

Legislation Details (With Text)

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Title: California Municipal Financing Authority (CMFA) Presentation on the CMFA Open PACE Program
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City Council

MEETING DATE: 12/14/2016

TITLE:
California Municipal Financing Authority (CMFA) Presentation on the CMFA Open PACE Program

FROM:
Pat Milos, Community Development Director

RECOMMENDATION:
Staff recommends that the City Council receive a report, discuss and provide direction to staff.

BACKGROUND:
The CMFA is a Joint Powers Authority formed to assist local governments, non-profit organizations and businesses by promoting economic, cultural and community development, with the financing of economic development and charitable activities throughout California. To date, over 250 municipalities have become members of the CMFA.

As part of its economic and community development, the CMFA along with its current Program Administrators, Energy Efficient Equity, Inc.; BlueFlame PACE Services LLC; OnPACE Energy Solutions, LLC; and Structured Finance Associates, LLC; are offering PACE financing for residential and commercial property owners in its member territories. The CMFA is expected to issue limited

obligation bonds, notes or other forms of indebtedness to fund the projects.

PACE is an innovative way to finance energy efficiency, water efficiency, and renewable energy upgrades for residential and commercial buildings. Property owners who participate in the program repay the loans through a voluntary contractual assessment collected together with their property taxes. One of the most notable characteristics of PACE programs is that the loan is attached to the property rather than belonging to an individual. Therefore, when the owner sells the property, the loan may be paid off during the sale or stay with the property and be paid off by the new owner, who also benefits from the upgrades that were completed.

PACE financing enables individuals and businesses to defer the upfront costs of energy efficiency, water efficiency and renewable energy improvements. PACE loans are paid over a long period of time while energy costs are simultaneously lower, which typically provides the property owner with net savings. PACE overcomes challenges that have hindered adoption of energy efficiency and renewable energy measures for many property owners.

DISCUSSION:

Staff has determined that participation in this program is a cost effective means of offering property owners the opportunity to make energy and water efficiency retrofits to their property and create new local jobs. Property owners will repay the financing as a charge on their property tax bill over a period of years

FISCAL IMPACT:

There are no direct fiscal impacts related to this action

ATTACHMENTS:

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