

Commercial Property Assessed Clean Energy (C-PACE) Financing

2025 Overview of the statewide
VA C-PACE Program



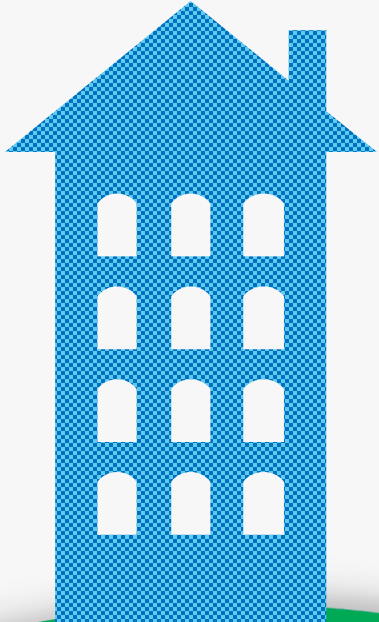
Virginia PACE Authority (VPA): Profile



- 501c3 nonprofit, program administrator for **VA C-PACE**, the statewide C-PACE Program
- Responsible for all aspects of onboarding, approving and closing of C-PACE loans as well as marketing and outreach to all types of stakeholders
- Extensive experience in C-PACE administration and project development through Abacus Property Solutions consultancy
- VA C-PACE Program localities represent more than 50% of the state population and most large MSAs
- \$16+ million of loans closed with a \$150 million pipeline



C-PACE 101

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- C-PACE is an innovative method of private financing for energy, resilience, stormwater, environmental remediation and other eligible improvements. It is also a powerful economic development tool.
 - C-PACE is established by state code, which authorizes local governments to enable C-PACE through an ordinance and participate in the state program, VA C-PACE sponsored by Virginia Energy.
 - The ordinance authorizes the placement of a C-PACE voluntary special assessment on private property. VPA provides the standardized ordinance. It is not a public tax and is not collected by the locality.
 - Because of this voluntary special assessment, C-PACE lenders have a strong security position and therefore, can offer highly attractive loan terms.

C-PACE: Eligible Properties

OFFICE



MULTIFAMILY



INDUSTRIAL



NON PROFIT



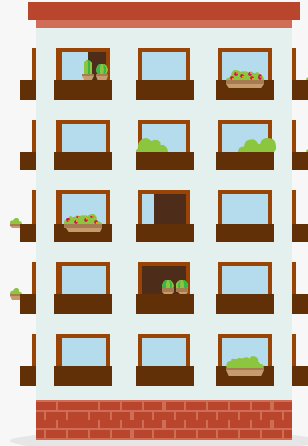
RETAIL



AGRICULTURE



HOTELS



C-PACE: Eligible Improvements

- **Energy Efficiency**
 - HVAC
 - Lighting
 - Water heaters
 - Building envelope
 - **Renewables**
 - Solar panels
 - Geothermal improvements
 - Wind turbines
 - Solar plus storage
 - **Stormwater management**
 - **EV charging equipment**
- **Water Efficiency**
 - Low flow fixtures
 - Rainwater capture
 - Grey water systems
 - **Resiliency**
 - Wind
 - Flood mitigation
 - Seismic
 - **Environmental Remediation**
 - Asbestos
 - Mold
 - Ground water

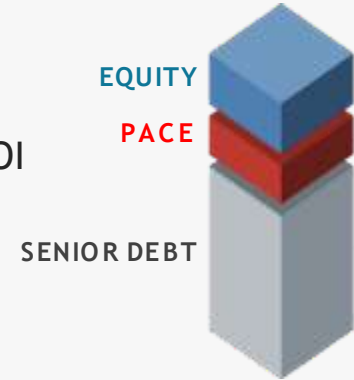
C-PACE for New Construction: Benefits

Hotel Burg



C-PACE: \$8.7 million

- Funds eligible hard and soft construction costs up to 100% LTV
- Replaces equity or expensive “mezz” debt
- Lowers overall cost of capital of projects, boosts ROI
- Defer payments until stabilization
- Interest only financing available
- Flexible prepayment during construction and stabilization



C-PACE for Retrofits: Benefits

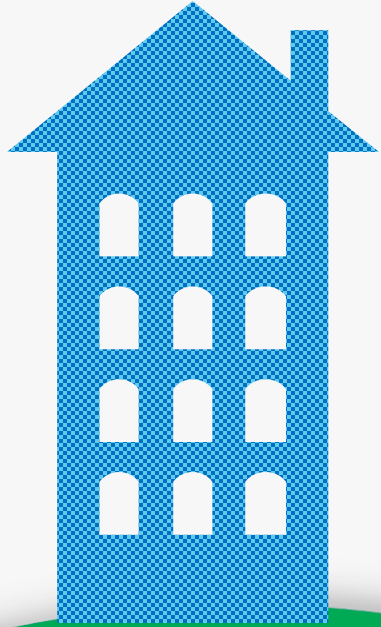
Hotel Petersburg



C-PACE: \$2.64 million

- C-PACE funds upgrades; owner has equity for other uses
- Enhances building value by upgrading building with highly efficient improvements
- Lowers utility and maintenance costs, making C-PACE cash flow neutral or even positive
- Funds soft costs: certifications, energy/project reports, and legal
- Passes through to tenants of pro-rate share of C-PACE payments depending on lease type
- Can fund equipment installed two/three years after construction

C-PACE for Localities: Benefits



- Economic Development:
 - Revitalizes buildings and improve property values, which leads to more revenue for local communities
 - Stimulates the local economy through new development and construction projects
- Energy efficiency/Sustainability:
 - Helps conserve resources and build resiliency in communities
 - Supports internal sustainability goals
 - Is private lending so does not have public funding limitations or changes
 - Provides building owners in the locality with a financing tool that covers certifications and other costs related to building green

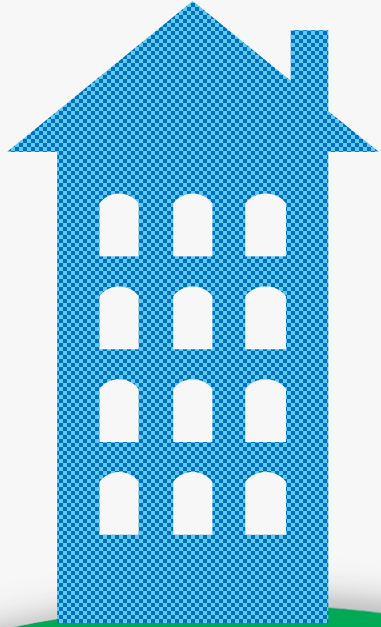
C-PACE for Localities: Limited Drawbacks

Staff time:

- Limited to passage of ordinance and signing project loan documents at closing; VPA handles all aspects of administration
- Not responsible for collecting or disbursing C-PACE loan payments
- Can delegate C-PACE lien enforcement to the C-PACE lenders, releasing Treasurer or Dept. of Finance from this work commitment

Risk and/or liability for locality:

- Assumes no risk or liability regarding C-PACE projects; specifically held harmless in Program Agreement and Ordinance
- No credit exposure or bonding impact for locality
- Not guaranteeing C-PACE projects or financing projects



C-PACE: Enabled Localities

- **Northern Virginia**
 - Fairfax County
 - Loudoun County
 - Prince William County
 - City of Alexandria
 - City of Fairfax
 - City of Winchester
- **Eastern Virginia**
 - City of Chesapeake
 - City of Virginia Beach
- **Southern Virginia**
 - Sussex County
 - City of Martinsville

21 and
counting!

- **Central Virginia**
 - Albemarle County
 - Chesterfield County
 - Henrico County
 - City of Charlottesville
 - City of Hopewell
 - City of Petersburg
 - City of Richmond
- **Western Virginia**
 - Rockingham County
 - Shenandoah County
 - City of Harrisonburg
 - City of Waynesboro

C-PACE: Steps To Participation

1

Staff Education

VPA meets with Locality staff to provide education on C-PACE

2

Document Review

Locality reviews VA C-PACE Program Documents, makes necessary modifications; Locality designates Program Manager

3

Presentation to Board/Council

VPA presents to elected officials to garner support for C-PACE (optional)

4

Public Hearing

Locality staff finalize local documents and submit for upcoming vote

5

C-PACE Adopted

Board/Council adopts Ordinance and Program Agreement, and Locality staff sign Virginia Energy-Locality Agreement

6

Welcome to
VA C-PACE!!

C-PACE: Contact Info



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