



COUNTY LEGAL

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STAFF REPORT

TO: BOCC
FROM: County Legal
DATE: December 10, 2021
RE: C-PACE

Following the Board meeting on December 6th, I reached out to Benton County and the City of Corvallis. Neither is adopting a jurisdiction-specific C-PACE program.

Benton County and the City of Corvallis have determined that a single statewide program would be much more efficient, providing more financing opportunities, allowing more people to use the program, and reducing costs with a single administrator. Ongoing efforts (minimal according to County Counsel) are directed at participating in a statewide program.

I also reached out to Michael Yaki, SVP and Sr. Counsel for Petros Pace Finance. He is not a proponent of the statewide approach, telling me: "If there are property owners who would be ready to utilize CPACE in short order, the time that would be required to put together a statewide program administrator (ie, who would it be, under what criteria, and what would be the criteria of a program) are time consuming and expensive (and explains the high fees often associated with such entities to recover costs)."

Mr. Yaki prefers local programs, telling me: "The program docs I put together for communities, such as those in Washington state and others, are tailored to reduce the administrative burden on local governments. In our experience, the set up is minimal (enactment of an ordinance) and designation of an official to review and approve an application. The application itself is simplified to be a "check the box" review. For example, a fairly complicated transaction that would result in \$19M in CPACE financing was approved in a few hours of review. In return, to compensate the locality for the time and effort spent reviewing the ordinance and documents, a processing fee of 1% of the amount financed, capped at \$15k, is often a reasonable exchange."

Mr. Yaki has promised to send me a packet of documents to review by early January. In addition, on the issue of default/foreclosure he shared this: "Only the delinquent installments are subject to foreclosure, not the balance which runs with the land. Since lender consent is required, the likelihood that the lender will step in to cure is high and avoid foreclosure. Nationwide out of 1500+ high value (over \$1M) there has been 1 default and no foreclosures."