

INTRODUCED: March 14, 2016

A RESOLUTION No. 2016-R020

As Amended

To request the Chief Administrative Officer to develop a loan program for clean energy projects for the purpose of creating a financing tool for property owners to invest in clean energy projects.

Patron – Mr. Agelasto

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: MAR 28 2016 AT 6 P.M.

WHEREAS, the Council believes that the city of Richmond is a city with older, mixed housing and commercial stock that could significantly benefit from energy efficiency improvements; and

WHEREAS, a property assessed clean energy loan program is a mechanism through which the loans may be provided to free and willing property owners to acquire and install renewable energy production and distribution facilities, energy usage efficiency improvements, or water usage efficiency improvements; and

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: MAR 28 2016 REJECTED: _____ STRICKEN: _____

WHEREAS, section 15.2-958.3 of the Code of Virginia (1950), as amended, authorizes localities to establish property assessed clean energy loan programs for the purpose of assisting entities, organizations and individuals with loans as a means to finance the high upfront costs associated with improving energy efficiency and installing renewable energy systems in homes and businesses; and

WHEREAS, the Council of the City of Richmond believes that it would be in the best interest of the citizens of the City of Richmond to adopt an ordinance establishing a property assessed clean energy loan program for the purpose of providing loans to free and willing property owners to finance the acquisition and installation of renewable energy production and distribution facilities, energy usage efficiency improvements, and water usage efficiency improvements as authorized by section 15.2-958.3 of the Code of Virginia (1950), as amended;

NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF RICHMOND:

That the Chief Administrative Officer hereby is requested to cause the preparation and submission to the Council of a [~~proposed ordinance~~] proposal, including a fiscal impact study, that contains the Chief Administrative Officer's recommendations for the implementation of a property assessed clean energy loan program for the City of Richmond addressing the sorts of facilities and improvements that the program will finance, the funding sources proposed to be used to make the loans, the terms and conditions applicable to the loans, and any other matters required to be addressed pursuant to section 15.2-958.3 of the Code of Virginia (1950), as amended, or recommended to be addressed in any financial underwriting guidelines developed by the Virginia Department of Mines, Minerals and Energy pursuant to clause 2 of Chapters 389 and 427 of the 2015 Acts of Assembly of Virginia by no later than January 31, 2017.



Richmond City Council

The Voice of the People

Richmond, Virginia

Office of the Council Chief of Staff

Ordinance/Resolution Request

TO Allen Jackson, Richmond City Attorney
Richmond Office of the City Attorney

THROUGH Lou Brown Ali *LB*
Council Chief of Staff

FROM Meghan Brown, Council Budget Analyst *MLB*

COPY Mr. Parker C. Agelasto, 5th District Council Member
Haskell Brown, Deputy City Attorney
Vincent Jones, Deputy Council Chief of Staff *V. Jones*
Ida I. Jones, 5th District Liaison

DATE March 4, 2016

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TITLE Requesting the Administration to Develop a PACE Program

RECEIVED
MAR 04 2016
OFFICE OF CITY ATTORNEY

This is a request for the drafting of an **Ordinance** **Resolution**

REQUESTING COUNCILMEMBER/PATRON

Councilman Agelasto

SUGGESTED STANDING COMMITTEE

Finance and Economic Development

ORDINANCE/RESOLUTION SUMMARY

The patron has asked for a resolution to request that the Chief Administrative Officer or designee develop a Property Assessed Clean Energy (PACE) Program.

BACKGROUND

Code of Virginia §15.2-958.3 grants localities the authority to develop a Property Assessed Clean Energy (PACE) Loan Program. A PACE program is a financing tool for local governments to encourage investment in clean energy projects. The PACE Loan Program is a program developed by localities to finance energy and water efficiency and renewable energy projects for residential and commercial buildings. The concept of a PACE program is that local governments provide loans to public entities, private organizations or individuals to invest in energy and water efficiency and renewable energy projects on their respective property. Those entities, organizations and individuals who borrowed the funding repay the loans back to the localities through a repayment method the localities choose, such as, property tax assessments, extra charges on water and sewer bills, or other billing methods. When developing a PACE program the locality must determine which improvement projects are allowed, establish a funding source for the loans, determine the terms of the loans, including interest rates and repayment terms and methods.

A significant challenge to homeowners or businesses for improving energy efficiency or installing renewable energy systems is the high up-front costs. A PACE Loan Program allows for entities, organizations and individuals to get 100% upfront funding to complete the project and realize the benefits or the improvements immediately. A PACE program has many benefits some of which include:

- Promotes energy efficiency
- Reduces energy costs for residents and businesses
- Helps to create jobs and spurs local economic development
- Reducing the City's carbon footprint

The patron believes a PACE Loan Program needs to be developed for the City of Richmond and is requesting the Administration to move forward with developing such a program for the use by individual, entities and organizations throughout the City. The City of Richmond is an older city, with a mixed housing stock that could significantly benefit from energy efficiency improvements and a PACE program is a mechanism that can be used to materialize these benefits for the City of Richmond and its residents.

FISCAL IMPACT STATEMENT

Fiscal Impact Yes No

Budget Amendment Required Yes No

Fiscal Summary: There will be a fiscal impact from the development of a PACE Loan Program. Until the specific elements of the program are developed the exact fiscal impact is unknown. A funding source will also have to be identified for the program which will be determined during the development process. The patron encourages the City to seek non-general fund dollars, first, to implement the program.

Attachment/s Yes No

Richmond City Council Ordinance/Resolution Request Form/updated 10.5.2012 /ss