

PACE Frequently Asked Questions (FAQs)

What is Property Assessed Clean Energy (PACE)?

Property assessed clean energy, or PACE, is an innovative way to finance energy efficiency, renewable energy, and water upgrades to residential and commercial buildings. Property owners can finance up to 100% of the project, for up to 30 years, as a tax assessment on their property bill. The assessment obligation may be assumed by the new owner upon property sale, and under most leases, can be shared with tenants.

By providing low-cost long-term financing and making it easy for building owners to transfer repayment obligations upon sale, PACE aims to spur greater energy efficiency in existing buildings.

What are the financing terms?

Terms vary by provider.

Who is eligible?

PACE financing is available to residential and commercial property owners in the unincorporated portions of the county and select cities/towns. Specific terms vary by provider however, the State of California does require that all programs include income verification and ability to pay standards.

What products and improvements can be financed with PACE?

Improvements must be permanently affixed to the property. Specific equipment may vary by program provider. In general, the type of improvements funded by PACE Financing would include:

- High efficiency windows
- Solar and/or tankless water heaters
- Solar panels
- Upgraded wall and roof insulation
- "Smart" irrigation controllers
- High efficiency HVAC systems
- Cool roof
- Multiple improvements for deep energy savings (for example, [BayREN Home+](#))

Does PACE financing affect the buying or selling process?

Clear disclosures are required when selling a home or business with a PACE assessment. It's important to carefully review mortgage covenants to determine what, if any, additional tax assessment is held on the property (and what the remaining balance is). However, some lenders and buyers may not want to take on the assessments and may ask the seller to pay off the debt early. It is always good to keep this in mind when evaluating PACE offerings as some offers may include pre-payment penalties.

Can PACE Financing be used for work that is already completed?

No, PACE Financing cannot be used to fund improvements that have already been installed. A project where the permit has been "finalized" cannot be accepted by the program. A property owner that has already pulled a permit and/or has a bid or signed contract for a project may apply to the program as long as no work has been started and no other funding has already been provided.

Can I use any contractor to complete the upgrades?

Many providers have specific rules regarding contractors – for example, being licensed, bonded and insured, or participating in a contractor training program and each program has a list of approved contractors with which you can work.

If you are interested in becoming a participating contractor, please contact a program provider directly to enroll.

Are energy assessments required?

Energy assessments can be a great way to determine if there are energy efficiency and cost savings opportunities at your property. Some providers require an assessment as part of the program, while others do not. Additionally, some providers require it for specific sectors only (for example, for commercial properties).

Is there an early payment penalty?

This varies by program provider. Be sure to ask when inquiring about financing from a program provider.

Can I participate in PACE Financing if my property is under water?

No. Federal guidelines for Property Assessed Clean Energy (PACE) programs such as those offered in Marin County require that program providers consider the amount of debt on a property relative to the market value of the property. In order to be eligible for PACE Financing, the sum of all liens against the subject property cannot exceed 100% of the market value of the property.

If the improvements increase my property value will my property taxes go up?

Some home upgrades may result in a property tax adjustment. While other upgrades such as "active solar" installations (i.e., solar photovoltaic systems) are excluded. It is the responsibility of the applicant to understand the impact of their project on potential local property tax provisions. To learn more, Applicants are encouraged to call the Marin County Assessor's Office at (415) 473-6133 or visit the [State Board of Equalization website](#) to obtain latest information on potential exclusions and property tax implications of a project.

What happens if I can't make the payment?

Failure to pay the PACE assessment would be just like failing to pay your property taxes. Penalties and interest charges would apply until the assessment is paid. The County would, ultimately, have the right to foreclose on your property.

What happens if I sell my property?

Because PACE Financing is an assessment against the property and not a personal lien, under state law the assessment can stay with the property until it is paid off. However, recent directions from the Federal Housing Finance Agency, Fannie Mae and Freddie Mac have led many lenders to require that the entire assessment be paid before property is transferred. The assessment will appear on any title search of your property. State law requires disclosure of the assessment in any negotiation about the sale of your property.

Is my PACE assessment tax deductible?

The County cannot give tax advice. Some portion of the payment may be tax deductible.

Property owners are strongly encouraged to consult with a tax professional to understand if tax benefits apply to you.

Where do I find information on rebates and incentives?

Visit the County's Energy Efficiency resources pages ([residential](#) and [commercial](#)) to identify rebates and incentives applicable to your project. Taking advantage of rebates and incentives is not a requirement of PACE programs, but it's strongly encouraged because it will lower your principal and monthly payments.

How do I enroll?

You may either contact a selected program directly or contact one of the program's approved contractors. Each program keeps an updated listed of approved contractors on their websites.

Will I have to get an appraisal?

Appraisals are generally not required as loan limits are based on home/business values and using real estate websites.

Which program do I choose?

The County is program agnostic and cannot recommend programs.