

C-PACE Program

Local Government Participation in Wake County

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Background and Program Concept

- SB 802 became law in 2024, creating the Commercial Property Assessed Capital Expenditure (C-PACE) program in NC
- Establishes a new tool for commercial property owners to finance *qualifying* improvements to their property with private funds
- Loans and assessments are secured by liens placed on the property by the participating local government, enabling more favorable loan terms and longer payback periods

National and State Context

- Similar programs are active in most U.S. States
- Some states also have residential programs in place
- Since becoming law in 2024, the following counties have taken the required steps to participate:
 - New Hanover
 - Richmond
 - Gaston
 - Wilson

Program Eligibility

Property Requirements

- Any privately owned commercial, industrial, agricultural, or multi-family real property with 5 or more dwelling units.
- Property owned by nonprofit, charitable, or religious organizations is eligible.
- Supports new construction, or improvements to existing property.
- May be used to refinance qualifying improvements made within the past three years

Eligible Improvements*

- **Energy efficiency:** Air sealing, insulation, energy efficient heating, cooling, ventilation, and more
- **Resiliency:** Storm retrofits, flood mitigation, stormwater mgmt., EV charging, backup generators, etc.
- **Renewable energy:** Solar, thermal, wind, hydropower, etc.
- **Water conservation:** Conservation and safe drinking water improvements

***May not exceed 35% of property value**

Potential Program Benefits

- Loan terms help address one of the most common barriers to implementing the improvements (high upfront costs)
- Encourages sustainable, efficient, resilient commercial development
- Improvements may increase or protect property values and support economic development

Procedural Requirements

To authorize C-PACE participating local government boards must:

1. Adopt a Resolution of Intent to Participate
2. Hold a Public Hearing
3. Adopt a Resolution to Join

Municipalities may NOT participate without County board approval

Counties may:

Authorize the C-PACE countywide; **OR**

Pass a resolution concurring in a municipality's participation

Roles

Economic Development Partnership of North Carolina (EDPNC):

- Review project applications to confirm eligibility and communicate approvals
- Coordinate execution of documents with the local government
- Record assessment agreements and Notice of Assignment of C-PACE Liens
- Collect fees for applications, processing, and administrative fees
- Report annually to NC Department of Commerce

Private Lenders:

- Evaluate, approve, and make loans to property owners
- Negotiate financing and assessment agreements with owners
- Responsible for all billing, collection, and enforcement of assessments and liens

Roles

Participating Local Governments

- Take procedural steps to authorize C-PACE in their jurisdiction
- Name department or employee responsible for executing C-PACE documents
- File the lien on the property
- Party to the assessment agreement between EDPNC, lender, and property owner
- Statue protects local government from financial or legal responsibility
- County Register of Deeds has recording role

Property Owners

- Apply to EDNC for project approval
- Apply to lenders for financing
- Complete/own projects
- Pay assessments

Options for County Participation

1. Authorize C-PACE Financing Countywide

- Authorizes C-PACE in all municipalities and unincorporated Wake County through commissioner actions (resolution of intent, public hearing, and resolution to join)
- County is the local government for all projects and takes on associated administrative burden (document execution, imposing liens, etc.)

2. Concur in Municipal Participation

- County passes a resolution authorizing the municipality to participate.
 - No other County role except routine recording of documents through Register of Deeds
- Municipalities would take administrative burden for the projects in their jurisdiction

A municipality may NOT participate in C-PACE without County approval

Staff Recommendation

If the commissioners want to participate, staff recommends authorizing municipal participation only (Option 2):

- Primary interest is directly from municipalities, or in connection with projects located in municipalities
- Most of the County's commercial property is in a municipality
- County goals focus on directing growth and development toward the municipalities (Strategic Plan and PLANWAKE)
- Aligns administrative workload with project jurisdiction



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