



Legislation Text

File #: 17-579, Version: 1

TO: Mayor and Commissioners
FROM: Caryn Gardner-Young, Assistant City Manager
THROUGH: Chief Neal de Jesus, Interim City Manager
DATE: July 18, 2017

RESOLUTION NO. 49-17 AUTHORIZING THE EXECUTION OF A NON-EXCLUSIVE INTERLOCAL AGREEMENT WITH THE FLORIDA PACE FUNDING AGENCY TO ADVANCE A PROPERTY ASSESSED CLEAN ENERGY PROGRAM ("PACE")

Recommended Action:

Motion to Approve Resolution No. 49-17 authorizing the execution of a non-exclusive Interlocal local agreement with the Florida PACE Funding Agency.

Background:

On May 4, 2017, the City of Delray Beach City Commission ("City") adopted a Property Assessed Clean Energy ordinance that promoted a multi-provider PACE program model and instituted certain disclosure requirements and protections for Delray Beach residents. Concurrently, the City Commission adopted resolutions that made the City party to the Florida Green Corridor Interlocal Agreement and reaffirmed our participation in the PACE program run by Renew Financial. At the conclusion of the discussion of this item, the Mayor requested that staff bring forward agreements to be members or subscribers to the other two large PACE provider districts in Florida as soon as possible.

Resolution No. 49-17 accepts and makes Delray Beach party to the Interlocal for the Florida PACE Funding Agency. The Florida PACE Funding Agency was created in June 2011 through an interlocal agreement between Flagler County and the City of Kissimmee, in accordance with Section 163.01, Florida Statutes, to facilitate the statewide implementation, planning, funding, marketing and management of PACE financing for residential and commercial property-owning constituents. Florida PACE Funding Agency, the interlocal district with the funding authority, works through Alliance NRG, as the Third-Party Administrator which markets and manages the program.

Florida PACE Funding Agency currently operates in 16 Florida counties on a countywide basis, in 10 cities, in the unincorporated areas of 6 additional Florida counties. Since inception, the program has funded approximately \$7.1 million in energy and wind mitigation work; 2.4 million worth of contracts were funded in the first quarter of 2017, and \$1.1 million in the month of May. This dollar volume is related to 335 assessments, of which 63% are improvement to windows and doors. Florida Pace Funding Agency currently works with 648 contractors state-wide, 156 provide residential work and 492 do work on commercial installation.

By approving this PACE provider, Delray Beach residents will have additional choices in selecting which company to use to obtain PACE financing. Each PACE organization has slightly different

contract terms, and greater choices allows residents to select a firm that best meets the needs of their project. Additionally, market competition tends to drive down costs associated with the program including the interest rates offered and the associated application and closing fees. At present Alliance NRG markets that they have the lowest fixed interest rate of 5.99% irrespective of the term of the payback period (all pay-back periods fully amortize the cost of the financing within the lifecycle of the improvements made).

City Attorney Review:

Approved as to form and legal sufficiency.

Finance Department Review:

Finance recommends approval.

Funding Source:

N/A

Timing of Request:

N/A