



City Council Staff Report

Subject: California Statewide Communities Development Authority (CSCDA)
Open Property Assessed Clean Energy (PACE) Program

Date: May 13, 2025

Submitted By: Andrew Keys, Assistant City Manager

Department: City Manager's Office

Recommendation:

Adopt a Resolution of the City Council of the City of Rocklin Consenting to the Inclusion of Properties Within the Territory of the City in the CSCDA Open PACE Programs; Authorizing the California Statewide Communities Development Authority to Accept Applications from Property Owners, Conduct Contractual Assessment Proceedings and Levy Contractual Assessments Within the Territory of the City; and Authorizing Related Actions.

Background:

State law authorizes contract assessment districts in charter and general law counties to provide financing for renewable energy, energy efficiency, and water conservation (among other measures with a communal sustainability or resiliency benefit) improvements to qualified property owners. A property owner voluntarily enters into a contractual agreement with one of the Joint Power Authority (JPA) assessment districts in which they reside to access financing by securing a lien on their property and repay it as a special tax or assessment on their property tax bill. This financing mechanism is referred to as Property Assessed Clean Energy (PACE).

In order to provide Rocklin property owners with a variety of trusted PACE finance options, the Council is asked to consider admitting licensed PACE providers by adopting a resolution approving CSCDA Open PACE Program to operate in the City. The City of Rocklin is a member of CSCDA, and has been 1999 (City Resolution No. 99-41; February 6).

PACE financing can be set up and administered under AB 811 (2008) which allows qualifying upgrades to be financed through an assessment district. Additional legislation expanded projects eligible for financing to include water efficiency improvements, electric vehicle charging stations, seismic improvements, and wildfire resiliency. Additional laws that have expanded the original legislation and provide for additional consumer protections are summarized in Attachment 2.

PACE offers an alternative to traditional means of financing property improvements such as paying cash, taking a home equity line of credit (HELOC), or using credit cards. PACE

financing eligibility is primarily based on property equity and ability to pay, rather than the credit worthiness of the applicant. PACE financing has fixed term interest rates with terms generally longer than those of other private and/or unsecured loans, but equal to the average useful life of the improvement being undertaken. Some other advantages of PACE financing include 100% financing for eligible improvements, and the reliability of pre-approved, vetted, trained and strictly monitored contractors. Participation in PACE financing is voluntary.

Because the capital for PACE financing is from private sources and the transactions are between program administrators and building owners, the City will incur no cost or risk associated with program activities. The City is not required or expected to provide administrative support or marketing for the programs, which are conducted by the program administrators. However, many jurisdictions throughout the state have found that partnering in outreach and marketing can enhance the efficacy of the program. The City is not obliged to repay bonds issued by the JPA or assessments levied on the participating properties.

Enabling the City of Rocklin's PACE availability by approving licensed program administrators will create a competitive marketplace that provides a variety of financing options with more favorable terms to home and business owners. Doing so may also incentivize more property owners to undertake improvements, resulting in the creation of more renewable energy and local jobs, reduction in energy use, greenhouse gas emissions and water consumption, among other improvement categories.

PACE in Placer County

Placer County created its own PACE Program, MPower, in 2015. In December 2020 the Board of Supervisors voted to end the exclusivity of MPower and authorized other PACE providers including those within the CSCDA Open PACE Program to operate within the unincorporated territory. MPower was closed to new applications in 2021 leaving residents of the incorporated cities and the City of Rocklin with no PACE options.

The Placer County Association of Realtors (PCAR) worked closely with the County of Placer to establish the now defunct MPower program. PCAR's goal was to establish protections for PACE consumers and real estate buyers and sellers that were not previously required by PACE legislation. Since that time, additional legislation noted in this report has addressed the concerns of PCAR so that PACE programs in general are more transparent, provide necessary consumer protections to ensure PACE consumers are more educated and real estate buyers and sellers are aware of PACE's impact. Staff has met with PCAR, reviewed PCAR's concerns and found that these are addressed by the CSCDA Open PACE program and relevant legislation governing PACE.

In October 2022 the City Council of Roseville voted unanimously to approve CSCDA Open PACE to operate within the territory of that City. In late 2023, the County extended their commitment to ensure property owners in the unincorporated areas have equitable access to these improvements. In June 2024, the City of Auburn also voted unanimously to approve CSCDA Open PACE.

California Statewide Communities Development Authority (CSCDA) Open PACE

CSCDA Open PACE is an umbrella initiative including three DFPI licensed residential PACE providers: PACE Funding Group (dba Home Run Financing), FortiFi Financial, and Renew Financial; and several commercial PACE providers. Launched in 2015 it is sponsored by the California Statewide Communities Development Authority (CSCDA). CSCDA Open PACE's

goal is to create a platform to vet and pre-qualify PACE administrators so that local governments only need to pass a single resolution to authorize multiple providers including specialist residential or commercial PACE providers.

Fiscal Impact:

Adoption of the Resolution and actions contained herein will not result in any costs to the City. All costs of marketing, financial, and program administration are borne by CSCDA as the program administrator and are covered with private capital.

ATTACHMENTS:

1. [Resolution](#)
2. [Summary of California PACE Laws](#)