

## OVERVIEW OF FLORIDA PACE FUNDING AGENCY'S LOANS IN THE CITY OF JACKSONVILLE

---

- Over a decade ago, the Florida Legislature enacted an intergovernmental program allowing property owners to finance certain improvements to their property, i.e. roofs, air conditioning units, windows, solar panels, with local government assistance.
- These loans are known as “Property Assessed Clean Energy” or “PACE” loans.
- PACE loans are repaid with non-ad valorem assessments which are collected on the annual tax bill and operate as super liens on the improved properties.
- Under Chapter 344 of the Ordinance Code, the City of Jacksonville has allowed for Commercial PACE financing. However, the City does not have an ordinance allowing for Residential PACE financing.
- Florida PACE Funding Agency (“FPFA”) is in the business of residential PACE financing. FPFA hires contractors to sell improvements to homeowners and then finances the costs of those improvements with typical loan terms of 5-30 years at 6-10%.
- In the fall of 2022, FPFA began entering into PACE financing agreements with residential property owners in the City of Jacksonville and started recording notices of assessments in the Duval County official records. As of today, there are over 160 recorded notices.
- While FPFA has demanded that the Duval County Tax Collector recognize PACE assessments, the Tax Collector has refused. **If the assessments were collected by the Tax Collector, affected property owners will see between 100%-1000% increases in their property tax bills.**
- Despite the fact that very few Florida counties have allowed Residential PACE loans in their jurisdictions, FPFA has made these loans and recorded notices all across the state, not just in Jacksonville.
- FPFA asserts that it does not need a local jurisdiction’s permission to conduct business there.
- Many Florida Counties have passed legislation akin to the proposed Ordinance 2023-612 declaring this practice to be “a danger to the public’s health, safety and welfare” and instructing the institution of a lawsuit to stop the practice.
- Pinellas, Palm Beach, Leon, and St. Lucie have filed lawsuits seeking to stop FPFA from making PACE loans in their jurisdictions.
- Tax Collectors and Property Appraisers are unitedly refusing to recognize these assessments.
- FPFA recently sued the Hillsborough County Tax Collector asking the court to compel her to collect the assessments. On September 18, the Court denied the request for emergency relief finding that FPFA presented no authority that it had the right to operate without an agreement with Hillsborough County which it did not have.
- Like Hillsborough County, the City of Jacksonville has no interlocal agreement with FPFA, and in fact, there is no ordinance allowing for same.
- Proposed Ordinance 2023-612 declares that FPFA’s continued unauthorized operation in the City is a public health, safety and welfare emergency and authorizes OGC to initiate litigation to stop same.

# **RESIDENTIAL PACE LOANS**

**Ordinance 2023-612**



# “PACE” PROPERTY ASSESSED CLEAN ENERGY

- Florida Statutes allow for the creation of “local governments” which fund improvements to residential and commercial properties through the levy of non-ad valorem assessments
- Florida PACE Funding Agency is one of those local governments
- However, the City of Jacksonville has the right to regulate or control the operation of PACE programs within its jurisdiction
- While the City adopted an ordinance allowing for Commercial PACE programs, the City expressly declined the allowance of Residential PACE programs



# “PACE” PROPERTY ASSESSED CLEAN ENERGY

Despite the fact that the City does not allow for Residential PACE programs in its jurisdiction, **Florida PACE Funding Agency is making these loans in Jacksonville** and clouding the titles of residential properties.



# “PACE” PROPERTY ASSESSED CLEAN ENERGY

## How It Works

- Contractor sells homeowner an improvement like a roof, air conditioning unit, windows, siding, etc.
- Homeowner signs loan agreement financing the cost of the improvement over up to 30 years at 7-9% interest
- Florida PACE Funding then records a Notice of Assessment in the Duval County Official Records claiming that it has “levied and imposed a non-ad valorem assessment as a lien of equal dignity to taxes and assessments”

**THERE ARE OVER 160 LIENS  
IN THE CITY OF JACKSONVILLE.**



This instrument prepared by and executed  
by a public office of the Florida PACE Funding

Agency and after recording return to:

FortFI Financial, Inc.  
12770 High Bluff Drive Suite 260  
San Diego, CA 92130

----- (Space above this line for recording data) -----

## NOTICE OF ASSESSMENT

Duval County

THIS NOTICE OF ASSESSMENT ("Notice") provides a summary memorandum of a Financing Agreement entered into by and between the FLORIDA PACE FUNDING AGENCY (the "Agency") and the record owner(s) of the Assessed Property (the "Property Owner"), both as described hereinafter. This Notice is executed pursuant to such Financing Agreement in substantially the form appended to Agency Resolution 2018-0809-3, a certified copy of which is recorded in the Official Records at 2022284773; a Final Judgment, a certified copy of which is recorded at 2022282432; all in the Public Records of Duval County, Florida, and all of the terms and provisions thereof are incorporated herein by reference. The Agency has levied and imposed a non-ad valorem assessment as a lien of equal dignity to taxes and assessments, and as more particularly described herein and in such Financing Agreement on the Assessed Property in conformance with Section 183.08, Florida Statutes (the "Supplemental Act").

1. Property Owner: [REDACTED]
2. Assessed Property: See Legal Description in Attachment I.
3. Street Address of Assessed Property: [REDACTED] Jacksonville, FL 32205
4. Property Appraiser Parcel Identification Number: [REDACTED]
5. Qualifying Improvements:  
Eligible Improvements: Roof - Flat
6. Financed Amount pursuant to the Financing Agreement; this amount may be reduced WITH SUCH REDUCED AMOUNT REFLECTED IN A RECORDED NOTICE OF ASSESSMENT: \$34,015.02
7. Interest Rate to be applied to the principal amount of the Financed Amount: 9.49%
8. Assessment Installment pursuant to the Financing Agreement; this amount may be reduced WITH SUCH REDUCED AMOUNT REFLECTED IN A RECORDED NOTICE OF ASSESSMENT: \$3,455.70
9. Period of years (number of Annual Payments): 30
10. The Annual Payment of the Assessment will appear on the same bill as for property taxes, and will include the Assessment Installment, plus any annual costs of administration and charges associated with the Assessment, annual collection costs, and annual charges required by the local property appraiser and tax collector.
11. The Assessment is NOT due on sale or transfer of the Assessed Property. Payoff and release information may be obtained by contacting the Florida PACE Funding Agency at:  
www.floridapace.gov; Telephone: (800) 969-4382; Email: Payoffs@FloridaPACE.gov
12. NOTE: Prepayment information must be requested ten (10) business days prior to any prepayment. Prepayments must be in immediately available funds.
13. Suggested ALTA Schedule B exclusion to coverage for title insurance professionals: "Non-ad valorem assessment, which by its term is not due upon sale, evidenced by notice recorded in Official Record

Notice of Assessment ES  
Application ID No.: FFFL-20230416-9-EM  
County: Duval County

Generated on: 2023-05-18  
NOA-2023-05-18

2022282432; all in the Public Records of Duval County, Florida, and all of the terms and provisions thereof are incorporated herein by reference. The Agency has levied and imposed a non-ad valorem assessment as a lien of equal dignity to taxes and assessments, and as more particularly described herein and in such Financing Agreement, on the Assessed Property in conformance with Section 163.08, Florida Statutes (the "Supplemental Act").

1. Property Owner: [REDACTED]
2. Assessed Property: See Legal Description in Attachment I.
3. Street Address of Assessed Property: [REDACTED] Jacksonville, FL 32205
4. Property Appraiser Parcel Identification Number: [REDACTED]
5. Qualifying Improvements:  
Eligible Improvements: Roof - Flat
6. **Financed Amount** (pursuant to the Financing Agreement; this amount may be reduced WITH SUCH REDUCED AMOUNT REFLECTED IN A RECORDED NOTICE OF ASSESSMENT): **\$34,015.02**
7. **Interest Rate** (to be applied to the principal amount of the Financed Amount): **9.49%**
8. **Assessment Installment** (pursuant to the Financing Agreement; this amount may be reduced WITH SUCH REDUCED AMOUNT REFLECTED IN A RECORDED NOTICE OF ASSESSMENT): **\$3,455.70**
9. **Period of years** (number of Annual Payments): **30**





# EXAMPLE 1

**Market Value**  
**\$168,000**



**Financed Improvement**

**Flat Roof: \$34,015**

**Financing Term: 30 Years**

**Interest Rate: 9.49%**

**Total Lien**

**\$103,671**

**Previous Tax Bill**

**\$ 627**

**New Tax Bill**

**\$ 4,082**



## EXAMPLE 2

Market Value  
**\$76,428**



### Financed Improvements

Attic Insulation

Air Conditioning

Water Heater      \$25,839.95

Financing Term: 20 Years

Interest Rate: 8.99%

**Total Lien**  
**\$56,573.20**

Previous Tax Bill  
\$ 361

**New Tax Bill**  
**\$ 3,189**



## EXAMPLE 3

Market Value  
\$148,108



Financed Improvement

Windows: \$17,576

Financing Term: 30 Years

Interest Rate: 8.49%

**Total Lien**

**\$49,019**

Previous Tax Bill

\$ 703

**New Tax Bill**

**\$ 2,336**



# “PACE” PROPERTY ASSESSED CLEAN ENERGY

- Litigation:
  - Pinellas County v. FPFA
  - Palm Beach v. FPFA
  - FPFA v. Sarasota Tax Collector
  - FPFA v. Hillsborough Tax Collector
  - Leon County v. FPFA
  - St. Lucie County v. FPFA
- Legislation
  - Polk
  - Bay
  - Columbia
  - Broward

**Tax Collectors and Property Appraisers  
Are Unitedly Against Recognizing Assessments**