

## What is C-PACE Financing & Why is it Useful?

**Commercial Property Assessed Clean Energy**, or C-PACE, is a financing program for energy efficiency, renewable energy, and water conservation projects. In Virginia, C-PACE can be used for commercial, nonprofit, and multifamily buildings, including retrofits and new construction. Eligible improvements include heating, cooling and ventilation, roofing, motors, water pumps, lighting, insulation, and solar panels. The loan is repaid through the property's real estate tax bill. Virginia's C-PACE law requires a locality to create a C-PACE loan program, and private lenders make the loan and negotiate directly with the property owner on rates and terms.

### Overview of Benefits

Increased Building Value and Reduced Utility Bills

Long-term Loans up to 20+ Years | Lower annual payments and immediate positive cash flow

More Comfortable Space with Improved Air Quality

Repaid as Special Assessment on the Real Estate Tax Bill

100% Financing | No upfront cash investment required

Senior Lien Status | Loan stays with the property upon sale and is non-accelerating

	Traditional Bank Financing	C-PACE Financing
<b>Purpose</b>	HVAC and Lighting	HVAC and Lighting
<b>Project Cost</b>	\$100,000	\$100,000
<b>Loan</b>	\$75,000 <i>25% upfront cash investment required</i>	\$100,000 <i>\$0 upfront investment required</i>
<b>Interest Rate</b>	5%	6.25%
<b>Term</b>	5 years, fully amortizing	15 years, fully amortizing
<b>Monthly Payment</b>	\$1,415	\$857
<b>Annual Payment</b>	\$16,984	\$10,290

### C-PACE ACROSS THE NATION

- **33** states and Washington, DC have passed PACE enabling legislation; **19** of these states and D.C. have already started PACE programs
- **\$555M** in C-PACE assessments have been funded through **1,180 projects**
- The average C-PACE project is **\$340K**; the largest project was **\$20M**
- Some of the world's largest property owners have already used C-PACE to finance energy efficiency and renewable upgrades to their buildings.

Source: PACE Nation

### C-PACE IN VIRGINIA

- Virginia's 2015 C-PACE legislation made commercial and multi-family buildings eligible for C-PACE financing with a lien status equal to a tax lien.
- It is up to local governments to establish a C-PACE financing program for their localities.
  - **Arlington Co.** launched their C-PACE program in January 2018.
  - **Loudoun Co.** Board of Supervisors unanimously voted in January 2018 to develop a C-PACE program structure, evaluate options for program administration, and draft an ordinance.
  - Several other localities are exploring the development of a C-PACE program.
- The Mid-Atlantic PACE Alliance (MAPA) convened in early 2017 and will work to accelerate C-PACE in Virginia, D.C., and Maryland.



C-PACE financing is a tool to help bring low-cost, long-term capital to fund the rehabilitation of existing and new buildings.

