



Staff Report

File #: TMP-0207, **Version:** 1

MEETING DATE:

November 10, 2014

SUBJECT:

RESOLUTION NO. 2014-7998 - AUTHORIZING CALIFORNIAFIRST, A PROPERTY ASSESSED CLEAN ENERGY PROGRAM, TO OFFER ITS PROGRAM AND LEVY VOLUNTARY ASSESSMENTS THROUGH THE CALIFORNIA STATEWIDE COMMUNITY DEVELOPMENT AUTHORITY

Recommendation

ADOPT a resolution adding CaliforniaFIRST to the roster of approved Property Assessed Clean Energy (PACE) programs offered in the City, and authorize the California Statewide Community Development Authority to accept voluntary applications from San Marcos property owners and levy assessments.

Board or Commission Action

Not applicable

Relevant Council Strategic Theme

Quality of Life

Economic Development

Relevant Department Goal

Not applicable

Introduction

PACE programs allow local governments, via assessment and community financing districts, to offer energy and water sustainability loans to eligible property owners on a voluntary basis. These loans are placed as an assessment on the owner's property tax bill and paid back incrementally with the payment of their property taxes.

In April 2013, the City Council voted to join the California Enterprise Development Authority, a Joint Powers Authority created by the California Association for Local Economic Development, to make available certain PACE programs for City residents. The Council also authorized FIGTREE and HERO as approved PACE programs.

The CaliforniaFIRST program is an authorized PACE provider through the California Statewide Communities Development Authority (CSCDA), of which the City is already a member. The program currently operates in 17 counties and 167 cities in California. It has asked to provide another PACE program in San Marcos.

Discussion

During late 2012 and early 2013, the City reviewed various PACE programs in order to decide whether it wanted to make the financing available to property owners in San Marcos. In April 2013, the City Council approved the FIGTREE and HERO PACE programs.

Through CaliforniaFIRST, the CSCDA issues bonds to provide financing for private property owners that wish to install renewable energy, energy efficiency, and water efficiency improvements on their property and to repay the financing as an assessment on their property tax bill. It is available to property owners who have been current on their property tax bill for the last 12 months. They must also use a program approved contractor to make the improvements.

Interest rates on those improvements are generally higher than a typical commercial loan, around 7%, but are very similar to the other PACE programs in California. Some property owners prefer the PACE option because it allows the loan to be paid off over a longer term and with their property taxes. It also transfers to the new owners if the property is sold.

CaliforniaFIRST is currently operating in the following communities in the county: Carlsbad, Chula Vista, Coronado, El Cajon, Encinitas, Escondido, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, Solana Beach, and the unincorporated areas of San Diego County.

The CaliforniaFIRST program, if authorized by the Council, will give San Marcos property owners another option for consideration if they decide that PACE financing works for them.

Fiscal Impact

There is no fiscal impact to the City. As with the other PACE programs, the City would not be required to perform any tasks associated with CaliforniaFIRST in terms of property owners seeking financing. The City would not be involved in any aspect of the loan application, review, or collection process.

Attachment(s)

1. Resolution authorizing CaliforniaFIRST to offer PACE financing to San Marcos property owners through the California Statewide Communities Development Authority.
2. CaliforniaFIRST eligibility requirements and authorized energy improvements.

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