



# C-PACE Capital Available for Both New and Retroactive Projects

Founded in 1999, **Enhanced Capital is a capital provider for C-PACE**, an innovative program providing property owners with low-cost, long-term, fixed-rate financing mechanisms for energy efficiency and renewable energy improvements.



## What C-PACE Finances

-  Building Core & Shell
-  Windows
-  HVAC
-  Elevators

-  Electrical & Building Automation
-  Water Efficiency
-  Seismic Retrofits<sup>1</sup>

**Commercial Property Assessed Clean Energy (C-PACE)** finance encourages property owners to implement energy efficiency, renewable energy, water efficiency, resilience, and public health improvements to new and existing buildings through a low-cost, long-term financing agreement. C-PACE lenders provide financing for both hard and soft costs of eligible projects, covering up to the full amount through fixed-rate, fully amortizing loans with terms up to 30 years. The financing is secured by a voluntary property assessment and repaid as an addition to the owner's property tax bill, which transfers automatically when the property is sold. Property owners also have the option to pay off the PACE assessment early. C-PACE is also available for new construction, typically up to 25% LTV, with the combined LTV with senior debt up to 95%.<sup>2</sup>

**Retroactive PACE opportunity:** C-PACE can, in many cases, re-finance projects that are completed or under construction, which in the current environment means new capital coming in to cover ongoing expenses and debt service. Payments are typically capitalized for the first several years, and further interest-only periods are available, which gives time for a recovery in property financials.<sup>2</sup>

## CONTACT

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1) Only certain states

2) "Property Assessed Clean Energy Programs." Office of Energy Efficiency & Renewable Energy, U.S. Department of Energy, [www.energy.gov/eere/slsc/property-assessed-clean-energy-programs](http://www.energy.gov/eere/slsc/property-assessed-clean-energy-programs).

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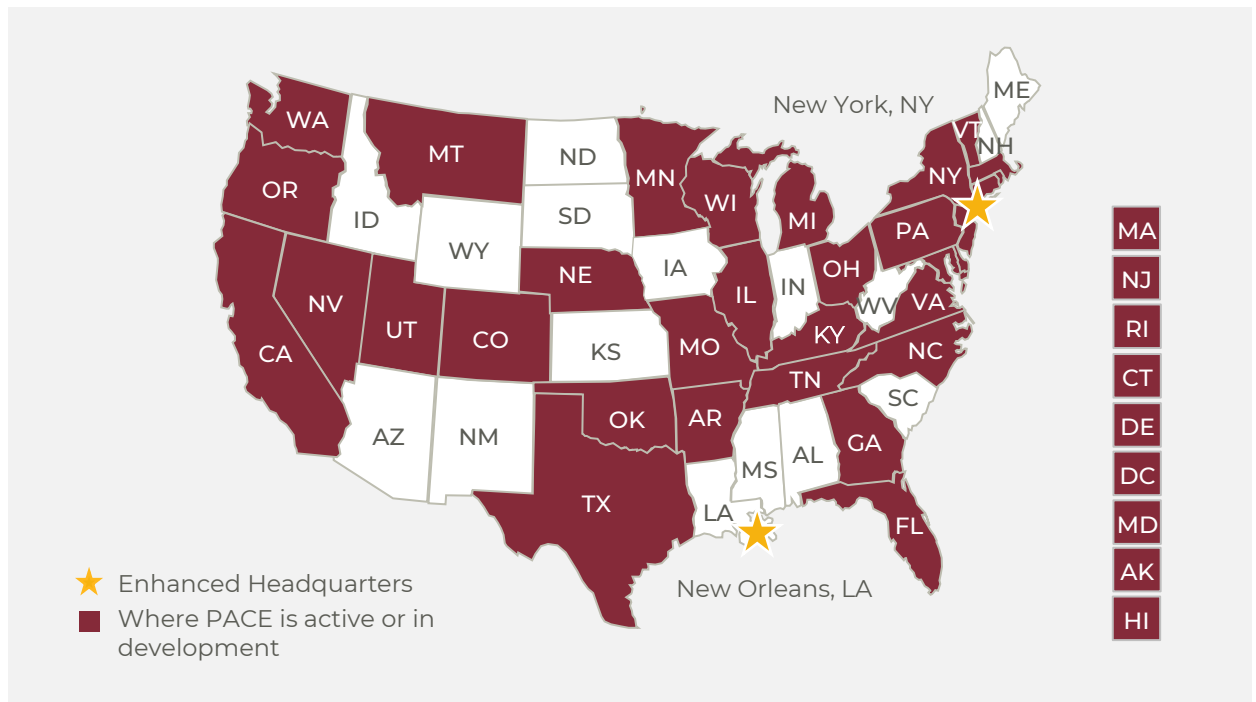
## Enhanced Capital

Enhanced Capital has over 25 years of experience in structured credit transactions and has deployed more than \$4.2 billion in total financing (including affiliates) across various states.<sup>3</sup> Our ability to provide multiple parts of the capital stack (federal and state tax credits, bridge loans, New Markets Tax Credits, etc.) **sets us apart from traditional PACE providers**, allowing us to offer complementary financing solutions tailored to project needs. Investing in incentives and bridge lending require in-depth construction and operating income analysis that overlaps extensively with PACE underwriting requirements.



*“Our involvement in the C-PACE market reflects our commitment to financing clean energy and sustainability and is a complement to our existing incentive finance programs,” explained Michael Korengold, CEO of Enhanced Capital. “We are excited to apply our real estate lending experience to assist building owners to finance these critical building upgrades.”*

## Where C-PACE is Available<sup>4</sup>



3) Data as of December 31, 2024, and all amounts are since inception in 1999. Total AUM shown includes assets managed by affiliates and proprietary assets. Of the total AUM, impact assets represent \$4.2 Billion and do not include investments made by affiliates. All investments bear the risk of loss. Past performance is not indicative of future results. An investor's return will be reduced by the fees and expenses incurred by their account or the private fund in which they invest.

4) "PACE Programs." PACENation, PACENation, [pacenation.org/pace-programs](http://pacenation.org/pace-programs).

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## C-PACE Market Overview<sup>5</sup>

C-PACE programs are established at the state or municipal level and tailored to meet regional market needs; participation is at the discretion of each municipality.

C-PACE is sustaining momentum with PACE-enabled programs in AL, ID, NC, NH, and VT.

- ✓ 40 states and DC have passed PACE-enabling legislation
- ✓ Active programs (launched and operating) in 32 states and DC
- ✓ Over 3,200 commercial projects funded to date
- ✓ *Over \$7 billion of cumulative C-PACE financing through December 2024*

Enhanced Capital's legislative and lobbying background supports our active mission of introducing C-PACE to new markets. Enhanced Capital is eager to help and team up with anyone looking to bring C-PACE to their local state or municipality.

### How C-PACE Financing Works

- Programs enacted by states and municipalities
- Can fund up to 100% of eligible costs or 20%-30% of total building value
- Financing repaid over time via voluntary assessment added to a property tax bill
- Non-recourse: a loan is secured by tax assessment, not property or guarantor
- Senior to all other debt (including mortgage)
- Can provide a low-cost alternative to developer equity or mezzanine debt
- Increase cash flow and preserve equity

### Typical Eligible Energy Improvements

- Lighting upgrades
- HVAC systems
- Building envelope & insulation
- Automatic building controls
- Variable frequency drives
- Boilers & hot water heating
- Roof replacement
- Water conservation
- Solar PV
- Solar thermal
- Microgrids
- EV charging stations
- Seismic resiliency
- Hurricane resiliency
- Stormwater management
- Fire resiliency

- **Soft costs including design/engineering, PACE-related closing costs, and capitalized interest, can be included in the assessment amount**

5) "PACE Programs." PACENation, PACENation, [pacenation.org/pace-programs](https://pacenation.org/pace-programs).

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## C-PACE Standard Terms<sup>6</sup>

- Interest rate: Long term treasuries + 350-400 bps (7%-8%)
- Term: Currently 20-30 years
- C-PACE only LTV: Typically, a maximum 20% to 35% of property value
- Combined LTV with other mortgage debt: up to 80%
- Payment is fixed; fully amortizing over life of loan
- Payable annually or semiannually
- In most cases collected by local tax authorities, pari passu with property tax
- Prepayment penalties for first ten years
- 1% origination fee
- 1% program administration fee (typically capped over a certain dollar amount)

## ABOUT ENHANCED CAPITAL

Enhanced Capital Group, LLC is a leading impact investing firm with over 25 years of experience investing in Small Business Lending, Impact Real Estate, and Climate Finance. Founded in 1999, Enhanced Capital is committed to investing in four main impact themes: Underserved Communities; Underrepresented Populations; Environmental Sustainability; and Community Development Programs. Enhanced Capital represents the impact solution of P10, Inc. (NYSE: PX), a diversified, multi-asset investment platform.

**\$4.2 Billion**

IMPACT AUM<sup>7</sup>

**1,000+**

PROJECTS & BUSINESSES SERVED<sup>7</sup>

**40**

STATES<sup>7</sup>

6) Terms are based on ongoing conversations and actual terms may vary. All investments bear the risk of loss. Risks include nonperformance by the projects and non-payments by borrowers on loans. Investments in tax credits are not securities investments and any returns shown do not reflect a return achieved on investment securities.

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