



- b. A comparison of the current property tax assessed value of the property to its “as is” market value, as determined under section 3 below; and
  - c. The estimated post-renovation market value of the property, as determined under section 3 below.
3. The appraisal process must be segregated from the loan origination process. Industry specialization is highly recommended. The appraiser should have relevant experience in the subject building types/market sector.
- a. Ideally, appraisals should not be dated older than 18 months from the date of closing. The administrator and parties must take into account case-by-case considerations, for example, the economic impact of COVID-19 or a hurricane, that could make more recent appraisals obsolete.
  - b. A variance request for a proposed PACE assessment based on a market value must be based on the “as constructed” appraisal valuation except that an “as stabilized” valuation may be used where the property is already >50% leased or occupied.
  - c. Appraisal requirements vary according to the size of the PACE project. For financing –
    - i. Above \$500,000: Appraisal from a Texas certified general appraiser licensed by the Texas Appraiser Licensing and Certification Board, <https://www.talcb.texas.gov>.
    - ii. Between \$250,000 and \$500,000: Appraisal performed by an independent third party consistent with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP) as set by the Appraisal Foundation, [https://www.appraisalfoundation.org/imis/taf/standards/q\\_as/taf/qas.aspx](https://www.appraisalfoundation.org/imis/taf/standards/q_as/taf/qas.aspx); or
    - iii. Below \$250,000: Evaluation consistent with the FDIC Financial Institution Letter, FIL-16-2016, <https://www.fdic.gov/news/financial-institutionletters/2016/fil16016.pdf>.

See <https://www.keepingpaceintexas.org/wp-content/uploads/2021/01/FINAL-Underwriting-2020-Guidance.pdf> for additional information.

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The undersigned certifies that:

I have read and clearly understand the waiver request, the information provided and the impact of this request on the property and the PACE assessment.

\_\_\_\_\_  
PACE Capital Provider Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Company/Firm

\_\_\_\_\_  
Owner Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Company/Firm

### REASONS FOR REQUESTING VARIANCE

Please address the following for the administrator to use in determining whether to grant the variance request:

1. What is the existing debt to assessed value of the property prior to closing the PACE loan?
  
2. What is the estimated fair market value of the property? How was the value determined (e.g., market appraisal, desktop appraisal, insurance valuation, etc.)?
  
3. What is the estimated post-renovation fair market value of the property (including an explanation on how this value was determined)?

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