



Rushern L. Baker, III
County Executive

Commercial Property Assessed Clean Energy (C-PACE) Implementation Plan

March 27, 2018

Briefing to the Prince George's County Council

Agenda

- What is C-PACE?
- How C-PACE Works
- Borrower Eligibility
- Eligible Uses
- MBE Requirements
- Program Administration
- Summary



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What is C-PACE?

Purpose



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- Commercial Property Assessed Clean Energy (C-PACE) program was enabled by Chapter 743 of the 2009 Laws of Maryland
- Allows commercial property owners to access financing for qualifying energy efficiency and clean energy improvements for their buildings through loans from participating lenders



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How C-PACE Works

C-PACE...



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- Is a financing tool whereby a building energy upgrade loan is paid back through a surcharge imposed on the property owner's tax bill
- Increases loan security for lenders
- Allows for energy efficient and clean energy upgrades for commercial property owners
- Provides lenders with a high confidence in loan repayment since a property tax lien is senior to any existing mortgage



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Borrower Eligibility

Eligibility Requirements



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- Borrower must be 100% legal owner of the building as recorded on the title
- Property must be located in Prince George's County
- Borrower must be current on the most recent tax bill
- Borrower must be able to repay the C-PACE loan
- C-PACE loan must not exceed 20% of the property's appraised value
- Existing debt plus the C-PACE loan shall not exceed 90% of the appraised value
- Property must be for commercial use
- Mortgage holder(s) must consent in writing to the C-PACE surcharge
- Existing mortgage must be in "good standing" with the lender
- Minimum loan of \$25,000
- Energy audit is required



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Eligible Uses

Examples of Eligible Uses



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- Solar energy equipment
- Geothermal energy devices
- Water conservation devices and systems
- Construction, renovation, or retrofit to reduce energy consumption (high efficiency lighting and building systems, HVAC upgrades, high efficiency boilers and furnaces)



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CMBE/CBSB/CBB/MBE Goals

CMBE/CBSB/CBB/MBE Goals



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- Borrower will use “best efforts” to spend 35% of the total cost of the energy efficiency and clean energy improvements with CMBE/CBSB/CBB/MBE



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Program Administration

FSC First...



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- Will serve as the program administrator
- Will establish a consortium of lenders with a focus on County-based lending institutions
- Collaborate with the Prince George's County Economic Development Corporation, Office of Central Services, Office of Finance, and other stakeholders to promote the C-PACE program
- Provide referrals for C-PACE lenders
- Provide the lender with portfolio management services



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Summary

C-PACE

C-PACE...



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- Offers another financing option for commercial property owners to traditional lending to perform energy efficiency and clean energy upgrades
- Provides an opportunity for County-based lending institutions to provide loans to borrowers with a high degree of certainty and security
- Expands opportunities for County-based firms and minority business enterprises

Next Steps:

- Consider the feedback from today's briefing and finalize the draft legislation for submission to the County Council