

**MOTION BY SUPERVISOR MARK RIDLEY-THOMAS**

**OCTOBER 11, 2016**

**Enhancing the Property Assessed Clean Energy Program**

The County of Los Angeles (County) launched a Residential Property Assessed Clean Energy (PACE) Program in June 2015 that is now operational in 87 participating cities and County unincorporated areas. The PACE Program provides an accessible strategy for financing renewable energy and energy efficiency projects; property owners receive financing for projects by entering into voluntary contractual assessments where the costs are paid through the property owner’s property tax bill. Since its launch, the PACE Program has already exceeded expectations. Through September 2016, 20,000 applications have been approved representing an investment of over \$520 million into the County’s clean economy. Completed projects are estimated to save over 1.5 billion kilowatt-hours of energy and 1.3 billion gallons of water, over the life of the projects.

On March 22, 2016, aware that some cities had entered into their own PACE-related contracts that were not subject to stringent consumer protection requirements, the Board of Supervisors directed the Chief Deputy of the Internal Services Department (ISD) and the Treasurer and Tax Collector (TTC) to report back to the Board of Supervisors (Board) on a strategy to expand the County's Residential PACE Program, with the goal of ensuring all PACE providers operating throughout the County maximize consumer protection measures, and contractor compliance and accountability.

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RIDLEY-THOMAS \_\_\_\_\_

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In their report dated August 3, 2016, ISD and the TTC identified two recommendations for the Board's consideration. First, they recommended an expansion of the number of PACE Program Administrators in the County's PACE Program through a Request for Statement of Qualifications in order to allow additional qualified program administrators to participate.

In addition, ISD and TTC identified technical changes to the PACE Program that merit consideration. When the County first established the PACE Program, pursuant to the legal framework authorized by AB 811, projects eligible for financing were limited to energy and water efficiency improvements. Subsequent changes to State law expanded the projects eligible for financing to include seismic strengthening improvements and electric vehicle charging infrastructure improvements (Streets and Highways Code section 5899, Stats. 2011, Ch. 28, and Section 5899.3, Stats. 2010, Ch. 649). In addition, a public agency owning property is now authorized by State Law to levy a contractual assessment against a leasehold or possessory interest in that property.

Since the County's PACE Program initiation, other PACE Programs have begun operating across the County that offer these additional services. A large number of cities in the County have opted into those other PACE Programs in order to make those additional services available to property owners in their jurisdictions. Expanding the County's PACE Program to include these services will provide additional PACE Program services to all property owners in the County while assuring consistent consumer protections and home contractor management.

**I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:**

1. Direct the Chief Deputy of the Internal Services Department and the Treasurer and Tax Collector, in coordination with County Counsel, to expand the County of Los Angeles Property Assessed Clean Energy (PACE) Program, including both

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residential and commercial projects, to include all improvements eligible for PACE financing consistent with California State Law; and

2. Direct the Chief Deputy of the Internal Services Department to prepare and release a Request for Statement of Qualifications, and return to the Board of Supervisors within 180 days with a form Master Agreement of PACE Program Administrators that can be updated at the Director's discretion in order to bring qualified administrators into the County's PACE Program that maximizes consumer protection, and promotes a high level of contractor compliance and accountability in the administration of countywide PACE Programs.

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(KK/DJ)