

**THIS IS A DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED
ORDINANCE OR RESOLUTION ADOPTED BY THE CITY COUNCIL**

A RESOLUTION OF INTENT

**WHEREBY THE CITY OF SAN ANTONIO PROPOSES A
MUNICIPAL PROPERTY ASSESSED CLEAN ENERGY
PROGRAM**

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WHEREAS, the 83rd Regular Session of the Texas Legislature enacted the Property Assessed Clean Energy Act (PACE), Texas Local Government Code Chapter 399 (the PACE Act); and

WHEREAS, the PACE Act allows the governing body of a local government (including a city) to designate an area of the territory as a region where an authorized representative(s) of a local government and record owner(s) of: commercial, industrial, non-profit, and large multifamily residential (five or more dwelling units) real property, may enter into written contracts; and

WHEREAS, these contracts impose assessments on the property, which will repay financing by the record owner(s) for permanent improvements fixed to the property, which are intended to decrease water or energy consumption or demand; and

WHEREAS, the installation or modification by the record owner(s) of qualified energy or water saving improvements to commercial, industrial, non-profit, and large multifamily residential real property in the City of San Antonio (the City) will further the goals of energy and water conservation without cost to the public; and

WHEREAS, the City Council finds that third-party financing energy and water conserving projects through contractual assessments (PACE financing) furthers essential government purposes, including but not limited to, economic development, reducing energy consumption and costs, conserving water resources, and reducing greenhouse gas emissions; and

WHEREAS, the City Council finds that it is convenient and advantageous to establish a program under the PACE Act and designate the entire geographic area within the City's jurisdiction as a region within which an authorized representative designated by the City, may enter into PACE financing arrangements with the record owner(s) of qualified real property.

NOW THEREFORE:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The Recitals to this Resolution are true and correct and incorporated into this Order for all purposes.

SECTION 2. The City hereby adopts this Resolution of Intent and finds that financing qualified projects through contractual assessments pursuant to the PACE Act is a valid public purpose.

SECTION 3. The City intends to make contractual assessments to repay PACE financing for qualified energy or water conserving projects available to the record owner(s) of commercial, industrial, non-profit, and large multifamily residential real property. The City shall call the program, the City of San Antonio PACE Program (the COSA PACE Program).

SECTION 4. The following projects qualify for PACE financing and may be subject to contractual assessments:

- (a) Projects involving the installation or modification of a permanent improvement fixed to privately owned commercial, industrial, non-profit, or residential real property with five or more dwelling units; and
- (b) Projects intended to decrease energy consumption, water consumption or demand for energy or water. This may include a product, device, or interacting group of products or devices on the customer's side of the meter using energy technology to generate electricity, provide thermal energy, or regulate temperature.

An assessment may not be used to repay financing of facilities for undeveloped lots, lots undergoing development at the time of the assessment, or the purchase or installation of products or devices not permanently fixed to real property.

SECTION 5. The boundaries of the entire geographic area within the City's jurisdiction are the boundaries of the region where PACE financing and assessments can occur.

SECTION 6. Under the PACE program, financing is provided by third-party lenders chosen by the record owner(s) for qualified projects. As required by the PACE Act, lenders execute written contracts with the City's authorized representative to service the assessments. The contract allows lenders to determine a record owner's financial ability to fulfill their financial obligation and repay through assessments. The contract advances funds to the record owner(s) for installation or modification of qualified projects, under terms agreed to between the lenders and the record owner(s). Servicing of the debt secured by assessments occurs directly or through a servicer. Collection of payments from the record owner(s) is pursuant to the contract executed between lenders and the record owner(s). The lender contract provides the City maintain and continue the assessments for the benefit of lenders and enforce the assessment lien in the event of a default by the record owner(s). The City will not, provide financing of any sort for the COSA PACE Program.

SECTION 7. The City will contract with an independent third-party Authorized Representative(s) in accordance with City Council adopted criteria.

SECTION 8. The City will consult with the County Tax Assessor/Collector for Bexar County.

SECTION 9. As provided by Tex. Local Gov't Code Sec. 399.009, the report on the proposed COSA PACE Program is available for public inspection on the COSA and in the Economic

Development Department Offices, located at City Tower, 100 W. Houston St., Suite 1900, San Antonio, Texas 78205, and is incorporated in this Resolution and made a part of the Resolution of Intent for all purposes.

SECTION 10. Public hearing regarding the COSA PACE Program and report will be held on March 5, 2020, at 9:00 a.m. in City Council Chambers;

SECTION 11. This Resolution is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED this _____ day of _____, 2020.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

Andrew Segovia, City Attorney

