



LOS ANGELES COUNTY
**CONSUMER &
BUSINESS AFFAIRS**

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MEDIA RELEASE

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Property Owners Defrauded under the Property Assessed Clean Energy (PACE) Program Get Relief

LOS ANGELES –Los Angeles County protects homeowners defrauded under the PACE Program, enabling them to get relief from immediate property tax burdens, and supporting the prosecution of an allegedly predatory contractor.

Under the direction of the Los Angeles County (County) Board of Supervisors (Board), the Department of Consumer and Business Affairs (DCBA), Treasurer and Tax Collector and the Internal Services Department, have made significant strides in addressing allegations of fraud in regards to Property Assessed Clean Energy (PACE) Programs that operate across the County.

On March 5, 2019, the Board unanimously approved a motion championed by Supervisor Mark Ridley-Thomas and Supervisor Hilda L. Solis, which directed the County agencies to develop a comprehensive plan for addressing consumer complaints and enhancing protections for consumers under the various PACE programs operated across the County.

This was prompted by the County receiving notice that numerous property owners across the County claimed to have been defrauded, some specifically through the Eco Solar Home Improvement Program, under scenarios where contractors misled their clients on the appropriate scope of eligible PACE-funded projects, delivered poor-quality projects, or were unclear with their clients about how the financing-related assessment would ultimately raise the property owner's secured property taxes.

PACE programs were established as a means for homeowners to finance energy efficiency, renewable energy and water-saving improvements to their properties, with homeowners repaying the financing through their secured property tax bills. Homeowners who are misled or defrauded by unscrupulous contractors face unexpectedly high property tax bills and are sometimes left with their homes damaged or in an uninhabitable condition.

"Our residents work hard to pay their mortgages, and the PACE Program was intended to create added value by improving their home's energy efficiency and reducing their utility costs," said Los Angeles County Supervisor Mark Ridley-Thomas. "When entities seek to manipulate this agenda,



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they can count on the County having zero tolerance for any predatory activity that puts property owners at risk.”

On March 5th, Supervisor Mark Ridley-Thomas also hosted a community meeting for more than two-dozen individuals claiming they were defrauded by PACE contractors, including Eco Solar Home Improvement. Experts from the Los Angeles County Department of Consumer and Business Affairs, Treasurer and Tax Collector, and Internal Services Department subsequently initiated investigations on cases filed where fraud was suspected. DCBA’s foreclosure prevention division immediately assembled a team of case workers to outreach to impacted property owners and investigate all complaints.

DCBA’s efforts also aided the Los Angeles City Attorney’s Office, whose efforts culminated today in the filing of a civil lawsuit against Jose Nelson Solis, who was doing business as Eco Solar Home Improvement, and allegedly defrauded homeowners of more than \$1.4 million in financing through Property Assessed Clean Energy (PACE) Programs for home improvement projects he never completed, all while collecting proceeds. DCBA assisted the City Attorney’s office and the California Contractors State License Board in the investigation.

“Fighting fraud and protecting consumers in need is our department’s core mission,” said Joseph M. Nicchitta, Director of the Los Angeles County Department of Consumer and Business Affairs. “We are proud to have helped our partners at the City Attorney’s office seek justice when fraudulent activities occur, but our efforts also extend to looking for meaningful remedies to help homeowners in need.”

DCBA is also working with the Treasurer and Tax Collector’s office and lending institutions to address PACE-related property tax liens if fraud is suspected.

“We take cases of alleged fraud very seriously and will work with homeowners to address implications to their tax bills when they are a victim,” said Treasurer and Tax Collector Joseph Kelly.

This effort has thus far resulted in a reduction in property taxes in connection with the PACE Program for some of the properties where fraudulent activity was expected, creating an immediate financial relief for property owners. Efforts continue to bring resolution to outstanding cases, and other allegations of fraudulent activity will continue to be referred to the County’s District Attorney and/or respective City Attorney for further legal action.

For more information about real estate fraud, contact the Los Angeles County Department of Consumer and Business Affairs at **(800) 593-8222**.

Since 1976, the County of Los Angeles Department of Consumer and Business Affairs (DCBA) has served consumers, businesses, and communities through education, advocacy, and complaint resolution. We work every day to educate consumers and small business owners about their rights and responsibilities, mediate disputes, investigate consumer fraud complaints, and enforce Los Angeles County’s minimum wage ordinance. For more information, visit dcba.lacounty.gov.

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