



Hudson Valley Regional Council

Clean Energy Communities Institute:

PACE Financing Webinar

Preliminary Questions and Answers

Responses from NY Green Bank to Come

November 16, 2021

Q: Does the PACE financing law have to be passed by the “lowest-level” municipality, or if the County has such a law does that enable PACE financing in any municipality in that County?

A: Sarah Smiley, Director of EIC PACE Municipal Membership: When a county adopts the legislation enabling PACE Financing, it is applicable to all the municipalities in the county, except cities, which generally have their own tax lien authority and have to adopt the legislation independently. The exception to this is Westchester County, where the County cannot adopt PACE-enabling legislation but both cities and towns have their own tax lien authority and are able to adopt PACE-enabling legislation.

Q: Does EIC connect borrowers with additional incentives that may be available for their project?

A: Smiley: The capital provider and energy auditor working with the property owner can connect them with applicable incentives, and they must inform EIC about the incentives used in relation to the scope of the project work.

Q: Can Orange County’s 239 Review Process serve as a model for other counties, and were there any challenges to adopting it?

A: Alan Sorensen, Orange County Commissioner of Planning: It can certainly serve as a model for other counties, and when we presented it to our Planning Board, they immediately signed on. The capacity of the 239 Review Board is advisory, but by getting involved in the project review earlier in the process, we raise the awareness of the local planning board and the developer about PACE Financing, to get the developers thinking about it at an early enough stage that they can incorporate that into the financing package for the building. We are cautiously optimistic that they will begin to see some new participation in C-PACE, and it is certainly something that can be replicated.

Q: Are there grants available for some of these large-scale energy efficiency projects, in addition to PACE?

A: Kat Carroll, Clean Energy Communities Coordinator at HVRC: PACE Financing and NY Green Bank provide financing opportunities, but these larger-scale projects can apply for grants under any number

of NYSERDA Program Opportunity Notices which may be applicable (Commercial New Construction, Low Carbon Pathways for Multifamily Buildings, Multifamily Building Solutions Network, RetrofitNY Gap Funding for High-Performance Retrofit Projects).

Q: What support does EIC give to its municipal members to market PACE to potential borrowers? Where do project leads come from?

A: Smiley: Commissioner Sorensen brought up a great example of the municipality speaking directly to commercial real estate owners and developers, ensuring that they're aware of the availability of PACE Financing for these large-scale renewable projects. Typically, the developer generates the leads in direct conversation with the real estate owner. In terms of support for municipalities to market PACE, EIC provides a flyer to municipalities and resources for their webpage to advertise the financing, including a link to a list of projects that have utilized Open C-PACE, and EIC is also available to come speak to municipalities and various audiences about the availability and conditions of PACE Financing.

Q: Are commercial rental properties with fewer than five-units eligible for PACE financing?

A: Smiley: Multifamily buildings with fewer than five units are not eligible for financing through Open C-PACE.

Q: Is there a "need" component to the underwriting process?

A: Smiley: In terms of programmatic requirements, EIC looks at whether the project will generate savings in accordance with NYSERDA's Commercial PACE Guidance. The PACE capital provider will conduct their own underwriting. Open C-PACE is not subsidized financing.

Q: Does the Green Bank favor the adaptive reuse of older buildings? Also, can municipalities apply for a municipal office building? Or senior housing?

A: Smiley: Municipalities are not eligible for PACE Financing given that the funding is secured through a municipally-authorized lien on the property.

Q: What are the equivalent programs for single family homes? Different programs through NYSERDA?

A: Eleanor Peck, Clean Energy Communities Coordinator at HVRC: There are several utility incentive and rebate programs for clean heating and cooling technology, energy efficiency improvements, and LED lighting installations. NYSERDA also provides no-cost energy audits to New York homeowners. There are additional financing and no-cost improvement programs for income-eligible New Yorkers as well.

Q: Is there a minimum dollar cost level for projects to qualify for a PACE or NYGB-financed projects?

A: Smiley: Generally, for PACE Financing, EIC's capital providers look at projects beginning at \$500,000.

Q: Are CPACE and Green Bank loans also available for green infrastructure projects such as green walls and roofs as part of a larger project?

A: Smiley: Viewed as a single measure, the green infrastructure project would need to demonstrate that the savings exceed the cost. It would likely qualify if it were part of a whole building project that met a higher energy standard such as Passive House.