

A RESOLUTION

**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, 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 of a local government and record owner(s) of: commercial, industrial, and large multifamily residential (five or more dwelling units) real property may enter into written contracts; and

WHEREAS, these contracts are to impose assessments on the property to repay financing by the owners, for permanent improvements fixed to the property intended to decrease water or energy consumption or demand; and

WHEREAS, the installation or modification by property owners of qualified energy or water saving improvements to commercial, industrial, 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 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, and conserving water resources; 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 a designated City authorized representative and the record owners of qualified real property may enter into PACE financing arrangements:

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 owners of commercial, industrial, and large multifamily residential real property. The City program shall be called COSA PACE.

SECTION 4. The following types of projects are qualified projects for PACE financing that may be subject to such contractual assessments: Projects that (a) involve the installation or modification of a permanent improvement fixed to privately owned commercial, industrial, or residential real property with five or more dwelling units, and (b) are intended to decrease energy or water consumption or demand, including a product, device, or interacting group of products or devices on the customer's side of the meter that uses energy technology to generate electricity, provide thermal energy, or regulate temperature.

An assessment may not be imposed to repay the financing of facilities for undeveloped lots or 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. A City PACE program may include its ETJ.

SECTION 6. Financing for qualified projects under the PACE program will be provided by qualified third-party lenders chosen by the owners. Such lenders will execute written contracts with the City's authorized representative to service the assessments, as required by the PACE Act. The contracts will provide for the lenders to determine the financial ability of owners to fulfill the financial obligations to be repaid through assessments, advance the funds to owners on such terms as are agreed between the lenders and the owners for the installation or modification of qualified projects, and service the debt secured by the assessments, directly or through a servicer, by collecting payments from the owners pursuant to contracts executed between the lenders and the owners. The lender contracts will provide that the City will maintain and continue the assessments for the benefit of such lenders and enforce the assessment lien for the benefit of a lender in the event of a default by an owner. The City will not, at this time, provide financing of any sort for the PACE program.

SECTION 7. The City will contract with Texas PACE Authority, a qualified non-profit organization to be the independent third-party Authorized Representative.

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

SECTION 9. The report on the proposed PACE program prepared as provided by Tex. Local Gov't Code Sec. 399.009, is available for public inspection on the Internet website of the City and in the Economic Development Department offices, City Tower, 100 W. Houston St., Suite 1900, San Antonio, Texas 78205 and is incorporated in this resolution and made a part hereof for all purposes.

OR/DEF
12/05/2019
Item No. 19-8499

SECTION 10. 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 _____, 2019.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

Andrew Segovia, City Attorney