

Frequently Asked Questions about PACE

- What is PACE?
- What is the status of PACE in Sarasota County?
- How can I learn more about PACE and stay informed about its launch?
- How do I participate in the PACE program?
- How can contractors participate in PACE?
- What property improvements are eligible for PACE financing?
- How would I pay the PACE assessment and how much does it cost?
- Are there other costs?
- Can I pay off a PACE assessment early?
- What happens if a PACE assessment is not paid?
- How can I check if a property has a PACE lien?
- Would the PACE assessment carry over to the next property owner when I sell?
- What interest rates would PACE financing have?
- Who will qualify for PACE financing?
- What is the role of the Cities and County in PACE?
- What are some benefits to choosing PACE?
- What areas have opted-in to participate in and offer PACE?
- Who are the current PACE providers and eligible contractors and how can I contact them?
- Is there a time limit or a funding limit on the amount of financing available?
- Does a condominium qualify for PACE?
- How does the assessment appear on my tax bill?
- What happens if I am not happy with the improvements?
- For energy improvements, should I get an energy audit?
- Can I refinance my home while I am still making payments to the PACE program?
- What should I do before applying for PACE financing and to best protect myself?

- **What is PACE?** Property Assessed Clean Energy (PACE) is a tool for property owners to voluntarily finance private property improvements related to renewable energy, energy efficiency, and hurricane hardening through assessments levied on their property tax bill by special districts established for that purpose.
- **What is the status of PACE in Sarasota County?** The Sarasota County Commission adopted an ordinance setting the framework for a PACE program in 2017 and signed agreements with four PACE providers in 2018. Currently, there are two approved PACE providers in Sarasota County: Ygrene and Renew Financial. All four cities have opted-in to the county program by resolution, enabling the programs to be offered in the Cities of Sarasota, Venice and North Port and the Town of Longboat Key as well. Renew Financial is not currently able to serve the Town of Longboat Key. The other two PACE providers are working on providing compliant documents to gain approval.
- **How can I learn more about PACE and stay informed about its launch?** There are a series of workshops scheduled to inform the community about financing options including PACE, eligibility requirements, and how they can participate. Those workshops are listed below. You can also find them listed here <http://ufsarasotaext.eventbrite.com/>. There will be a webinar workshop for those that cannot make it to the in-person sessions. Additionally, a recording of the webinar will be available on the website after it is complete. See the registration links for all sessions below. If you would like to be added to an email list to receive updates on PACE or if you have questions or comments, please email sustainable Sarasota@scgov.net or call 941-861-5000.

Financing Energy and Hurricane Improvements in Your Home: PACE and Beyond Workshops

Date	Location	Register
May 29*, 10 am to noon	Carlisle Inn Hotel in Middlebury Room	Visit Eventbrite to learn more and register
May 29, 5-7 pm	Robert L Taylor Community Center	Visit Eventbrite to learn more and register
June 11, 5-7 pm	Venice Community Center	Visit Eventbrite to learn more and register
June 12, noon to 1 pm	Webinar	View the recorded event

* This educational session, "PACE Program Explained," is designated for realtors. It is hosted by the Board of Realtors and USGBC partnering with Sarasota County and the PACE providers. The general public may attend this session if you are unable to attend any of the other sessions.

- **How do I participate in the PACE program?** PACE financing is facilitated by the contractors that do the eligible work. Contact eligible contractors or the PACE providers directly to apply for PACE financing for home improvements. It is recommended to get multiple quotes for proposed improvements and to ask contractors and financial institutions for information on all financing tools that are available to you. PACE is just one of several financing options and PACE may or may not be the best option.
- **How can contractors participate in PACE?** Contractors offering eligible improvements will need to be approved by the PACE providers to offer their financing. The PACE providers will train all contractors on the regulations related to the PACE program and on their Code of Conduct for participating contractors and will check licenses and insurance. Each PACE provider's website has a contractor portal with more information.

• **What property improvements are eligible for PACE financing?** By Florida Statute, the only “Qualifying Improvements” eligible to be financed through a PACE assessment are energy conservation and efficiency, renewable energy, and wind-resistance improvements. Examples of such improvements include but are not limited to: air sealing; insulation; energy-efficient heating, cooling, or ventilation systems; windows; electric vehicle charging equipment; efficient lighting; solar systems; roof deck attachment improvements; secondary water barriers; wind-resistant shingles; or storm shutters. The specific standards for these improvements are outlined in “Eligible Measures Lists” which are available and required from each PACE provider. These lists also set standards for improvements, such as SEER rating requirements for air conditioners.

Sarasota County’s ordinance requires that the Eligible Measures List set a standard of ENERGY STAR certified appliances and equipment when such a certification is available. The providers have, however, been granted a waiver for the first year to integrate this requirement into their program procedures. It is highly recommended that property owners ask their contractors to ensure they are getting the most efficient improvement available rather than just what is required by minimum code requirements. The same waiver has been applied to a requirement for real-time monitoring of solar photovoltaic systems, but that monitoring is strongly encouraged.

• **How would I pay the PACE assessment and how much does it cost?** Just like any financing tool, the value of the PACE improvement would need to be paid back over time, along with any interest and fees charged by the PACE provider. The annual payment would be included as a non-ad valorem assessment on your property taxes each year. It is important to plan for that payment, since it would not be a monthly payment like most other home costs. PACE providers are required to monitor contractor pricing to make sure that their prices are in line with normal market pricing, but property owners are encouraged to get quotes from multiple contractors to ensure competitive pricing.

• **Are there other costs?** Sarasota County does not charge the property owner any fees related to PACE. PACE providers are required to be clear with the property owner about the costs that they are incurring. Borrowers are charged a fee at the beginning of their PACE assessment by their provider. It is usually a percentage of project costs. There is also an administration fee based on a percentage of the annual payment. It is important to ask your PACE provider what fees are associated with your assessment, and how much these fees will cost you. Not all these fees may apply to your assessment, and fees vary between different PACE providers. It is important that you gather all this information from your PACE providers so that you can plan for fees and payments accordingly and without any surprises. Additionally, it is important to note that the PACE assessment collected on your tax bill is not subject to the normal discounts for property tax payments.

• **Can I pay off a PACE assessment early?** Yes, you can pay off your PACE assessment early through a prepayment. In fact, some mortgage companies or lenders may require you to pay off your PACE assessment before refinancing or selling your home. There might be fees associated or minimum payment amounts when making a prepayment on your PACE assessment (e.g. several providers have a minimum pre-payment amount of \$2,500). Timing is also important to consider for prepayments. A prepayment made during a certain time of year may result in an incorrect tax bill. To discuss these terms, your prepayment options, and recommendations for best timing for making prepayments, contact your PACE provider.

• **What happens if a PACE assessment is not paid?** The PACE assessment will appear in the non-ad valorem portion of your annual tax bill. When you pay your tax bill each year, you are required to pay the entire amount due. If you are unable to pay the bill, your account will become delinquent and additional fees and charges will be added according to Florida law. Eventually, a tax certificate or lien will be sold on your home. If the lien is not paid within two years, your home could be sold through the Tax Deed Application process. Note

that the PACE lien is a priority lien. Therefore, the PACE provider gets paid before any other creditors, including the mortgage company, if you default on your PACE assessment.

- **How can I check if a property has a PACE lien?** PACE lien information is required to be recorded with the Sarasota County Clerk of Court and County Comptroller. Recorded liens can be found online by searching for “Official Records” at the Clerk’s web site (www.sarasotaclerk.com).
- **Would the PACE assessment carry over to the next property owner when I sell?** While that was originally anticipated as a primary benefit of the PACE tool, it is not always the case. Under Florida Law, property taxes and assessments stay with the property when it is sold. However, the seller’s or buyer’s mortgage company may require the seller to pay off the remaining outstanding balance of the assessment before the property is refinanced or sold. Research has shown that many mortgage companies will not finance properties with an existing PACE assessment and may require the assessment to be paid off when the property is sold or refinanced. A 2015 analysis in California showed that this had occurred in about half of sales that involved a PACE assessment and about 20% of refinances were affected. Anecdotal evidence more recently indicates that is even more common now (must be paid off in at least 70% of transactions). Property owners must disclose the assessment to the buyer before the sale of the property.
- **What interest rates would PACE financing have?** Initial indications are that the PACE providers offer interest rates between 6 and 9 percent. Actual interest rates may vary and estimates of interest rates and fees should be carefully compared with other financing options available. Interest rates apply over the repayment period that you select, which can be up to 30 years. For information on financing terms and specific interest rates, contact the PACE providers. To see the interest rate that applies to your PACE assessment, review the Financing Estimate from your PACE provider. PACE interest rates may be higher than other financing options.
- **Who will qualify for PACE financing?** Eligible Participants are defined in the Florida Statute and in the Sarasota County ordinance and will be the responsibility of the PACE providers to verify. Among the considerations are: history of delinquencies or late payments on property taxes and mortgages, liens, as well as one of four of the following for residential property owners: financing limits, mortgage holder consent or escrow, insurance or energy savings, and debt limits.
- **What is the role of the Cities and County in PACE?** State statute requires that the local governments enable PACE programs in their communities. Sarasota County and the cities within the county have done so. The county and cities are explicitly removed from liability or financial responsibility. PACE financing is not offered nor endorsed by Sarasota County or any participating municipalities; they have only set the policy under which the authorized programs must operate. Program implementation and financing are the responsibility of the PACE Local Governments and their Third-Party Administrators.
- **What are some benefits to choosing PACE?** Below are a few potential benefits to PACE. What everyone finds beneficial varies among different individuals and their specific situation.
 - Property owners may be able to finance an improvement project without large up-front costs.
 - PACE helps invest in energy and hurricane improvements for properties.
 - Repayment for PACE assessments are spread over several years, typically 15-20 years.
 - Qualifying PACE improvements may increase the value of your property.

• **What areas have opted-in to participate in and offer PACE?** Unincorporated Sarasota County, City of Sarasota, City of North Port, City of Venice, and the Town of Longboat Key have opted in to the county PACE program.

• **Who are the current PACE providers and eligible contractors and how can I contact them?** Currently, there are two approved PACE providers in Sarasota County: Ygrene and Renew Financial. Their contact information is listed in the table below. More PACE providers will be added to this list as others are approved. Lists of approved contractors can be found on each PACE provider’s website in the links below. If you already have a contractor you want to work with, they will need to be signed up with whichever PACE provider you decide to use. Interest rates and terms will vary between the companies, so it is recommended to compare across PACE providers as well as against other financing options.

PACE Provider	Contact Information	Notes
Ygrene	855-965-7283 info@ygreneworks.com www.ygreneworks.com	Ygrene financing services unincorporated Sarasota County, Town of Longboat Key, and the Cities of Sarasota, Venice and North Port. List of Approved contractors
Renew Financial	844-736-3934 info@renewfinancial.com www.renewPACE.com	Renew Financial services unincorporated Sarasota County, and the Cities of Sarasota, Venice, and North Port. List of Approved contractors

• **Is there a time limit or a funding limit on the amount of financing available?** The PACE assessment term can only be as long as the equipment’s lifetime. The repayment terms depend on the PACE provider and can be up to 30 years, but it is typically 15-20 years. Remember, though, that the longer the term, the more you will be paying in interest and fees. The amount of funding available in our region depends on the capital available to the PACE Providers, but they have not indicated a limit so far.

• **Does a condominium qualify for PACE?** It is recommended to contact PACE providers to inquire about eligibility, qualifying improvements, and the PACE process for a condominium. This is because the ownership, rules, and units are more complex than other types of properties. However, in general, at least some improvements in condos would qualify for PACE.

• **How does the assessment appear on my tax bill?** The PACE assessment would appear as an additional line item on your property tax bill in the non-ad valorem assessment section. Once the PACE assessment is completely paid off, the line will be removed from your tax bill.

PACE assessments often appear in the second tax cycle after you have started the PACE program. Therefore, you may have to pay more during the first tax cycle the PACE assessment appears on your property tax bill to make up for the payments that should have been made during the first months before it could be added to your tax bill. Make sure you know how the PACE assessments will appear on your bill and how much they will be each year by talking to your PACE provider and mortgage company.

• **What happens if I am not happy with the improvements?** It is important to read all your PACE contracts and select your contractor carefully. Your options might be limited if you are not happy with the improvements

due to the nature of the PACE contract and financing. You should not sign any Certificate of Completion until the improvements are completed to your satisfaction.

• **For energy improvements, should I get an energy audit?** It is recommended that you acquire a valid energy audit on your property before agreeing to or completing any energy improvements through PACE financing. While Sarasota County does require that contractors provide an estimate of possible project-specific savings, it is not required for the contractor to provide you with an energy audit and there is no verification of any figures about energy savings given to you by your contractor. It is your responsibility to independently verify any energy savings figures given to you by your contractor.

An energy audit is recommended for many reasons and can even be financed as part of your PACE assessment if you choose to do so. An audit may identify energy improvements that you can complete yourself at a lower cost. Ideally, the energy and/or insurance savings from your improvements should be greater than the PACE assessment each year, but it is important to know what improvements would have the greatest energy savings potential to increase the likelihood of that outcome. To find an energy auditor go to:

<https://www.resnet.us/find-a-certified-auditor-rater>. In addition, Florida Power and Light (FPL) offers free [Online Home Energy Surveys](#) for customers, which are less comprehensive than a full audit, but could still be helpful. Visit the Department of Energy's [Energy Saver](#) website for measures you can take to make your property more energy efficient and their [Professional Home Energy Audits](#) website to read about the energy audit process, tips, and what to expect. Sarasota County also offers [Energy Upgrade](#) workshops that provide information on how to save energy and water in your home. For more information on the Energy Upgrade Program, email SustainableSarasota@scgov.net.

• **Can I refinance my home while I am still making payments to the PACE program?** PACE program liens may keep you from being able to refinance your home or make changes to your home loan. This depends on your mortgage company. Some lenders will not want to refinance your home loan and enter new finance terms while there is a PACE lien assessed against your home. In this situation, to refinance your home you may be required to prepay the PACE assessment in full.

• **What should I do before applying for PACE financing and to best protect myself?** Do your research. Like any financing tool, PACE comes with significant risks that must be understood fully before entering into any agreement. Interested property owners are responsible for doing all necessary research, getting multiple quotes for both the project and the financing, and asking detailed questions of their contractors and the financing providers to fully understand what they are signing up for and to ensure they have identified their best option. Do not sign anything until you are sure you fully understand it. Print out all pages and contracts to read over before signing or allowing anyone to work on your home. And take your time in making your financing decision.

Try to identify the property improvements which will have the greatest return over time with the goal of achieving energy and/or insurance savings that will be greater than the PACE assessment over time. To do this, it is recommended you consider acquiring an energy audit and contacting your property insurance company to determine which projects would have the greatest energy and insurance savings.

When choosing between PACE providers, be sure they show you both your annual payment amount and the total amount paid (including interest and fees) over the life of the term, so you can see how much you are actually paying. This process is required of PACE providers in Sarasota County's ordinance. Each PACE provider has different guidelines, fees, and terms. It is up to you to make the best decision by researching the differences between each provider. Once you have signed your agreement, you have three days to cancel the financial agreement if you change your mind.

In many cases, PACE may not be the best option, so be sure to explore other financing tools and whether financing is needed at all. Read through these FAQ's, do your research, ask questions, and join an upcoming educational session \offered by Sarasota County to determine your best financing option (educational session information above).

NOTE: Thanks to staff at Pasco and Broward counties for sharing documents that were used in the development of this document.