

DC PACE Application Process

Thank you for your interest in the DC PACE Program. Presented here is a brief overview of the DC PACE application process. Urban Ingenuity is the program administrator for DC PACE, working on behalf of the District Department of the Environment (DDOE). We are ready to support your application, by connecting you with development partners, assisting in the collection of project data and application materials, and working with you to take your clean energy retrofit from application through project execution.

Key steps to apply for DC PACE
1. Prequalify
2. Assess
3. Apply
4. Administrator’s Approval
5. Close on Financing
6. Improve

1. **Prequalify:** DC PACE is available for property owners of office, multifamily, institutional, non-profit and industrial properties. To apply for DC PACE financing, the Property Owner or Capital Provider must submit an *Initial Application* at dcpace.com. Applicant then receives a *Letter of Preliminary Eligibility* from the Administrator confirming the property meets DC PACE eligibility criteria, or a notice of why the property is not eligible.

2. **Assess:** Work with your selected contractor or energy services provider to conduct building audit, identify potential energy conservation measures, and define a scope of work. If needed, DC PACE maintains a list of approved contractors on the website. DC PACE also provides a full list of eligible measures and guidance on energy audit technical standards in the *DC PACE Program Guidelines*.

3. **Apply:** Property owners have two options to apply for and secure PACE financing.
 - Option A:** I already have a PACE Capital Provider identified. If so, ensure the Capital Provider is registered with DC PACE. Then your Capital Provider will work with you to submit a complete *Application for PACE Financing*.

 - Option B:** I *don’t* have a PACE Capital Provider identified, and would like to see a range of indicative terms.
 - a. Complete an *Application for PACE Financing* provided by DC PACE.
 - b. Administrator will circulate a term sheet solicitation to capital providers registered with the program, and all interested capital providers will have the opportunity to respond

with indicative terms.

- c. Administrator will present the property owner with indicative terms for their review.
 - d. Property Owner selects their preferred capital provider, who will then undertake further underwriting and due diligence in order to present a term sheet for acceptance.
 - e. Administrator will work with the Property Owner to facilitate the development of a complete *Application for PACE Financing*.
4. **Administrator's Approval:** Upon receipt of a complete Application, Administrator reviews all documentation and confirms that the Application meets all applicable criteria, including the Project Eligibility Criteria and Underwriting Guidelines. Upon completion of such review, the Administrator shall indicate their approval by submitting a Project Approval Report to DC's Department of Energy and Environment (DOEE), thereby making it an Approved Project.
5. **Close on Financing:**
- a. The Capital Provider, Property Owner, or their contractor shall submit any closing documentation required, such as contractor certifications, and an updated Validation Report as needed.
 - b. Property Owner executes the *PACE Funding Agreement*, *Consent to the Special Assessment*, and *PACE Assessment Memorandum*.
 - c. Administrator facilitates District signatures of above documents and records the *PACE Assessment Memorandum* in the land records of the District, making it a Closed Project.
6. **Improve:**
- a. Upon closing, the Capital Provider will make funds available as agreed in the *PACE Funding Agreement*.
 - b. The Property Owner or their Contractor may begin construction and draw on the funds per the disbursement schedule established prior to closing. At the request of the Administrator, the Contractor shall provide any reports sent to the Property Owner or Capital Provider to the Administrator.
 - c. Property Owner makes semi-annual PACE payments. The Office of Tax and Revenue will send the bill for semi-annual PACE Assessment at the same time as your real estate taxes, if you pay real estate taxes (although they will come in separate envelopes). In most circumstances, the first PACE payment will be due at the end of the next full half tax-year following the PACE closing. For more information on DC's tax billing, please visit <http://otr.cfo.dc.gov/page/real-property-tax-bills-due-dates-and-delayed-bills>.
 - d. Property Owner participates in benchmarking or M&V for two years post-completion.