



## **CITY OF BELLE ISLE, FLORIDA CITY COUNCIL AGENDA ITEM COVER SHEET**

**Meeting Date:** December 7, 2021

**To:** Honorable Mayor and City Council Members

**From:** B. Francis, City Manager

**Subject:** Ordinance 21-16 Property Assessed Clean Energy (PACE) Program (1<sup>st</sup> Reading)

**Background:** At the November 16, 2021 Council meeting, the Council discussed the Property Assessed Clean Energy (PACE) Program which would assist in funding eligible renovations in Belle Isle homes. Over 200 cities and towns in Florida have a PACE Program. In Orange County, Orlando, Apopka, Winter Garden and Winter Park have PACE Programs. PACE is NOT a City Program and PACE programs are not subsidized with City funds.

The Council direction was to move forward with establishing a PACE Program in the City. The City Attorney drafted the proposed ordinance to establish the program.

### **What is PACE?**

PACE is a long term, fixed rate source of financing that allows homeowners to do energy conservation and hurricane hardening improvements to their property. Property owners can use PACE financing to cover 100% of the costs involved in installing eligible projects, including all related equipment, materials and labor. Eligible improvements include energy efficiency, water conservation, renewable energy generation, and resiliency upgrades. A few examples include: air conditioners, roofs, windows/doors, water heaters, solar panels, pool heaters, hurricane shutters, and generators.

Property owners pay back the financing for PACE improvements through a special (non-ad valorem) assessment that is added to their property tax bill each year. Property owners repay the special assessment for an agreed upon term (usually the useful life of the improvements) and the interest rates are fixed. There are no adjustments to interest rates, balloon payments, and PACE assessments can be prepaid at any time. PACE can make it easy for property owners to make improvements to their home by eliminating upfront cash payments and providing competitive interest rates spread out over time.

### **What are some improvements that can be made with PACE financing?**

PACE can be used to fund energy efficiency improvements, wind resistance measures and renewable electricity generation including, but not limited to, solar water heating systems; air sealing and ventilation systems; efficient doors and windows; insulation; "cool" roofs; water

heaters; pool pumps; lighting fixtures and controls; storm shutters; wind resistant shingles; high impact windows and doors; photovoltaic systems; EV charging stations; and small wind turbines.

**Staff Recommendation:** Move the ordinance to a second reading at the next scheduled Council Meeting.

**Suggested Motion:** I move we read Ordinance 21-16 at the January 4, 2022 Council Meeting.

**Alternatives:** Do not establish a PACE Program.

**Fiscal Impact:** None to the City as this is not a City program

**Attachments:** Ordinance 21-16