



Maryland Commission on Climate Change – Mitigation Working Group

**PACE “could be bigger than anything in U.S. real estate since the invention of the glass window,” but ..**

**Stuart Kaplow, Esquire**

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# 1

**PACE loan closed to date in Maryland**

**As of June 10, 2017**

# 12

**Maryland jurisdictions that have a PACE program**

**Including Montgomery, Frederick, Howard,  
Anne Arundel, Harford, Garrett, Allegany,  
Baltimore, Charles, Kent and Queen Anne's  
Counties and Baltimore City**

# 2014

**The year SB 186, the state enabling law passed**

**The law was tweaked in 2016 by SB 173**

# PACE

## **Property Assessed Clean Energy**

**Private loans where payments for energy efficiency, water conservation and renewable energy improvements to real estate are made through a building owner's property tax bills**

# 74%

**of electricity consumed in U.S. is in buildings**

**Green buildings in GSA portfolio  
consume 25% less energy,  
use 11% less potable water  
and emit 45% lower GHG emissions**

# 34

## **States with PACE enabling legislation**

**19 states have active PACE programs including California, Connecticut, Florida, Ohio, Minnesota, Colorado, Montana, Minnesota, New York, Wisconsin and DC**

# 1020

**Total projects financed to date with \$340 Million**

**As of December 31, 2016**



# Benefits

**“could be bigger than anything in U.S. real estate since the invention of the glass window”**

**Including removing the barrier of a large upfront cash outlay by the property owner; allowing 100% financing of improvements in amounts over loan value ratios available in the market; etc.**

# 10

## **Ways to improve Maryland PACE programs**

**A market based and voluntary program  
that will reduce GHG emissions while  
supporting economic development and  
job creation**

# #1

**More and additional PR about PACE programs**

**Way to Improve Maryland PACE**

# #2

**Reduce 1<sup>st</sup> costs by eliminating PACE lien notice recorded among the land records**

**Way to Improve Maryland PACE**

# #3

**Reduce 1<sup>st</sup> costs by eliminating recording tax on the PACE lien notice**

**Way to Improve Maryland PACE**

# #4

**Modify existing mortgage holder consent form  
(*some describe this as #1 problem in Maryland*)**

**Way to Improve Maryland PACE**

# #5

**Standardize programs and documents across all counties**

**Way to Improve Maryland PACE**

# #6

**Programs should NOT narrow scope of what is  
“energy efficiency, water conservation and  
renewable energy improvements to real estate”**

**Way to Improve Maryland PACE**



# #7

**Eliminate program requirement for Energy Audit**

**Way to Improve Maryland PACE**

# #8

**Standardize effective date of loan to be execution of note (not when project completed)**

**Way to Improve Maryland PACE**

# #9

**Prepare 'new and improved' attorney drafted documents that sell PACE**

**Way to Improve Maryland PACE**

# #10

**PACE for new construction (i.e., top 10% of a project)  
expressly authorized or articulated in programs**

**Way to Improve Maryland PACE**

# #11

**State to buy down interest rate on PACE loans (the largest obstacle?) Use RGGI auction proceeds or ..**

**Way to Improve Maryland PACE**

# #12

**Impact of other state policies (e.g., make net metering more advantageous to business)**

**Way to Improve Maryland PACE**

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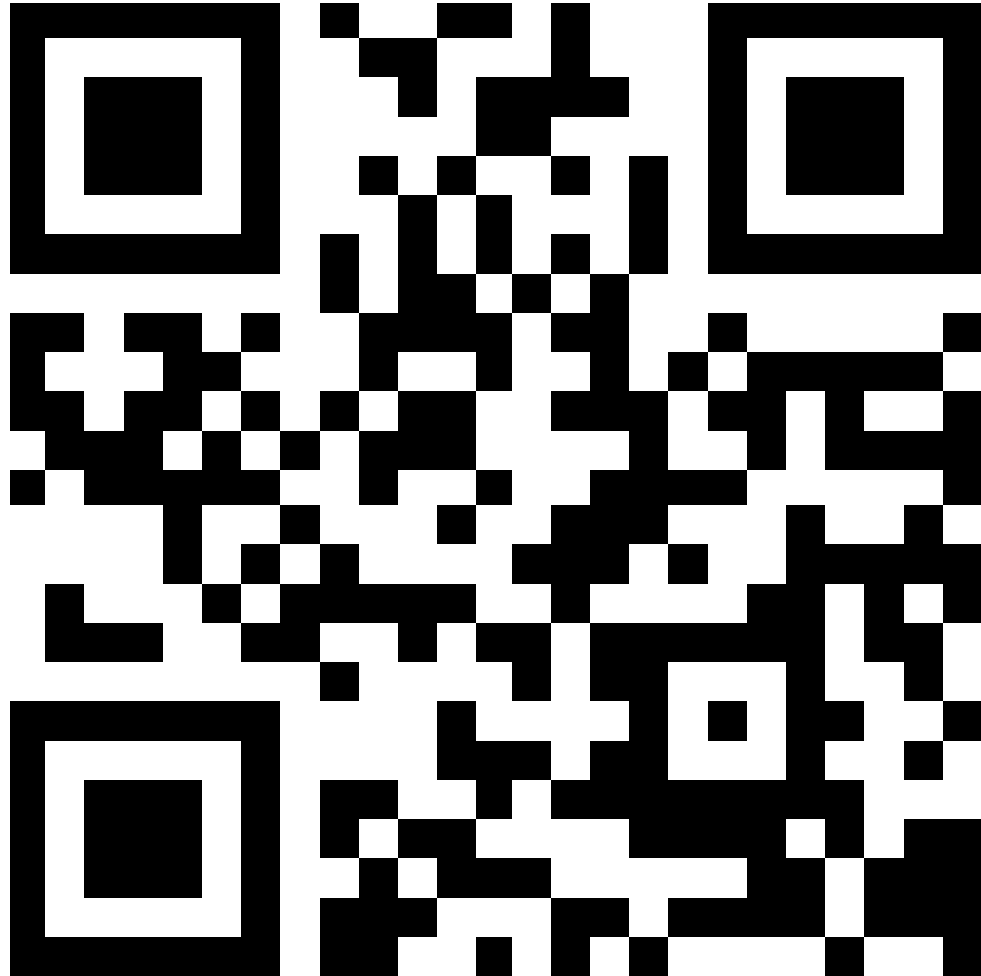
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# Mt. Everest

