



## Legislation Text

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**File #:** 15-1089, **Version:** 3

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Supervisor Ranalli recommending the Board:

- 1) Direct the Chief Administrative Officer to work in coordination with the Treasurer/Tax-Collector, Assessor, District Attorney, the Health & Human Services Agency's Adult Protective Services and Senior Legal Division and other appropriate departments as determined by the CAO to provide the Board with a report relative to the Property Assessed Clean Energy (PACE) financing programs that were approved by the Board on September 15, 2015, and September 22, 2015;
- 2) Direct that this report include the number of program participants; benefits and any unanticipated risks/consequences of the programs; and
- 3) Return to the Board for discussion of the matter within 120 days.

### **DISCUSSION / BACKGROUND**

The office of Supervisor Ranalli has recently received inquiries regarding the existence of adequate safeguards in the PACE Programs with respect to senior citizens. While the PACE Program is not managed or administered by the County, if these programs are resulting in harm to any of our county residents the Board should be aware of those concerns, as well as any possible safeguards that could be considered to mitigate those issues.

On September 15, 2015, the Board approved Resolutions 156-2015, 157-2015, and 158-2015, to make Property Assessed Clean Energy financing programs, or PACE, available to property owners in the unincorporated area of the county. Approval authorized PACE providers working with the Golden State Finance Authority JPA (Ygrene) and the California Statewide Communities Development Authority JPA (CaliforniaFIRST/Open PACE) to provide financing options 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 20 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.

On September 22, 2015, the Board approved Resolution 162-2015, consenting 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 to finance distributed generation renewable energy sources, energy and water efficiency improvements and electric vehicle charging infrastructure and approving an amendment to a certain Joint Powers Agreement related thereto to provide for Property Assessed Clean Energy financing programs. The California HERO PACE Program allows property owners in the unincorporated area of the county to finance eligible improvements. If a property owner chooses to participate in the California HERO PACE Program, the improvements to be installed on such owner's property are financed by the issuance of bonds by a joint powers authority, Western Riverside Council of Governments ("WRCOG"), secured by a voluntary contractual assessment levied on such owner's property. Participation in the program is 100% voluntary. Property owners who wish to participate in the program agree to repay the money

through the voluntary contractual assessment collected together with their property taxes.

PACE liens run with the property, and not with the owner. Remaining repayments may also be passed on to a new property owner when the property is sold before the PACE financing is paid in full and when the new lender agrees.

The PACE programs are not County run programs, but rather are operated by outside entities. PACE programs support efforts to reduce greenhouse gas emissions by helping make energy efficiency and renewable energy projects more affordable for El Dorado County residents.

No County revenues or general funds will be pledged to the repayment of the bonds, debts, liabilities and obligations. Ongoing administration and coordination with the Treasurer/Tax Collector's Office, County Assessor and County Auditor would require nominal staff time. County administrative staff costs for PACE programs will be offset with the collection of fees from participating property owners. Note per County Counsel that under the WRCOG JPA Amendment in the event of any litigation, each party shall bear its own attorney's fees and costs.

## **STRATEGIC PLAN COMPONENT**

Economic Development