

## Illinois Finance Authority PACE Program

The application for the financing or refinancing, or interim financing, of PACE Projects is under construction. Please contact Brad Fletcher ([bfletcher@il-fa.com](mailto:bfletcher@il-fa.com)) regarding prospective PACE Projects.

In the interim, please find below an excerpt from pp. 10-11 of the Program Report:

### Program Application Process

For any record owner located in the PACE Area to obtain financing or refinancing, or interim financing, of a PACE Project, the IFA PACE Program requires a property valuation, an executed term sheet, an application that has been approved by the Authority, and a Compliance Certificate from the PACE Project Administrator. The PACE Act further requires an energy audit in certain circumstances.

#### Energy Audit

An evaluation of the existing water or energy use and a modeling of expected monetary savings are required for any proposed energy efficiency improvement, renewable energy improvement, or water use improvement, unless the water use improvement is undertaken to improve water quality. Record owners may work with PACE Project Administrators to satisfy this statutory requirement.

Smart Energy Design Assistance Center, an applied research program at the University of Illinois at Urbana-Champaign (“SEDAC”), provides technical assistance to help building managers, owners, and administrators make their facilities more energy efficient. SEDAC’s mission is to decrease the energy footprint of the state of Illinois and beyond. Record owners and PACE Project Administrators may select SEDAC to complete the evaluation and modeling of their respective PACE Project. More information is posted on the following website: [www.smartenergy.illinois.edu](http://www.smartenergy.illinois.edu).

#### Property Valuation

Each record owner must demonstrate the value of the applicable property for any prospective financing or refinancing, or interim financing, of a PACE Project. Such value may be determined by the greater of the following:

- the value of the property as determined by the office of the county assessor; or
- the value of the property as estimated in an appraisal report prepared or co-signed by a general real estate appraiser certified by the State.

Values determined by township assessors, multi-township assessors, county supervisors of assessments, boards of review, and boards of appeals are not specifically enumerated in the PACE Act as acceptable for any prospective financing or refinancing, or interim financing, of a PACE Project. Each PACE Project Administrator may establish requirements for an acceptable appraisal report, including maximum terms of validity, in addition to those set forth above.

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## **Capital Provider Term Sheet**

Each record owner must have an executed term sheet with a capital provider. For any prospective PACE Project that lacks a commitment from a capital provider for financing or refinancing, record owners are encouraged to visit [www.IFApace.com](http://www.IFApace.com) for a listing of approved capital providers and their respective contact information.

## **Authority Application**

Capital providers that have executed a term sheet with a record owner must complete and apply to the Authority for the proposed financing or refinancing, or interim financing, of the PACE Project. Application forms are posted on the following website: [www.IFApace.com](http://www.IFApace.com).

The Authority generally processes applications within 10 business days following the submission of a completed application. Upon approval by the Authority, such application will be deemed approved by the PACE Area Administrator.

## **Compliance Certificate**

The PACE Project Administrator must undertake the following actions prior to the PACE Area Administrator submitting an assessment contract and assignment agreement to an Authorized Officer for execution:

- i. make the determination that the property to be assessed is entirely within the PACE Area;
- ii. have received evidence of all the enumerated items in Section 25(c) of the PACE Act and Section 25(d) of the PACE Act; and
- iii. execute and deliver to the PACE Area Administrator a Compliance Certificate as to the matters set forth in clauses (i) and (ii) and a representation and warranty that such PACE Project Administrator is in compliance with its duties and obligations as a program administrator of the IFA PACE Program. The Compliance Certificate shall be in substantially the form attached to the PACE Handbook.

Upon receipt of the PACE Project Administrator's Compliance Certificate, the PACE Area Administrator will facilitate the execution and delivery of the applicable assessment contract and related assignment agreement by any one of the Authorized Officers. PACE Project Administrators are encouraged to provide the Governmental Unit a reasonable amount of time for such execution and delivery to occur prior to the scheduled closing of any financing or refinancing, or interim financing, of a PACE Project approved under the IFA PACE Program.