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C-PACE De-Mystified: C-PACE Alliance Releases New Guide That Explains Bonds vs. Direct Financing For Commercial Pace.

WASHINGTON, Feb. 25, 2019 /PRNewswire/ — C-PACE Alliance, a coalition of large capital providers and transaction experts, announced today the release of a comprehensive guide that demystifies C-PACE and the use of bonds vs. direct financing for C-PACE programs. The C-PACE Alliance Policy Note explains that direct financing typically offers property owners lower costs and less complexity, while bond funding promotes better liquidity and potentially offers lower interest rates over time.

C-PACE is a program that state and local officials can authorize, allowing property owners to finance improvements in energy and water efficiency and increased resiliency of commercial buildings. C-PACE programs have launched in 23 states and the District of Columbia, with more programs slated for 2019. To date, property owners have financed over $850 million in improvements in more than 1,800 buildings using C-PACE programs.

C-PACE programs envision two methods to fund a transaction– direct financing or bond funding. The optimum funding method depends case-by-case on many variables, often leaving state and local officials in an uncomfortable position in determining how best to proceed. Officials who understand the difference between bonds and direct financing can avoid common misconceptions and are better-prepared to design C-PACE programs that benefit their constituents.

The Policy Note urges that state and local officials offer both direct financing and bond funding, if possible, unless local political realities or priorities favor just one option. Allowing free-market competition for both types of financing will maximize the flexibility and overall success of a C-PACE program.

About C-PACE Alliance
Formed in 2018, the C-PACE Alliance consists of six of the largest C-PACE capital providers along with major law firms and an accounting firm. The C-PACE Alliance articulates and advocates for industry practices that increase the usage and streamlining of C-PACE in order to maximize energy and water savings, resiliency and economic development impact. Visit http://www.c-pacealliance.com/ to learn more.

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