



COUNTY OF SAN DIEGO

BOARD OF SUPERVISORS

1600 PACIFIC HIGHWAY, ROOM 335, SAN DIEGO, CALIFORNIA 92101-2470

AGENDA ITEM

DATE: February 26, 2013

02

TO: Board of Supervisors

SUBJECT: EVALUATING PACE PROGRAMS (DISTRICTS: ALL)

SUMMARY

Overview

The Property Assessed Clean Energy (PACE) program is an innovative public-private funding mechanism that allows both residential and commercial property owners to obtain financing for renewable onsite energy generation installations and other energy efficient improvements to their properties. Projects such as rooftop solar or other green sustainability measures are financed through an assessment on their property tax bill.

Last September, the County of San Diego launched the PACE program for commercial properties only, since the Federal Housing Financing Administration (FHFA) had reaffirmed its position that effectively prohibited Fannie Mae and Freddie Mac from purchasing any mortgages subject to a first-lien PACE obligation.

Despite the FHFA ruling, some local governments such as Sonoma and Riverside Counties have decided to go forward with residential PACE programs.

Today's board letter directs the Chief Administrative Officer to review and analyze all PACE programs, both residential and commercial, that currently exist throughout the State of California. A side-by-side analysis of all programs shall be included with information regarding the various models, program vendors, fiscal impacts to the County and legal/financial risks to both the County and property owners. This information will provide the Board of Supervisors with information they need before considering any potential action to expand our current PACE program.

Recommendation(s)

VICE-CHAIRWOMAN DIANNE JACOB AND SUPERVISOR DAVE ROBERTS

1. Direct the Chief Administrative Officer to review and analyze all PACE programs, both residential and commercial, that currently exist and operate throughout the State of California. A side-by-side analysis of all programs shall be included with information regarding the various models, program vendors, fiscal impacts to the County and legal/financial risks to both the County and property owners.

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2. Direct the Chief Administrative Officer to report back to the Board within 120 days.

Fiscal Impact

There is no fiscal impact associated with this action.

Business Impact Statement

N/A

Advisory Board Statement

N/A

Background

The Property Assessed Clean Energy (PACE) program is an innovative public-private funding mechanism that allows both residential and commercial property owners to obtain financing for renewable onsite energy generation installations and other energy efficient improvements to their properties. Projects such as rooftop solar or other green sustainability measures are financed through an assessment on their property tax bill.

Last September, the County of San Diego launched the PACE program for commercial properties only, since the Federal Housing Financing Administration (FHFA) had reaffirmed its position that effectively prohibited Fannie Mae and Freddie Mac from purchasing any mortgages subject to a first-lien PACE obligation.

However, many San Diego County property owners would like to install onsite renewable energy generation systems, as well as other green improvements to their home to improve their energy efficiency, lower their electricity bills and achieve long-term sustainability. A residential PACE program would provide an attractive option to reach these goals.

Despite the FHFA ruling, some local governments such as Sonoma and Riverside Counties have decided to go forward with residential PACE programs.

The County's PACE program is through CaliforniaFIRST which is administered by Renewable Funding. Other PACE program models and providers also exist such as Ygrene Energy Fund, Renovate America's HERO program and Figtree. These programs offer a variety of models and funding options which gives consumers more choice.

Exploring other options under the PACE umbrella is an important first step. If the County expands the PACE program to include other vendors, it may significantly enhance the energy sustainability industry in San Diego County, creating more jobs and helping the local economy.

Today's board letter directs the Chief Administrative Officer to review and analyze all PACE programs, both residential and commercial, that currently exist throughout the State of California. A side-by-side analysis of all programs shall be included with information regarding the various models, program vendors, fiscal impacts to the County and legal/financial risks to both the County and property owners. This information will provide the Board of Supervisors

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Linkage to the County of San Diego Strategic Plan

N/A

Respectfully submitted,

DIANNE JACOB
Vice-Chairwoman, Second District

DAVE ROBERTS
Supervisor, Third District

ATTACHMENT(S)

N/A

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AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: Yes No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED

Yes No

PREVIOUS RELEVANT BOARD ACTIONS:

N/A

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

MANDATORY COMPLIANCE:

N/A

ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):

N/A

ORIGINATING DEPARTMENT: Vice-Chairwoman Dianne Jacob and Supervisor Dave Roberts

OTHER CONCURRENCE(S): N/A

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