosure.

# We respectfully urge an aye vote on this very important legislation.

Sincerely,

**SIGNATURE**

**TITLE**

**ORGANIZATION**

cc: The Honorable Dave Min

Jano Derekmenjian, Legislative Director, Office of Senator Dave Min