

# **PACE:** **Property Assessed Clean Energy**

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## Outline

- **What Is Property Assessed Clean Energy (PACE) Financing?**
- **Sarasota County Actions**
- **City of Venice Consideration of PACE**
- **Discussion**



## What Is PACE?



### **Property Assessed Clean Energy (PACE):**

- **Allows commercial and residential property owners to finance energy or hurricane improvements via property tax assessment.**
- **Voluntary for property owners.**
- **Enabled:**
  - **State legislation in 2010;**
  - **Sarasota County program expected launch: Oct.**

The 2017 Florida Statutes

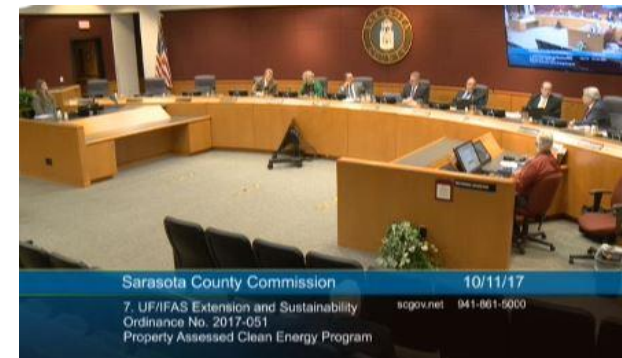
Title XI

COUNTY ORGANIZATION AND  
INTERGOVERNMENTAL RELATIONS

Chapter 163

INTERGOVERNMENTAL  
PROGRAMS

163.08 Supplemental authority for improvements to real property.—3



Sarasota County Commission 10/11/17  
7. UF/IFAS Extension and Sustainability scgov.net 941-861-5000  
Ordinance No. 2017-051  
Property Assessed Clean Energy Program

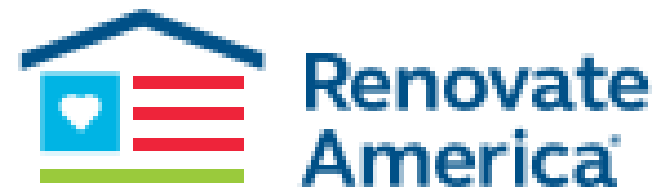


# What Is PACE?



## Property Assessed Clean Energy (PACE):

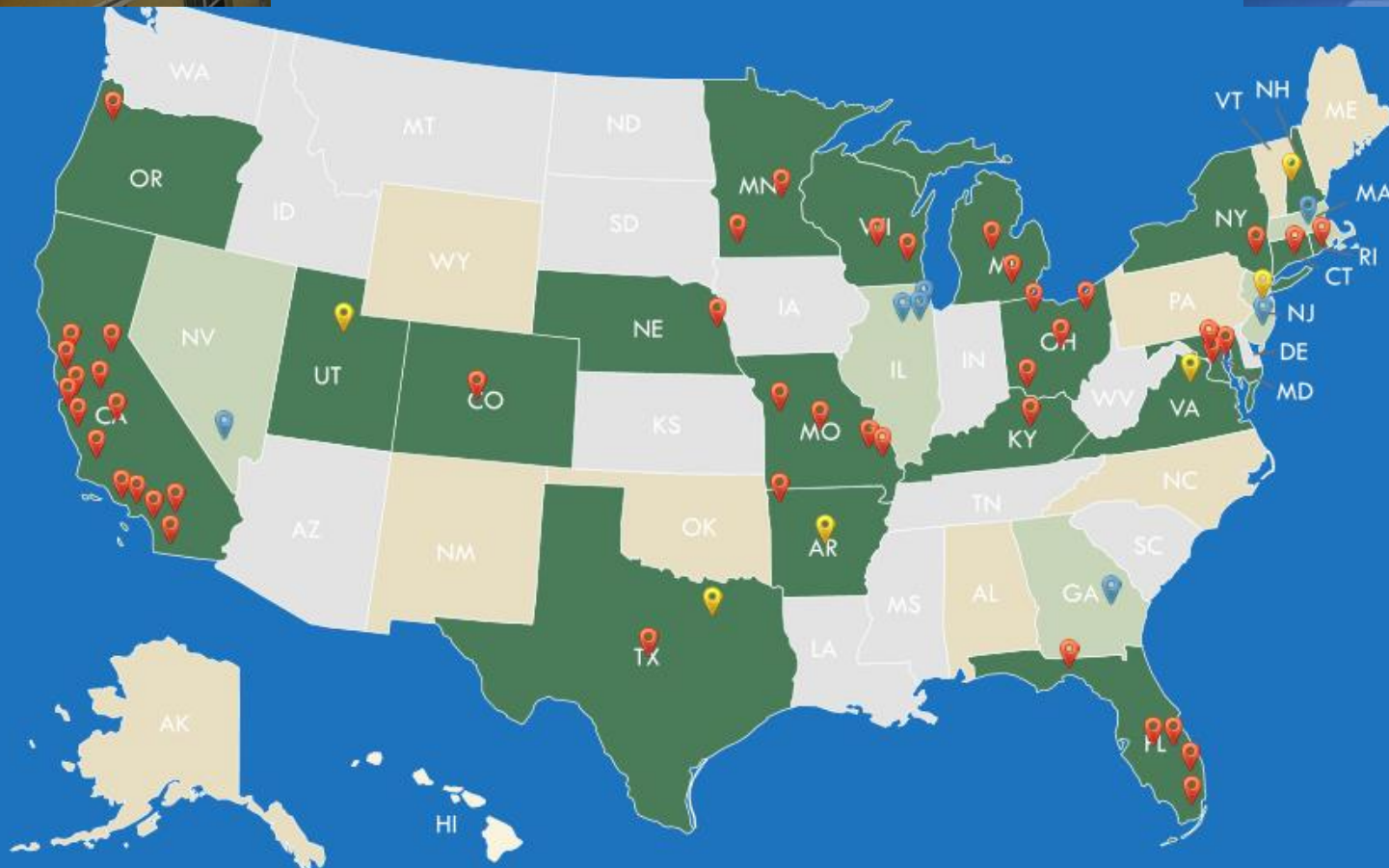
- **PACE Local Governments (PLGs):** issue bonds and finance projects.
- **Third Party Administrators (TPAs):** implement the program.



- **Nationally: 20 states, only 3 with residential**
- **Florida: PACE enabled in 20 plus counties.**



# What Is PACE?



Active program with  
funded projects



Launched PACE program



5

Program in  
development



PACE-enabled



## What Is PACE?



### What Qualifies for PACE:

#### Qualifying Improvements:

- **Energy Efficiency:** e.g. HVAC, insulation, lighting, pool pumps, EV charging stations
- **Renewable Energy:** e.g. Solar hot water or photovoltaic and storage
- **Wind Resistance:** roofing, shutters, windows, doors, generators





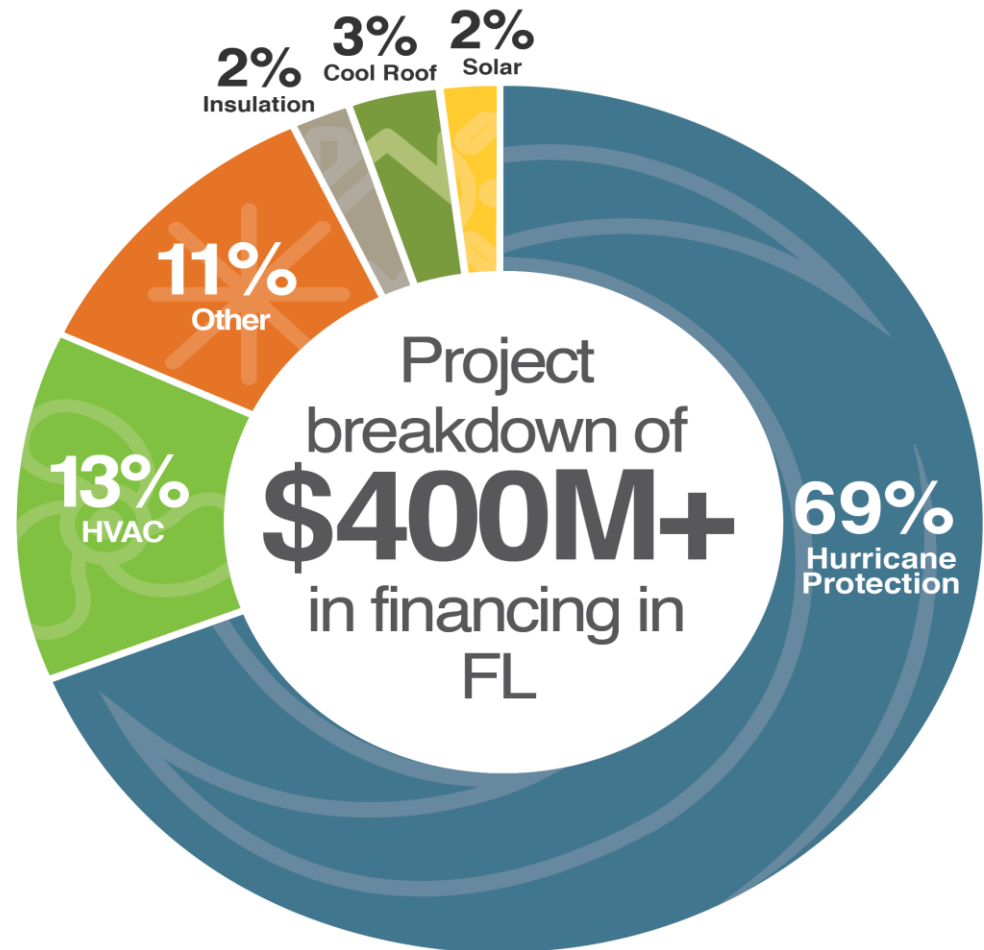


# What Is PACE?



## TYPES OF PROJECTS IN FL

**Most common:  
windows, roofs,  
HVAC**





## What Is PACE?

### How Will PACE Work?

- **Contractors: Get trained and approved to offer PACE financing to their customers.**
- **Property owners:**
  - **Get quotes for Qualifying Improvements from contractors**
  - **Research financing options from contractors, banks, etc... & decide what is best for them**
  - **If choose PACE, sign Financing Agreement. Contractor paid only after sign off.**
- **Repay once per year through non-ad valorem assessment on property taxes (or as escrow).**





## What Is PACE?



### **Benefits of PACE to Community**

- **Environmental protection & hurricane preparedness**
- **Possible increased property values**
- **Possible economic development**



## What Is PACE?

### **Benefits of PACE to Property Owner (potential)**

- **No up front costs**
- **Not based on credit**
- **Longer term**
- **Reduced utility or insurance costs**
- **Fixed interest rates**



## What Is PACE?



### **Limitations/ Risks of PACE**

- **Interest rates: 6-9% + fees**
  - Compare all financing options to find best fit
- **Qualifying does not guarantee ability to pay**
  - Individual responsibility
- **May affect sale or refinance of property**
- **Failure to pay may result in loss of property**



## **PACE in Sarasota County**

- **Discussions began in 2010**
- **Ordinance passed October 2017**
- **Interlocal Agreements with 4 PACE providers passed July 2018**
- **Provider agreements with Property Appraiser and Tax Collector completed December 2018**
- **Next Steps:**
  - **Cities/ Town opt-in to county program**
  - **Program launch and education workshops (~February 2019)**

## **Sarasota County PACE Policy**

- **Provides transparency and enforceability**
- **Incorporates best practices and DOE and industry guidance to address national concerns**
  - **Based on policies in Broward, Palm Beach and Miami Dade Counties**
- **Consumer Protections:**
  - **Disclosures to understand risks and terms**
  - **Customer service & complaint procedures**
  - **Contractor management and marketing standards**
  - **Additional qualifying criteria for residential**

## **Sarasota County PACE Policy**

### ***Who Qualifies for PACE?***

- **No: delinquent property taxes, involuntary liens, defaults, bankruptcy.**
- **Residential: Additional Requirements: 1 of following**
  - **Taxes and assessments less than 5% assessed value & PACE assessments less than 4% gross income**
  - **Mortgage holder consent or escrow**
  - **Assessment less than Savings**
  - **10% equity & mortgage + PACE less than just value**





## **PACE in City of Venice**

### **To opt in to Sarasota County's program, the City has:**

- 1. Localized template opt-in resolution**
- 2. Reviewed accompanying county documents that it references. Those include:**
  - Interlocal Agreements with each of 4 PACE Local Governments**
  - Indemnification Agreements with each of 4 Third Party Administrators**
  - PACE Ordinance 2017-051**
- 3. City Council consider the resolution**



## **PACE in City of Venice**



# **Roles for implementation**

## **County**

- **Educate residents on PACE and other financing tools**
- **Verify that the PACE Local Governments are following the ordinance**
- **Review metrics received to confirm public benefit & share results annually with municipalities**

## **City of Venice**

- **Review metrics provided by county**
- **Can opt out if needed**



## PACE in City of Venice



# Discussion and Questions