NC C-PACE Update

Presented by

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Sustainability

What is C-PACE?

- C-PACE = Commercial Property Assessed Capital Expenditure
- Statewide program enacted in July 2024
- Administered by Economic Development Partnership of NC (EDPNC)
- Voluntary financing program for commercial property upgrades
- Similar programs are active in 36 states

Eligible properties and projects

- Properties must be privately owned
  - Commercial, industrial or agriculture
  - Multifamily (5+ units) residential
- Project types
  - Clean Energy
  - Water Conservation
  - Energy Efficiency
  - Resiliency Projects
  - Examples: HVAC replacement, solar panels, efficient windows
- Hard costs (materials) and soft costs (engineering, energy audits)

Program Details

Differences from traditional financing

- Property owners pay for the cost of building upgrades through a lien on to their property tax bill
- Repayment obligations are transferred with the property itself
- Low cost, long term (typical repayment term 20-30 years)

Program Challenges

- Several unknows
  - Capital provider
  - Interest rate
  - Loan terms
  - No active projects in NC yet
- Requires consent from mortgage lender
- Potential redundancy with Mountain BizWorks Electrify Fund
  - Interest rates starting at 3.9%

Stakeholder Roles/ Responsibilities

- Local Government
  - Adopt a Resolution of Intent → Conduct public hearing → Adopt a Resolution
  - Coordination with EDPNC on Assignment of Lein and Assessment Agreement, record lien at register of deeds
    - County “will be reimbursed for actual and reasonable costs associated with executing documents”
  - No exposure to financial or legal liability (N.C.G.S. §160A-239.16 (a))
- EDPNC
  - Review project applications for eligibility
  - Collect admin/ processing fees
  - Submit closing documents of approved projects to local government
- Private Capital Providers
  - Finalize closing documents
  - Disperse funds
  - Billing and collection

C-PACE Process

As the Statewide Administrator, Economic Development Partnership of NC (EDPNC) develops a C-PACE toolkit

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As the Program Sponsor, NC Dept. of Commerce approves C-PACE toolkit

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Local governments adopt C-PACE resolutions

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Property owner applies to C-PACE and project is approved by EDPNC

Property owner secures financing agreement with lender

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Local governments administer tax assessments

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Contractors complete the building upgrades

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Property owner sends final payment to lender

Discussion