December 2024

Hills West

Hills West Expansion Brings Sustainable, Energy-Efficient Housing to Oakland County!

Hills West in Oakland County is set to undergo a transformative expansion with the addition of three two-story garden-style apartment buildings, totaling 46 rental units. Phase II of the project will build on the success of the initial phase, bringing the entire site to 102 units once completed. This new construction will replace two vacant single-family homes and is designed to provide high-quality, energy-efficient housing that meets the growing demand for sustainable living spaces.

To ensure that the new buildings meet the highest standards of energy efficiency, the development will utilize a $1.6 million PACE financing from Pace Equity. PACE will be used to fund a range of energy-efficient improvements across the project, including the building envelope, windows, HVAC systems, plumbing, and lighting. By incorporating these upgrades, Hills West will exceed building code requirements and reduce long-term operating costs for both the property owner and future residents.

Hills West will not only provide high-quality rental units but also serve as an example of how sustainable development can be achieved through innovative financing, ultimately enhancing the property's value and appeal in Oakland County's competitive real estate market.

Project Quick Stats

PACE District: Oakland County

Property Owner: Hills West, LLC

PACE lender: PACE Equity, LLC

Amount Financed: $1,640,545

Total Savings: $323,311

Energy Conservation Measures:

- Building Envelope
- Windows
- HVAC
- LED Lighting
- Plumbing

Project Term: 25 years

Impact: The PACE project at Hills West is expected to save 1,186,925 kWh of electricity, 1,005 metric tons of CO2, and 8,525,000 gallons of water over the course 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.

Oakland County's elected leaders created a countywide PACE district in November 2016 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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