PACE General Overview

Eligible Projects

Improvements related to the installation of renewable energy and energy efficiency products. Some jurisdictions include some risk mitigation improvements (flood, wind, seismic), water conservation or other environmental hazard mitigation

Examples of project types include but are not limited to:

- Energy efficiency equipment, such as HVAC, windows, doors, building envelope, green or cool roofs, meters, elevators, pools and control systems
- Renewable energy or alternative energy sources, such as solar systems, wind power and storage systems
- Tenant enhancements, such as LEED or WELL certification improvements
- In California, seismic strengthening improvements are eligible as well as water conservation measures, such as irrigation control, artificial turf and low flow fixtures.
- In Florida, wind resistance improvements such as upgrades to roof or installation of impact window, doors and shutters
- In Rhode Island, some environmental hazard improvements may be financed

General Overview

- Project Size: $100,000 or greater
- C-PACE 1 PROGRAM: For assessments $100,000- $1 million, no financials, no appraisal and quick approval if project qualifies.
- DSCR Requirement: if project does not qualify for C-PACE 1 Program, 1.15x-1.20x on underwritten stabilized net cash flow for properties. Appraisal and financials required.
- Terms: 5 to 30 years, fixed rate, fully amortizing, with no guarantees or covenants required
- Eligible Property Types: Office, Retail, Multifamily, Light Industrial/Warehouse, Hospitality, Mixed-Use, and Self-Storage.
- Eligible Improvements: Energy Efficiency, Renewable Energy, Water Conservation, Seismic Retrofits, Risk Mitigation, and some other improvements.
- Occupancy Type: Stabilized, Transitional, or Ground Up Construction. Previously completed construction may be eligible.
- Eligible States: Nationwide and continually growing. Currently in 27 states
- Lien-to-Value: Up to 35% of the as-is or stabilized property value.
- Recourse: Non-recourse with no technical default provisions.

- Interest Rates: Varies by jurisdiction, term, project size, and property type. Please contact the Program for current rates.

Why is this Program different than loans ?

Unlike loans, the Program offers financing through a property assessment and repayments are made through your property taxes. If the property is sold, the remaining assessment can be passed to the new property owner.

The Program offers 100% financing for energy or disaster mitigation retrofits including soft costs, the cost of the product , installation and other approved ancillary costs. The Program has terms up to 30 years at low fixed interest rates. No balloon payments and assessments are self-amortizing. Terms cannot exceed the useful life of the product or improvement. May qualify for off balance sheet treatment.

How is Program financing repaid ?

The Program financing is repaid through your property tax bill and collected with your regular property taxes as non-ad valorem assessment.
You will see an additional line item on your property tax bill for your scheduled payment. First payment may be deferred for up to 2 years by capitalizing interest.
If you have your taxes escrowed by your mortgage lender, the bank will adjust your monthly payment to include the amount due for the financing.

What Are the eligibility criteria for the Program ?

The eligibility criteria vary slightly from state to state , but generally they include :

The Property taxes must be current in all states. Some states require no delinquency or only one delinquency in the last 3 years.

All mortgage related debt plus the Program financing may not exceed 100% of the value of the property.

The Property Owner must be current on their mortgage at the time of the application without any delinquencies of more than 30 days in the past 12 months or since the property owner acquired the property, whichever is shorter.

The Property must not be subject to outstanding involuntary liens such mechanics or municipal nuisance liens.

The Property owner must not have declared bankruptcy in the last 7 years and property must not be subject to an active bankruptcy.

Some jurisdictions require lender consent be obtained.

Property with possible environmental risks may require additional evaluation before applications are accepted.