



Philadelphia C-PACE Program

Application Process Webinar

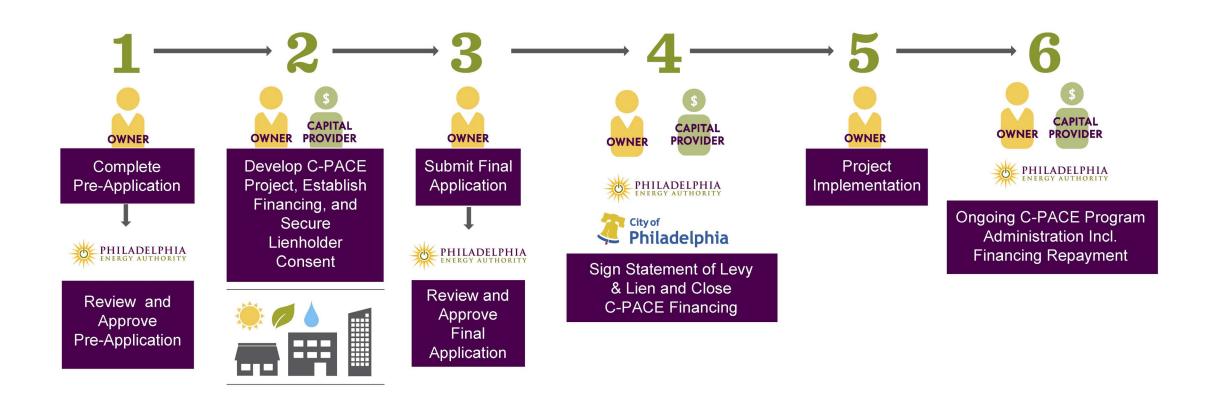
Agenda

- Application Process Overview
- Pre-Application
- Project Development
- Final Application
- Statement of Levy and Lien Agreement
- Project Close
- Ongoing Requirements

Philadelphia C-PACE Application Overview



Application Overview



Application Resources

- Program Guidelines
- Pre-Application Form
- Final Application Form
- Applications should be submitted to CPACE@philaenergy.org

All program documents are available at PhiladelphiaCPACE.org

Philadelphia C-PACE Step 1: Pre-Application



Pre-Application – Process Overview



- Must be completed by Property Owner or designated representative
- Establishes eligibility for participation in Philadelphia C-PACE program before investing in project development
- PEA commits to review in < 10 business days, usually faster
- Upon satisfactory review, PEA sends Notice of Pre-Application approval to Property Owner

Pre-Application – What PEA Reviews



- When reviewing the Pre-Application, PEA does a basic screen to confirm the following:
 - Financing amount > \$100,000
 - Property is in Philadelphia
 - Property is eligible for C-PACE (not multifamily, residential or government-owned)
 - Proposed measures adhere to Program Guidelines
 - Confirm the applicant self-certifies key statements regarding eligibility
- If the above items are satisfactory, PEA will approve the Pre-Application
- PEA also may pre-check certain requirements for the Final Application including the property records, expected lien-to-value ratio, mortgageholder consent and energy conservation measures

Pre-Application – Property Information



PROPERTY INFOR	RMATION		
Street Address			
City	State Zip Code		
Property Owner Na	lame (if different from Company name listed above)		
OPA Account Num	mber Assessed or Appraised Value		
Mortgage Lender I	Name Assessment or Appraisal Date		
Estimated Mortgag	ge Balance Source of Assessment or Appraisal		
If the Property is used to secure other debts and/or obligations, what is the total amount of encumbrances on the Property? Please attach a list of all lien holders and lien amounts on Page 4			
Has Property Owner obtained lienholder consent for C-PACE project yet? Yes Not Yet			

Philadelphia C-PACE
Program has a lien-tovalue limitation of 95%,
meaning that the total
encumbrances on the
Property (including all
mortgages and the CPACE financing
amount) must be less
than 95% of the
assessed or appraised
value of the Property.

Mortgage/lienholder consent is not required for Pre-Application approval, but is required for Final Application approval so we want to make sure applicant is on top of this requirement

Pre-Application – Project Information

Τ.	Project Type: Work to be financed by C-PACE:	
OWNER Omplete Application	New Construction/Gut Rehab Retrofit Retroactive Financing	Energy efficiency Estimated C-PACE Financing Amount Water efficiency Estimated C-PACE Project Start Date Renewable energy C-PACE Capital Provider (if known)
view and pprove Application	Property Type: Agriculture Industrial Data Center Laboratory Education Office Food Service Religious Hospital Retail Hospitality Warehouse	Estimated Annual Savings (\$): Energy Water Gas Other Total Estimated Annual Savings
	Other	Estimated Annual Renewable Energy Generation (kWh) t and any relevant analysis already performed (if any) on Page 4.

Section 4 of the Program Guidelines describes measures eligible for C-PACE financing. Minimum financing amount is \$100,000.

Projects must generate measurable energy savings or reductions in water usage. PEA recognizes that these numbers are estimates only at the Pre-Application phase.

Pre-Application – Self-Certifications

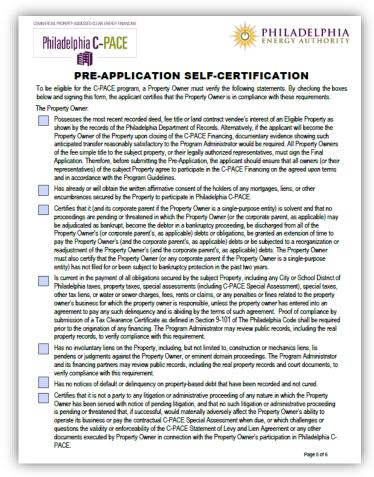


Review and

Approve

Pre-Application

- The Property Owner must self-certify its compliance with the following program requirements:
 - Possession of most recent deed (or other applicable documents)
 - Plan for mortgage/lienholder consent
 - Property owner solvency
 - Up-to-date on tax obligations
 - No involuntary liens
 - No uncured notices of default or delinquency on propertybased debt
 - No pending litigation affecting C-PACE financing
- Please review these certifications carefully
- These self-certifications are required again in the Final Application



Philadelphia C-PACE Step 2: Project Development



Project Development – Overview



- Property Owners and/or their designated representatives will work to develop and define an eligible C-PACE Project:
 - Obtain an Energy Conservation Measures (ECM) Survey as described in Section 4.0 of the Program Guidelines
 - See PEA's website for a list of engineering firms who have self-certified their ability to perform ECM Surveys for the Philadelphia C-PACE program
 - Work with Qualified Contractors to determine the final scope, project cost and schedule
 - Work with C-PACE Capital Provider(s) to secure acceptable C-PACE Financing terms and conditions
 - Obtain mortgage/lienholder consent

Philadelphia C-PACE Step 3: Final Application



Final Application – Process Overview



- Must be completed by Property Owner or designated representative
- PEA commits to review in < 15 business days, unless the project's technical features require additional technical review
- Upon satisfactory review, PEA sends Notice of Final Application approval to Property Owner

Final Application – Full Checklist (1 of 2)



Application Requirement	Where to find more information		
Final Application Form	Form available at PhiladelphiaCPACE.org		
ECM Survey	Must be obtained by property owner; See Sec. 4 of Program Guidelines for more information		
Execution-Ready Statement of Levy and Lien (with complete set of exhibits and attachments)	Form agreement available at PhiladelphiaCPACE.org ; Agreement is set, but applicant must provide exhibits		
Signed Mortgage/Lienholder Consent Form	Sample consent form is in Appendix J of Program Guidelines but applicant is welcome to use another format if desired		
Signed Program Administrator Disclosure and Release Form	Form is in Appendix K of Program Guidelines		
Qualified Contractor Terms and Conditions Self- Certification	Form is in Appendix H of Program Guidelines		
Capital Provider Statement regarding Qualified Contractor	See Sec. 5 of Program Guidelines for details; Capital Provider must draft its own form		
Qualified Contractor Certification to Capital Provider, if applicable	See Sec. 5 of Program Guidelines for details		
Diversity and Inclusion Plan	See Appendix L of Program Guidelines for sample language		
	16		

Final Application – Full Checklist (2 of 2)



Application Requirement	Where to find more information	
Tax Clearance Certificate	https://www.phila.gov/services/payments-assistance-taxes/get-tax-clearance/	
Verification of Property Enrollment in EPA Portfolio Manager	See Appendix E of Program Guidelines	
Title Report	Provided by applicant	
Property Description	Provided by applicant	
Detailed Project Budget (Incl. plan for payment of program expenses)	Provided by applicant	
Philadelphia License & Inspection Department Records (if applicable)	Provided by applicant	
Zoning/Planning Approvals (if applicable)	Provided by applicant	

Final Application – What PEA Reviews



- When reviewing the Final Application, PEA looks to confirm the following:
 - All information required for Pre-Application approval:
 - Minimum financing amount of \$100,000
 - 95% maximum lien-to-value ratio
 - Project is for commercial property located in Philadelphia
 - ECM Survey meets the requirements of Section 4.0 of the Program Guidelines
 - PEA may engage an external engineering firm to review complex ECM Surveys
 - Mortgage/lienholder consent has been received
 - Property Owner self-certifies its eligibility for C-PACE financing
 - Complete and accurate submission of all documents listed on previous two slides
- PEA may review public records, including the real property records, to verify compliance with eligibility requirements

Final Application – Mortgage/Lienholders



6. MORTGAGE/LIEN HOLDER(S)		
Name of Financial Institution or Lienholder		
Total Outstanding Lien Balance (If there is more than one lienholder on the property, attach a list of all lienholders and lien amounts)		
Assessed or Appraised Value of Property		
Date of Assessment or Appraisal		
Source of Assessment or Appraisal (Attach supporting documentation)		
Total Encumbrances (Incl. C-PACE Financing Amount) as a Percentage of Property Value (95% maximum per Program Guidelines)		
Have you received consent from Mortgage / Lienholder?	Yes Not Yet	Mortgage / lienholder consent is a requirement for Approval of Final Application
	ienholder consent for approval of cation	

Used to verify lien-tovalue ratio of property

Final Application – Project Impact

7. PROJECT IMPACT			
Projected Annual Financial Savings (\$):		Projected Annual Efficiency and Generation Metrics:	
Energy		Energy Saved (kwh)	
Water		Water Saved (mgd)	
Gas		Renewable Energy Generated (kwh)	
Other (specify)		Other (specify)	
Total Projected Annual Savings			
Projected Emissions Impact:			
Annual MtCO2e reduction			
Lifetime MtCO2e reduction			

Approve

This project data should be pulled directly from the ECM Survey. PEA will use this data to determine the financial and energy/water savings associated with the project.

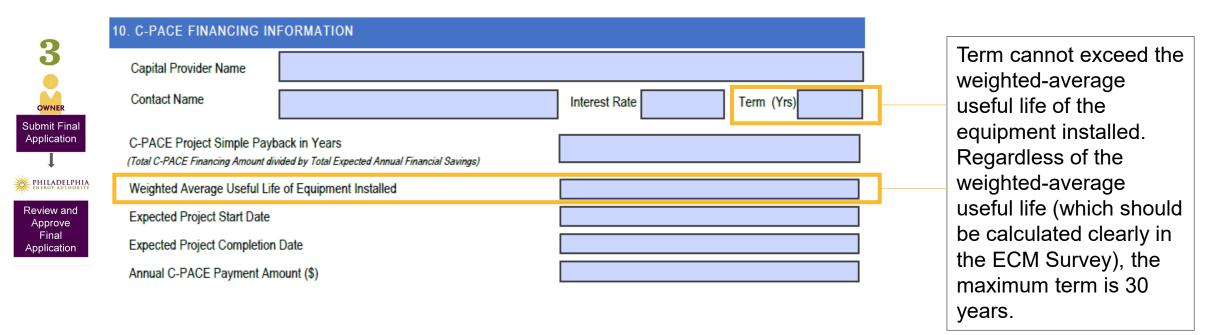
Final Application – Sources & Uses



8. PROJECT COSTS	
Installation Contract(s)	
Engineering and Design Work	
Project Development Fees	
Capital Provider Fees	
Program Fees	
Legal Fees	
Capitalized Interest	
Other (Specify)	
TOTAL PROJECT COST	
9. CAPITAL SOURCES	
C-PACE Financing Amount	
Estimated Utility Rebates	
Grants	
Property Owner Cash Contribution	
Other Loans	
Other (Specify)	
TOTAL CAPITAL SOURCES	

Total project sources and uses are required as part of the C-PACE Final Application. This is not a substitute for the Detailed Project Budget (incl. plan for payment of program expenses).

Final Application – C-PACE Financing



Final Application – Information Release



Approve

Final Application

- The C-PACE Capital Provider must disclose certain information to the **Property Owner regarding** expected project impact and C-PACE financing information
- Per the Pennsylvania C-PACE Statute, PEA must disclose certain information to the public after a deal closes

11. INFORMATION RELEASE CONSENT

The Property Owner attests that the C-PACE Contractor or the C-PACE Capital Provider has provided the following information, as required under the Program Guidelines:

- · Annual and lifetime CO2-e reductions measured in metric tons
- Total energy/water saved and/or total energy generated
- Annual financial savings
- Total C-PACE financed amount
- Annual C-PACE payment
- . Disclosure that property can be foreclosed on in the event C-PACE payment is not made



Furthermore, the Property Owner hereby grants permission to the Program Administrator to make available to the public the following information about the project:

- Annual and lifetime CO2-e reductions measured in metric tons
- Total energy/water saved and/or total energy generated
- Annual financial savings
- Total C-PACE financed amount
- Annual C-PACE payment
- Disclosure that property can be foreclosed on in the event C-PACE payment is not made
- The legal description of the property
- The name of each property owner
- The total amount of the qualified C-PACE Project and a complete description of the project
- The assessment needed to satisfy the C-PACE Financing
- The financing rate, the total amount of the C-PACE Financing and any financing charges



Step 4: Statement of Levy & Lien Agreement



Statement of Levy & Lien Agreement



- Form Agreement available at <u>PhiladelphiaCPACE.org</u>
- Memorializes for the public record that there is a C-PACE Special Assessment on the Property Owner's real property, among other terms
- Signed by:
 - Property Owner
 - Capital Provider
 - Philadelphia Energy Authority (as Program Administrator)
 - · City of Philadelphia
- Following the execution and payment of all applicable fees, the Program Administrator will record the C-PACE Statement of Levy and Lien Agreement with the Philadelphia Department of Records

Financial Close



- Financing will close and funds will be made available for C-PACE Project on or after the date on which the C-PACE Statement of Levy and Lien Agreement is recorded
- At closing, all amounts payable to the Program Administrator (Program Fees and any soft costs) will be distributed via wire
- For more information on distributions, please see Step 5: Project Implementation

Public Disclosure



- Following execution of a C-PACE Statement of Levy and Lien Agreement, the Program Administrator will post online and make available to the public a notice containing the following information about the Assessment and the C-PACE Project:
 - The legal description of the property;
 - The name of the Property Owner;
 - The total amount of the qualified C-PACE Project and a complete description of the Project;
 - C-PACE Financing amount and the Assessment needed to satisfy that amount;
 - The financing rate on the C-PACE Financing, the total amount of the financing and any financing charges associated with the C-PACE Financing;
 - A reference to the statutory assessment lien provided under the Pennsylvania C-PACE Statute.
- The Property Owner consents to this disclosure as part of the Final Application Form

Philadelphia C-PACE Step 5: Project Implementation



Project Implementation – Milestone Payments



- Payments to be distributed per the C-PACE Financing Agreement (subject to milestone distributions)
- Upon substantial completion of the project, the Property Owner will arrange for a Completion Certificate acknowledging that all contracted work has been properly completed
 - Qualified Contractor or ECM Survey provider must complete commissioning of the ECMs prior to executing a Completion Certificate
- The Property Owner will submit executed Completion Certificate to PEA
- Capital Providers are prohibited from releasing, and installation contractors are prohibited from receiving, final payment for a C-PACE Project until PEA has confirmed receipt of Completion Certificate

Philadelphia C-PACE Step 6: Ongoing Requirements



Ongoing Requirements





Property Owner fulfills C-PACE payments on time in accordance with C-PACE Financing Agreement; also pays annual Administrative Fee of \$750 to PEA



Property Owner uploads building's energy and water usage data to EPA Portfolio Manager on annual basis in line with City's benchmarking requirements



PEA manages invoicing, collections, and delinquency enforcement including placing a lien on the property and pursuing a Sheriff's Sale

Philadelphia C-PACE Discussion







Contact Information

Philadelphia Energy Authority

Maryrose Myrtetus

CPACE@philaenergy.org

215-686-4483