

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:

FortiFi 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 2016-0809-3, 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 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
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

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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**

EXECUTIVE PROFILE

Willard Payne, Jr.

For over 60 years, Willard Payne's career as an educator, businessman, and consultant has included general and administrative management, consulting and entrepreneurial experience with several national companies, a Fortune 500 international food conglomerate, a national parking enterprise, a national retail company and varied work with a host of other businesses. Willard currently serves as the Vice President/Secretary of Northern Florida Recruiting and Consulting Services, Inc. (NFRCS, INC.) where he directs professional recruiting, consulting and lobbying client services for many local and national businesses.

An educator by training, Willard spent 14 years with the Chicago Public School System (CPSS) as a teacher and a district level administrator. At CPSS, he was accorded significant distinctions as that system's Human Relations Director. After being awarded several franchise operations through McDonald's Company in Jacksonville, Florida, Willard left Chicago in 1974. His relocation to Jacksonville signaled a further distinction as he became the first African American franchise operator for the McDonald's Corporation in the city and state.. His business impact in Jacksonville was immediate as he built 4 stores; hired more than 600 employees; and was responsible for creating more than 500 jobs.

Equally impressive was Willard's commitment to the Jacksonville community. With a sincere philosophy of ... "giving back to the community", Willard established several generous community giving and response programs for high schools and high school students and he has become synonymous with a number of educational and charitable events. Needless to say, he is the recipient of numerous awards and recognitions.

Of the many positions he holds or has held in the community, Willard's appointment by the mayor of Jacksonville as the first African American to serve on the Jacksonville Port Authority is particularly noteworthy. This multi-million dollar enterprise operation, responsible for the operation of Jacksonville's extensive Port and the operation of The Jacksonville International Airport, is one of the more competitive ports in the country with a tremendously high traffic count. Willard's business acumen was impressive during his tenure on the authority and many persons attribute a number of innovative changes in its operation to his leadership. With the impressive success of NFRCS, INC, and a clientele that literally reads like Who's Who in American Business, his professional gait of achievement continues at a non-stop pace.

Willard is a graduate of Xavier University in New Orleans, Louisiana with a Bachelor's Degree in Education and holds a Master's of Science Degree from Loyola University in Chicago, Illinois in Educational Supervision and Administration.

He is married to the former Pamela T. Glover, who is also principal partner and President/Treasurer of NFRCS, INC. He has two daughters, one stepson (deceased), six grandchildren and one great grandson.

WILLARD PAYNE, JR.

P. O. Box 350609

Jacksonville, Florida 32235-0609

(904) 928-9254 Office
(904) 945-3592 Cell

SUMMARY: Over 35 years of hands-on experience managing 100% minority-owned businesses.
Expertise in:

- * Recruiting/promoting minorities
- * Developing financial and man hours budgets
- * Compliance with DBE / ACDBE participation
- * P&L's

PROFESSIONAL EXPERIENCE:

- 1987 to present REPUBLIC PARKING SYSTEM / IMPARK, PARTNER (AIRPORTS)**
- Oversee hiring and actively recruit minorities. Train staff to a high proficiency level – able to be promoted.
 - Comply with and assist in managing ACDBE participation.
 - Ensure meeting minimum ACDBE goal of supplies and services budget.
- Augusta, Georgia – 1/1997 to 6/2021
Columbus, Georgia – 6/1997 – to present
Daytona Beach, Florida - 9/1987 to present
Gulfport, Mississippi - 9/2002 to present
Elmira, New York - 9/2000 to 7/2020
Jacksonville, Florida - 10/2002 to 2015
Knoxville Tennessee - 01/2003 to present
Sarasota, Florida - 1/2006 to present
Tallahassee, Florida – 1/2006 to 6/2021
- 1993 to present NORTHERN FLORIDA RECRUITING AND CONSULTING SERVICES, INC.**
- Consulting, recruiting, and lobbying firm - 1993 to present
- 1991 to present PARADIES/LAGARDERE NEWS AND GIFT CONCESSIONS, PARTNER (AIRPORTS)**
- Advise company on minority hiring and satisfying ACDBE requirements.
- Jacksonville, Florida, 1989 to present
Tallahassee, Florida, 1998 to 2015
Knoxville, Tennessee, 2005 to present
- 1975 to 1997 MCDONALD'S OWNER/OPERATOR, Jacksonville, Florida**
- 4 Restaurants
- 1961 to 1975 CHICAGO BOARD OF EDUCATION, CHICAGO, ILLINOIS**
- Human Relations Coordinator – 1972 To 1975
Staff Assistant - 1970 To 1972
Teacher – 1961 To 1970

MEMBERSHIPS AND BOARDS:

- *Pension Board (JAX Police & Fire)
- * Rotary Club of Jacksonville
- * Sigma Pi Phi Fraternity
- * Cathedral Arts Project, Inc.
- *Accountable Care Organization Board
- *Jacksonville Police and Fire Pension Board
- * One Hundred Black Men of Jacksonville
- * Florida Proton Therapy Institute
- * COMTO
- * Immaculate Conception Finance Council
- * Jacksonville University Public Policy Institute

FORMER BOARDS:

- * Jacksonville Port Authority
- * Gator Bowl Association
- * Jacksonville Chamber of Commerce
- * American Lung Association
- * Tourist Development Council
- * National Black McDonald's Association
- * Otis Smith Foundation
- *Northwest Quadrant Community/Economic Development
- * Mayor's Taskforce
- * Southtrust Bank
- * Sports Development Council
- * Jacksonville Community Development Foundation
- * JIA Community Redevelopment Agency
- * Florida Operators Association
- * Jacksonville McDonalds Co-op, Inc.
- * Jacksonville University Board of Visitors
- * Bethune Cookman Board of Trustees
- * UNF Community Leadership Council
- *Governor's Commission on Volunteerism

EDUCATION:

Master of Education in Administration/Supervision, Loyola University, Chicago, Illinois (1970)

Bachelor Of Science, Xavier University, New Orleans, Louisiana (1961)