

CITY OF SOMERVILLE
ORDINANCE NO. 2019-_____
In City Council _____

**Ordinance Authorizing the City Of Somerville to Participate in the Massachusetts
Commercial Property Assessed Clean Energy Program (PACE Massachusetts)**

WHEREAS, pursuant to M.G.L. c. 23M (the “PACE Act”), the Commonwealth has established a commercial sustainable energy program known as the Massachusetts Property Assessed Clean Energy Program (“PACE Massachusetts”) to provide a financing mechanism (“PACE financing”) to private owners of commercial and industrial properties for certain qualifying commercial energy improvements (“improvements”); and

WHEREAS, pursuant to the PACE Act, PACE Massachusetts is administered by the Massachusetts Development Finance Agency (“Mass Development”), in consultation with the Massachusetts Department of Energy Resources; and

WHEREAS, under PACE Massachusetts, the owner of the commercial or industrial property benefitting from the improvements (the “benefitted property”) is required to repay the PACE financing through the payment of a betterment assessment (a “PACE betterment assessment”) placed on such benefitted property by the municipality in which the benefitted property is located; and

WHEREAS, in order for an owner of commercial or industrial property to participate in PACE Massachusetts, Section 2 of the PACE Act requires that the municipality in which such property is located must elect to participate in PACE Massachusetts; and

WHEREAS, the City of Somerville (the “Municipality”) has determined that it is in the best interest of the Municipality to participate in PACE Massachusetts as a “participating municipality,” as provided in the PACE Act, to permit the owners of commercial and industrial properties located in the Municipality to access PACE financing for qualifying commercial energy improvements through PACE Massachusetts;

NOW THEREFORE, BE IT ORDAINED, by the City Council of the City of Somerville, in session assembled, that the Code of Ordinances of the City of Somerville is hereby amended by adding the following provisions as follows:

The City of Somerville hereby approves the Municipality participating in PACE Massachusetts pursuant to the PACE Act, and authorizes the Mayor to enter into a PACE Massachusetts Municipal Assessment and Assignment Agreement (the “Agreement”) with Mass Development, pursuant to which the Municipality will agree to

(i) levy PACE betterment assessments and impose PACE betterment assessment liens on benefitted properties located in the Municipality, in the amounts determined by Mass

Development to be sufficient to repay the PACE financing,
(ii) assign the PACE betterment assessment liens to Mass Development, which Mass Development may in turn assign to the providers of the PACE financing (each a “capital provider”), as collateral for such PACE financing,
(iii) include on the property tax bills for the benefitted properties the installment payments necessary to repay the PACE betterment assessments, in the amounts and at the times as determined by Mass Development,
(iv) collect and pay over to Mass Development or its designee, the PACE betterment assessment installment payments, as and when collected, and
(v) enforce, to the extent required by the Agreement, the PACE betterment assessments and liens; the Agreement to be substantially in the form presented to this meeting, with such changes, modifications and insertions as the Mayor may approve as being in the best interest of the Municipality.

The Collector Treasurer of the City of Somerville or such other Somerville agency as may be designated in the Agreement is authorized to levy such PACE betterment assessments and impose the PACE betterment assessment liens on behalf of the City of Somerville without further authorization by this legislative body.

Notwithstanding any other provision of law to the contrary, officers and officials of the Municipality, including, without limitation, municipal tax assessors and tax collectors, are not personally liable to Mass Development or to any other person for claims, of whatever kind or nature, under or related to PACE Massachusetts, including, without limitation, claims for or related to uncollected PACE betterment assessments. Other than fulfillment of the obligations specified in the Agreement, the Municipality has no liability to the owner of the benefitted property or to any capital provider related to the Municipality’s participation in PACE Massachusetts.

APPROVED:

President, City Council

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