



Q&A for Webinars: “OK C-PACE 101” and “Workshop to Develop the Oklahoma C-PACE Program”

Program Administration

Who is INCOG and what is its role?

INCOG is a voluntary association of local and tribal governments in the Tulsa metropolitan area in northeast Oklahoma. Established in 1967, INCOG is one of 11 Councils of Governments in the State of Oklahoma, and one of several hundred regional planning organizations across the country. INCOG provides planning and coordination services to assist in creating solutions to local and regional challenges in such areas as comprehensive planning, transportation, community and economic development, environmental quality and energy programs, public safety, and services for older adults. INCOG serves Creek, Osage, Rogers, Tulsa, and Wagoner counties, more than 50 cities and towns located in those counties, and the Cherokee, Muscogee (Creek), and Osage Nations.

As the Program Sponsor, INCOG is developing Oklahoma C-PACE: a program administrative framework that can be adopted by any county. INCOG has undertaken this effort in partnership with Tulsa County, Oklahoma Department of Commerce, and Oklahoma Office of the Secretary of Energy & Environment. Oklahoma C-PACE consists of both a standard set of documents to be utilized in County programs and a suite of administrative services to facilitate transactions.

How will the program administrative services be compensated?

Program administration is typically compensated through a closing fee on each C-PACE transaction, calculated as a small percentage of the total C-PACE assessed amount. Program administrators are not compensated by local county governments.

Eligibility

What types of buildings are eligible for financing?

To be eligible, the property must have a property tax identification number, and if subject to property taxes, current on all such taxes and assessments. Eligible property types include commercial, industrial, multifamily (five units or more), agricultural, non-profit, private education, religious institutions, etc.

Are there any ineligible types of buildings?

Properties comprised of less than five residential units or publicly owned properties are not eligible for C-PACE financing.

What types of property improvements are eligible for C-PACE financing?

Improvements that are permanently affixed to the property and intended to improve energy efficiency, water efficiency, and/or building resiliency are eligible for C-PACE financing. This includes the installation of new energy sources.

Financing

Is there a minimum financing amount?



There is no minimum financing amount set at the program level. Typically, the minimum project cost that capital providers will regularly consider falls in the \$100-150k range. This is due to their percentage-based closing fee structure; many capital providers find that their absolute costs outweigh the revenues accrued from small projects. Capital providers are not precluded, however, from financing projects smaller than \$150k.

Is there a maximum financing amount?

Financing may not exceed the total cost of C-PACE eligible improvements and their associated hard and soft costs.

What is the maximum financing term?

The term of financing cannot exceed 30 years, or the expected useful life of the improvement financed, whichever is shorter. If multiple measures are financed, then the financing may not exceed 30 years, or the expected useful life of the improvement with the longest useful life, whichever is shorter.

Who sets the C-PACE interest rate?

The interest rate for C-PACE financing is set by the C-PACE capital provider. C-PACE borrowers may select to work with whichever capital provider offers the most attractive financing terms.

How will the program handle inquiries from property owners who are interested in C-PACE financing, but have not selected a capital provider?

Potential C-PACE borrowers are expected to select a C-PACE capital provider. OK C-PACE will not offer a bidding or matching process but will allow capital providers to operate in a competitive, open market. Potential borrowers may be provided with a list of pre-registered capital providers.

Can customers of this program access other forms of financing and rebates?

C-PACE is a “stackable” financial mechanism, meaning that it can be accessed alongside other forms of funding such as utility rebate and incentive programs, grants and other forms of debt.

Can property owners add onto their C-PACE financing once financing has closed?

If a property owner closes on C-PACE financing and later identifies other improvements that (s)he would like to finance, that property owner will need to submit a full, new application for C-PACE financing to cover the newly identified improvements.

Can C-PACE be used to refinance previously completed projects?

“Retroactive C-PACE” (using C-PACE to refinance projects that have been previously financed using other means) projects are eligible, but are subject to the following requirements:

1. Retroactive projects must satisfy the same eligibility requirements and application requirements as other C-PACE projects.
2. All such retroactive C-PACE financing must close within a set “lookback” period (the industry standard is usually twenty-four months from completion of the previously installed measures).
3. For any such retroactive C-PACE project, the term of the C-PACE financing will be reduced to account for any of the eligible improvement’s life that has elapsed between the time of installation and the close of C-PACE financing. For example, if C-PACE financing is funded one year after installation of the improvement(s), the eligible term of the financing will be reduced by one year.



What type of financial institutions can fund the C-PACE?

Any financial institution will be able to register as a capital provider with the Program, including specialty C-PACE lenders and local and regional community banks.

Application Requirements and Timeline

Does a mortgage lender have to provide consent for a C-PACE assessment?

Yes, written consent from all mortgage lenders must be secured. OK C-PACE will provide a form letter of consent for C-PACE applications.

Is an energy audit required in order to participate?

Property owners will be required to conduct some form of an energy audit for energy efficiency or energy source related improvements to demonstrate their eligibility under the OK C-PACE program. More information will be provided in the OK C-PACE Program Handbook.

How long does/should the application process take beginning to end?

Once the project has been completely developed and an application has been submitted to the reviewer, we estimate not more than 10 business days to review a full application; this is standard in many C-PACE markets. Once approved, an assessment contract is executed by the capital provider, the property owner, and the county and recorded in the land records. After this, the capital provider disburses funds. The whole application review to closing process can occur as quickly as 2 weeks, but not longer than a month, pending completeness of application materials and documents from the capital provider ad property owner.

Repayment

Can the financing be repaid early?

The financing can be repaid early depending upon capital provider financing terms, and prepayment penalties may apply.

Miscellaneous

What happens when a lien is triggered?

In the event of a foreclosure sale, the current due payment of the C-PACE assessment amount and outstanding prior amounts are paid with equal priority as the regular property tax values. The remainder of the C-PACE assessment stays with the property to be repaid by the next owner.

Are there requirements for how long the property owner must hold the property after the improvements are completed?

No.

For Further Questions, Please Contact:

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