



Program Information

A Better City

October 14, 2026



MassDevelopment

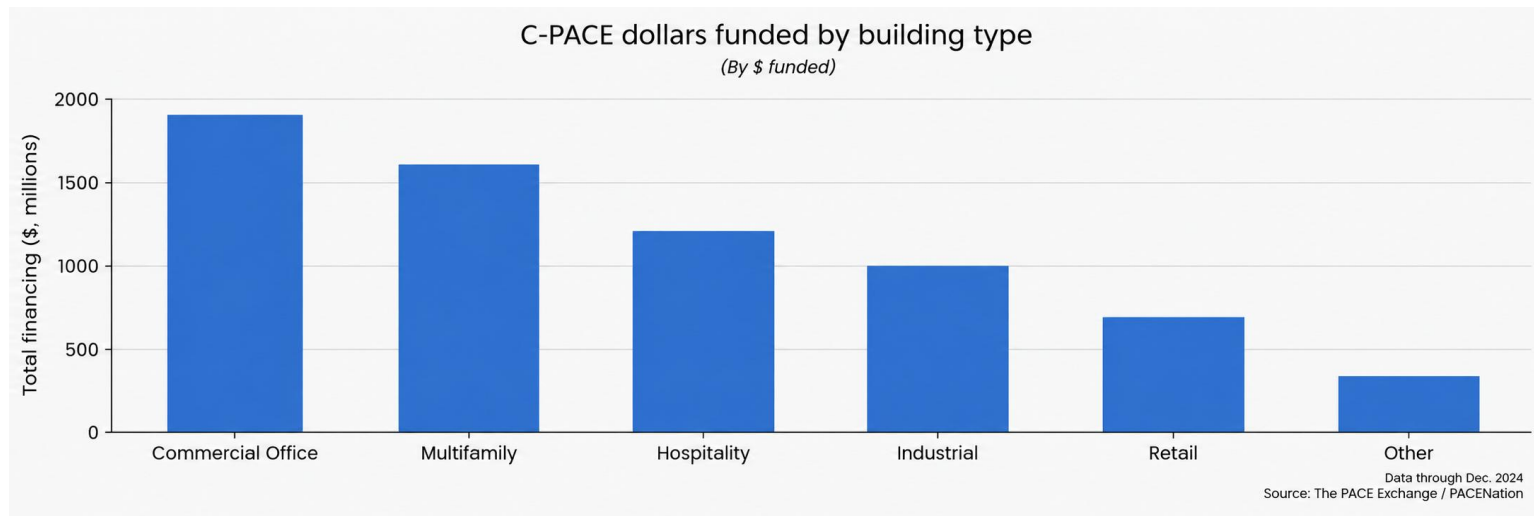
- Commonwealth's Development Finance Agency & Land Bank
- We work with businesses, nonprofits, financial institutions, and communities to stimulate economic growth throughout Massachusetts
- Promotes capital investment and economic development by providing financing and development solutions
- In FY26, MassDevelopment financed or managed 526 projects generating investment of more than \$6.29 billion in the Massachusetts economy
- These projects are estimated to create or support 42,026 jobs and build or preserve 4,355 housing units

Property Assessed Clean Energy (PACE)

- PACE allows commercial property owners to finance energy improvements, or new construction, via special betterment assessments on their property tax bills
- Benefits
 - Municipalities
 - Job creation, attract new and retain existing business, and environmental benefits associated with reducing energy consumption
 - Property owners
 - Long-term non-recourse financing, no new debt on balance sheet, no required pay-off upon sale of property (assessments run to new owner),
 - Lenders / Mortgage holders
 - Improved cash flow and reduced credit risk from lower operating costs via financing that cannot be accelerated. Capital improvements could also increase collateral property value

National Commercial PACE Market

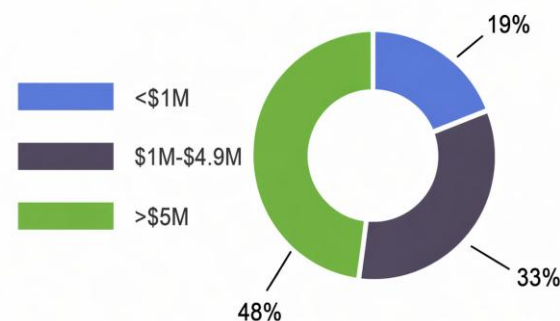
- 36 States (plus DC) have active commercial PACE programs
- 40 states (plus DC) have PACE enabling legislation
- \$13.5 billion financed for 3,800 projects as of June 2026



New England Commercial PACE Programs

- Connecticut passed PACE enabling legislation in 2011; C-PACE is administered by the CT Green Bank
- Rhode Island passed PACE enabling legislation in 2016; RI C-PACE is sponsored by the RI Infrastructure Bank
- New Hampshire passed PACE enabling legislation in 2016; NH C-PACER is administered by the NH Business Finance Authority
- Maine passed PACE enabling legislation in 2021; C-PACE is administered by Efficiency Maine

*C-PACE projects by amount financed
(By \$ funded)*



PACE in Massachusetts



- PACE Enabling Statute M.G.L. 23M
- Program launched in July 2020 for existing buildings
- New Construction added May 2023
- MassDevelopment is Program Administrator
 - working in consultation with the Massachusetts Department of Energy Resources (DOER)
- PACE information including guidelines, approval requirements, financing documents available at: massdevelopment.com

Eligible Properties

New Construction and Existing

Commercial/Industrial

- Office buildings
- Malls
- Hotels
- Restaurants
- Manufacturers



Not for profit

- YMCAs
- Schools
- Health Care



Multifamily Housing

- Apartment complexes (5 units or more)



Eligible Measures

Energy Efficiency Upgrades

- HVAC System
 - Heat pumps
 - Boilers and Furnaces
- Building Envelope
 - Insulation
 - Windows and Doors
- Building Controls /Energy Management Systems
- Lighting
- Ancillary measures eligible

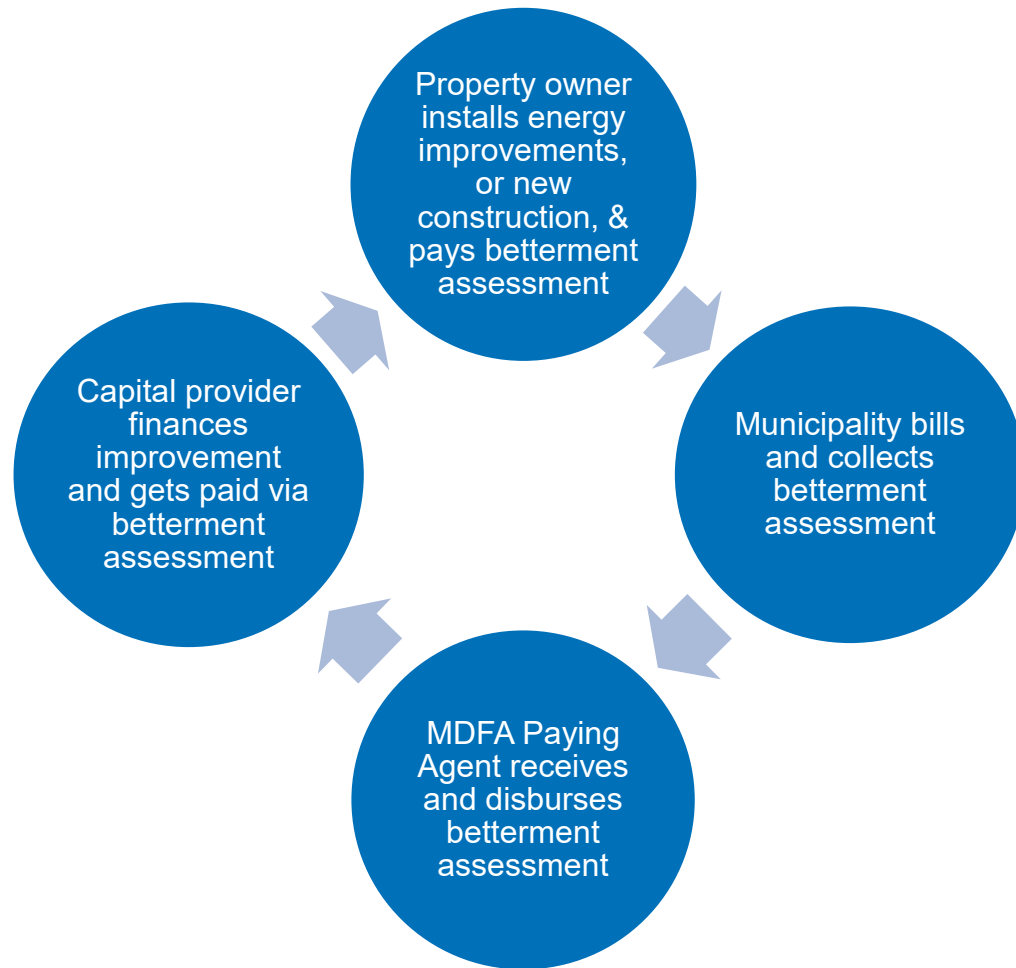


Renewable Energy Systems

- Solar panels and Roof
- Parking Canopies
- Geothermal

PACE Flow of Funds

- Private Capital Providers (CP) extend financing and are repaid via betterment assessments collected by the municipality



Recent Updates

Guidelines Version 3.0 released June 1 – improvements for new construction



Financing levels are now aligned with a project's compliance with local building energy codes



More project costs may qualify for PACE financing

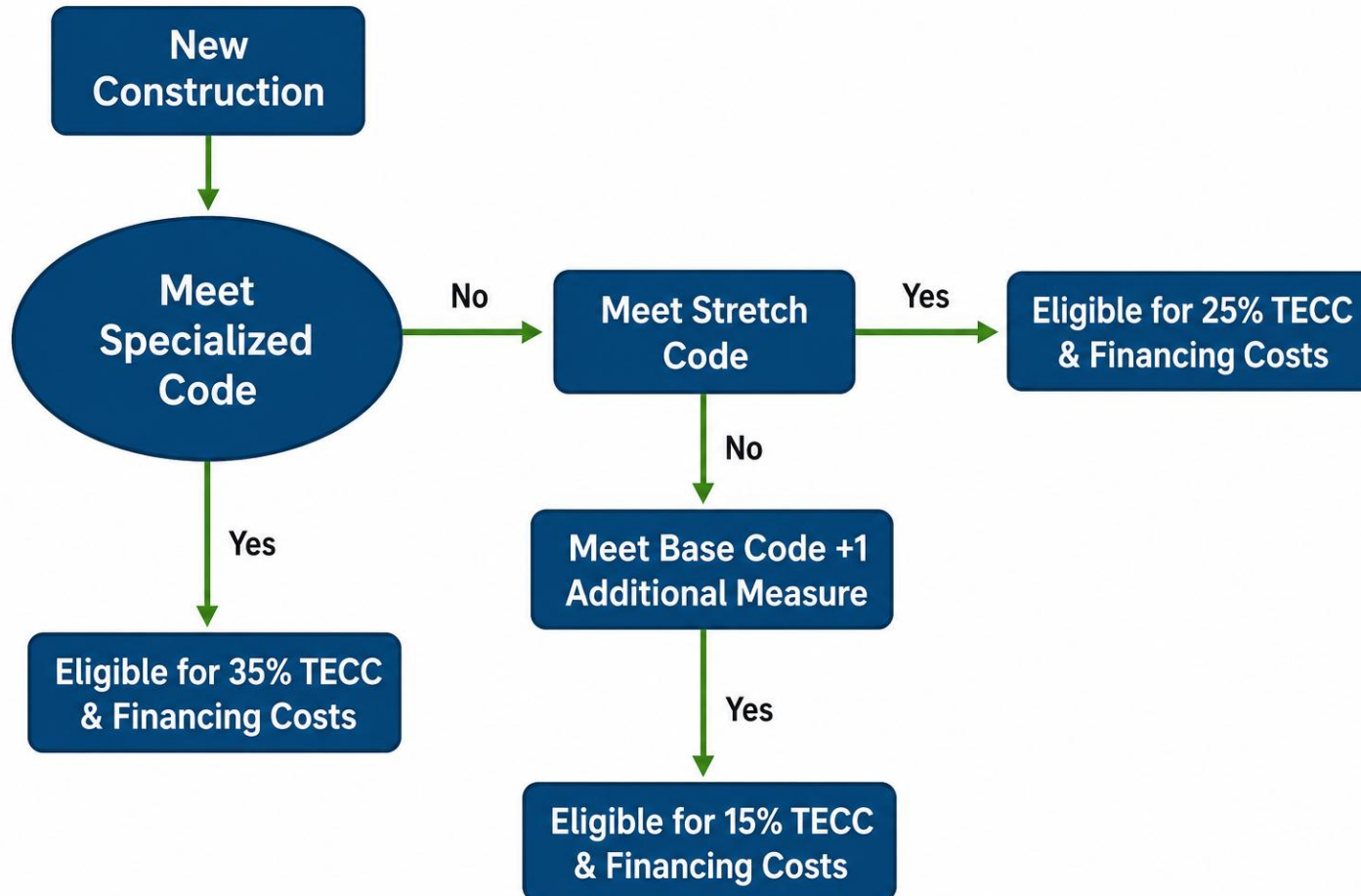


Application and approval requirements have been streamlined to help reduce complexity and accelerate project timelines

Massachusetts Building Energy Codes

Energy Code	Description	# of Municipalities
Base Energy Code	State minimum energy code	48
Stretch Energy Code	Enhanced energy efficiency requirements	243
Specialized Energy Code	Net-zero-ready code for new construction	59

Code-Based Eligibility for New Construction Projects



Total Eligible Construction Costs (TECC)



Example: a Specialized Code project with \$10,000,000 in TECC $\times$ 0.35 = \$3,500,000 in PACE financing

How it's Used

For new construction projects, the applicable code-based percentage is applied to the approved Total Eligible Construction Costs (TECC):

- Specialized Code Projects: 35%
- Stretch Code Projects: 25%
- Base Code +1 Projects: 15%

For retrofit projects, PACE financing may cover the entire cost of the project, including associated financing fees.

The amount of PACE MA financing for new construction is dependent on the code pathway and is expressed as a percentage of the TECC. Specific items eligible for inclusion are hard and soft costs directly related to a project's design and construction.

PACE Project Overview: Abercrombie Building, Bank Row, Greenfield

Property: A blighted, historic 12,000 sq. ft. building that was rescued and transformed.

Project:

- Building systems needed major upgrades and PACE allowed owner to retroactively finance the cost of the energy improvements into a fixed 20 yr. term
- Installed 30 kW solar photovoltaic system on roof, efficient electrification of space heating, energy recovery ventilation, LED lighting and controls and improvements to windows and insulation
- Lifetime energy savings: 189,000 kWh
- Capital Provider: Nuveen Green Capital (Greenworks Lending)
- Mortgage Holder consent: Berkshire Bank



Amount of financing: \$450,000 **Term:** 20 yrs.

PACE Project Overview:

Cargo Ventures, 440 McClellan Highway, Boston

Property: A 121,000 sq. ft. mixed-use warehouse building housing 13 commercial tenants.

Project:

- PACE provided owner with upfront capital enabling improvements to be installed while preserving CapEx
- Energy improvements include upgrades to the HVAC system, new LED lighting, and new roof
- Lifetime energy efficiency savings: 1,541,380 kWh
- Capital Provider: Nuveen
- Mortgage Holder consent: People's United Bank



Amount of financing: \$787,523 **Term:** 20 yrs.

PACE Project Overview:

Cargo Ventures, 480 McClellan Highway, Boston

Property: A 150,000 sq. ft. mixed use building with a 4-story office space and attached distribution center.

Project:

- Energy improvements include upgrades to the HVAC system, a full roof replacement, high efficiency interior and exterior LED lighting, as well as building envelope upgrades, including air sealing and window and door weatherization
- Lifetime energy efficiency savings: 3,876,705 kWh
- Capital Provider: Nuveen
- Mortgage Holder consent: M&T Bank
- Ground lease acknowledgement



Amount of financing: \$1,118,955 **Term:** 20 yrs.

PACE Project Overview: Marder Seafood, New Bedford

Property: A 29,700 sq. ft. seafood processing and distribution facility

Project:

- PACE provided owner with upfront capital to allow for the roof replacement and installation of 208 kW solar photovoltaic array
- Lifetime energy savings: 3,640,860 kWh
- Capital Provider: Amalgamated Bank
- Mortgage Holder consent: Berkshire Bank



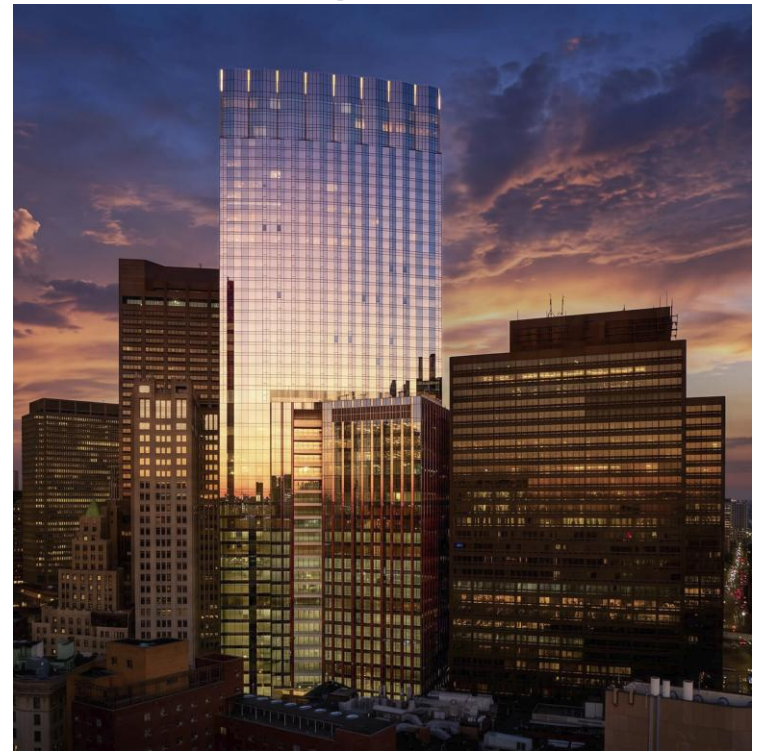
Amount of financing: \$1,115,830 **Term:** 20 yrs.

PACE Project Overview: Millennium Residences at Winthrop Center, Boston

Winthrop Center: 800,000 sq. ft, 62-story mixed-use ground up new construction development featuring 317 condominium residences and the world's largest Passive House-certified office building

Project:

- Largest C-PACE financing in New England
- PACE allowed Millennium Partners to take-out short term construction loan with long term lower cost fixed rate non-recourse financing
- Platinum LEED and WELL Gold certified
- Capital Provider: Nuveen Green Capital



Amount of financing: \$280,675,306 **Term:** 20 yrs.

Key Elements of PACE Massachusetts

- Municipal opt-in (one time) required
- Maximum financing term allowed is 20 years (dependent on useful life of project measures)
- Energy cost savings must exceed cost of improvements (including any financing costs and associated fees)
 - no limit or maximum financing cost
- If property is sold, the remaining PACE assessment and PACE lien stays with the property and transfers to new owner
- Retroactive consideration for installed improvements
- Third party direct private financing (no public funds used)
 - open, ongoing RFI for PACE Mass. Capital Providers (CP)
 - currently 16 organizations are listed on the Registry

Key Elements of PACE Massachusetts

(Continued)

- PACE application must be approved by DOER and MassDevelopment for financing to close
 - Mortgage holders written consent required
- Betterment assessment and PACE lien placed at closing
 - MassDevelopment counsel prepares all closing documents and handles recording at Registry
 - Lien assigned to City, then assigned to MassDevelopment, then to CP
 - CP holds enforcement rights to pursue remedies in a default
 - PACE cannot be accelerated (only unpaid billed assessment can be pursued in a default)
 - Municipal liens are senior to the PACE lien; PACE lien is senior to private mortgage lien(s) in a default

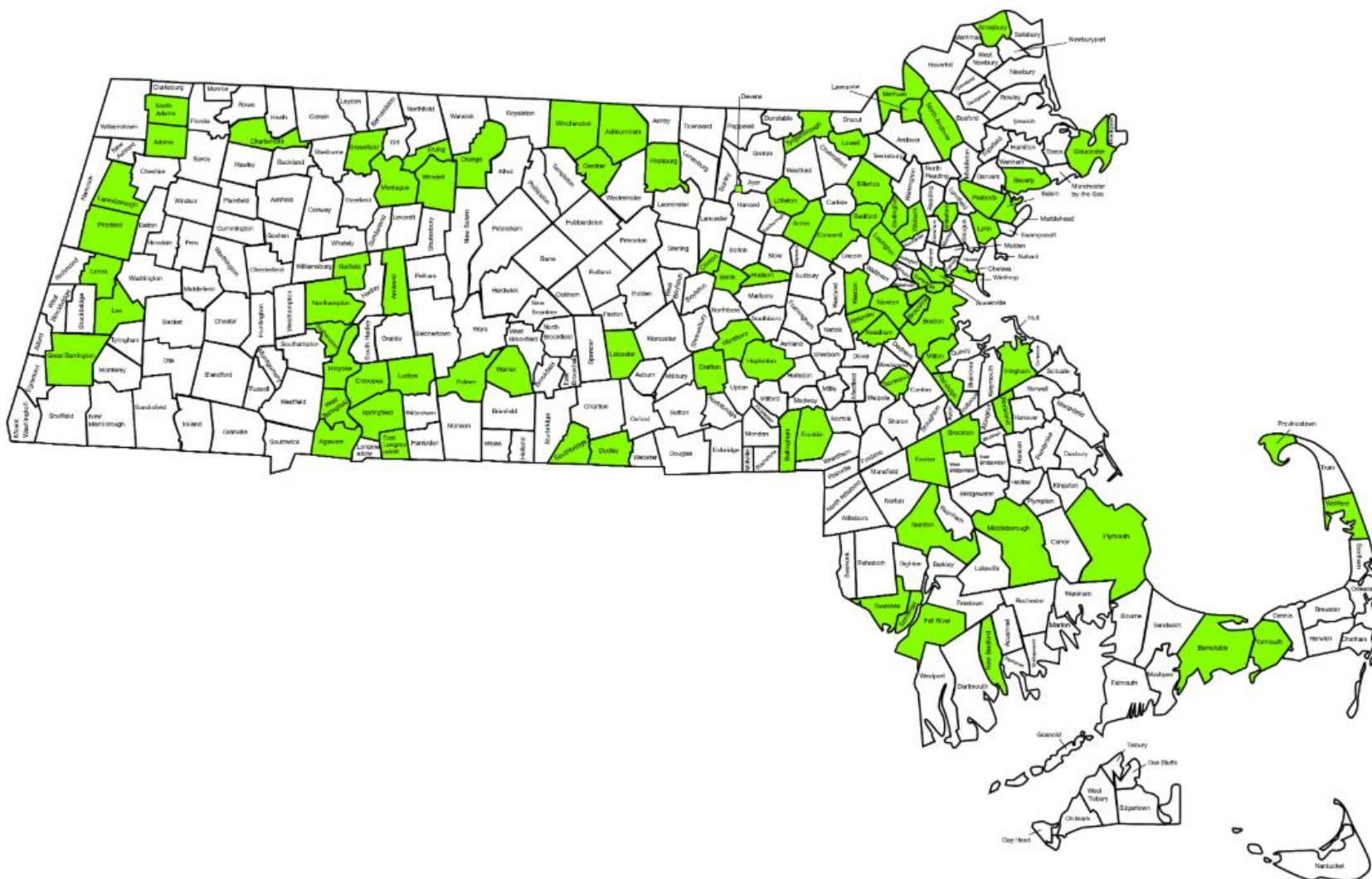
PACE-Authorizing Municipalities

(89 as of October 2026)

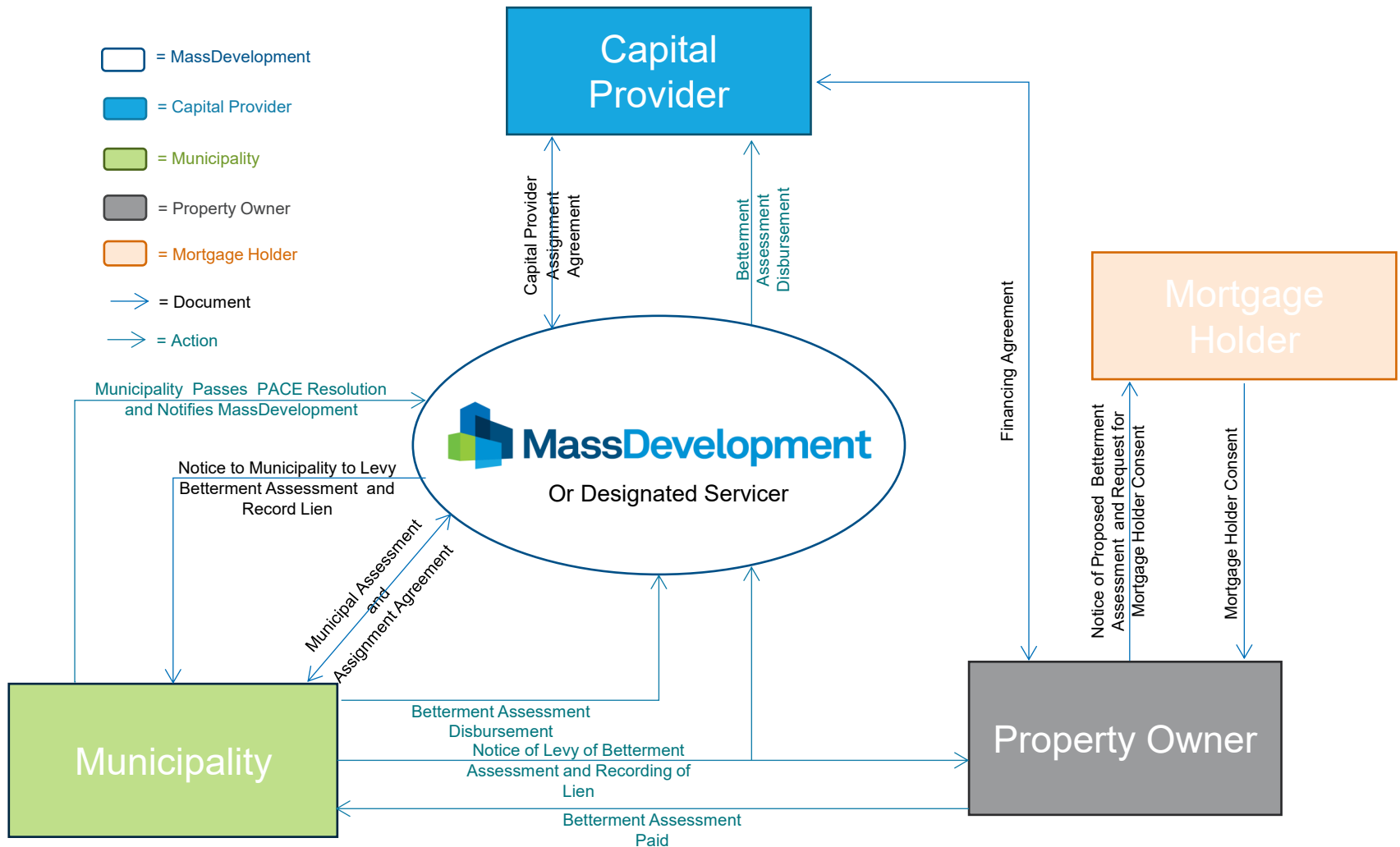


- Acton
- Adams
- Agawam
- Amesbury
- Amherst
- Ashburnham
- Barnstable
- Bedford
- Bellingham
- Berlin
- Beverly
- Billerica
- Boston
- Brockton
- Brookline
- Burlington
- Cambridge
- Charlemont
- Chelsea
- Chicopee
- Clinton
- Concord
- Devens
- Dudley
- East Longmeadow
- Easthampton
- Easton
- Erving
- Fall River
- Fitchburg
- Franklin
- Gardner
- Gloucester
- Grafton
- Great Barrington
- Greenfield
- Hatfield
- Hingham
- Holyoke
- Hopkinton
- Hudson
- Lanesborough
- Lawrence
- Lee
- Leicester
- Lenox
- Lexington
- Littleton
- Lowell
- Ludlow
- Lynn
- Methuen
- Middleborough
- Milton
- Montague
- Needham
- New Bedford
- Newton
- North Adams
- North Andover
- Northampton
- Norwood
- Orange
- Palmer
- Peabody
- Pittsfield
- Plymouth
- Provincetown
- Randolph
- Rockland
- Salem
- Somerset
- Somerville
- Southbridge
- Springfield
- Swansea
- Taunton
- Tyngsboro
- Wakefield
- Warren
- Wellesley
- Wellfleet
- Wendell
- West Springfield
- Westborough
- Weston
- Winchendon
- Woburn
- Yarmouth

PACE in Massachusetts



Commercial PACE Structure



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