



King County

Dow Constantine

King County Executive
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May 26, 2022

The Honorable Claudia Balducci
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Balducci:

This letter transmits a proposed Ordinance that would, if enacted, amend Ordinance 19360 which established the commercial property assessed clean energy and resiliency (C-PACER) financing program in King County, to reflect recently authorized state law. Other amendments in the enclosed proposed legislation clarify language in the C-PACER Program Guide adopted by Ordinance 19360 and amendments to legal documents to align with the proposed Ordinance and state law.

King County's C-PACER program was created as a financial tool for local property owners to enhance their commercial buildings, going beyond code requirements and adding features to make buildings more efficient, resilient, and sustainable. When we opened the program for applications in December 2021, King County became the first county in Washington State to complete a C-PACER transaction. To date, King County's C-PACER program has already closed transactions totaling more than \$23,000,000 in project financing, with additional applications underway for future projects. These projects have financed industry-leading water and energy efficiency features. I am pleased to share that the C-PACER program has generated significant interest from King County's International District and Pioneer Square building owners as a tool to help make the county's unreinforced masonry buildings safer and more resilient to natural disasters.

The proposed legislation updates the language in King County's C-PACER legal documents pursuant to RCW 36.165.060, which was recently amended by the State of Washington to change the legal requirements governing the foreclosure of a C-PACER lien. The proposed amended language clarifies the priority of the lien and the requirement that capital providers include the amount of outstanding taxes (if any) when foreclosing a C-PACER lien, and to allow the King County Sheriff to participate in foreclosure proceedings as necessary without violating the terms of other sections that prohibit the County from enforcing the lien. The proposed amendments also clarify language in Attachment A, the Program Guide, addressing common questions that County staff have received over the past four months from lenders, borrowers, and property owners about the C-PACER program.

The Honorable Claudia Balducci

May 26, 2022

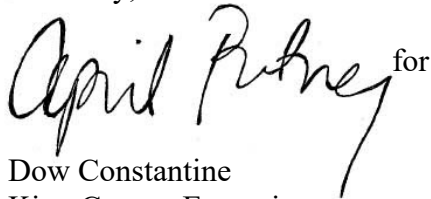
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The proposed legislation advances the King County Strategic Plan healthy environment goal and its objective to reduce countywide greenhouse gas emissions by 50 percent by 2030. It supports the health & human services goal to improve the health and well-being of all people in our community through more affordable access to safe and healthy buildings. It supports the economic vitality goal by stimulating clean building projects and increasing opportunities in the community for associated green jobs. The proposed legislation also advances the County's Strategic Climate Action Plan by reducing emissions in the built environment.

The C-PACER program is projected to be budget-neutral to manage for King County, as the program allows for collection of a fee to recover expenses for staff time required to process project applications and record property liens. To date, the County has collected \$30,000 in fees at the closing of C-PACER transactions. County staff are working to expand and translate informational materials with the revenues received.

Thank you for your consideration of this proposed Ordinance and your continued partnership on climate action and resiliency. If your staff have any questions, please contact Rachel Brombaugh, Director of Climate & Energy Initiatives, at (206) 263-9633, or Morgan Torres, Executive Climate & Energy Program Manager, at (206) 263-0325.

Sincerely,

 for

Dow Constantine
King County Executive

Enclosure

cc: King County Councilmembers
 ATTN: Stephanie Cirkovich, Chief of Staff
 Melani Pedroza, Clerk of the Council
Shannon Braddock, Chief of Staff, Office of the Executive
Karan Gill, Deputy Chief of Staff, Office of the Executive
Mina Hashemi, Council Relations Director, Office of the Executive
Rachel Brombaugh, Director of Climate & Energy Initiatives, Office of the Executive