

# PACE Broward

## Frequently Asked Questions

*The following is a list of questions received from Broward property owners followed by answers supplied from the Broward County Energy & Sustainability Program staff. Click a question below to link to the provided answer.*

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### **1. What are the pros and cons of PACE?**

The pros and cons really depend on each individual project, and the property owner's financial situation. There may be other types of financing available and Broward County does not guarantee that the PACE program is the best financing option. You might want to discuss with your financial adviser.

Here are a couple general advantages and disadvantages to consider in order to make the best financial decision for yourself and your property:

- Allows a property owner to finance improvements without a large up-front cash payment

- PACE can help incentivize investing in energy improvements, since many property owners are hesitant to make property improvements if they think they may not stay in the property long enough for the resulting savings to cover the upfront costs.
- The energy and insurance savings should be greater than the PACE assessment over time.
- PACE spreads repayment over many years, typically 15-20 years.
- Qualified improvements typical of PACE generally increase the value of the property.
- PACE assessment is tied to the property not on the individual. Under Florida law, property taxes stay with the property when it is sold and the same is true of an assessment. Therefore, if you sell the property the new homeowner would then take over the balance of the assessment.
- However, the seller's lender or the buyer's lender (Mortgage Company) may require pay off the remaining outstanding balance of the assessment before the property can be refinanced or sold. This is particularly true of Freddie Mac and Fannie Mae mortgages.
- Failure to pay the PACE assessment is treated the same as nonpayment of taxes.

## **2. What cities do NOT participate in the Broward program?**

For various reasons, some municipalities have chosen to opt out of participating in the countywide Broward PACE program, for example some cities may already have had existing PACE programs.

The following cities have chosen to opt out of the Broward program:

- Dania Beach, Colin Donnelly, [cdonnelly@daniabeachfl.gov](mailto:cdonnelly@daniabeachfl.gov)
- Fort Lauderdale, Nancy Gassman, [ngassman@fortlauderdale.gov](mailto:ngassman@fortlauderdale.gov)
- Margate, Aaron Tauber, [atauber@margatefl.com](mailto:atauber@margatefl.com)
- Pembroke Pines, Martha Skiles, [mskiles@ppines.com](mailto:mskiles@ppines.com)

Please check with the city contacts listed above for information on your city's PACE program.

## **3. Who are PACE Providers for the Broward program?**

There are currently three PACE Providers operating as part of the Broward program.

1. [CounterPointe Energy Solutions](#), administering the "AllianceNRG" Program
2. [Renew Financial](#), administering the "RenewPACE" Program
3. [Ygrene](#), administering the "Clean Energy Program"

All three of the Providers administer financing for both residential and commercial projects.

Also, the County is currently negotiating with a fourth Provider, Renovate America, administering the “HERO Program.” However, agreements are not yet finalized and this program is not yet active as part of the Broward PACE Program. The website will be updated with additional information and links when documents are finalized. Check the webpage regularly for updates.

#### **4. How is PACE different from other financing options?**

PACE is a special assessment, commonly referred to as a PACE assessment, for an improvement tied to the property. Should a transfer of property ownership occur, the PACE assessment obligation stays with the property, not the property owner.

Important considerations include:

- Failure to pay the full tax bill including the PACE assessment could trigger foreclosure and property loss even if the property owner is current on other mortgage lien(s).
- The PACE assessment is the priority lien, and the lien position may impact options to sell or refinance. Some mortgage lenders (particularly Freddie Mac and Fannie Mae) may be unwilling or unable to modify or refinance a property subject to a PACE assessment due to the type and position of the assessment requiring payment in full prior to refinancing or sale of property.

#### **5. What is the interest rate for PACE financing?**

Currently, PACE financing has an average 7% interest rate with additional associated fees. Typically, the cost of the project is repaid over a period of 15 to 20 years as an annual payment on the property tax bill. Interest rates and fees for the project are set at the time that Financing Document/Agreement are finalized with the property owner. More information can be found in the PACE Provider’s guidelines documents:

- [Renew Financial Residential Program Handbook](#)
- [Ygrene Program Guidelines](#)

The CounterPointe Energy Solutions Program Guidelines for the AllianceNRG Program are available on request by calling or emailing the PACE Provider directly.

## 6. What improvements qualify for PACE financing?

PACE Qualifying Improvements shall mean those improvements to real property provided for in [Section 163.08\(2\)\(b\), Florida Statutes](#), including, but not limited to, energy conservation and efficiency, renewable energy, and wind resistance improvements. To qualify, projects must be permanent improvements, for example new roofs, air conditioning units, impact windows, and solar panels. For questions regarding specific qualifying improvements, contact the individual PACE providers.

## 7. Are sea walls a qualifying improvement?

Not currently.

## 8. Is there a time limit or a funding limit on the amount of financing available?

There is no short-term deadline in which to apply. The amount of funding available is significant. There are multiple PACE Providers and approved contractors to choose. You should not feel rushed to enter into a financial agreement by any provider or contractor.

Be a diligent, smart consumer and take the time to research the program and any financing options available to you. Seek more than one quote. Read the program guidelines and/or handbook for each PACE Provider and review their list of approved contractors linked on the [Broward PACE webpage](#).

There are potential individual limits for the amount of financing available to your property due to the Broward PACE Consumer Protections Provisions. Broward PACE Providers must ensure **at least one** of the following for each assessment:

- Insurance and/or energy cost savings  $\geq$  annual assessment
- Mortgage lender consent, or approval to escrow assessment
- Annual assessment shall not exceed 4% gross annual income, with annual property taxes/assessments not to exceed 5% FMV, see table below for Income Threshold Examples:

Annual Income	Discretionary Income (8%)	Proposed Pace Limit (4%)	Minimum Property FMV	Maximum Project Cost
\$15,000	\$1,200	\$600	\$30,000	\$5,232
\$25,000	\$2,000	\$1,000	\$50,000	\$8,720
\$35,000	\$2,800	\$1,400	\$70,000	\$12,207
\$200,000	\$16,000	\$8,000	\$400,000	\$69,760

To learn more about the Broward PACE Consumer Protections Provisions, [read the memo](#).

## **9. Does a condominium qualify for PACE?**

In general, condominiums are eligible. Due to the complexities associated with condominium ownership, assessment payments, rules of the condominium associations, and physical unit design, it is best to contact the PACE Providers directly to research eligibility and process.

For properties subject to HOA restrictions, it is the responsibility of the Property Owner to obtain authorization that the requested Eligible Products meet all the HOA requirements, as applicable.

For specific project eligibility, contact the individual PACE Providers.

## **10. How do I become a PACE Provider or a PACE Contractor for PACE Broward?**

Additional PACE providers interested in offering Qualifying Improvements within Broward County must meet the PACE Provider Standards and negotiate agreements with the County. Interested providers should send letter of interest and completed [matrix](#) to [jjurado@broward.org](mailto:jjurado@broward.org).

Contractors must register with each or either of the Broward PACE Providers:

- [Contractor Registration for CounterPointe Energy Solutions](#)
- [Contractor Registration for Renew Financial](#)
- [Contractor Registration for Ygrene](#)

## **11. Do I have to pay the remaining PACE assessment in full if I sell my home/property?**

PACE is designed to allow the repayment to stay with the property, however accelerated repayment could be a condition of title transfer, at the discretion of the seller, buyer and lender. When a property owner sells or refinances their property, state statute authorizes the assessment to stay with the property; however, the seller's lender or the buyer's lender (Mortgage Company) may require the seller to pay off the remaining outstanding balance of the assessment before the property owner refinances or sells the property. Property owners should consult with their lenders at the time of refinance or sale of the property to determine whether the program assessment will need to be paid in full. In addition, by [law](#), property owners must provide written notice of the assessment to the buyer prior to sale of the property.

The [disclosure](#) shall state “QUALIFYING IMPROVEMENTS FOR ENERGY EFFICIENCY, RENEWABLE ENERGY, OR WIND RESISTANCE.— The property being purchased is located within the jurisdiction of a local government that has placed an assessment on the property pursuant to s. 163.08, Florida Statutes. The assessment is for a qualifying improvement to the property relating to energy efficiency, renewable energy, or wind resistance, and is not based on the value of property. You are encouraged to contact the county property appraiser’s office to learn more about this and other assessments that may be provided by law.”

**12. What happens if PACE assessment is not paid?**

Under Florida Law, a PACE assessment (treated like a lien) is recorded on the property to secure the financing and will have a higher priority than most other liens on or rights in your Property, including any mortgage.

It is the responsibility of each taxpayer to know when taxes are due, and to pay them before they become delinquent. Failure to receive a tax bill does not relieve a taxpayer of the responsibility for payment, nor is it cause for cancellation of penalties and/or charges if the bill becomes delinquent. Taxes on real property (ad valorem and non-ad valorem) are collected on an annual basis. The Broward County Property Appraiser (not an agency of the Broward County Board of County Commissioners) establishes the value of property and exemptions. Read more information about [Broward County process for delinquent property taxes](#).

**13. Can I payoff my PACE assessment early?**

Yes, you are able to pay off the PACE assessment in full. In some cases a mortgage company may require full pay off prior to selling or refinancing the property. There may be a fee associated and/or minimum payment amounts with early payoff. Please check the PACE Provider’s guidelines/handbook for general information, and contact the PACE Provider directly to discuss early payoff of your specific project.

<b>PACE Provider</b>	<b>Phone</b>	<b>Email</b>
AllianceNRG	855-509-9922 (Residential)	information@AllianceNRG (Residential or Condominium)
	855-431-4400 (Commercial or Condominium)	info@AllianceNRG.com (Commercial)
RenewPACE	844-736-3934	info@renewfinancial.com
Ygrene	855-965-7283	info@ygreneworks.com

Don't see your question, send us an email [energysense@broward.org](mailto:energysense@broward.org) or give us a call 954-519-1265.