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UNLOCKING CAPITAL FOR SUSTAINABLE GROWTH: C-PACE IN ACTION

13TH ANNUAL GREEN INFRASTRUCTURE CONFERENCE

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CLEAN, EFFICIENT, AFFORDABLE

energy as a tool for impact

**ECONOMIC
development**

Projects that move the needle on carbon reduction are bringing established companies, investors and entrepreneurs to the city.

**CREATING
jobs**


Statewide, the number of clean energy jobs already outpaces the number of fossil fuel jobs.

**ALLEVIATING
poverty**

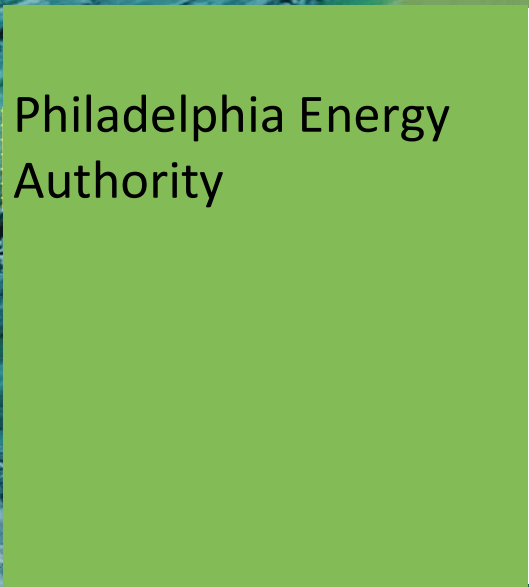
Reducing the energy burden for Philadelphians means homes that are safe, warm, healthy and affordable for the long term.

**IMPROVING
public health**

In public buildings, schools, homes and businesses, clean and efficient energy is a vehicle for improving the health of our communities.



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- Program Admin for Philadelphia
- Sustainable Energy Fund is the Program Admin for other PA counties
- We are *not* the lender – the C-PACE Capital Providers are the lenders

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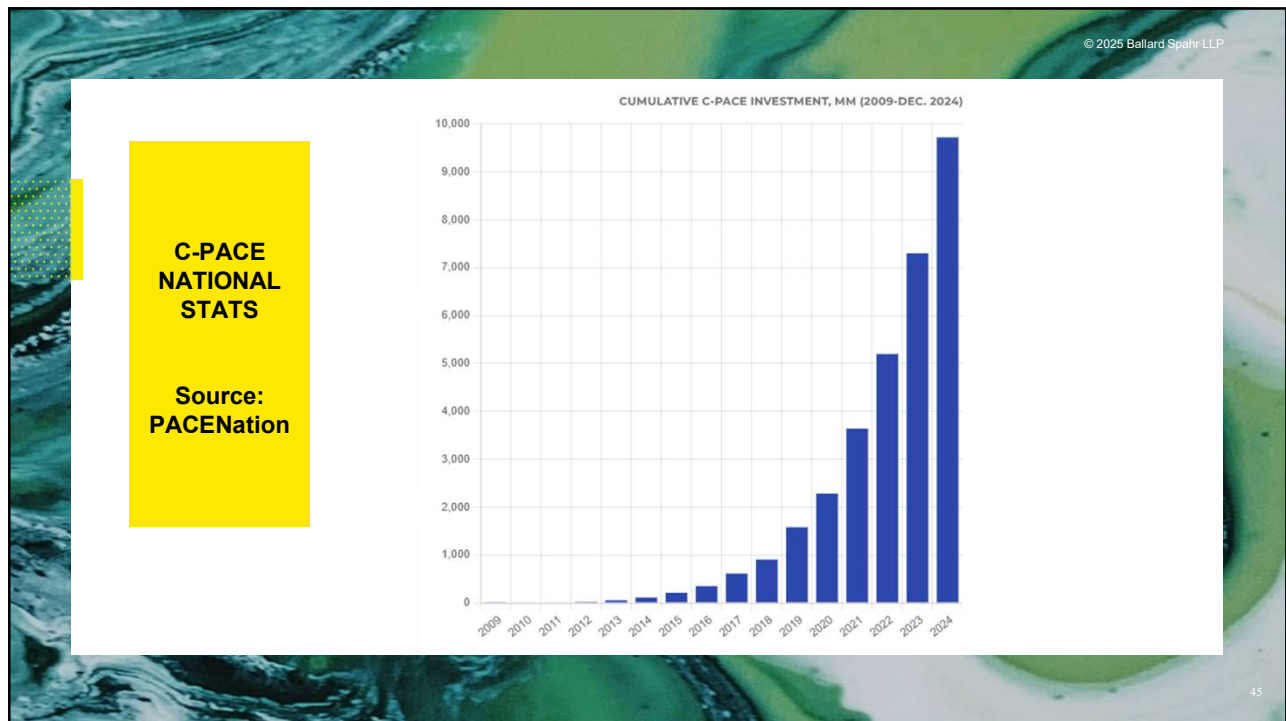
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C-PACE is a
financing tool
that provides
long-term
funding for
projects.

- Energy
- Water
- Indoor air quality*
- Resiliency*

* not in all jurisdictions

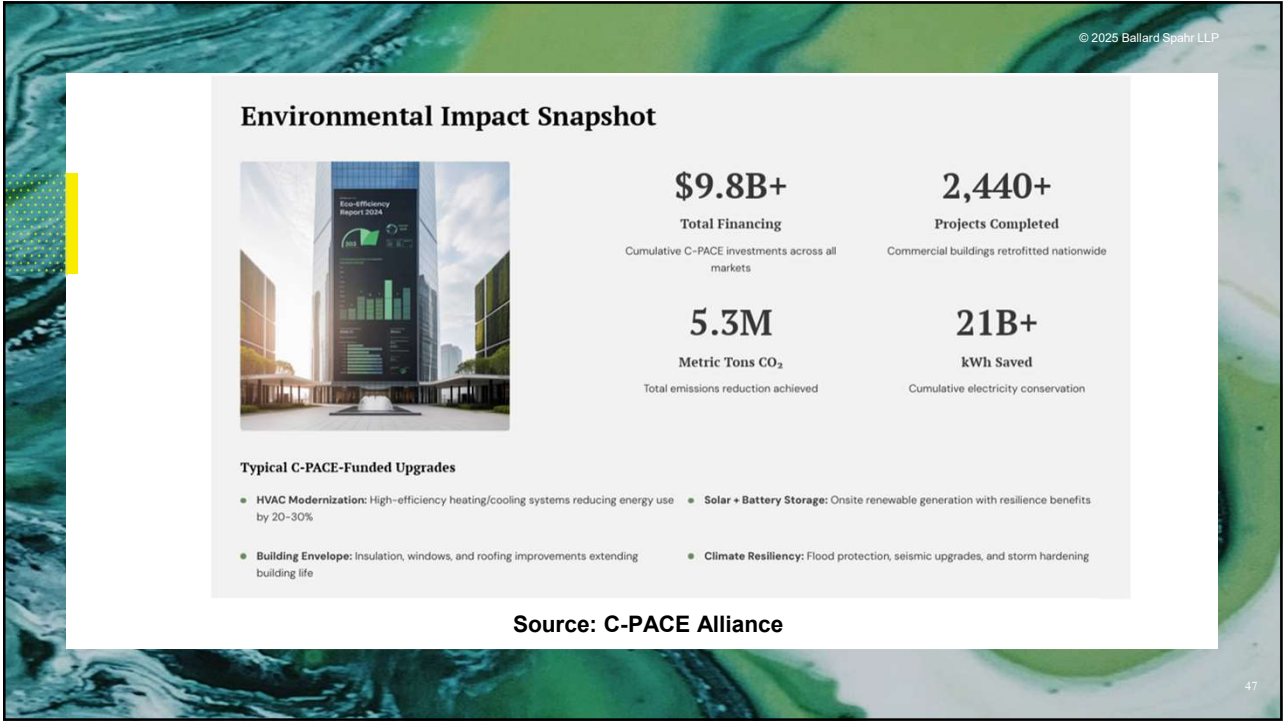
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BENEFITS OF C-PACE


- Low fixed rates
- Long amortization period (up to 30 years)
- Non-recourse, no covenants or guarantees
- Repaid through property taxes
- C-PACE runs with the land

FUNDING USES


HARD AND SOFT COSTS FOR NEW CONSTRUCTION & RETROFITS



1. New Construction
For new ground-up developments—a non-recourse option that helps lower the overall cost of capital.



2. Building Repositioning
For property conversions, providing flexible capital for projects that give existing buildings a new purpose.



3. Building Renovation
Unlocking, new value from existing assets with flexible, long-term financing for major building upgrades.



4. Rescue Capital
Resolving cost overruns or a mid-construction stoppage with C-PACE's flexible, fixed-rate capital that closes budget gaps and restarts momentum.



5. Recapitalization
For Recapitalizing completed or near-complete projects to unlock equity, replace expensive capital, or pay down debt.



6. Bridge Financing
Filling bridge-finance needs on recently completed projects that need time to stabilize.

WHY MORTGAGE LENDERS ARE CONSENTING TO PACE

- **No acceleration:** The entire amount of the financing cannot be accelerated
- **Limited risk:** Only unpaid levied property tax payments are senior to a mortgage in foreclosure
- **Structuring:** Capitalized Interest through construction and interest-only periods (further reserves as required)
- **Financing:** Due to limited liquidity in mortgage lending, C-PACE can replace a participant in the construction loan
- **Relationships:** Bankers care about helping borrowers to meet their property investment and financial goals
- **Value add:** Eligible measures (efficiency, renewable, etc.) add value to the property

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CASE STUDY – NEW CONSTRUCTION

WESTIN COCOA BEACH RESORT & SPA

Hospitality

Major C-PACE financing heralds a breakthrough of acceptance for this fast-growing funding tool for all types of commercial real estate.

Bayview PACE closed a \$137MM C-PACE loan for the new construction of a \$420MM, 502-Key Westin Hotel in Cocoa Beach, FL. The PACE provided an alternative to the senior lender syndicating the loan. City National Bank provided a \$70MM construction loan and the sponsorship provided \$207MM in equity. This is the largest-ever C-PACE deal closed in Florida.



- **Total C-PACE Financing: \$137MM**
- **PACE LTV: 27.9%**
- **CLTV: 42.2%**
- **I/O: 4 Year**
- **Amortization: 26 Years**
- **Financing Term: 29 Years**

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CASE STUDY – PACE + BV CONSTRUCTION

HARRINGTON PLACE

Multifamily

Bayview PACE provided an innovative combination loan package for the new construction of a 350-unit apartment project in Ferndale, WA.

Bayview closed a critical gap in funding and developed a model that worked for the development. Bayview structured the loan that helped optimize the capital stack. Underwriting was managed under the Bayview umbrella.

Bayview is uniquely positioned to structure more of these packaged loans for the growing demand in commercial real estate amid tightening debt markets.



- **Total C-PACE + Construction Financing: \$57MM**
- **PACE Financing: \$12MM**
- **Senior Construction Financing: \$45MM**
- **PACE LTV: 12.5%**
- **CLTV: 59.3%**
- **PACE LTC: 14.31%**
- **CLTC: 67.67%**
- **I/O: 12 Months**
- **Capitalized Interest Period: 32 Months**
- **Financing Term: 30 Years**

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