

**ALACHUA COUNTY
BOARD OF COUNTY COMMISSIONERS**

**Jack Durrance Auditorium, Room 209 2nd Floor 12 SE 1st Street
December 8, 2015 Regular BoCC Meeting
Agenda Item #40**

Title

Agreements with Property Assessed Clean Energy Providers

Amount

NA

Description

Final agreements, resolution and support documents to create a Property Assessed Clean Energy program in Alachua County for residential and commercial properties.

Recommendation

1. Approve and authorize the Chair to sign the Third Party Administered Interlocal Agreements, Resolution and other supporting documents to enact a Property Assessed Clean Energy program in Alachua County for residential and commercial properties. 2. Accept the finalized PACE Vendor Qualification Criteria, Rights and Responsibilities, and Truth in Lending Documents and direct staff to begin outreach and public education after vendors provides training and orientation of their programs.

Alternative(s)

Direct staff to continue evaluating and monitoring PACE in Florida, and modify the program parameters to include/exclude issues for residential and commercial properties.

Requested By

Sean McLendon, 374-5204

Originating Department

Public and Administrative Services

Attachment(s) Description

1. Interlocal Agreement Green Corridor PACE District 2. PACE Enabling Resolution 3. Policy and Procedural Framework for Vendors of PACE Administrative and Financing Services 4. PACE Truth in Lending Disclosures 5. Comparisons of PACE Administrators and Programs in Florida 6. Gainesville-Alachua County Association of REALTORS Letter of Concern 7. Exhibit A Incorporators ILA CEGC

Documents Requiring Action

1. Interlocal Agreement Green Corridor PACE District 2. PACE Enabling Resolution

Executive Summary

In September, the Board directed staff to finalize program parameters for a Property Assessed Clean Energy (PACE) program and bring back agreements from responsive vendors to enact PACE in Alachua County.

Background

At the September 22, 2015 meeting, the Board directed staff to negotiate qualifications criteria for third party administrators that strengthen truth in lending requirements and use State Statute as a baseline for equity and value limitation discussions. In addition, staff was directed to finalize negotiations with responsive Third Party Administrators (TPA)/ PACE vendors using those criteria, and bring back all relevant documents (including Interlocal Agreement, Resolution, and adjusted property owner documents) for Board approval. The attached agreements and related truth in lending requirements from responsive TPAs address these points. The agreements and enacting resolution enable Property Assessed Clean Energy (PACE) to be offered to property owners in Alachua County. The following parameters were used PACE finance will be managed by third party administrators for commercial and residential properties according to: (a) Countywide jurisdiction with the option for municipalities to opt out, (b) fiscal and legal viability of providers for Alachua County, (c) approval provisions of the lender, (d) the equity provision of the property, (e) credit approval methodology to identify risk and identify ways to mitigate risks and (f) total scope of services and projected uptake and benefits for the community. Throughout the process, the Property Appraiser, Tax Collector, Attorney's Office and community stakeholders have assisted staff in engaging with multiple vendors to create a model PACE program for Alachua County. That model PACE program is defined by the finalized qualifications criteria attached for the Board's acceptance and use for vetting future TPA PACE providers. For the coming year, staff will monitor the activity of the TPAs in anticipation of an evaluation report in November 2016. This report will review citizen satisfaction, vendor responsiveness. Based on the results of the report, staff will make recommendations with input from community stakeholders and vendors on how improve the protection of citizens' interest through adequate truth in lending requirements while balancing TPA flexibility in meeting those requirements.

Issues

Only one PACE entity has signed the County's interlocal agreement to date. Any future agreements will be brought back to the Board as they are signed. The Florida Supreme Court has ruled in favor of all three entities whose PACE-related bond validations were appealed. The decision affirms the ability of PACE providers to operate through interlocal agreements. As the conservator of mortgage lenders and purchasers, the Federal Housing Finance Agency has continued to release statements opposing PACE and has stated that it will pursue aggressive enforcement of these policies. Fannie Mae and Freddie Mac have continued to second FHFA's policy on PACE. If FHFA follows through on their threats, they may represent a significant logistical challenge to PACE across the nation. Recent statements by the Federal Housing Administration, HUD, and the White House are contradictory to FHFA and in support of PACE, but only affirm PACE only in a second-lien position, which no PACE providers in Florida utilize. While it does not appear that these regulatory agencies are working in concert, it may represent a significant step in creating a uniform acceptance of PACE at the Federal level.

Fiscal Recommendation

N/A

Fiscal Alternative(s)

N/A

Funding Sources

N/A

Account Code(s)

N/A

Attachment: [PACE resolution.pdf](#)

Attachment: [Interlocal Agreement Green Corridor PACE District.pdf](#)

Attachment: [GACAR Remaining Concerns 10 20 15 Final Draft.pdf](#)

Attachment: [Comparisons of PACE Admin and Programs in FL.pdf](#)

Attachment: [Policy and Procedural Framework.pdf](#)

Attachment: [Truth in Lending Disclosures.pdf](#)

Attachment: [Exhibit A Incorporators ILA CEGC.pdf](#)