PACE “could be bigger than anything in U.S. real estate since the invention of the glass window,” but ..

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PACE loan closed to date in Maryland

As of June 10, 2017
Maryland jurisdictions that have a PACE program

Including Montgomery, Frederick, Howard, Anne Arundel, Harford, Garrett, Allegany, Baltimore, Charles, Kent and Queen Anne’s Counties and Baltimore City
The year SB 186, the state enabling law passed

The law was tweaked in 2016 by SB 173
PACE
Property Assessed Clean Energy

Private loans where payments for energy efficiency, water conservation and renewable energy improvements to real estate are made through a building owner’s property tax bills.
74% of electricity consumed in U.S. is in buildings

Green buildings in GSA portfolio consume 25% less energy, use 11% less potable water and emit 45% lower GHG emissions
34

States with PACE enabling legislation

19 states have active PACE programs including California, Connecticut, Florida, Ohio, Minnesota, Colorado, Montana, Minnesota, New York, Wisconsin and DC
1020

Total projects financed to date with $340 Million

As of December 31, 2016
Benefits

“could be bigger than anything in U.S. real estate since the invention of the glass window”

Including removing the barrier of a large upfront cash outlay by the property owner; allowing 100% financing of improvements in amounts over loan value ratios available in the market; etc.
Ways to improve Maryland PACE programs

A market based and voluntary program that will reduce GHG emissions while supporting economic development and job creation
More and additional PR about PACE programs

Way to Improve Maryland PACE
Reduce 1\textsuperscript{st} costs by eliminating PACE lien notice recorded among the land records

Way to Improve Maryland PACE
Reduce 1\textsuperscript{st} costs by eliminating recording tax on the PACE lien notice

Way to Improve Maryland PACE
Modify existing mortgage holder consent form (some describe this as #1 problem in Maryland)

Way to Improve Maryland PACE
#5

Standardize programs and documents across all counties

Way to Improve Maryland PACE
#6

Programs should NOT narrow scope of what is “energy efficiency, water conservation and renewable energy improvements to real estate”

Way to Improve Maryland PACE
#7

Eliminate program requirement for Energy Audit

Way to Improve Maryland PACE
#8

Standardize effective date of loan to be execution of note (not when project completed)

Way to Improve Maryland PACE
#9

Prepare ‘new and improved’ attorney drafted documents that sell PACE

Way to Improve Maryland PACE
#10

PACE for new construction (i.e., top 10% of a project) expressly authorized or articulated in programs

Way to Improve Maryland PACE
#11
State to buy down interest rate on PACE loans (the largest obstacle?) Use RGGI auction proceeds or ..

Way to Improve Maryland PACE
Impact of other state policies (e.g., make net metering more advantageous to business)
You should be reading my
Blog www.greenbuildinglawupdate.com

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