

Homeowner Funding Resources for Solar & Energy Efficiency Upgrades

Financing options and resources are available to homeowners who are interested in installing solar and/or making energy and water efficiency upgrades to their homes.

The City of San José is neither the sponsor nor the provider of the non-City programs listed below. The decision to enter into a financing agreement is a significant financial decision that should only be made after reading the full program requirements so that you understand your obligations. You may also wish to seek professional advice from an attorney or tax adviser before applying.

See Resources for:

- [All-Income Homeowners](#)
- [Low-Income Homeowners](#)



Resources for All-Income Homeowners

Financing Options

Home Equity Loan and Home Equity Line of Credit (HELOC)

[Home equity loans and HELOCs](#), sometimes referred to as second mortgages, are a traditional finance pathway. With a home equity loan, homeowners can tap their home equity for single lump sum expenses. HELOCs are an open line of credit secured by a lien on the property and can be used repeatedly throughout the loan term. This option typically has the lowest interest rates and no upgrade restrictions but the highest credit score requirements.

Property Assessed Clean Energy (PACE)

[PACE is a finance option enabled by the City of San José.](#) Homeowners can finance solar projects and energy and water efficiency upgrades by attaching an assessment on their property tax bill that is paid over time. No down payment or initial out-of-pocket costs are required. If the property owner defaults on payment, the property may be foreclosed on by the PACE provider. Homeowners can get information by contacting one of the four authorized residential PACE providers.

Residential Energy Efficiency Loan (REEL)

[The REEL program](#) was developed by the State of California. Loans are available to homeowners or renters with property owner's consent. REELs do not require home equity, have no fees, and 30 percent of the loan can fund any renovation project.

Federal Housing Administration (FHA)-Insured Loan Products

[The FHA offers several financing products](#) for homeowners with an FHA-insured mortgage. Products include the Energy Efficient Mortgage Program, the Title 1 Home Improvement Loans Program, and the 203(k) Rehabilitation Mortgage Insurance Program.

Lease

[Homeowners can lease renewable energy equipment](#) such as solar while making regular payments over time. The leasing company owns the equipment, but the homeowner may be able to purchase it at the end of the lease. It is often possible to secure a lease with no up-front costs and make monthly repayments that are lower than the cost of the utility bill.

Solar Power Purchase Agreement (PPA)

[In a Solar PPA](#), a developer or company arranges for the design, permitting, financing, and installation of a solar system on a customer's property at little to no cost. The company sells the power generated to the host customer at a fixed rate that is typically lower than the local utility's rate.

Unsecured Loan (Credit Card)

[Credit cards are a loan option that does not require collateral](#). However, credit cards and other unsecured loans have among the highest interest rates compared to other options.

Rebates

ENERGY STAR® Tax Credit

[This tax credit is available to homeowning taxpayers](#). The taxpayer can claim up to 30 percent of their solar-electric or solar water-heater installation cost. This includes labor costs for on-site installation, assembly or original system installation, and for piping or wiring to interconnect the system to the home.

Property Tax Exclusion for Solar Energy Systems

[This is a state program administered by the California State Board of Equalization](#). Certain types of solar systems allow property owners to receive a property tax exclusion if the system is installed between 1/1/1999 and 12/31/2024. Storage devices, power conditioning equipment, transfer equipment, and parts are included.

PG&E Rebates

[PG&E provides rebates on qualified energy-efficiency products](#) for your home such as ENERGY STAR® Smart Thermostat, Energy Star® High-Efficiency Gas Storage Water Heater, or ENERGY STAR® High-Efficiency Electric Heat Pump Storage Water Heater. Visit the website for the most updated information including purchase deadlines and updated qualifying products, which change over time.

Bay Area Regional Energy Network Home Upgrade (BayREN)

[Home Upgrade is an Energy Upgrade California® rebate program](#) administered by BayREN. Participants must own a single family detached home, use a participating contractor, and choose 3 measures that save energy on heating or cooling. Home Upgrade also provides assistance over the phone to help navigate energy efficiency project financing, understand contractor bids, and more.

Resources for Low-Income Homeowners

Rebates and Other Assistance

Single-family Affordable Solar Homes (SASH) Program

[SASH is administered by GRID Alternatives](#) and covers 65-100 percent of the cost of solar installation for qualifying low-income, single-family homeowners through up-front rebates. Homeowners must own and live in their home, have an income that is 80 percent below the median area income, and live in affordable housing.

Energy Savings Assistance Program (ESAP)

[ESAP provides energy reduction and weatherization improvements](#) to low-income customers including replacing your refrigerator, repairing or replacing your furnace or water heater, and installing insulation and energy-efficient light bulbs. Participants must live in a home that is at least 5 years old, must use an approved contractor, and must meet income requirements.

Low-Income Home Energy Assistance Program (LIHEAP) and Weatherization Program (WP):

[Residents can receive assistance](#) with utility bill payments, emergency assistance with residential energy-related crises, and home weatherization. The program is implemented by Sacred Heart Energy and gives priority to families with children ages 3 and under. There are two options: you can receive a utility bill credit only (LIHEAP), or you can receive the credit plus weatherization assistance (WP).

Low-Income Weatherization Program (LIWP)

[LIWP provides both solar and energy efficiency services](#) to low-income homeowners and renters. In the Bay Area, LIWP is implemented by Build It Green.

Low-Income Weatherization Assistance Program

[The U.S. Department of Energy's low-income weatherization assistance program](#) reduces energy costs for low-income households by increasing the energy efficiency of their homes. Household income must be below 60 percent of the state median income. Recipients of Supplemental Security Income or Temporary Assistance for Needy Families automatically qualify.

More resources are available to low-income homeowners in the [All-Income Homeowners](#) section.

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