



## Legislation Text

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File #: 17-403, Version: 1

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**TO: Mayor and Commissioners**  
**FROM: Dale Sugerman, Asst. City Manager/Acting Director of ESD**  
**THROUGH: Chief Neal de Jesus, Interim City Manager**  
**DATE: May 2, 2017**

ORDINANCE NO. 13-17: ESTABLISHING REQUIREMENTS FOR THE CITY OF DELRAY BEACH'S PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAM PROVIDING FOR MULTIPLE, NON-EXCLUSIVE PACE PROGRAMS IN ORDER TO ALLOW FOR THIRD-PARTY ADMINISTRATORS, EITHER FOR-PROFIT OR NOT-FOR-PROFIT, TO ADMINISTER THE PACE PROGRAM WITHIN THE CITY (SECOND READING)

**Recommended Action:**

Motion to Approve Ordinance No. 13-17 on second reading.

**Background:**

Property Assessed Clean Energy (PACE) was authorized by the Florida Legislature in 2010 through Section 163.08 F.S., in an effort to improve energy efficiency, incentivize installation of solar arrays, and increase storm resilience of Florida's built environment. Using PACE, property owners can implement a variety of 'qualifying improvements' including, but not limited to, the installation of energy efficient air conditioning systems, water heaters, insulation, impact resistant and insulated windows and doors, solar energy panels, and roof improvements that address energy efficiency and/or wind mitigation on homes and commercial buildings.

The Property Assessed Clean Energy (PACE) program in Delray Beach has been relatively dormant since inception in 2012. In order to adapt to changing market conditions and help ensure the program's success, staff recommends that the City Commission should take the following actions:

- (1) Adopt an ordinance that establishes guidelines for multiple, non-exclusive PACE programs providing PACE funding within the City and provides additional consumer protections for our residents;
- (2) Join the Second Amended Interlocal Agreement with Florida Green Finance Authority (the "Authority"), implemented through the RenewPACE qualifying improvements program, by adopting a resolution which provides that the original 2012 membership agreement is still in effect; and
- (3) Join the Interlocal Agreement that forms the Green Corridor PACE District, currently administered by Ygrene Energy Fund, Florida LLC., by entering into a membership agreement with the Green Corridor District.

Proposed Ordinance 13-17 addresses the changes in the PACE market. The proposed ordinance establishes that the City will have multiple PACE providers. It will require that current and future PACE providers that provide financing for property in Delray Beach have transparent and fair operating and marketing practices with clear disclosures to consumers. The proposed ordinance is similar to the ordinances adopted in Boynton Beach and West Palm Beach.

RenewPACE (fka Florida Green Energy Works) and Ygrene Energy Fund Florida, LLC have already adopted consumer protection and disclosure measures commensurate to those recommended by PACE Nation. Other companies entering the market may have different operating models. Adopting a local PACE ordinance will require any new PACE administrator to adhere to these nationally recognized business practices. The ordinance ensures that the City has taken steps to protect residents participating in the program and City Commission need not entertain joining other Interlocal Agreements that do not meet these requirements.

There are no costs to the City from the PACE program. The program allows the private sector to operate within the City's jurisdiction.

**City Attorney Review:**

Approved as to form and legal sufficiency.

**Finance Department Review:**

Finance recommends approval.

**Funding Source:**

N/A

**Timing of Request:**

Adopting these changes will help reenergize the Delray Beach PACE Program.