

Just in Time For Earth Day, New York City's PACE Financing Program is (Almost) Here!

April 22, 2021 Mordechai Sutton

PRACTICES Real Estate, Commercial Real Estate Leasing, Environmental, Social and Governance, Real Estate Finance

On April 21, 2021, the much-anticipated final administrative rules (the “Administrative Rules”) adopted by the New York City Department of Finance (the “NYC DOF”) to implement New York City’s Property Assessed Clean Energy (“PACE”) loan program became effective.

PACE financing is an innovative public/private partnership that provides for cost-effective, revenue neutral financing for energy efficient improvements and renewable energy systems, which are repaid through assessments on the property, similar to property tax assessments. PACE financing is authorized by state-level enabling legislation which is then adopted at the local and municipal level.

I. PACE in New York

PACE was first introduced into New York State in 2009, when the New York State Legislature enacted General Municipal Law Article 5-L (the “NYS PACE Statute”) which authorized municipalities in New York State to create a PACE loan program to provide financing to property owners for the installation of eligible renewable energy systems or energy efficiency improvements repaid through an assessment (similar to real property taxes) on the real property. As of March 30, 2021, 62 municipalities in New York State (not including New York City) have developed PACE loan programs, administered by the Energy Improvement Corporation (the “EIC”).

Read the full alert [here](#).