

**New York City Department of Finance
Sustainable Energy Loan Program**

Notice of Public Hearing and Opportunity to Comment on Proposed Rules

What are we proposing? The New York City Department of Finance (“DOF”) is proposing amendments to the rules implementing Local Law number 96 for the year 2019, which created the Sustainable Energy Loan Program (“Program”) within the City of New York (“City”). The Program is intended to encourage energy efficiency improvements and the installation of renewable energy systems that save energy and reduce utility costs in the City. The proposed amendments would remove an existing requirement that the full loan amount be considered disbursed as of loan closing, and instead would allow the loan to be provided in installments in a manner by which interest accrues only on the loan funds that have been disbursed, ultimately reducing financing costs for borrowers.

When and where is the hearing? DOF will hold a public hearing on the proposed rule amendment. The public hearing will take place at 11:00 AM on June 22, 2026. The hearing will be conducted remotely through Microsoft Teams. To participate in the public hearing, enter the URL <https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting>. If prompted to provide the meeting ID, please enter: 269 960 940 887 188; If prompted for a passcode, please enter the following: sb6hi7JF. You can also participate in the hearing via telephone by calling (646) 893-7101. The Phone conference ID: 849 470 359#

This location has the following accessibility option(s) available: Audio-only access

How do I comment on the proposed rules? Anyone can comment on the proposed rules by:

- **Website.** You can submit comments to NYC Department of Finance through the NYC rules website at <http://rules.cityofnewyork.us>.
- **Email.** You can email written comments to DOFRules@finance.nyc.gov
- **Mail.** You can mail comments to NYC Department of Finance, Legal Affairs Division, 375 Pearl Street, 30th Floor, New York, NY 10038, Attn: Timothy Byrne.
- **Fax.** You can fax comments to NYC Department of Finance, Attn: Timothy Byrne, at (212) 748-6982.
- **At the hearing.** Anyone who wants to comment on the proposed rule at the public hearing must sign up to speak prior to the date of the hearing. You can sign up by calling Joan Best at (212) 748-7214, or by e-mail at bestj@finance.nyc.gov. You can speak for up to three minutes. Please note that the hearing is for accepting oral testimony only and is not held in a “Question and Answer” format.

Is there a deadline to submit comments? The deadline for submitting written comments is June 22, 2026.

What if I need assistance to participate in the hearing? Please contact DOF’s Office of Legal Affairs if you need a reasonable accommodation of a disability to participate in the hearing. You must tell us if you need a sign language interpreter. You can make any accommodation request by mail at the address given above. You may also make such request

by contacting Joan Best by telephone at (212) 748-7214 or by email at bestj@finance.nyc.gov. Advance notice is requested to allow sufficient time to arrange the accommodation. Please provide at least five business days' notice prior to the hearing to ensure availability.

The following accessibility options are available for this hearing: Audio-only access

Can I review the comments made on the proposed rules? You can review the comments made on the proposed rules by visiting the website <http://rules.cityofnewyork.us/>.

What authorizes DOF to make this rule? Sections 1503, 1504 and 1043(a) of the New York City Charter ("Charter") and Chapter 30 of Title 11 of the New York City Administrative Code authorize DOF to propose these rules.

Where can I find DOF's rules? DOF's rules are in Title 19 of the Rules of the City of New York.

What rules govern the rulemaking process? DOF must meet the requirements of Section 1043 of the Charter when creating or changing rules. This notice is made according to the requirements of Section 1043 of the Charter.

Statement of Basis and Purpose of Proposed Rule

In 2009, the New York State Legislature enacted General Municipal Law Article 5-L, which authorizes municipalities within New York State to create and administer Property Assessed Clean Energy (“PACE”) financing programs. See Chapter 479 of 2009. PACE programs offer loans to property owners to fund energy efficiency and renewable energy projects on existing properties if a property owner agrees to pay the loan back through a separate charge on the property’s annual tax bill.

In April 2019, the New York City Council enacted Local Law 96 of 2019, codified at Chapter 30 of Title 11 of the Administrative Code of the City of New York (“Administrative Code”), which created the Sustainable Energy Loan Program (“Program”) to finance energy efficiency improvements and renewable energy systems for existing properties in New York City. The Office of Long-Term Planning and Responsibility coordinates the Program, and, in consultation with the New York City Department of Finance (“DOF”), a third-party administrator under contract with the City administers the Program. See Executive Order 60 (Aug. 31, 2020), <https://tinyurl.com/shi5p82z>. Implemented under Chapter 58 of Title 19 of the Rules of the City of New York (“RCNY”), the Program is intended to help property owners reduce energy consumption and operating costs, create a healthier occupancy environment, increase the value of their buildings, and comply with City legislation establishing greenhouse gas emissions limits for buildings within the City. In 2021, the City Council amended the law to authorize PACE financing for new construction, as well as for owners of leasehold interests. See Local Law 42 for the year 2021; see *also* 19 RCNY § 58-03(b)(1)(ii) (for the eligibility criteria for leases).

The proposed amendments to subdivisions (j) and (k) of Section 58-06 of Title 19 of the RCNY would remove the requirement that the full loan amount be disbursed as of loan closing, as well as the need for such disbursed loan to be held in escrow accruing interest. These amendments would reduce financing costs for borrowers by allowing interest to accrue only on the portion of the loan that has been disbursed. This approach reflects standard market practice, particularly for larger new construction projects, and provides flexibility for lenders and borrowers to structure disbursements and related interest accrual in a less costly manner.

DOF’s authority for these rules is found in sections 1503 and 1043(a) of the New York City Charter, and Chapter 30 of Title 11 of the Administrative Code.

New material is underlined. Material to be removed is [bracketed].

“Shall” and “must” denote mandatory requirements and may be used interchangeably in these rules, unless otherwise specified or unless the context clearly indicates otherwise.

Proposed Rule Amendment

Section 1. Subdivisions j and k of section 58-06 of Title 19 of the rules of the city of New York are amended to read as follows:

- j. The proceeds of the Loan shall be:
 - 1. Disbursed on the closing date; or

2. [Held in escrow or pursuant to a similar arrangement and disbursed] Disbursed in installments to the Borrower periodically as construction progresses.

k. [Notwithstanding subdivision j of this section or any other rule to the contrary, the entirety of the Loan amount shall be deemed to have been disbursed] The Lender shall provide a repayment schedule for the Loan, including any interest or fees, based on the anticipated dates of disbursement as of the closing date [for purposes of establishing a schedule for repayment of the Loan, including any interest or fees]. If, pursuant to paragraph 2 of subdivision j of this section, the proceeds of the Loan are disbursed in installments, the Lender shall, prior to the first payment date of the Loan, provide an amended repayment schedule based on actual disbursement dates and related interest accrual.

**NEW YORK CITY LAW DEPARTMENT
DIVISION OF LEGAL COUNSEL
100 CHURCH STREET
NEW YORK, NY 10007
212-356-4028**

**CERTIFICATION PURSUANT TO
CHARTER §1043(d)**

RULE TITLE: Amendment of Rules Relating to PACE Financing Program

REFERENCE NUMBER: 2026 RG 032

RULEMAKING AGENCY: Department of Finance

I certify that this office has reviewed the above-referenced proposed rule as required by section 1043(d) of the New York City Charter, and that the above-referenced proposed rule:

- (i) is drafted so as to accomplish the purpose of the authorizing provisions of law;
- (ii) is not in conflict with other applicable rules;
- (iii) to the extent practicable and appropriate, is narrowly drawn to achieve its stated purpose; and
- (iv) to the extent practicable and appropriate, contains a statement of basis and purpose that provides a clear explanation of the rule and the requirements imposed by the rule.

/s/ STEVEN GOULDEN
Senior Counsel

Date: May 18, 2026

**NEW YORK CITY MAYOR'S OFFICE OF OPERATIONS
253 BROADWAY, 10th FLOOR
NEW YORK, NY 10007
212-788-1400**

**CERTIFICATION / ANALYSIS
PURSUANT TO CHARTER SECTION 1043(d)**

RULE TITLE: Amendment of Rules Relating to PACE Financing Program

REFERENCE NUMBER: DOF-82

RULEMAKING AGENCY: Department of Finance

I certify that this office has analyzed the proposed rule referenced above as required by Section 1043(d) of the New York City Charter, and that the proposed rule referenced above:

- (i) Is understandable and written in plain language for the discrete regulated community or communities;
- (ii) Minimizes compliance costs for the discrete regulated community or communities consistent with achieving the stated purpose of the rule; and
- (iii) Does not provide a cure period because it does not establish a violation, modification of a violation, or modification of the penalties associated with a violation.

/s/ Francisco X. Navarro
Mayor's Office of Operations

May 18, 2026
Date