Property Assessed Clean Energy (PACE)

Creative Financing for Clean Energy
September 17, 2026

What is Commercial Property Assessed Clean Energy?

"C-PACE"

C-PACE financing was enabled in MI by PA 270 of 2010. Over 40 states have now passed PACE statutes.

- PACE helps a property owner access private capital for building retrofits or new construction.
- The property owners asks a jurisdiction to add a voluntary special assessment equal to the value of what is being financed.
- A private lender (beneficiary of the tax lien) agrees to provide fixed-interest rate financing for construction or improvements for a 20-30-year term.
- This allows projects to pencil when compared to traditional loan products, given the long payback period
- No taxpayer money is involved or at risk.

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Lean & Green Michigan created and runs Michigan's PACE market

We pioneered the idea of a **uniform statewide** PACE market that is privately run, efficient, and open to all

Lean & Green Michigan:

Creates and administers the program for each participating local government

Connects commercial property owners, private lenders and local contractors

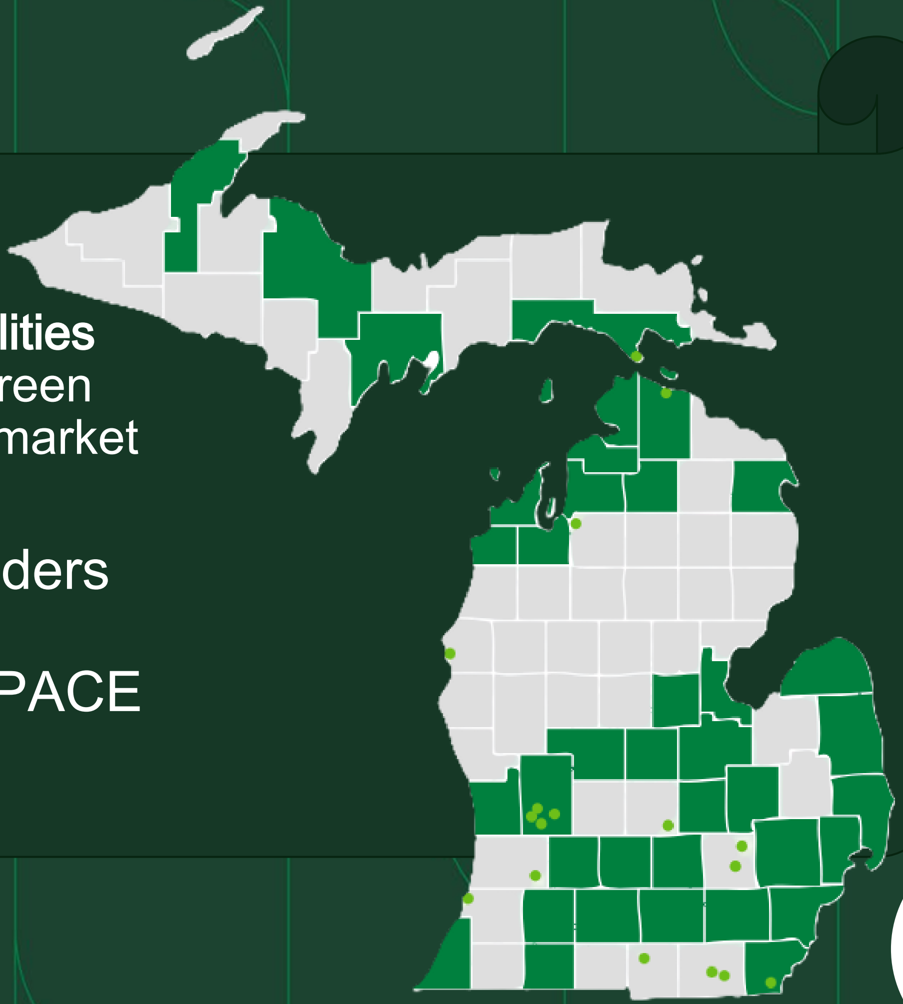
Sees projects through from beginning to end

There is no cost to local governments

Earns money only on successfully closed projects - and our fee is rolled into the loan

63 Michigan municipalities have joined Lean & Green Michigan's statewide market

86% of Michiganders live in a Lean & Green Michigan PACE district.



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STATEWIDE MARKET DATA

93

PACE projects financed

$322 million

Private investment

LEAN & GREEN IMPACT	
kWh of Electricity Savings	744,622,334
Metric Tons of CO2 Savings	1,240,970
Gallons of Water Saved	871,380,077
Money Saved	$346,000,000
Jobs Created	3,706

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Eligible Properties

PACE financing in Michigan is available to all privately owned *commercial* properties.

- Retail
- Office
- Industrial
- Hospitality
- Nonprofits
- Multi-family (4+units)
- Senior living facilities
- Mixed-use
- Argicultural

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Eligible Improvements

Energy Efficiency: lighting, HVAC, windows, insulation, roofing, caulking, EV charging

Water Efficiency: stormwater recapture, low-flow toilets / sinks / shower heads, greywater systems

Renewable Energy: biomass, solar or solar thermal systems, wind energy, geothermal, CHP

Environmental Hazards: mitigation of lead, PFAS and other harmful substances in drinking water and protection against effects of severe weather such as drought and flood

Anaerobic Digester Energy Systems: systems to capture methane gas

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Benefits of PACE
(a true win-win-win!)

Funding Brings in private capital for energy & water efficiency, renewable energy and enviro. hazard mitigation

Fixed Interest Rates Property owners get 100% up-front financing and long-term fixed interest rates (up to 30 yrs)

Lending Security PACE lenders get the security of a property lien created by the special assessment

Property Improvement Helps make property efficient and cost-effective for all situations: retrofits, gut rehabs & new construction

Increased Property Value Results in increased business profitability and property values, as well as improved sustainability of the real estate asset

New High Quality Jobs created for local workers

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Efforts to Increase Access to PACE

Invest Detroit

OPPORTUNITY RESOURCE FUND
— OPPORTUNITIES FOR ALL —

As PACE grows nationwide, a gap in the market has developed

- Many national PACE lenders are raising project size minimums (i.e.. $500k-$1M)
- Many property owners have much needed upgrades but do not meet these minimums, either because their projects are too small or their property values are too low
- To combat this, LAGM has actively pursued local lending partners
  - Local and Regional Banks
  - Credit Unions
  - CDFI's
- EGLE Challenge #3
  - Collaboration with two Michigan CDFI's to create pathway to PACE lending

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What Makes a Successful PACE Program?

- **PACE Enabling Statute**
  - Flexibility of program guidelines and eligibility
    - “Including, but not limited to”
  - Open Market
    - Low barriers of entry
- **Program Level**
  - Uniformity amongst jurisdictions
  - Ease of entry
    - For jurisdictions, lenders, etc.
  - Active updates
    - Participate in nationwide collaboration on best practices
- **PACE Marketplace**
  - Collaboration between admin, jurisdictions, lenders, contractors, etc.
  - Keeping it a **win-win-win**
    - Maintaining public policy goals

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How Can You Take Advantage of the PACE Program?

Property Owner, Developer, or Contractor

- Explore using PACE to make needed improvements or upgrades to your building, they will likely save you money in the long run
- Utilize PACE to replace high-cost debt or equity in your capital stack

Local Government or Economic Development

- Ensure you have adopted a PACE program, if not, contact us to help set it up
- Market PACE as you would any other economic development tool, while promoting there are no tax dollars at risk

Financial Institution or Foundation

- Be familiar with PACE so you can may be willing to consent when a project presents itself with one of your customers
- Explore the opportunity to become a PACE lender. LAGM will educate and train any lender willing to offer PACE as a product

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Unlocking PACE Locally

In Michigan

- Contact us at Lean & Green Michigan
- We will work with local governments to set up PACE programs, or with anyone looking to take advantage of an existing program
- New lender education and product guide

Other States

- Determine if you are in a PACE enabled state, connect with your local PACE Administrator
- Cultivate a collaborative PACE marketplace with local lenders, contractors, , trade organizations, foundations, etc.

Nationwide

- Connect with national trade organizations
- **National Association of PACE Program Administrators (NAAPA)**
- C-PACE Alliance, PACENation

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Red Cedar Hyatt Hotel

Ingham County

- **Total Financed:** $14,000,000
- **Energy Conservation Measures:**
  - HVAC
  - Building Envelope
  - Elevators
  - Lighting
- **Project Term:** 23 years

$29,052,335in Savings

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The Poplars Apartments

Saginaw County

- **Total Financed** $890,962
- **Energy Conservation Measures:**
  - Building Envelope
  - Hot Water
  - LED Lighting
  - High-efficiency Boiler
  - Solar
- **Project Term:**24 years

$992,739 in savings

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Bailey Buildings

(513-519 West Ionia)

Ingham county

- **Total Savings:**$267,457
- **Energy Conservation Measures:**
  - Electric Vehicle Charging
  - Building Envelope
  - Windows
  - Solar
  - Boiler Upgrade
- **Project Term:**20 years

$247,729 in PACE Financing

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Thank You!

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