



CITY OF RICHMOND

INTRACITY CORRESPONDENCE

ADMINISTRATIVE IMPACT STATEMENT

Date: 10/14/19

Ordinance/Resolution No. 2019-249: [establish a commercial property assessed clean energy program]

Patron: Larson

Legislative History: Introduced September 9, 2019

Administrative Staff Presenting:
Alicia Zatcoff, Sustainability Manager

Impact Statement Summary: [*One sentence summarizing impact*]
To establish a commercial property assessed clean energy program

Staff Position: [*Support, oppose, further discussion needed*]
Oppose. Further discussion needed.

Administrative Impact Statement of draft Ordinance/Resolution No. 2019-249:

- The Department of Mines, Minerals and Energy is developing a legislative proposal for the 2020 General Assembly to grant it authority for a statewide PACE program with opt-in for localities.
- A statewide program as compared to Ord. No. 2019-249 would positively impact city budget, costs and staffing; city services and efficiencies; project timelines; and existing projects and is the strongly recommended course of action for these reasons:
 - Make program development and adoption as streamlined and inexpensive as possible
 - Shorten program development and implementation timelines
 - Reduce administrative burden and resources required
 - Provide uniform and streamlined underwriting procedures and standardize documentation
 - Lower program loan fees

- Increase deal flow and approval rates
- Increase market awareness of PACE
- Accelerate adoption and growth
- Create consistency and simplicity in all aspects of PACE program.
- Ord. No. 2019-249 impacts city services and efficiencies because:
 - it prescribes the city to one particular model for establishing its PACE program and that is not necessarily the best model; and
 - there are a number of troublesome provisions that require revisions:
 - 11-192: Qualifying improvements
 - 11-194: Program arrangements
 - 11-195: Loan agreements
 - 11-196: Voluntary Special Assessment
 - 11-197: Limitation of Liability
- The ordinance impacts project timelines because the effective date does not provide adequate time to develop administrative procedures or conduct a procurement process for a third party program administrator should the city decide to do so.
- The ordinance impacts existing projects because a C-PACE program is one of the potential strategies to be included in the comprehensive RVAgreen 2050 climate action planning process that launches in early 2020 and it is not a separate one-off strategy.
- The fiscal impact of the ordinance is not accurately stated.
- The ordinance impacts budget, costs and staffing because it fails to provide for funding to pay for additional staff to support a new PACE program. In the 2016 City Administration Report submitted per Resolution 2016-R20, the Administration’s recommendation called for:
 - 1 new FTE-procurement process, program development and implementation, city code development, inter-agency coordination, etc.
 - 1 new FTE-educate city staff, educate and work with potential PACE customers, community outreach, etc.
 - \$25,000 annual funding for education and community outreach
 - Conduct a procurement process to select a third-party program administrator

Description	Estimated Impact in \$
1 new FTE	\$83,000 annually + benefits
1 new FTE	\$70,000 annually + benefits
Program funding	\$25,000 annually