



Legislation Text

File #: 19-1745, **Version:** 1

Chief Administrative Office recommending the Board adopt and authorize the Chair to sign Resolution **227-2019**, joining the California Enterprise Development Authority (CEDA) as an Associate Member, authorizing the County to join the Figtree Property Assessed Clean Energy program, and authorizing CEDA, through Dividend Finance, LLC, to offer their program and to conduct contractual assessment proceedings and levy contractual assessments within the County and authorizing related actions, for both residential and commercial projects.

FUNDING: N/A

DISCUSSION / BACKGROUND

On March 19, 2019 (Legistar #19-0398) the Board received presentations from two new PACE providers and directed staff to prepare resolutions allowing their operation in El Dorado County. Staff has finalized the necessary resolution for the Figtree Property Assessed Clean Energy program (through Dividend Finance, LLC), and is presenting it here for adoption.

Property Assessed Clean Energy financing programs (PACE) provide upfront financing to residential, commercial, industrial and agricultural property owners who voluntarily enter into financing agreements for 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 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 (JPA) or Council of Government (CoG) in order to allow property owners in the jurisdiction to participate in the programs. 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 California Enterprise Development Authority (Dividend Finance - Figtree) program approached staff with the request to go before the Board to request County participation in their programs. On

March 19, 2019, this program presented to the Board, and the Board directed staff to return to the Board with a resolution to allow El Dorado County property owners to participate.

Request from Figtree PACE (Dividend Finance, LLC)

The Figtree PACE program is offered through the California Enterprise Development Authority (CEDA), created by the California Association for Local Economic Development (CALED). To participate in Figtree PACE, the County would join the CEDA JPA as an Associate Member. Dividend Finance, LLC (Dividend) is the program administrator for the Figtree PACE program.

The Figtree PACE program allows property owners in participating cities and counties to finance renewable energy, energy and water efficiency improvements, and electric vehicle charging infrastructure on their property. Figtree has requested that the Board consider adopting the Figtree PACE Program to allow both residential and commercial property owners in the unincorporated area of the County to voluntarily place assessment liens on their property for the purpose of installing energy efficiency and conservation, water efficiency and conservation and renewable energy generation upgrades.

ALTERNATIVES

The Board could choose to not approve the Resolution and the program would not be allowed to operate in El Dorado County.

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.

September 22, 2015 (Legistar #15-1089): 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.

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.

March 19, 2019 (Legistar #19-0398): the Board received presentations from two new PACE providers and directed staff to prepare resolutions allowing their operation in El Dorado County.

FINANCIAL IMPACT

There is no direct financial impact to the County; however, some staff time is required to assist with the implementation and administration of the program. No county revenues or General Fund 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.

CLERK OF THE BOARD FOLLOW UP ACTIONS

Send four (4) fully-executed copies of the Resolution to Dividend Finance, LLC, Attn: Peter Grabell, 9330 Scranton Road, Suite 600, San Diego, CA 92121.

STRATEGIC PLAN COMPONENT

N/A

CONTACT

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