

Smart Homebuyer Workshops

For high performing healthy homes



LONG BEACH
SUSTAINABILITY



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For high performing healthy homes

Learn how to save money on utilities and make your new or current home healthy, comfortable, and environmentally friendly.

- Save \$\$\$ on your utility bills
- Increase your home's value
- Create a more comfortable home
- Reduce noise pollution

You Will Learn:

- The benefits of having a "green" home
- Financing options for home upgrades
- Resources and rebates that work for you



What is Energy Efficiency?

Energy efficiency means using less energy to provide the same, or even better, service. Energy efficiency is different than energy conservation, which is changing your behavior to save energy.

What are the benefits of Energy Efficiency in a home?

Save money on your utility bills

The electric bill is the second biggest expense next to monthly mortgage payments for a homeowner. Energy efficient homes have lower energy bills and maintenance fees than typical homes.

Increase your home's value


People recognize the many benefits of an energy efficient home, so they have higher resale value. 88% of homebuyers and homeowners prefer a high performing home.

Create a more comfortable home

The strategies that make a home energy efficient control the flow of air, heat, and moisture in your home. This means healthier indoor air quality, even and consistent temperature throughout rooms, and lower humidity.

Reduce noise pollution

The strategies that make a home energy efficient, like insulation and installing quality windows, reduce the amount of noise entering your home, contributing to less stress and better sleep.



In California, 30% of energy used in the home is for heating and cooling.



What is green-labeled home?

It is a recognized *third party* label that certifies your home as efficient in the use of energy, water, and building materials. In California, a green labeled single-family home provides a 9% market premium compared to a home without the label.

How can I make my home energy efficient?

Making a home energy efficient requires a “whole house” approach which means using a mix of strategies to save the most energy. Some of these strategies are:

Weatherizing

Protect your home from outside temperature and moisture changes by reducing air leaks through installing insulation, sealing windows and doors, and upgrading your windows.

Heating and Cooling Upgrades

20% to 30% of heated and cooled air is lost through the duct system to the outside. Upgrade your HVAC technology, install a smart thermostat, or control your home’s temperature naturally through passive strategies.

Rethinking Lighting

You can control the light in your home with well-placed windows, tinting, and blinds. Be sure to replace less efficient light bulbs with cost-saving CFLs or LEDs.

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What is a Home Energy Rating System (HERS) Rating?

The Home Energy Rating System (HERS) is a nationally recognized system for inspecting and calculating a home's energy performance. For a Home Energy Rating, a certified Home Energy Rater will inspect and test your home to give it an in-depth energy performance assessment. After the assessment, the Energy Rater will calculate a rating number called the HERS Index, the lower the number, the more energy efficient the home is. You will come away from a HERS Rating with a HERS Report which will include:

- An overall rating for you home
- Recommendations for cost-effective energy upgrades
- Cost estimates of the price, savings, and life of those energy upgrades
- An estimate of your home's rating after the upgrades
- Before and after estimates of annual energy costs for your home

For more information on HERS Ratings, visit: www.hersindex.com



A professional home energy audit can lead to 5% to 30% savings on your annual electricity bill.



How can I finance Energy Efficiency (EE) Upgrades?

Energy Efficient Mortgage (EEM)

allows a homebuyer or homeowner to qualify for a larger loan amount when getting or refinancing a mortgage to cover the additional costs of EE upgrades.

To learn more, please see pages 6 and 7.

Residential Energy Efficiency Loan (REEL)

is a California EE financing program. A REEL is similar to a typical personal loan, but offers better rates, terms, and credit flexibility. *To learn more, visit:*

www.thecheef.com/reel

Property Assessed Clean Energy (PACE)

financing funds EE upgrades through a loan paid back annually through an increase in your property taxes. The local PACE program is sponsored by LA County.

To learn more, visit: <http://pace.lacounty.gov>

	EEM	REEL	PACE
Secured vs Unsecured	Secured	Unsecured	Secured
Loan Amount	Min: \$50,000 Max: Property Value + Improvements	Min: \$1,500 Max: \$50,000	Min: \$5,000 Max: 15% Property Value
Credit Score Required	x		x
Tax Deductible Interest	x		x
Loan Terms	15 or 30 years	1 – 15 years	5 – 25 years
Payment Frequency	Monthly	Monthly	Annually
Loan Approval Timing	>1 month	1- 24 hours	Immediate



What is an Energy Efficient Mortgage?

Homebuyers and Homeowners can use an Energy Efficient Mortgage (EEM) to buy a new energy efficient home or to finance energy efficiency upgrades to an existing home. EEMs consider and finance cost-effective energy saving measures as a part of your single mortgage, allowing you to borrow more money. Like a typical mortgage, an EEM is part of your mortgage loan – one loan, one closing. The additional monthly payments are included in your monthly mortgage and the interest paid on it is tax deductible.

The most common EEM is the Federal Housing Authority (FHA) Insured EEM loan, which is a loan that:

- Is a 15- or 30-year fixed rate mortgage
- Amounts to the value of your home plus the projected cost of the energy efficiency improvements
- Allows you to fold in the closing costs and the up-front mortgage insurance premium

Your property is eligible if:

- It is a one- to four-unit existing or new home
- The cost of the proposed improvements is less than the potential savings of their lifetime

You are eligible if:

- You obtain a home energy assessment from a certified HERS Rater
- You meet the FHA Loan requirements



An average household uses up about 5% of its energy budget on lighting.



What are the steps to an Energy Efficient Mortgage?

During this process, it is important to work with a “Green Team” which is a team of professionals with experience in green real estate and financing. This should include your Realtor, Lender, HERS Rater, and BPI Certified Contractor.

1. Choose a Lender

EEMs are offered by most FHA insured mortgage programs. You should contact, review, and compare several lenders before making a final decision.

2. Get an energy assessment of your home

You will work with your Realtor and/or mortgage lender to find a certified HERS Energy Rater. After the inspection, you will have a HERS Report outlining the costs and savings of recommended energy upgrades.

3. Close the loan

With the HERS Report, you can work with your mortgage lender and your contractor to ensure that all upgrades are within budget. Once the loan closes, the allotted amount for energy efficient repairs will be held in an escrow account.

4. Make the improvements

You will have 90 or 180 days to have the energy upgrades installed. You will work with your lender to schedule an inspector to verify improvements were made.

5. Make monthly payments

At this point, the EEM will act as a typical mortgage where you must make monthly payments.

Passive solar design can reduce the energy needed for heating and cooling.



About Long Beach Sustainability

The City of Long Beach Office of Sustainability works to create a more sustainable community by engaging with individuals, neighborhoods and government to reduce our impact on the environment and protect our local natural resources. Sustainability reports to the City Manager's Office and supports the Sustainable City Commission, an advisory body to City Council.


About Green Education, Inc.

Green Education Inc. partners with municipalities and community-based stakeholders to educate, revitalize and transform communities into green sustainable neighborhoods, create healthy and energy efficient homes, good green jobs and a burgeoning green economy.



For more information contact

Sustainability@longbeach.gov
or call (562) 570-6396

A circular icon with a white background and a dark border, containing a stylized white energy symbol (a circle with a dot and a curved line) and a small white arrow pointing upwards and to the right.

Did you know programmable thermostats can save up to \$150 a year on energy costs?

Office of Sustainability

100 W Broadway, Suite 550 | Long Beach CA, 90802

562.570.6396 | Sustainability@longbeach.gov

www.lbsustainability.com



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