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646 Hazelwood

Renovation of a 1927 apartment building in Detroit helping to revitalize the Piety Hill neighborhood

646 Hazelwood, once an abandoned building in Detroit, is set to be revitalized as a 40 unit sustainable apartment complex. Being one of three PACE projects on the same block, this gut-rehab contributes to the revitalization of Detroit's Piety Hill Neighborhood.

646 Hazelwood LLC, along with G Energy and PACE Loan Group, will implement a wide variety of energy and water efficiency measures including, LED lighting throughout the building, high efficiency water fixtures, new heating and cooling units, and windows and wall upgrades to create an insulated living space. 646 Hazelwood will be a sustainable and comfortable environment, making for a desirable place for future residents to live.

PACE Loan Group provided capital to finance whole-building systems, including water, HVAC, and roof replacement. "PACE is rapidly gaining traction as an integral part of the capital stack. Gut rehabs for affordable housing are an ideal use of PACE financing," stated PLG CEO Rafi Golberstein.

This marks the 19th PACE project in Wayne county which continues to be a trailblazer in PACE implementation. Wayne leads the state in PACE projects, and has the most financing in place (over \$57M). All parties involved in this project set a great example of how PACE financing can be utilized to revitalize neighborhoods in an environmentally friendly manner.

✓ Project Quick Stats

PACE District: Wayne County

Property Owner: 646 Hazelwood Detroit, LLC

PACE Contractor: G Energy

PACE lender: PACE Loan Group

Amount Financed: \$1,012,500

Net Savings: \$4,797,025

Energy Conservation Measures:

- Roof Upgrade
- Window Upgrade
- Lighting
- HVAC
- Low Flow Fixtures

Project Term: 25 years

Impact: The 646 Hazelwood project is expected to save 1,107,036 gallons of water and 67,995 kWh of electricity per year. That is equivalent to eliminating the energy use of 153 homes over the term of the project.

Lean & Green Michigan

Lean & Green Michigan™ helps commercial, industrial and multi-family property owners take advantage of PACE to finance energy projects, eliminate waste and save money through long-term financing solutions that make energy projects profitable. Lean & Green Michigan™ is a public-private partnership that works with local governments, contractors, property owners, and lenders to invigorate Michigan's PACE statute with a market-based approach to energy finance and economic development.

Project Partners



PACE Financing

Commercial building owners spend \$200 billion per year on utilities, yet 30% of this is waste. The energy projects that could make these properties efficient often require significant up-front capital and take years to achieve profitability. Commercial loans typically have a tenor of 3-5 years, making the annual repayment greater than the energy savings. PACE changes all this by allowing property owners to finance energy efficiency and renewable energy projects via a property tax special assessment.

Wayne County's elected leaders created a countywide PACE district in December 2013 by joining the statewide Lean & Green Michigan PACE program. Since the County will enforce the PACE assessment just like any other property tax obligation, lenders feel secure in providing fixed-interest loans with terms of up to 25 years. The result is 100% up front financing to facilitate energy-saving projects. In addition, these projects create good jobs, and communities upgrade their building stock, increasing the local tax base over time.

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