



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
REGULAR MEETING

#18-0022

TO: Honorable Mayor & Members of the
Fort Lauderdale City Commission

FROM: Lee R. Feldman, ICMA-CM, City Manager

DATE: January 23, 2018

TITLE: Resolution to Join the Florida Resiliency and Energy District for
Administration of a Property Assessed Clean Energy (PACE) Program,
HERO Program

Recommendation

It is recommended that the City Commission adopt a resolution (Exhibit 1) to join the Florida Resiliency and Energy District and participate in the HERO program for the purpose of establishing a Property Assessed Clean Energy (PACE) program within the City and authorize the City Manager to enter into a Party Membership Agreement (Exhibit 2) to execute same.

Background

In 2010, the Florida Legislature adopted HB 7179 (Section 163.08, F.S.), which allows local governments to create Property Assessed Clean Energy (PACE) programs in order to provide the upfront financing for energy conservation and efficiency (e.g., energy-efficient heating, cooling, or ventilation systems), renewable energy (e.g., solar panels), wind resistance (e.g., impact resistant windows) and other improvements that are consistent with state law. PACE programs assist residents and business owners in reducing their carbon footprint and energy costs and also assist in stimulating the local economy through creating construction jobs.

PACE programs work as follows: Local government establishes or participates in a program to fund the up-front cost of energy efficiency, renewable energy, and wind resistance improvements on private property. Improvements are secured by the property itself. The estimated utility costs savings of the improvements can be used by the participating property owners to support payment annually as a voluntary non-ad valorem assessment on their property tax bill. Debts incurred through this financing program are tied to the property and are transferred to the new owner should the property be sold. In order to qualify, property taxes must have not have been delinquent for the preceding three years and the improvements may not exceed 20% of the just value of the property as determined by the county property appraiser (unless certain conditions are met).

Currently, the City participates in three PACE programs. On March 1, 2016, the City Commission adopted Resolution No. 16-40 (CAM 16-0133) creating a property assessed clean energy (PACE) program by joining the Ygrene Energy Fund Florida in order to participate in the Clean Energy Green Corridor program. On June 21, 2016, the City Commission adopted Resolution No. 16-100 (CAM 16-0614) joining the Florida PACE Funding Agency in order to participate in the Florida PACE Funding Agency Program. On February 7, 2017, the City Commission adopted Resolution No. 17-22 (CAM 17-0017) joining the Florida Green Finance Authority in order to participate in the RenewPACE Program. To expand options for PACE funding available in the City, it is now recommended that the City resolve to join the HERO Program administered by the Florida Resiliency and Energy District (Exhibit 1). By joining the HERO Program, the City will provide its neighbors and business community four program options and increased market competition. The City's existing PACE agreements do not preclude participation in the other PACE programs.

The Florida Resiliency and Energy District (Exhibit 2) was created in September 2016 through an interlocal agreement between the Town of Lake Clarke Shores, the City of Fernandina Beach, and the Florida Development Finance Corporation (FDFC). In partnership with FDFC, Renovate America offers HERO financing to over 2 million Florida homeowners across more than 70 communities. Since HERO launched five years ago, over 110,000 homeowners across the country have used HERO to finance more than \$2.7 billion in energy and efficiency improvements. As of November 10, 2017 in Florida, the HERO program had approved 194 of 298 applications submitted and funded \$455,000 in projects. HERO currently offers fixed interest rates as low as 2.99 percent and utilizes a level of consumer protections which go beyond those found with other forms of home-improvement financing.

Resource Impact

The adoption of this resolution has no direct fiscal impact on the City of Fort Lauderdale.

Strategic Connection

This item is a Press Play Fort Lauderdale Strategic Plan 2018 initiative, included within the Infrastructure Cylinder of Excellence, specifically advancing:

- Goal 2: Be a sustainable and resilient community.
- Objective 5: Improve air and water quality and our natural environment.

And with the Business Development Cylinder of Excellence, specifically advancing:

- Goal 7: Be a well-positioned City within the global economic and tourism markets of the South Florida region, leveraging airports, ports and rail connections
- Objective 2: Facilitate a responsive and proactive business climate.

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We Are Ready and We are Prosperous.*

Attachments

Exhibit 1 – Resolution to Join the Florida Resiliency and Energy District

Exhibit 2 – Party Membership Agreement to the Florida Resiliency and Energy District

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