



Program Information

Massachusetts Municipal Association Webinar

June 17, 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 FY25, MassDevelopment financed or managed 409 projects generating investment of more than \$4.65 billion in the Massachusetts economy
- These projects are estimated to create or support 25,246 jobs and build or preserve 2,867 housing units

MassDevelopment Highlights

Palmer

- Received a **\$280,000 Site Readiness Program award** to design replacement of the Church Street Bridge, a critical infrastructure project supporting redevelopment of the Thorndike Energy Mill Complex.

Boston

- MassDevelopment provided **\$4 million in direct loan financing** to City Fresh Foods, a minority-led, employee-owned food service company, to acquire and renovate an 18,000-square-foot facility. The expansion doubled production capacity from 20,000 to 40,000 meals per day and is expected to create **85 new full-time jobs**.

Salem

- Received a **\$170,000 Brownfields Redevelopment Fund award** to assess and remediate a former industrial site for "The Lighthouses" affordable housing development, creating 46 affordable housing units.

Maynard

- MassDevelopment awarded a **\$570,000 Underutilized Properties Program grant** to support the redevelopment of the vacant former Calvin Coolidge Elementary School into mixed-income housing. The project will create 12 apartments while preserving a historic community asset and revitalizing a long-underutilized property.

Yarmouth

- In 2022, MassDevelopment issued a **\$3 million tax-exempt bond** to help the Cape Cod Collaborative renovate the former MacArthur School into a new educational facility serving students from Cape Cod and the Islands.

What is Commercial Property Assessed Clean Energy (C-PACE)

- C-PACE is financing that allows commercial property owners to fund energy improvements on existing buildings or in new construction
- Owners/borrowers repay financing via special betterment assessments billed with property taxes
- Different from conventional because C-PACE financing is non-recourse, it runs with the property and cannot be accelerated
- Longer term financing that can be used to pay off construction loans



Benefits of C-PACE for Municipalities

- ✓ Support economic development
 - Improved buildings attract new and retain existing businesses
 - Lower utility costs
 - Better working environments
 - Protect against business disruptions
- ✓ Support Sustainability goals
- ✓ Support municipal finances
 - Taxes from new buildings constructed with PACE financing
 - Higher valuations for existing buildings from improvements made

C-PACE Benefits (cont.)

For Property owners/Borrowers

- ✓ flexible, long-term non-recourse financing
- ✓ no new debt on balance sheet
- ✓ no required pay-off upon sale of property (assessments run to new owner)
- ✓ Improved cash flow

For Capital Providers

- ✓ Senior position

For Mortgage holders

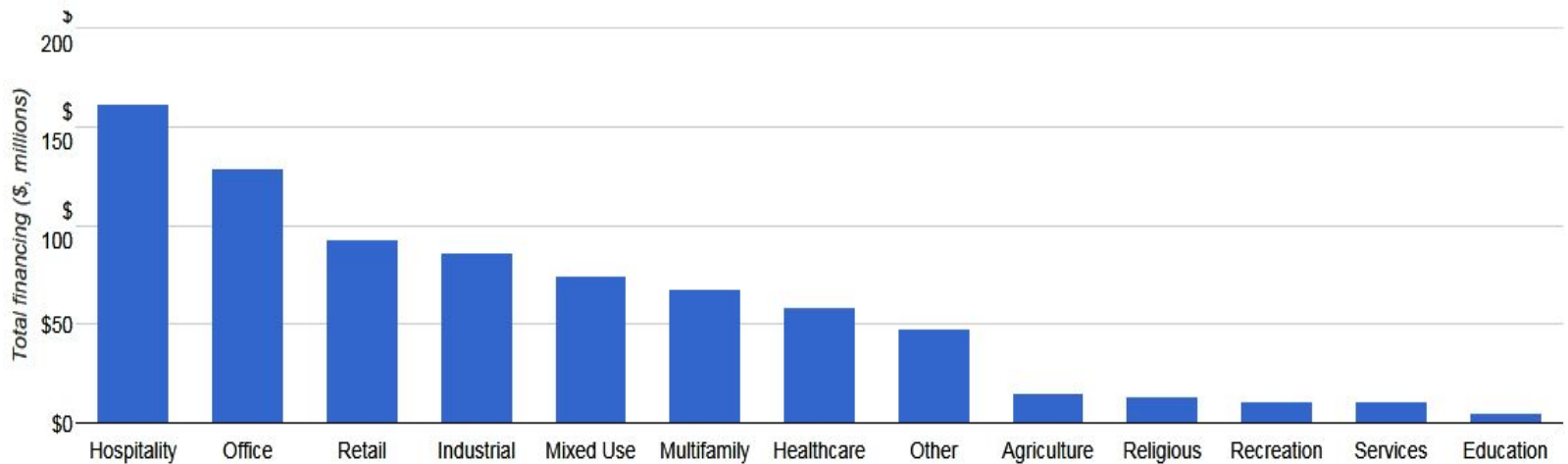
- ✓ Increase in collateral property value
- ✓ Reduced credit risk, PACE assessments cannot be accelerated in event of default

National Commercial PACE Market

- 40 states (plus DC) have PACE enabling legislation
- \$9.7 billion financed for 3,581 projects as of June 2025

C-PACE dollars funded by building type

(By \$ funded)



Source: PACENation

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](https://www.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



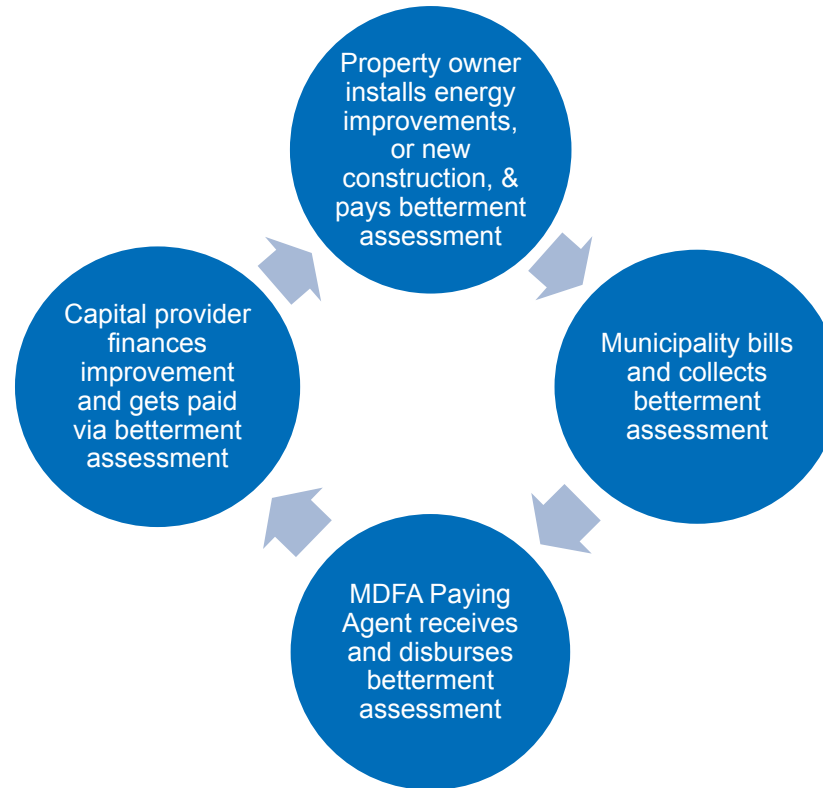
Renewable Energy Systems

- Solar panels and Roof
- Parking Canopies
- Geothermal

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

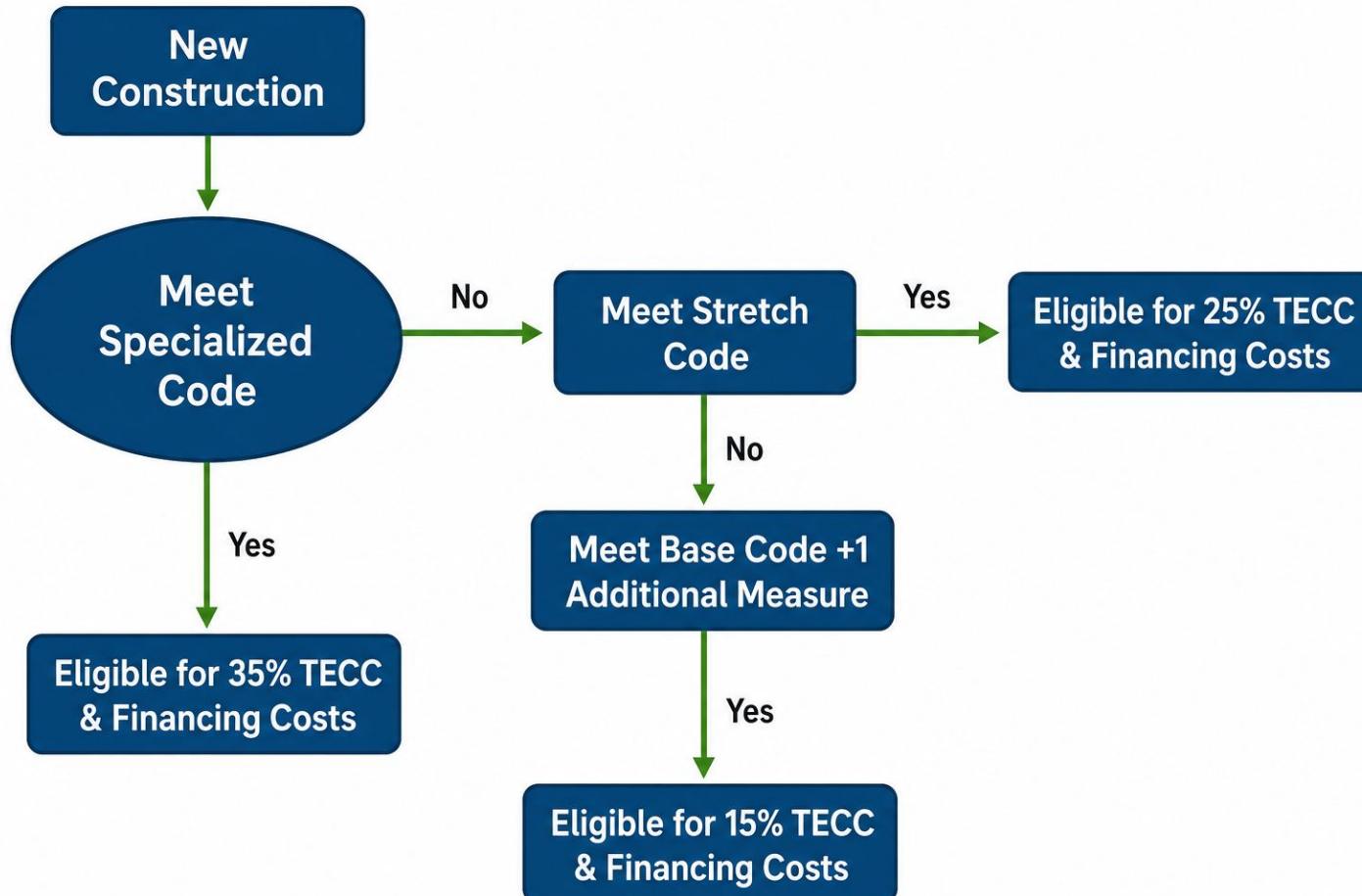
More project costs may qualify for PACE financing

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

New Code-Based Eligibility



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.

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.

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: M&T Bank
- Ground lease acknowledgement



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

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: Berkshire Bank



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

Key Elements



- Municipal opt-in required
- Maximum financing term allowed is 20 years
- If property is sold, the remaining PACE assessment and PACE lien run with the property and transfers to new owner
- Retroactive consideration for installed improvements
- Third party direct private financing (no public funds used)
 - 16 Capital Providers (CP) on PACE Massachusetts Registry

Key Elements (cont.)



- 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 and facilitates lien assignment to City, then 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 Statute



- Pursuant to Chapter 23M (Section 2) municipalities have the option to participate in PACE:
- Section 2. Each municipality in the commonwealth shall have the option to participate in the commercial sustainable energy program as a participating municipality by a majority vote of the city or town council, by a majority vote of the board of selectmen or by resolution of its legislative body, as may be appropriate, pursuant to which the municipality shall assess, collect, remit and assign betterment assessments, in return for commercial energy improvements for a benefitted property owner located within such municipality and for costs reasonably incurred in performing such acts.

Opt-in Process

Introductory meeting with
MassDevelopment and municipal staff

Municipal vote to authorize participation
• one-time vote by Select Board or City Council

Completion of Municipal Questionnaire

Execution of Municipal Assessment &
Assignment Agreement

Opt-In Resolution template



Vote/Resolution Authorizing the City/Town of _____ to Participate in the Massachusetts Commercial Property Assessed Clean Energy Program

(PACE Massachusetts)

WHEREAS, pursuant to M.G.L. c. 23M, as amended (the "PACE Act"), the Commonwealth has established a commercial sustainable energy program known as the Massachusetts Property Assessed Clean Energy Program ("PACE Massachusetts") to provide a financing mechanism ("PACE financing") to private owners of commercial and industrial properties for certain qualifying commercial energy improvements ("improvements"); and

WHEREAS, pursuant to the PACE Act, PACE Massachusetts is administered by the Massachusetts Development Finance Agency ("MassDevelopment"), in consultation with the Massachusetts Department of Energy Resources; and

WHEREAS, under PACE Massachusetts, the owner of the commercial or industrial property benefitting from the improvements (the "benefitted property") is required to repay the PACE financing through the payment of a betterment assessment (a "PACE betterment assessment") placed on such benefitted property by the municipality in which the benefitted property is located; and

WHEREAS, in order for an owner of commercial or industrial property to participate in PACE Massachusetts, Section 2 of the PACE Act requires that the municipality in which such property is located must elect to participate in PACE Massachusetts; and

WHEREAS, the City/Town of _____ (the "Municipality") has determined that it is in the best interest of the Municipality to participate in PACE Massachusetts as a "participating municipality," as provided in the PACE Act, to permit the owners of commercial and industrial properties located in the Municipality to access PACE financing for qualifying commercial energy improvements through PACE Massachusetts;

WHEREAS, NOW THEREFORE, BE IT [VOTED/RESOLVED], as follows:

The [City Council of the City of _____ [with the approval of the Mayor]] [the Board of Selectmen/Town Council of the Town of _____] hereby approves the Municipality participating in PACE Massachusetts pursuant to the PACE Act, and authorizes the [Mayor/Town Manager] to enter into a PACE Massachusetts Municipal Assessment and Assignment Agreement (the "Agreement") with MassDevelopment, pursuant to which the Municipality will agree to (i) levy PACE betterment assessments and impose PACE betterment assessment liens on benefitted properties located in the Municipality, in the amounts determined by MassDevelopment to be sufficient to repay the PACE financing, (ii) assign the PACE betterment assessment liens to MassDevelopment, which MassDevelopment may in turn assign to the providers of the PACE financing (each a "capital provider"), as collateral for such PACE financing, (iii) include on the property tax bills for the benefitted properties the installment payments necessary to repay the PACE betterment assessments, in the amounts and at the times as determined by MassDevelopment, (iv) collect and pay over to MassDevelopment or its designee, the PACE betterment assessment installment payments, as and when collected, and (v) enforce, to the extent required by the Agreement, the PACE betterment assessments and liens; the Agreement to be substantially in the form presented to this meeting, with such changes, modifications and insertions as the [Mayor/Town Manager] may approve as being in the best interest of the Municipality. The Collector Treasurer of the City/Town or such other City/Town agency as may be designated in the Agreement is authorized to levy such PACE betterment assessments and impose the PACE betterment assessment liens on behalf of the City/Town without further authorization by this legislative body.

Notwithstanding any other provision of law to the contrary, officers and officials of the Municipality, including, without limitation, municipal tax assessors and tax collectors, are not personally liable to MassDevelopment or to any other person for claims, of whatever kind or nature, under or related to PACE Massachusetts, including, without limitation, claims for or related to uncollected PACE betterment assessments. Other than fulfillment of the obligations specified in the Agreement, the Municipality has no liability to the owner of the benefitted property or to any capital provider related to the Municipality's participation in PACE Massachusetts.

After Financing Closes

Municipal Task:

- Sign acknowledgment for preliminary and final notice
- Add PACE assessment to tax bill according to payment schedule filed at closing (quarterly, semi-annually or annually)
- Remit assessment payment (only if collected) to MassDevelopment Paying Agent

Municipality is not Responsible for:

- Pursuing delinquent payments
- Underwriting deals
- PACE Approvals

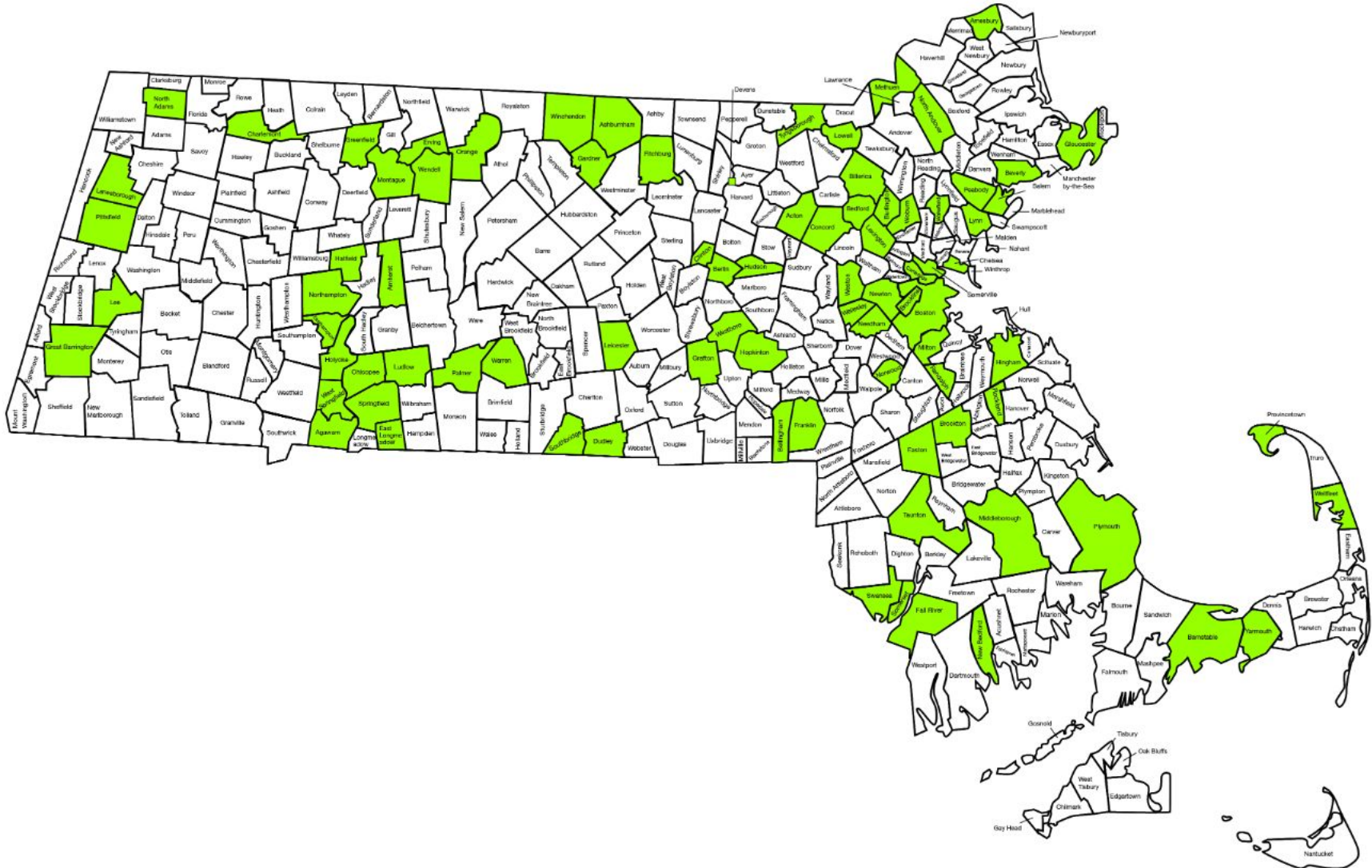
PACE-Authorizing Municipalities

(85 as of June 2026)

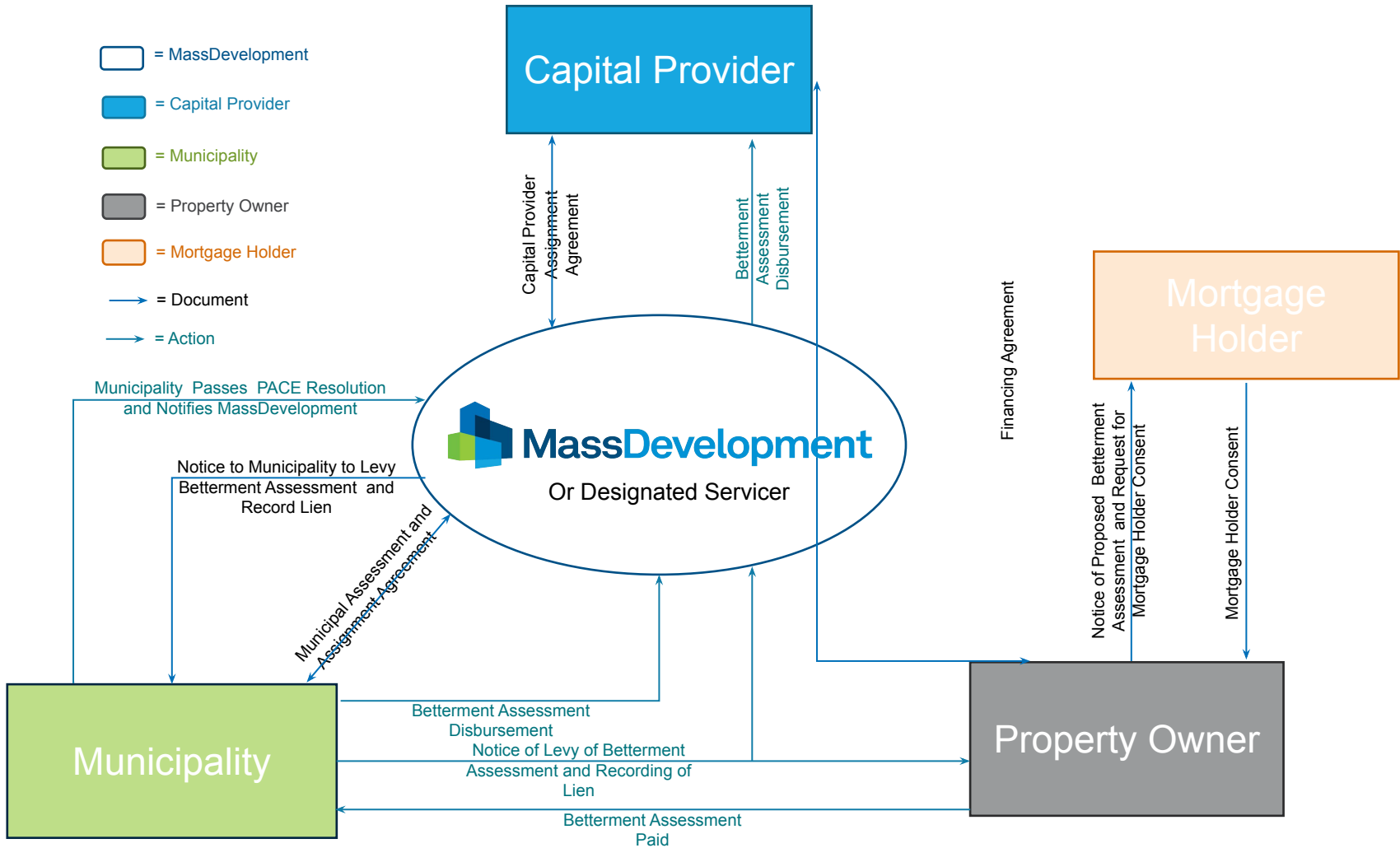


- Acton
- Agawam
- Amesbury
- Amherst
- Ashburnham
- Barnstable
- Bedford
- Bellingham
- Berlin
- Beverly
- Billerica
- Boston
- Brockton
- Brookline
- Burlington
- Cambridge
- Charlemont
- Chelsea
- Chicopee
- Clinton
- Concord
- Devens
- Dudley
- East Longmeadow
- Easthampton
- Easton
- Erving
- Fall River
- Fitchburg
- Franklin
- Gardner
- Gloucester
- Grafton
- Great Barrington
- Greenfield
- Hatfield
- Hingham
- Holyoke
- Hopkinton
- Hudson
- Lanesborough
- Lee
- Leicester
- Lexington
- 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



PACE Massachusetts



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