

Built Environment & Energy Advisory Committee

Property Assessed Clean Energy (PACE) Financing Workgroup

Draft Framework for Discussion

Background and Purpose:

On March 25, the Metropolitan Washington Council of Governments (COG) Climate, Energy and Environment Policy Committee (CEEPC) voted to establish a regional workgroup to study and provide guidance to COG members on Property Assessed Clean Energy (PACE) Financing. PACE financing is a powerful tool for enabling building energy improvements without using public dollars. By leveraging public taxing authority to bring in private capital, PACE can mitigate high up-front costs, offer transferability upon sale, and enable low monthly payments by providing long financing terms.

Several jurisdictions in the region intend to soon implement PACE financing programs for commercial buildings, and there is strong interest in enabling PACE financing for the residential market. The PACE Workgroup is being established to support local governments in the region working to design and/or expand PACE financing programs by identifying and sharing best practices. Recognizing that the real estate and finance industries are regional and not limited by jurisdiction lines, and that regional consistency will improve the growth and success of PACE financing in all jurisdictions, the PACE Workgroup will also serve to facilitate coordination across the region.

Functions:

To achieve the objectives above, the PACE Workgroup will:

- Serve as a forum for discussion among regional stakeholders from local government, lenders and investors, building owners, contractors and service providers, and others.
- Perform research, identify best practices and provide recommendations to local governments and other stakeholders
- Facilitate regional coordination among stakeholders and encourage regional consistency among PACE financing programs

Products and Activities:

Through regular meetings starting in May 2015, the PACE Workgroup is asked to address the following issues, among others:

- Commercial PACE program design: best practices from around the region and country
- Residential PACE: Progress and experiences around the country, remaining legal concerns, and options for the DC region
- Lender Consent: program design and implementation requirements, building awareness and confidence in PACE financing

The Workgroup may also organize or participate in regional workshops, trainings and other events to further the goals above. Examples include:

- Lender Consent Workshop: organized in partnership with Montgomery County, AOBA, and Urban Ingenuity and Abacus Property Solutions with Virginia Bankers Association representatives.

Membership:

Membership of the workgroup shall consist of representatives from the following areas. Suggested organizations or companies are noted in second-level bullets below, with potential initial members to invite noted after the dash.

- **Government**
 - COG member jurisdictions
 - Virginia Energy Efficiency Council / DMME
 - Maryland Energy Administration
- **Non-profits, Program Administrators and Other Advisory Groups**
 - Urban Ingenuity – Bracken Hendricks
 - Abacus Property Solutions – Abby Johnson
 - Clean Energy Solutions, Inc. (CESI) – Steve Morgan
 - Local Energy Alliance Program (LEAP)
 - Maryland Clean Energy Center (MCEC)
 - Regional Chambers of Commerce
- **Real Estate**
 - Apartment & Office Building Association (AOBA) – Brian Gordon
 - Community Housing Partners
 - National Historic Trust/Enterprise Foundation
 - REIT (such as Philips Edison, Simon, Vornado, Brandywine, etc.)
- **Finance:**
 - PFM – Laura Franke
 - Greenworks Lending – Jessica Bailey
 - United Bank – Tom Nida
 - Hannon Armstrong – Jody Clark
 - Presidential Bank– Courtney Jenkins
 - VA Community Capital – Bill Greenleaf
 - Bank of America – Natalie Trojan
 - Inland Green Capital
 - Bostonia
 - Bluepath Financial
 - Structured Finance

Relationship to other COG Committees:

As the originating committee, CEEPC shall oversee the PACE Workgroup. As the technical advisory committee to CEEPC, BEEAC shall advise COG staff in the development of the PACE Workgroup, provide direction to the Workgroup's functions, products and activities, and participate in the Workgroup as desired. Workgroup products will be reviewed by BEEAC before presentation to CEEPC. The Workgroup will be supported by COG's Department of Environmental programs and Climate and Energy staff.

Duration:

The Workgroup shall exist for a one calendar year, unless members determine that a longer or shorter duration is appropriate.