

**WORKSHOP ITEM SUMMARY SHEET**  
**VILLAGE COUNCIL MEETING**  
**September 5, 2018**

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**Agenda Item:**

Property Assessed Clean Energy (PACE) Program

**Description:**

The Village has been approached to establish a PACE program within Village boundaries and lenders have represented that several property owners have requested this program.

On August 6, 2012, the Green Corridor was created as a separate legal entity pursuant to Section 163.01(7), Florida Statutes, to finance qualifying improvements in accordance with Section 163.08, to be collected as voluntary non-ad valorem assessments along with property taxes. Qualifying improvements include energy efficiency, renewable energy and water conservation projects. In order for property owners to participate, the Village is being asked to join the Green Corridor as a non-voting member and create membership agreements with Green Corridor and participating PACE lenders.

It is our understanding that both Fort Myers and Cape Coral have approved the creation of a PACE program.

Staff has asked the representative from PACE to present the program to the Council for consideration.

Based upon preliminary discussion with the Lee County Tax Collector, the program will not be added to the tax roll until the 2019 tax year; therefore, required documentation needs to be finalized by December 2018. If it is Council's direction to consider creation of the PACE program, Village staff and legal counsel would begin to research and develop the required documentation.

**Action Requested:**

Direction to staff on whether to proceed with the creation of PACE program.

**Financial Impact:**

Based upon information provided by the Lee County Tax Collector, no fees would be accessed to the Village. However, if directed to proceed, staff and legal counsel would research and confirm the financial impact and legal exposure, if any, to the Village.

**Attachments:**

1. PACE PowerPoint Presentation



# THE STATE OF PACE

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PRESENTED BY:  
ADMINISTRATORS OF THE  
PACE PROGRAMS IN  
FLORIDA



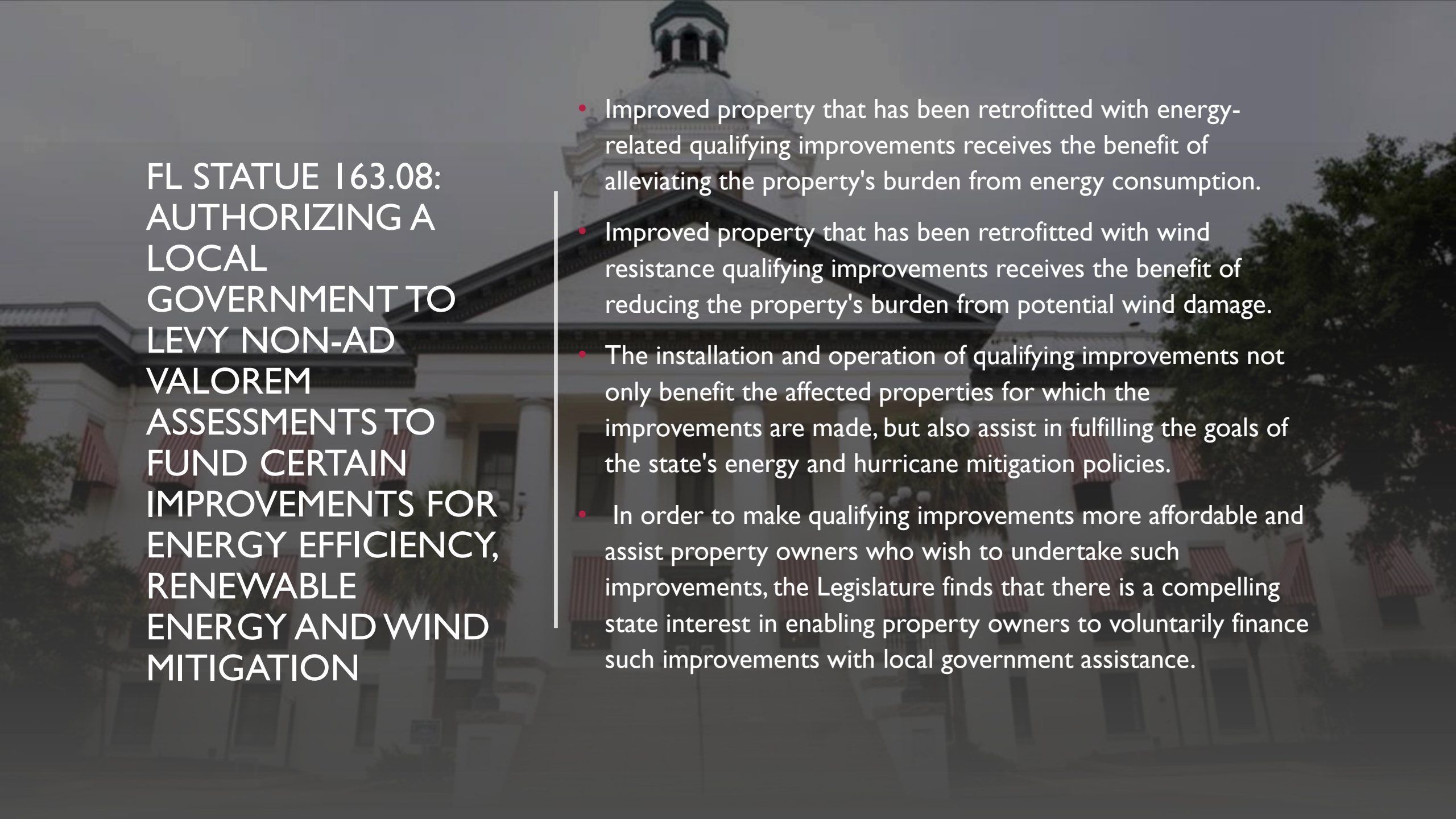
# BASICS OF PACE

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- PACE (Property Assessed Clean Energy) is a financing mechanism used for energy efficiency, renewable energy, and wind mitigation upgrades to properties.
- PACE financing is repaid as a non-ad valorem special assessment on the property's regular tax bill, and is processed the same way as other local public benefit assessments such as neighborhood improvement or special taxing districts.







FL STATUTE 163.08:  
AUTHORIZING A  
LOCAL  
GOVERNMENT TO  
LEVY NON-AD  
VALOREM  
ASSESSMENTS TO  
FUND CERTAIN  
IMPROVEMENTS FOR  
ENERGY EFFICIENCY,  
RENEWABLE  
ENERGY AND WIND  
MITIGATION

- Improved property that has been retrofitted with energy-related qualifying improvements receives the benefit of alleviating the property's burden from energy consumption.
- Improved property that has been retrofitted with wind resistance qualifying improvements receives the benefit of reducing the property's burden from potential wind damage.
- The installation and operation of qualifying improvements not only benefit the affected properties for which the improvements are made, but also assist in fulfilling the goals of the state's energy and hurricane mitigation policies.
- In order to make qualifying improvements more affordable and assist property owners who wish to undertake such improvements, the Legislature finds that there is a compelling state interest in enabling property owners to voluntarily finance such improvements with local government assistance.



# TYPES OF PROPERTIES

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- Single Family Residential
- Multi-Family
- Retail/Office Space
- Assisted Living Facilities & Senior Living Centers
- Industrial
- Agricultural
- Hospitality
- Non-profits/Churches



# TYPES OF IMPROVEMENTS

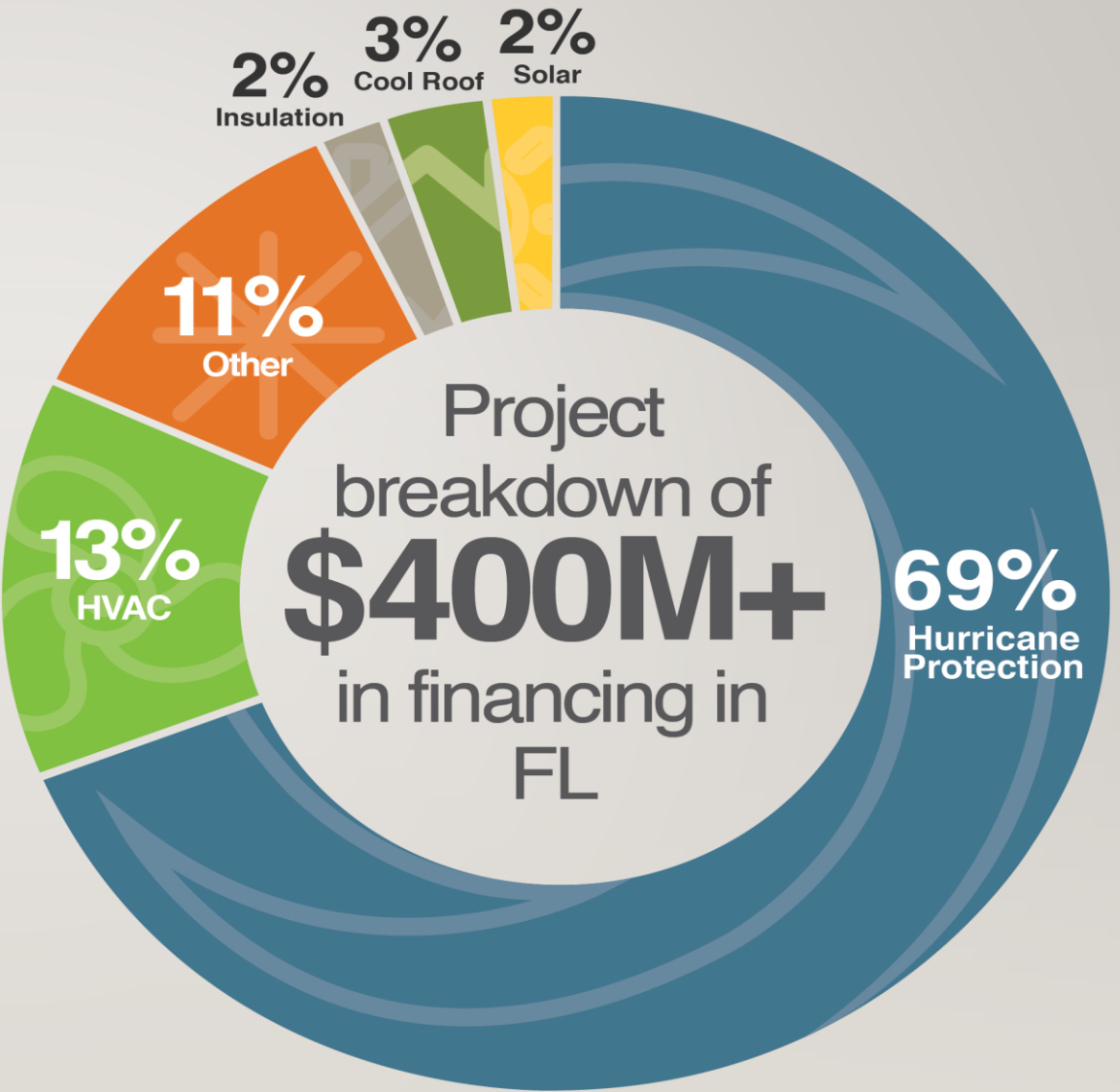
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- IMPACT WINDOWS & DOORS
- ROOFING
- HVAC: HEATING & COOLING
- SOLAR PANELS & STORAGE
- BACKUP POWER GENERATORS
- LIGHTING
- INSULATION
- WATER HEATERS
- POOL PUMPS & POOL HEATERS



# BREAKDOWN OF TYPES OF PROJECTS IN FL

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## QUALIFICATIONS FOR PROPERTY OWNERS

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- Current on Property Taxes for last 3 years or length of ownership if under 3 years.
- Current on Mortgage. No liens against property.
- Must have 10% Equity based on Fair Market Value
- NO Negative Equity Lending
- Improvements must be eligible improvement, affixed to building or facility, part of the property
- Up to 20% just value of the property if the property owner has a mortgage



# BENEFITS TO PROPERTY OWNERS

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PACE covers up to 100% upfront cost. Not credit based.

Financing terms up to 20 years with fixed, single digit interest rates. Affordable payments.

Interest rates based on selected repayment term, not on borrower's financial profile or project size.

Available to residential, commercial, homestead not required.

Potential to reduce utility bills and realize savings on property insurance.

Can be combined with utility, local and federal incentive programs.

# PACE ASSESSMENTS

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- Line item on the property tax bill
- Recorded on title (Clerk of Courts)
- Voluntary non-ad valorem assessment
- Annual installment on property tax bill (no discount on PACE assessment)
- Assessment is attached to the property, not the property owners' credit
- Repaid over a fixed term at a fixed interest rate
- No pre-payment penalty (residential)
- Uniform Method of Collection Agreement with Tax Collector for placement & fee





# PROPERTY OWNER FAQs

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- Property taxes are legally transferable upon sale, however, mortgage lenders may require full repayment of the PACE assessment upon sale or refinancing. PACE assessments can be paid off in full with no penalty for residential property owners.
- PACE financing payments can be added to a mortgage escrow account, but this does not happen automatically. To increase escrow account reserves, property owners must contact their mortgage lender or servicer and provide them with a copy of the final closing statement.

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## BENEFITS TO LOCAL GOVERNMENTS

Environmental benefits, and helps local governments achieve sustainability goals.

Structural hardening of properties to protect against wind damage.

Improves building stock and creates local jobs for contractors.

No cost or liability to the government and no public funds are used.



County/City Property  
Owners

Clean Energy Corridor

Florida Green Finance  
Authority

Florida Resiliency and  
Energy District

Florida PACE Funding  
Agency

Ygrene Energy Fund

RenewPACE

Renovate America

AllianceNRG Program™/  
CounterPointeSRE/  
Hannon ArmstrongSRE

# LAUNCH A PACE PROGRAM

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- Multi-Provider Resolution to join PACE Programs
- Interlocal Agreements with the individual providers
- PACE administrators provide turnkey service; responsible for program administration, staffing, and marketing costs, and provide project funding
- No cost or liability to local government



FT LAUDERDALE PROPERTY OWNER

IMPACT RESISTANT WINDOWS & DOORS, HVAC, POOL  
WATER HEATER, TANKLESS WATER HEATER

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\$300 MONTHLY ENERGY SAVINGS  
\$7,000 ANNUAL PROPERTY INSURANCE SAVINGS

- “We had all the hurricane windows and doors put in, a new tankless gas hot water heater, a new central air conditioning system and we had a new energy saving heater for our pool. I am now **saving \$7,000 per year on insurance plus around \$300 dollar a month in our electric bill**”

- – Joy Miller, Residential Property Owner

