

C-PACE Financing Making *Waves* in Virginia's Commercial Real Estate Marketplace



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 51% of the state population and most large MSAs
- Nearly \$125 million of loans closed including nearly \$109 million in 2025



Virginia PACE Authority (VPA): Leadership



Abby Johnson, Executive Director



Ellen Dickson, Senior Director



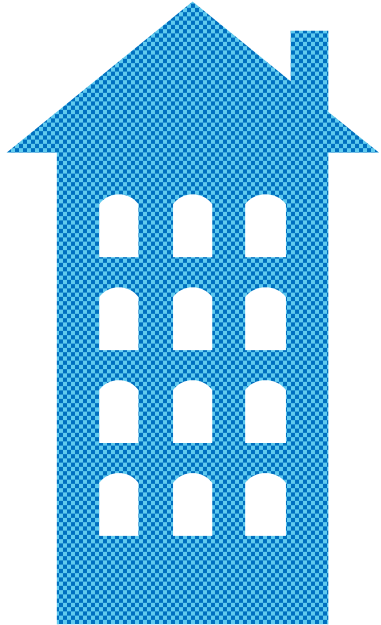
Andy Friedman, Outreach Advisor



Holly Edinger, Applications

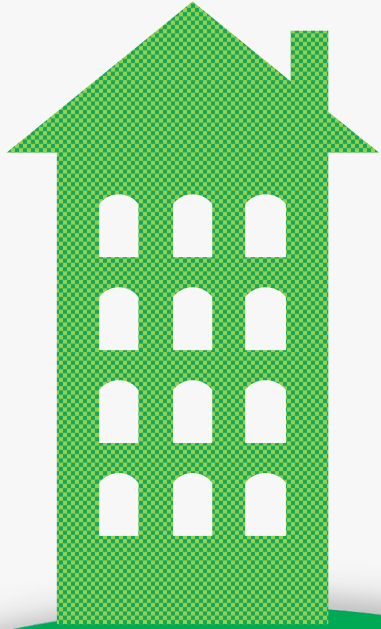


C-PACE: Introduction



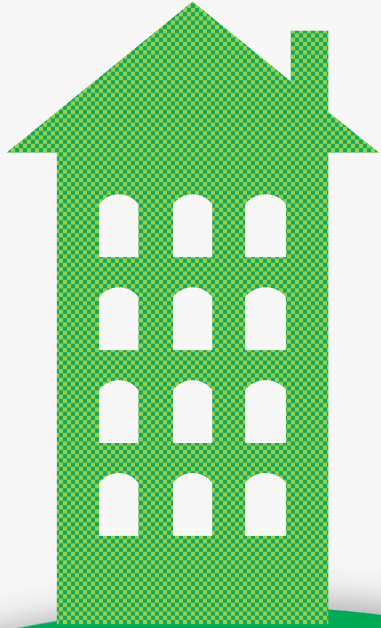
- C-PACE is an innovative method of private financing for energy, resilience, stormwater, environmental remediation and other eligible improvements. It is also a powerful economic development tool.
- C-PACE is established by state code, which authorizes local governments to enable C-PACE through an ordinance 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 for Retrofits: Benefits

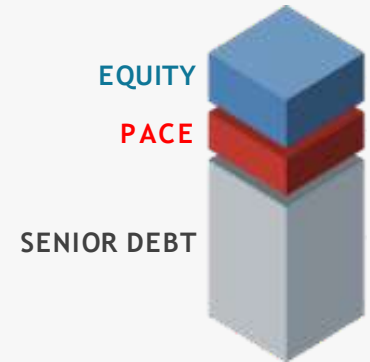


- CPACE funds upgrades; owner has equity for other uses
- Enhances building value by upgrading building with highly efficient improvements
- Lowers utility and maintenance costs, making C-PACE cash flow neutral or even positive
- Funds soft costs: certifications, energy/project reports, and legal
- Passes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

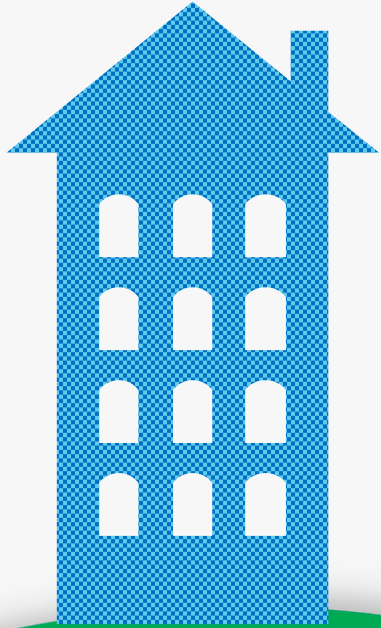
C-PACE for New Construction: Benefits



- 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 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 and jobs
- 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

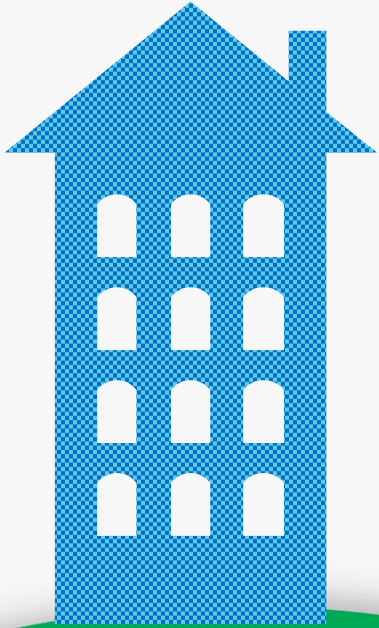
C-PACE for Localities: Minimal Time, No Risk

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: Administrator Role

Provides all key program administration functions, including:



- Liaison with localities to pass enabling ordinances and onboard Localities
- Intake, review, and approve C-PACE loan applications
- Facilitate closing of C-PACE Loans
- Register and train contractors
- Register and market to capital providers
- Provide marketing, outreach, and education to stakeholders
- Service the C-PACE Loans if a capital provider cannot
- Collaborate with localities on economic development opportunities

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: Enabled Localities

- **Northern Virginia**

- Fairfax County
- Loudoun County
- Prince William County
- City of Alexandria
- City of Fairfax
- City of Falls Church
- City of Winchester

24 and counting!

- **Eastern Virginia**

- City of Chesapeake
- City of Virginia Beach

- **Southern Virginia**

- Sussex County
- City of Martinsville

- **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 Roanoke
- City of Staunton
- City of Waynesboro

New Construction of Extended-Stay Hotel

PACE Equity: 24% of Capital Stack

SITUATION

New construction, four-story hotel developed under the upper midscale Hyatt Studios brand. Positioned to capture extended-stay medical, university, and commercial demand in growing submarket.

OBJECTIVES

- Secure low-cost financing without diluting ownership
- Achieve a non-recourse financing structure
- Preserve liquidity for future development opportunities

SOLUTION

PACE Equity funded 24% of the capital stack mid-construction, enabling the sponsor to recover a portion of their equity contribution at close, and free up capital for future use.

- Bespoke, solution-driven structures engineered to align with sponsor objectives
- Vertically integrated in-house engineering and execution platform delivering certainty of execution with 9.0+ customer satisfaction



New Construction of Extended-Stay Hotel

PACE Equity: 24% of Capital Stack

ASSET CLASS: **HOSPITALITY**

TERM: **30 YEARS**

SQUARE FOOTAGE: **60,840**

PACE ADMINISTRATOR: **Virginia PACE Authority**

CAPITAL STACK

- 24% PACE EQUITY
- 28% OWNER EQUITY
- 48% CONSTRUCTION LOAN

FUNDED MEASURES

- Building Envelope & HVAC
- Electrical
- Plumbing



PACE Equity helped us incorporate C-PACE as a flexible, non-recourse component of the capital stack. Their experience and coordinated approach made it an effective capital solution for the project

Doug Ellis Jr.

SVP, Acquisitions and Development,
Suburban Capital

C-PACE: Contact Info



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