



PRINCE GEORGE'S COUNTY, MARYLAND
COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY PROGRAM (C-PACE)
PROGRAM GUIDELINES

ABOUT C-PACE

The Commercial Property Assessed Clean Energy (C-PACE) Program assists commercial property owners in accessing financing to make qualifying energy efficiency and clean energy improvements to commercial properties with loans that are repaid through an annual surcharge on the owner's property tax bill.

The Commercial Property Assessed Clean Energy (C-PACE) Program was enabled in Maryland through the passage of Chapter 743, Laws of Maryland 2009, which authorized a County or municipality to enact an ordinance establishing a clean energy loan program to provide property owners with financing for energy efficiency projects. The Commercial Property Assessed Clean Energy Program was enacted by the County Council of Prince George's County Maryland through Bill No. CB-29-2018, under Subtitle 10. Finance and Taxation, Division 25. Clean Energy Loan Program, Sections 10-317, 10-318, 10-319 and 10-321 of the Prince George's County Code.

HOW C-PACE WORKS

C-PACE is a clean energy financing program that allows commercial property owners to finance the up-front costs of energy or other eligible improvements on commercial properties and then repay the costs, over time, through a surcharge assessed on the commercial property owner's annual property tax bill. Unlike traditional commercial property improvement financing, C-PACE assessments are attached to the commercial property rather than to the commercial property owner(s). By attaching the financing repayment to the annual property tax bill, C-PACE greatly increases security for lenders, and allows commercial property owners to complete energy efficiency upgrades to their properties. If a property transfers prior to final repayment of the C-PACE loan, remaining loan payments are automatically passed to any new building owner through the annual property tax bill surcharge.

ELIGIBILITY

In order to be eligible for C-PACE financing, the Applicant seeking financing must meet the following requirements:

1. Property must be located in Prince George's County.
2. Property must be for commercial use.
3. The property cannot be owned by the government.
4. Applicant must be 100% legal owner of the property as recorded on title.

5. Applicant must demonstrate that the most recent taxes, surcharges and charges on the property have been paid.
6. Applicant must establish that the owner of the commercial property is able to repay the loan provided under the C-PACE program in a manner substantially similar to that required for a mortgage loan.
7. Applicant must provide an appraisal that establishes that the C-PACE loan does not exceed 20% of appraised value. Any existing debt plus the C-PACE loan shall not exceed 90% of the appraised value.
8. Applicant must provide written consent to the C-PACE surcharge by the mortgage holder (or holders) of the property via consent forms.
9. Applicant must provide evidence that any mortgage on the property is in good standing with the lender.
10. Minimum C-PACE loan amount is \$25,000.
11. Applicant must provide a copy of an energy audit, performed by a certified energy auditor to determine that the scope of work for which funds will be used is qualified as an energy conservation measure. The energy audit report must include the projected aggregated savings over the life of the installed energy improvements or conservation measures.
12. Applicant must be in good standing with the Maryland State Department of Assessments and Taxation

ELIGIBLE USES

Funds provided through C-PACE loans must be used for energy conservation measures (ECM's), including but not limited to: solar energy equipment, geothermal energy devices, wind energy systems, water conservation devices, measures or systems or any construction, renovation or retrofitting of commercial property to reduce energy consumption, including high efficiency lighting and building systems, heating ventilation air conditioning (HVAC) upgrades, high efficiency boilers & furnaces, high efficiency hot water heating systems, combustion & burner upgrades, fuel switching, heat recovery & steam traps, building shell or envelope improvements, fenestration improvements, building energy management systems and process equipment upgrades.

JOB CREATION REQUIREMENT

An Applicant's loan documents must reflect an applicant's commitment to use best efforts to create at least 1 job for every \$65,000 borrowed under the C-PACE Program.

SUPPLIER REQUIREMENTS

Each Applicant is required to meet County-based Local, Small or Minority Business Enterprise (CMBE, CBB or CMBE) participation goals and requirements and specific goals for the hiring of County residents, including annual reporting requirements to ensure compliance with applicable laws. Applicant's loan documents must reflect its agreement to use its best efforts to support the County's interest in expanding procurement opportunities for contractors and vendors who are certified as one of the business enterprises as defined in Section 10A-101 et seq. of the Prince George's County Code, with a goal to spend 35% of the loan amount with diverse suppliers/contractors/vendors.

APPLICATION, CLOSING AND SERVICING FEES

- APPLICATION FEE: \$500 non-refundable application fee, due with application.
- CLOSING FEE: 1.05% closing fee (calculated as a percentage of the amount financed through PACE) and collected by the Lender/Capital Provider at loan settlement.
- SERVICING FEE: .16% (16 basis points), against the outstanding principal balance collected annually, or as often as taxes are collected, as part of the tax bill surcharge by the Office of Finance.
- The County may also charge a C-PACE surcharge set-up fee and/or an ongoing assessment fee.
- An additional fee may apply as a result of the independent review of the energy audit if required by the Lender.
- The Lender/Capital Provider may also charge additional loan fees.