



Board Report

File #: 22-254, Version: 1

Receive a preliminary analysis report in response to Board Referral No. 2022.08 seeking the opportunity for expansion of commercial financing companies in Monterey County.

Recommendation:

It is recommended that the Board of Supervisors:

- 1) Receive a preliminary response to Board Referral No. 2022.08 and;
 - a) Direct staff to proceed with completion of referral based on description in this report; or
 - b) Direct staff to:
 - i) Proceed with completion of referral based on modifications by the Board of Supervisors; or
 - ii) Return to the Board with a more comprehensive analysis of referral and anticipated effort for completion; or
 - iii) Receive referral response as complete.
- 2) Provide further direction, as appropriate.

Preliminary Analysis:

Referral Summary & Background: Referral 2022.08 was submitted by Supervisor Lopez and assigned by the CAO on 3.1.2022. The referral seeks to Provide an opportunity for expansion of commercial pace financing to additional companies throughout the County and provide a list of existing commercial pace financing companies currently operating in the County.

Proposed Project Description: Currently the County of Monterey has an existing agreement with California Statewide Communities Development Authority (CSCDA), which partners with fourteen (14) commercial pace financing companies to assist businesses. The fourteen (14) commercial pace financing companies are as follows: PACE Equity, Stonehill PACE, PACE Loan Group, Petros PACE Finance, LordCap PACE, Poppy Bank, Green PACE Capital, Cleanfund Commercial PACE Capital, Green Rock Healthcare Capital, Bayview PACE, White Oak, Castle Green Finance, Counterpointe SRE, and Nuveen Green Capital. CSCDA offers open competitive financing and oversight of all commercial pace participants. Should any potential Commercial CPACE financing company be interested in providing their services to Monterey County businesses there is a route for new providers to enter the County marketplace. This reduces the administrative requirements on the Treasurer Tax-Collector staff by leveraging CSCDA to manage, provide oversight, and mediate issues or concerns that may arise through these financial transactions. Currently CSCDA and its 14 commercial pace partners self-market their services to businesses in the County, which assists with reducing the administrative burden on Economic Development. Depending on the Boards interest to establish an independent program, separate from CSCDA, staff would proposes to do the following relative to implementation:

1. Conduct an RFP for marketing services to assist with commercial pace outreach to businesses across Monterey County
2. Work with Human Resources Department to add staff resources begin recruitment for a Management Analyst

3. Conduct research and analysis to determine long term costs and delayed response times associated with Treasurer Tax-Collector Department diverting staff time to manage and oversee additional commercial pace agreements and inquiries

Estimated Project Cost: There would be a need for Economic Development to bring on administrative support to assist with a marketing plan and implementation across the county; one (1) Management Analyst, estimated at \$150,000 including salaries and benefits; and economic development marketing costs estimated at \$40,000; and the process of addressing taxpayer inquiries related to CPACE will not require additional staffing costs, but depending on the number and complexity of inquires received this may result in increased customer waiting times on all tax matters. An alternative is to reassign current Economic Development Staff from current activities and focus the current resources exclusively on development of this program for an estimated period of six months, then once program is established reassess ability to work on other initiatives.

Staffing level estimate: Staff time will involve the Economic Development Manager, Auditor-Controller, Treasurer-Tax Collector, Assistant Auditor-Controller, and Sustainability Program

Departmental Challenges: Lack of administrative staff to assist with internal and external coordination, research, and analysis.

Proposed Response Date: Depending on Board direction, staff proposes a response back to the Board in August 2022.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The opportunity to expand access of commercial PACE financing services supports the Board approved strategic initiatives.

Mark a check to the related Board of Supervisors Strategic Initiatives

X Economic Development
Administration
 Health & Human Services
X Infrastructure
Public Safety

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Approved by: Dewayne Woods, Assistant County Administrative Officer

Attachments:
Board Referral No. 2022.08