



Florida PACE Funding Agency

PROGRAM GOALS AND OBJECTIVES FY 2024-25

This Program Goals and Objectives plan outlines the formal goals and objectives of the Florida PACE Funding Agency as an independent special district focused on providing residents with a voluntary, affordable financing option to hurricane-harden their properties and improve energy efficiency. FPFA aims to reduce property damage, lower energy costs, and enhance community resilience against natural disasters.

Beginning October 1, 2024, each independent special district is required to adopt a set of goals and objectives for each program and activity it offers in order to comply with new accountability requirements established by the Legislature. Each year thereafter, independent special districts must publish an annual report containing those goals and objectives, as well as an measure of success or failure to meet those goals using the objective standards established the previous year.

About the Florida PACE Funding Agency

The Florida PACE Funding Agency, or FPFA, was established in 2011 by an interlocal agreement between the City of Kissimmee and Flagler County, as authorized and empowered under section 163.01(7)(g) of the Florida Statutes. FPFA is a “separate legal entity,” and complies with rules set forth governing independent special districts.

The Agency’s mission is to facilitate the implementation, planning, development, funding, financing, marketing and management of a uniform statewide platform to

FPFA Fast Facts

Name: Florida PACE Funding Agency

Type of Entity: 163.01(7)(g) separate legal entity, treated as an independent special district

Location: Headquarters in Sarasota, Florida; operation statewide

Finance Offerings: Voluntary financing for hurricane hardening and energy efficiency improvements with fixed payments, fixed interest rates, zero down payments

Our Mission Benefits: Homeowners, business owners, commercial property managers, and community associations in Florida

fund and finance qualifying improvements so as to establish, maintain, and expand a scalable program for Florida’s residential and commercial property-owning constituents and those who benefit from the properties improved with the Agency’s programs, using private funds to achieve a public purpose.

The FPFA aims to achieve its mission by offering financing programs that incentivize the adoption of sustainable, storm-resistant building materials and energy-efficient technologies. The mission seeks to benefit both commercial and residential property owners in

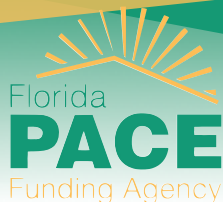
Florida, residents, and community associations, emphasizing the dual benefits of safety and cost savings.

The FPFA is a focused, lightweight government entity with a single program: A Property Assessed Clean Energy (or “PACE”) program that provides PACE availability to Florida property owners within the requirements of Florida’s statutes enabling it.

The activities under the PACE Program include residential PACE assessments, commercial PACE assessments, and ongoing assessment service.

PACE Program and Activities

The FPFA’s PACE Program is simple in nature: FPFA enters into interlocal agreements with cities and counties, provides assessments on properties within those jurisdictions in accordance with PACE Program rules and Florida Statutes, and provides services related to those assessments until they are mature. PACE Program activities can be broken down into residential PACE, commercial PACE, and assessment service.



Residential PACE Program

The FPFA offers its PACE Program to residential property owners. This activity, authorized by section 163.081, Florida Statutes, provides financing for the installation of qualifying improvements (windstorm resistance, renewable energy, energy efficiency, and septic-to-sewer improvements) on properties with four or fewer residential units.

For the residential program, key components include:

- ▶ Hurricane Hardening Financing: Financing for installing impact-resistant windows, hurricane shutters, reinforced doors, generators, and roof improvements.
- ▶ Energy Efficiency Financing: Financing for solar panel installation, HVAC upgrades, and insulation.
- ▶ Septic-To-Sewer Conversions: Newly authorized as of July 1, 2024, septic to sewer connections can drastically improve property usability, property value, and environmental impact.
- ▶ Insurance Underwriting: While PACE programs are not intended to directly secure the insurance marketplace in Florida, PACE has proven to be an incredible tool for replacing roofs over 15 years old, which helps with private insurance company underwriting mandates and helps residential property owners stay in their homes.

Commercial PACE Program

The FPFA offers its PACE Program to commercial property owners. This activity, authorized by section 163.082, Florida Statutes, provides financing for the installation of qualifying improvements (windstorm resistance, renewable energy, energy efficiency, and septic-to-sewer improvements) on commercial, industrial, and agricultural properties, as well as residential properties with more than four residential units.

For the commercial program, key components include:

- ▶ Energy Efficiency Financing: Financing for solar panel installation, HVAC upgrades, lighting efficiency upgrades, commercial water heating efficiency upgrades, EV charging infrastructure, and insulation.
- ▶ Septic-To-Sewer Conversions: Newly authorized as of July 1, 2024, septic to sewer connections can drastically improve property usability, property value, and environmental impact; these upgrades can make commercial properties viable at much larger scales.
- ▶ Windstorm Resistance Financing: Financing for seawalls, roof systems, impact -and wind-resistant doors, windows, storage buildings, and signage, and undergrounding or housing communications and utility transmission systems.

Assessment Service

Because FPFA imposes assessments that are to be paid over a period of years, annual assessment servicing includes management of annual installment payments as collected by the county tax collectors, facilitating payments to bondholders, and accounting and processing early pay-offs by property owners.

Market Position

While FPFA's PACE Program is a public solution, it sits within (and in many ways is a response to) the private market. The Legislature established the PACE statutes to assist property owners seeking to improve their properties and address a growing need for windstorm resistance and energy efficiency in buildings without the cost and impact of new building stock. Many of the pressures that this responded to were from the private market, particularly of the type that limited capital to some groups of property owners.

The market for funding and financing solutions to the types of improvements a PACE program can finance fall in three broad categories.

Private Financing Solutions

Banks and credit unions offer home equity lines of credit and private loans with favorable terms, both with interest rates approximately 1.5% below PACE interest rates. However, these are only available if the property owner qualifies, carry significant underwriting documentation burdens, and can take weeks or months to approve. They are not a viable

solution for those faced with time-sensitive improvement requirements or those property owners with subprime traditional creditworthiness.

Public Funding Solutions

There are several state and federal grant programs available to support the type of qualifying improvement PACE Programs can be used to finance. However, these are largely limited in volume, and releases of funding for them can sometimes dry up within hours. Additionally, many such programs carry monitoring and reporting requirements that can be invasive or difficult for a property owner to comply with, and limit the property owner's decision making when it comes to their own property.

Private Partnerships with Public Entities

PACE programs operate in Florida using funds not supported by Florida Taxpayers, but rather sourced from a limited number of private funding providers. These programs are currently offering interest rates well below credit card market rates. For example, current rates for PACE financing with FPFA are approximately 9%, and average credit card rates are at approximately 29% (as of September, 2024).

For many property owners, FPFA's PACE Program offers a significant advantage over the downsides of the fully public or fully private solutions. These advantages include both accessibility of financing and interest rate to those who don't have established lines of credit, streamlined approval processes, and limited underwriting documentation burden on the property owner, in addition to the availability of funds compared to limited government grant programs.

PACE Program Goals

FPFA is committed to the following set of goals and objectives for its PACE program:

- ◆ Make accessible financing solutions for qualifying improvements available to residents of Florida.
 - ▶ Expand through interlocal agreements or local legislation to include at least 45% of Florida's population within approved coverage areas.
 - ▶ Originate at least one assessment in each of five new counties or cities not covered by an interlocal agreement or other local approval at the end of the prior fiscal year.

- ◆ Facilitate new upgrades to property with qualifying improvements.
 - ▶ Originate at least \$50,000,000 in improvements to residential real property for qualifying improvements each fiscal year.
 - ▶ Originate at least \$5,000,000 in improvements to commercial real property for qualifying improvements each fiscal year.
- ◆ Maintain high property owner satisfaction ratings among property owners who use PACE financing through FPFA.
 - ▶ Achieve a minimum customer satisfaction survey rate of 90% with customers answering “YES” to the survey question of “Were you treated professionally, and with courtesy, throughout the entire process?”
 - ▶ Improve customer satisfaction survey response rates at least 10% higher than the prior fiscal year.

Performance Measures and Standards

The FPFA will measure whether it has achieved these goals through the following Performance Measures:

- ◆ Number of interlocal agreements signed, and most recent population estimates from the United States Census Bureau as to the relative population of the state and each city or county which has approved FPFA’s operation.
- ◆ Number of counties and cities in which FPFA has originated assessments pursuant to county or city approval in FYE24 and FYE25.
- ◆ Total assessment origination values, as submitted for bonding, for each of the residential and commercial bond indentures.
- ◆ Customer satisfaction survey responses.

The standards by which goal achievement is to be measured is included in the statement of each objective.

Communication & Education Strategy

The FPFA communications and education strategy includes digital marketing campaigns, local partnerships, community outreach programs, and referral programs. FPFA staff monitor success of various aspects of these strategies throughout the year and makes adjustments as needed to ensure the strategies work together to achieve the Program Goals and Objectives.

Digital Marketing Campaigns

Use targeted ads on social media platforms like Facebook, Instagram, and YouTube; employ Search Engine Optimization (SEO) best practices to improve visibility on Google and Bing; communicate to residents, property managers, and community associations directly to provide accurate information about FPFA's PACE Program and how it can be leveraged to achieve property owner goals.

Local Partnerships

Collaborate with local governments, homeowners associations, real estate agents, and contractors to improve outcomes for co-constituents; offer co-branded seminars and workshops with industry leaders and association groups.

Community Outreach Programs

Conduct informational sessions in communities, especially in hurricane-prone areas; leverage formal and informal community influencers and local media to raise awareness.

Referral Programs

Encourage satisfied constituents to educate neighbors and friends.

Financial Plan

The FPFA has approximately four public Board meetings a year. An annual budget is proposed, discussed, and adopted each year following a public hearing. The annual budget is posted each year on the agency's website, along with agendas and meeting minutes. Public input is welcomed at the budget hearing and year-round via written communication.

Operational Plan

Staffing

The FPFA has W2 employees with responsibility to the Board of Directors, as well as oversight of the various Financial Service Providers (FSPs) that handle a majority of customer contact with property owners and contractors.

Technology

FPFA has an informative website with calculators, informational videos and FAQs that serves all members of the public, whether or not they are property owners eligible for the PACE Program. The FPFA website has the ability to capture requests for financing and deploy them to FSPs to service the financing needs of any requestor.

County and City Partners

Effective July 1, 2024, each County and City must adopt an ordinance or resolution approving the operation of a PACE Program within their territorial boundaries. FPFA partners with counties and cities to operate within their program requirements and provide reporting to the counties and cities to aid with efforts at monitoring progress.

Evaluation and Monitoring

FPFA regularly assesses property owner satisfaction through surveys and monitors participation rates to analyze program impact on energy usage and property damage. Each aspect of FPFA's activities are adjusted based on performance data and constituent feedback.

Summary

The FPFA provides a reliable, property-owner-friendly, and impactful solution to hurricane hardening and energy efficiency challenges facing Florida property owners through its PACE Program. The various activities supporting this program safeguard Florida properties while fostering sustainability and resilience and protecting property owners. The goals and objectives established by FPFA will help achieve the broad mission and public purpose of the Agency.