

1 Introduced by Council Member Arias:
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4 **ORDINANCE 2025-286-W**

5 AN ORDINANCE AUTHORIZING A PROPERTY ASSESSED
6 CLEAN ENERGY PROGRAM FOR LIMITED OPERATION
7 WITHIN THE CORPORATE LIMITS OF THE CITY OF
8 JACKSONVILLE; APPROVING INTERLOCAL AGREEMENT
9 WITH THE FLORIDA GREEN FINANCE AUTHORITY
10 UTILIZING VOLUNTARY NON-AD VALOREM ASSESSMENTS
11 TO FINANCE QUALIFYING IMPROVEMENTS; AUTHORIZING
12 THE MAYOR, OR HER DESIGNEE, AND THE CORPORATION
13 SECRETARY TO EXECUTE AND DELIVER ON BEHALF OF
14 THE CITY THE INTERLOCAL AGREEMENT FOR THE
15 PROPERTY ASSESSED CLEAN ENERGY PROGRAM;
16 PROVIDING FOR OVERSIGHT BY THE FINANCE
17 DEPARTMENT; PROVIDING FOR PROGRAM REQUIREMENTS;
18 AND PROVIDING FOR CONFLICTS, SEVERABILITY, AND
19 EFFECTIVE DATE.
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21 **WHEREAS,** Sections 163.08 and 163.087, *Florida Statutes* ("PACE
22 Statute") as may be amended from time to time, authorize counties,
23 municipalities and certain separate local governments ("Local
24 Government") to establish and administer financing programs pursuant
25 to which owners of residential and commercial real property may obtain
26 funding for, among others, flood and water damage mitigation and
27 resiliency, sewerage system improvements, energy efficiency,
28 renewable energy and wind resistance improvements (as referred to
29 therein, the "Qualifying Improvements"), and repay such funding
30 through voluntary special assessments, sometimes referred to as non-
31 ad valorem assessments ("Special Assessments"), levied upon the

1 improved property pursuant to financing agreements between the
2 property owner thereof and a program administrator (the "Financing
3 Agreements"); and

4 **WHEREAS**, the Florida Green Finance Authority ("Program
5 Administrator") is currently a separate legal entity and unit of
6 Local Government within the State of Florida which was established
7 by separate interlocal agreement for the express purpose of providing
8 a scalable platform to facilitate the financing of Qualifying
9 Improvements throughout Florida pursuant to the PACE Statute ("PACE
10 Program"); and

11 **WHEREAS**, pursuant to the PACE Statute, local governments may
12 enter into agreements with other program administrators for the
13 purpose of providing and financing Qualifying Improvements; and

14 **WHEREAS**, pursuant to the PACE Statute, the Program Administrator
15 is authorized to finance Qualifying Improvements to residential
16 property, defined as real property zoned as residential and composed
17 of four or fewer dwelling units ("Residential Property"), and

18 **WHEREAS**, the installation of Qualifying Improvements may, among
19 others, increase energy efficiency, reduce homeowners insurance
20 premiums, improve waste systems and improve the wind resistance of
21 existing structures within the City of Jacksonville thereby reducing
22 the burdens from energy costs, increasing resiliency against
23 inclement weather events and contributing to the local economy by
24 cost savings to residential property owners, enhancing property
25 values and increasing job opportunities; and

26 **WHEREAS**, existing financing options may be insufficient for
27 property owners to access cost-effective financing for Qualifying
28 Improvements due to requirements associated with traditional debt or
29 equity financing options; and

30 **WHEREAS**, the PACE Statute authorizes the financing, levy and
31 collection process to implement PACE Programs without cost to or

1 assumption of liability by, or demand upon the credit of the City of
2 Jacksonville; and

3 **WHEREAS**, the City of Jacksonville can authorize and approve a
4 non-exclusive arrangement with the Program Administrator to make
5 funding for Qualified Improvements immediately available to support
6 residential property owners; now therefore

7 **BE IT ORDAINED** by the Council of the City of Jacksonville:

8 **Section 1. Legislative Findings and Intent.** The foregoing
9 recitals are incorporated in this Ordinance as if fully set forth
10 herein and are approved and adopted. The City Council has complied
11 with all requirements and procedures of Florida law in processing and
12 noticing this Ordinance.

13 **Section 2. Limited Authorization of the Operation of the**
14 **Residential PACE Program.** This Ordinance authorizes Florida Green
15 Finance Authority, Program Administrator, to administer non-exclusive
16 PACE Programs for Residential Property within the first urban services
17 district of the City of Jacksonville subject to and in accordance
18 with the requirements of the PACE Statute, this Ordinance and the
19 Interlocal Agreement, as attached hereto as **Exhibit 1**.

20 **Section 3. Approval and Authorization to Execute.** There is
21 hereby approved, and the Mayor, or her designee, and the Corporation
22 Secretary are hereby authorized to execute and deliver on behalf of
23 the City an interlocal agreement, **Exhibit 1**, with Florida Green
24 Finance Authority, and all other contracts and documents, including
25 extensions, renewals and amendments to the interlocal agreement, and
26 to otherwise take all action necessary to effectuate the intent of
27 this Ordinance, subject to appropriate legal review and approval by
28 the General Counsel, or his or her designee, and the City's Risk
29 Management Division for appropriate insurance and indemnification
30 requirements in accordance with Section 128.601, *Ordinance Code*.

31 **Section 4. Oversight Department.** The Finance Department

1 shall oversee the project described herein.

2 **Section 5. Program Requirements for Residential PACE.** The PACE
3 Program to be offered by the Program Administrator will be
4 administered in accordance with the PACE Statute which includes, but
5 is not limited to, the following requirements for Residential
6 Properties:

7 (a) Financing requirements: Before entering into a Finance
8 Agreement with a property owner, the Program Administrator, or its
9 third-party administrator, as that term is defined by the PACE
10 Statute, must make the following findings from a commercially accepted
11 source and the property owner's statements, records and credit
12 reports:

13 (1) There are sufficient resources to complete the
14 Qualifying Improvement project.

15 (2) The total amount of any non-ad valorem assessment for
16 a Residential Property under the PACE Statute does not
17 exceed 20 percent of the just value of the property as
18 determined by the property appraiser.

19 (3) The Financing Agreement does not utilize a negative
20 amortization schedule, a balloon payment, or
21 prepayment fees or fines other than a nominal
22 administrative costs.

23 (4) All property taxes and any other assessments, including
24 non-ad valorem assessments, levied on the same bill as
25 the property taxes are current and have not been
26 delinquent for the preceding three years, or the
27 property owner's period of ownership, whichever is
28 less.

29 (5) There are no outstanding fines or fees related to
30 zoning or code enforcement violations issued by a
31 county or municipality, unless the qualifying

- improvement will remedy the zoning or code violation.
- (6) There are no involuntary liens, including, but not limited to, construction liens on the Residential Property.
- (7) There are no notices of default or other evidence of property-based debt delinquency have been recorded and not released during the preceding three years or the property owner's period of ownership, whichever is less.
- (8) The property owner is current on all mortgage debt on the Residential Property.
- (9) The property owner has not been subject to a bankruptcy proceeding within the last five years unless it was discharged or dismissed more than two years before the date on which the property owner applied for financing.
- (10) The Residential Property is not subject to an existing home equity conversion mortgage or reverse mortgage product.
- (11) The Financing Agreement does not exceed the weighted average useful life of the qualified improvements to which the greatest portion of funds disbursed under the assessment contract is attributable, not to exceed 20 years.
- (12) The total estimated annual payment amount for all financing agreements entered into under this section on the Residential Property does not exceed ten percent of the property owner's annual household income.
- (13) If the qualifying improvement is for the conversion of an onsite sewage treatment and disposal system to a central sewerage system, the property owner has

1 utilized all available local government funding for
2 such conversions and is unable to obtain financing for
3 the improvement on more favorable terms through a
4 local government program designed to support such
5 conversions.

6 (14) Whether there are any current financing agreements on
7 the Residential Property, or if the property owner has
8 obtained or sought to obtain additional Qualifying
9 Improvements on the same property that have not been
10 recorded.

11 (15) The total cost of the Qualifying Improvement,
12 including program fees and interest, is greater than
13 \$2,500.

14 (16) The buildings or facilities are not under new
15 construction or construction for which a certificate
16 of occupancy or similar evidence of substantial
17 completion of new construction or improvement has not
18 been issued.

19 (b). Disclosures: In addition to the requirements imposed in
20 subsection (a), the Program Administrator must provide, including via
21 electronic means, a written financing estimate and disclosure to the
22 property owner which includes all of the following, each of which
23 must be individually acknowledged in writing by the property owner:

24 (1) The estimated total amount to be financed, including the
25 total and itemized cost of the qualifying improvement,
26 program fees, and capitalized interest.

27 (2) The estimated annual non-ad valorem assessment.

28 (3) The term of the financing agreement and the schedule for
29 the non-ad valorem assessments.

30 (4) The interest charged and estimated annual percentage
31 rate.

- (5) A description of the qualifying improvement(s).
- (6) The total estimated annual costs that will be required to be paid under the assessment contract, including program fees.
- (7) The total estimated average monthly equivalent amount of funds that would need to be saved in order to pay the annual costs of the non-ad valorem assessment including program fees.
- (8) The estimated due date of the first payment that includes the non-ad valorem assessment.
- (9) A disclosure that the financing agreement may be canceled within 3 business days after signing the financing agreement without any financial penalty for doing so.
- (10) A disclosure that the property owner may repay any remaining amount owed, at any time, without penalty or imposition of additional prepayment fees or fines other than nominal administrative costs.
- (11) A disclosure that if the property owner sells or refinances the residential property, the property owner may be required by a mortgage lender to pay off the full amount owed under the financing agreement.
- (12) A disclosure that the assessment will be collected along with the property owner's property taxes, and will result in a lien on the property from the date the financing agreement is recorded.
- (13) A disclosure that potential utility or insurance savings are not guaranteed, and will not reduce the assessment amount.
- (14) A disclosure that failure to pay the assessment may result in penalties, fees, including attorney fees,

1 court costs, and the issuance of a tax certificate that
2 could result in the property owner losing the property
3 and a judgment against the property owner, and may
4 affect the property owner's credit rating.

5 (c). Recorded confirmation telephone call. Prior to the
6 financing agreement being approved, the Program Administrator must
7 conduct an oral, recorded telephone call with the property owner
8 during which the Program Administrator must confirm each finding or
9 disclosure required in subsections (a) and (b) of this Section 4.

10 **Section 6. Conflict and Severability.** Any portion of this
11 Ordinance determined by a court of competent jurisdiction to be in
12 conflict with prevailing law shall not be effective to the extent of
13 such conflict and shall be deemed severable and the remainder shall
14 continue in full force and effect to the extent legally possible.

15 **Section 7. Effective Date.** This Ordinance shall become
16 effective upon signature by the Mayor or upon becoming effective
17 without the Mayor's signature.

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20 Form Approved:

21
22 /s/ Dylan Reingold

23 Office of General Counsel

24 Legislation Prepared By: Dylan Reingold

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