

MOTION BY SUPERVISORS HILDA L. SOLIS

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AND JANICE HAHN

Financial Relief for Homeowners in the County’s Property Assessed Clean

Energy (PACE) Program

In 2015, the County of Los Angeles launched its Property Assessed Clean Energy (PACE) Program, which allowed thousands of homeowners to use the equity in their homes to finance energy efficient improvements through the County’s third-party administrators. There were complaints and criticisms on program oversight for not only the County’s program, but others like it across the State. In response, the State passed legislation to tighten oversight, but the County was unconvinced that the State’s changes could protect all consumers and so terminated its program in 2020 to no longer accept new applicants.

Coincidentally, during the COVID pandemic many County homeowners who were PACE participants faced extreme financial hardship including loss of household income or increased expenses directly related to the pandemic such as increased healthcare related costs.

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Under the American Rescue Plan Act of 2021, Congress funded a Homeowner Assistance Fund (HAF) to mitigate financial hardships associated with the pandemic. It provided funding to eligible entities for, among other purposes, preventing homeowner mortgage delinquencies, defaults, and foreclosures. One such entity is the California Housing Finance Agency (CalHFA), who distributes HAF funding through its California Homeowners Relief Corporation (CalHRC).

In June 2023, the U.S. Department of Treasury expanded HAF eligibility to assist PACE homeowners, and in October 2023, the State launched its pilot which will prioritize socially disadvantaged homeowners based on Census Tract.

HAF funds could provide current County PACE homeowners who were impacted by the pandemic and meet the program criteria for financial relief, payment assistance or principal reduction of existing PACE financing. CalHFA and CalHRC determine eligibility and approval of homeowner applications for financial relief. If approved, funding will be allocated to the County and applied to the property owner's PACE assessment on the property tax bill.

For County PACE homeowners to apply to the HAF program, CalHFA and CalHRC require County cooperation.

WE, THEREFORE, MOVE that the Board of Supervisors:

1. Direct the Director of the Internal Services Department (ISD) to enter into an agreement with the California Homeowners Relief Corporation CalHRC to facilitate the timely distribution of HAF funds to benefit eligible County homeowners by providing payment assistance or principal reduction for PACE assessments.

2. Direct ISD and the Treasurer & Tax Collector to collaborate with CalHFA and CalHRC to develop processes and procedures to accept funds from CalHFA for the benefit of County homeowners approved by CalHRC and to apply those funds to the PACE balances of those approved homeowners.

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