THE STATE OF PACE

PRESENTED BY:
ADMINISTRATORS OF THE PACE PROGRAMS IN FLORIDA

BASICS OF PACE

- PACE (Property Assessed Clean Energy) is a financing mechanism used for energy efficiency, renewable energy, and wind mitigation upgrades to properties.

- PACE financing is repaid as a non-ad valorem special assessment on the property's regular tax bill, and is processed the same way as other local public benefit assessments such as neighborhood improvement or special taxing districts.

FL STATUTE 163.08: AUTHORIZING A LOCAL GOVERNMENT TO LEVY NON-AD VALOREM ASSESSMENTS TO FUND CERTAIN IMPROVEMENTS FOR ENERGY EFFICIENCY, RENEWABLE ENERGY AND WIND MITIGATION

- Improved property retrofitted with energy-related qualifying improvements receives the benefit of reducing the property's energy consumption.
- Improved property retrofitted with wind resistance qualifying improvements receives the benefit of reducing the property's burden from potential wind damage.
- Installation and operation of qualifying improvements not only benefit the affected properties, but also assist in fulfilling the goals of the state's energy and hurricane mitigation policies.
- In order to make qualifying improvements more affordable and assist property owners who wish to undertake such improvements, the Legislature finds that there is a compelling state interest in enabling property owners to voluntarily finance such improvements with local government assistance.

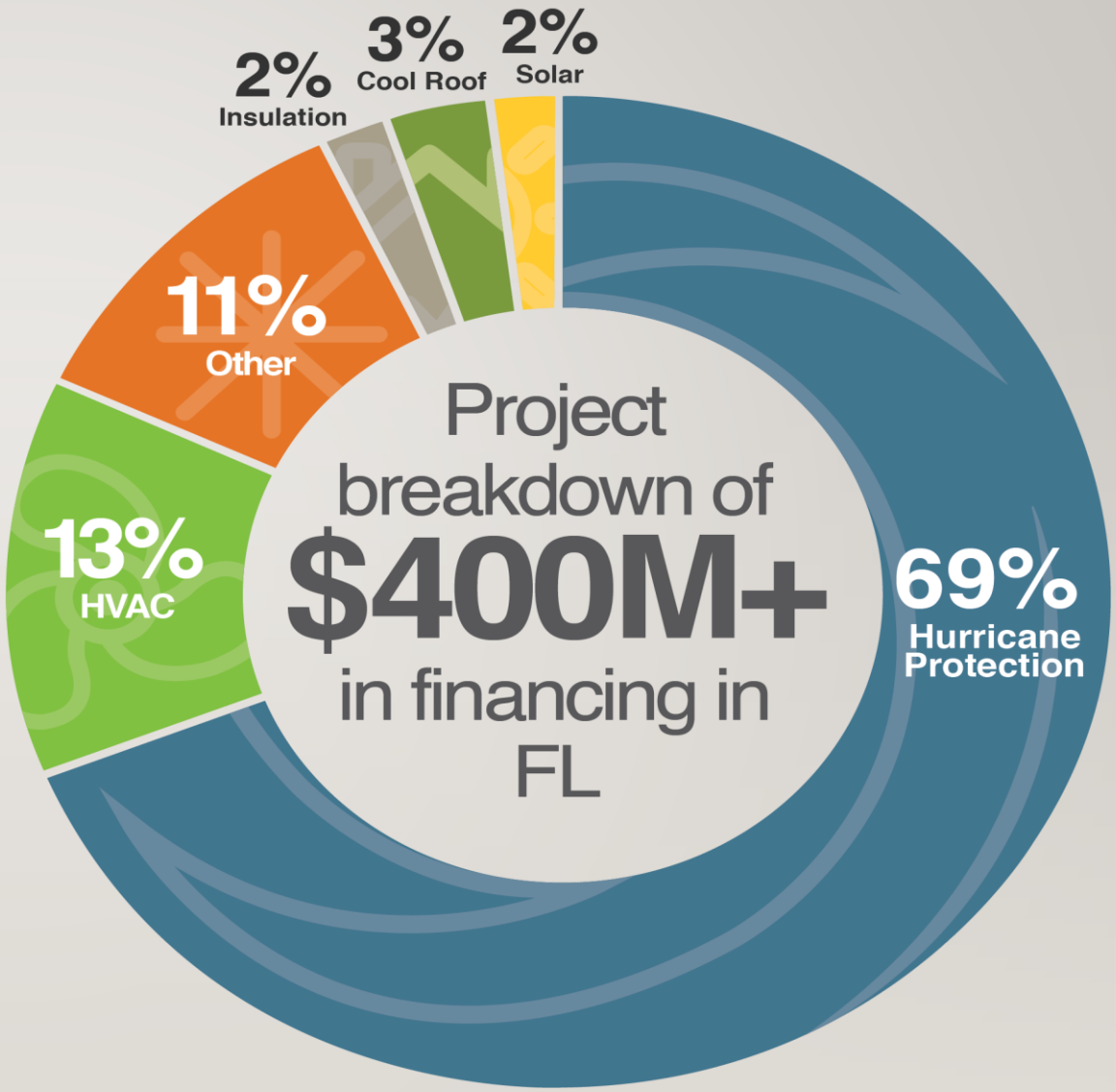
TYPES OF PROPERTIES

- Single Family Residential
- Multi-Family
- Retail/Office Space
- Assisted Living Facilities & Senior Living Centers
- Industrial
- Agricultural
- Hospitality
- Non-profits/Churches

TYPES OF IMPROVEMENTS

- IMPACT WINDOWS & DOORS
- ROOFING
- HVAC: HEATING & COOLING
- SOLAR PANELS & STORAGE
- BACKUP POWER GENERATORS
- LIGHTING
- INSULATION
- WATER HEATERS
- POOL PUMPS & POOL HEATERS

BREAKDOWN OF TYPES OF PROJECTS IN FL



QUALIFICATIONS FOR PROPERTY OWNERS

- Current on Property Taxes for last 3 years or length of ownership if under 3 years.
- Current on Mortgage. No liens against property.
- Must have 10% Equity based on Fair Market Value
- NO Negative Equity Lending
- Improvements must be eligible improvement, affixed to building or facility, part of the property
- Up to 20% just value of the property if the property owner has a mortgage

BENEFITS TO RESIDENTIAL PROPERTY OWNERS

PACE covers up to 100% upfront cost. Not credit based.

Financing terms up to 30 years with fixed, single digit interest rates. Affordable payments.

Interest rates based on selected repayment term, not on borrower's financial profile or project size.

Available to residential, commercial, homestead not required.

Potential to reduce utility bills and realize savings on property insurance.

Can be combined with utility, local and federal incentive programs.

PACE ASSESSMENTS

- Line item on the property tax bill
- Recorded on title (Clerk of Courts)
- Voluntary non-ad valorem assessment
- Annual installment on property tax bill (no discount on PACE assessment)
- Assessment is attached to the property, not the property owners' credit
- Repaid over a fixed term at a fixed interest rate
- No pre-payment penalty (residential)
- Uniform Method of Collection Agreement with Tax Collector for placement & fee

PROPERTY OWNER FAQS

- Property taxes are legally transferable upon sale; however, mortgage lenders may require full repayment of the PACE assessment upon sale or refinancing. PACE assessments can be paid off in full with no penalty for residential property owners.

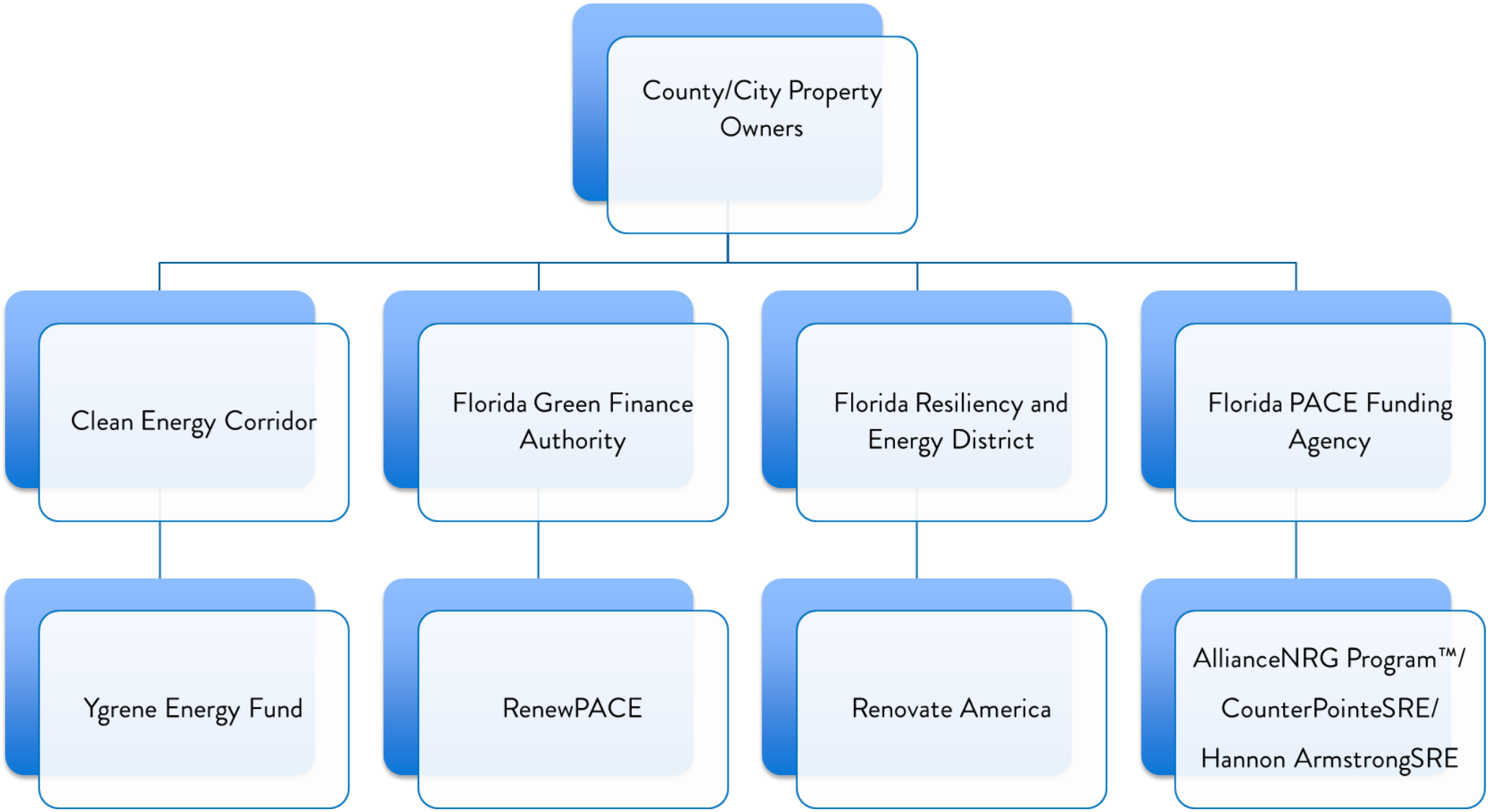
- PACE financing payments can be added to a mortgage escrow account, but this does not happen automatically. To increase escrow account reserves, property owners must contact their mortgage lender or servicer and provide them with a copy of the final closing statement.

BENEFITS TO COMMERCIAL PROPERTY OWNERS

- Treated as an expense versus capital expenditure, accelerating energy asset and qualified building upgrades with no ROI threshold to meet.
- Preserves capital.
- Significantly lowers direct and indirect operating and maintenance costs.
- Creates an immediate and meaningful increase in property value.
- Tenants experience reduced energy costs and increased comfort.
- Assists with business retention and expansion.

BENEFITS TO LOCAL GOVERNMENTS

- Environmental benefits, and helps local governments achieve sustainability goals.
- Structural hardening of properties to protect against wind damage.
- Improves building stock and creates local jobs for contractors.
- No cost or liability to the government and no public funds are used.


County/City Property Owners
Clean Energy Corridor
Florida Green Finance Authority
Florida Resiliency and Energy District
Florida PACE Funding Agency
Ygrene Energy Fund
RenewPACE
Renovate America
AllianceNRG Program™/ CounterPointeSRE/ Hannon ArmstrongSRE

LAUNCH A PACE PROGRAM

- Multi-Provider Resolution to join PACE Programs
- Interlocal Agreements with the individual providers
- PACE administrators provide turnkey service; responsible for program administration, staffing, and marketing costs, and provide project funding
- No cost or liability to local government

FT LAUDERDALE PROPERTY OWNER

IMPACT RESISTANT WINDOWS & DOORS, HVAC, POOL WATER HEATER, TANKLESS WATER HEATER

$300 MONTHLY ENERGY SAVINGS
$7,000 ANNUAL PROPERTY INSURANCE SAVINGS

- "We had all the hurricane windows and doors put in, a new tankless gas hot water heater, a new central air conditioning system and we had a new energy saving heater for our pool. I am now **saving $7,000 per year on insurance plus around $300 dollar a month in our electric bill"**

– Joy Miller, Residential Property Owner