



Legislation Text

File #: 19-0398, **Version:** 1

Chief Administrative Office recommending the Board:

- 1) Receive a presentation from two Property Assessed Clean Energy (PACE) programs:
 - a) California Enterprise Development Authority (Dividend Finance - Figtree); and
 - b) California Municipal Finance Authority (Energy Efficient Equity - E3); and
- 2) Provide staff direction on proceeding with preparing resolutions for Board consideration to allow the operation of these programs in El Dorado County. (Est. Time: 20 Min.)

FUNDING: N/A

DISCUSSION / BACKGROUND

Property Assessed Clean Energy financing programs, or PACE, provide 100% upfront financing to residential, commercial, industrial and agricultural property owners who voluntarily enter into financing agreements for a wide range of eligible property improvements, such as energy efficiency projects, water conservation improvements, electric vehicle charging stations and renewable electricity generation installations (i.e., solar). Loan repayment is made through a property assessment which is collected along with an owner's property taxes with repayment terms ranging from 5 to 30 years. Under these financing programs, property owners repay the contractual assessment or special tax through their property tax bill that functions as a senior lien on the property.

State law (AB 811 and SB 555) enables counties to establish PACE programs. The Improvement Act of 1911 (Division 7 of the California Highways Code), as amended by AB 811, allows for property owners to enter into voluntary contractual agreements with special districts to finance permanent energy efficiency improvements offered through statewide Joint Powers Authorities. The Mello-Roos Community Facilities Act, as amended by SB 555, allows for PACE programs via the establishment of Community Facilities Districts (CFDs).

The County currently participates in several PACE programs, including the Golden State Finance Authority (GSFA) Joint Powers Authority/Ygrene County Clean Energy CFD (Mello-Roos) program, the California Statewide Communities Development Authority Open PACE and CaliforniaFirst programs, and the Western Riverside Council of Governments (AB811 Assessment Districts) HERO program.

The PACE programs that the Board has approved for El Dorado County are not County run programs, but rather are operated by outside entities. Participating Cities and Counties join the Joint Powers Authority or Council of Government in order to allow property owners in the jurisdiction to participate in the programs. No County revenues or General Funds dollars are involved in the repayment of the bonds, debts, liabilities and obligations. The County is not involved in the administration of the program, other than adding the charges for the loans to the property tax roll.

The California Enterprise Development Authority (Dividend Finance - Figtree) program and the California Municipal Finance Authority (CMFA) Energy Efficient Equity - E3 programs have

approached staff with the request to go before the Board to request County participation in their programs. The programs have prepared a presentations on their programs. If the Board so chooses, staff will work with Figtree and CMFA to return to the Board with resolutions to allow El Dorado County property owners to participate in these programs.

ALTERNATIVES

Staff is seeking direction from the Board on whether to proceed with allowing operation of these programs in El Dorado County. The Board could choose to direct staff to bring necessary agreements and resolutions for approval in order to allow the two additional programs to operate in El Dorado County. The Board could also find that the current number of PACE providers is sufficient and provide staff with direction to not bring approvals forward.

PRIOR BOARD ACTION

September 15, 2015 (Legistar #15-1089): the Board approved Resolutions 156-2015, 157-2015, and 158-2015, to make PACE financing programs available to property owners in the unincorporated area of the county. July 18, 2017: the Board consented to the inclusion of properties within the County's jurisdiction in the California HERO PACE Program through County membership in the Western Riverside Council of Governments JPA. September 15, 2015: (Legistar item the Board approved Resolutions 156-2015, 157-2015, and 158-2015, to make PACE financing programs available to property owners in the unincorporated area of the County. January 30, 2019 (Legistar # 18-0171): the Board received an update report on the Property Assessed Clean Energy programs and their operation in El Dorado County.

CAO RECOMMENDATION / COMMENTS

It is recommended that the Board receive and file the presentations and provide staff direction. For a review of PACE programs in El Dorado County, including risks and benefits, review of the staff report attached to Legistar file #18-0171 is recommended.

FINANCIAL IMPACT

There is no financial impact as a result of receiving the presentations.

CLERK OF THE BOARD FOLLOW UP ACTIONS

N/A

STRATEGIC PLAN COMPONENT

N/A

CONTACT

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