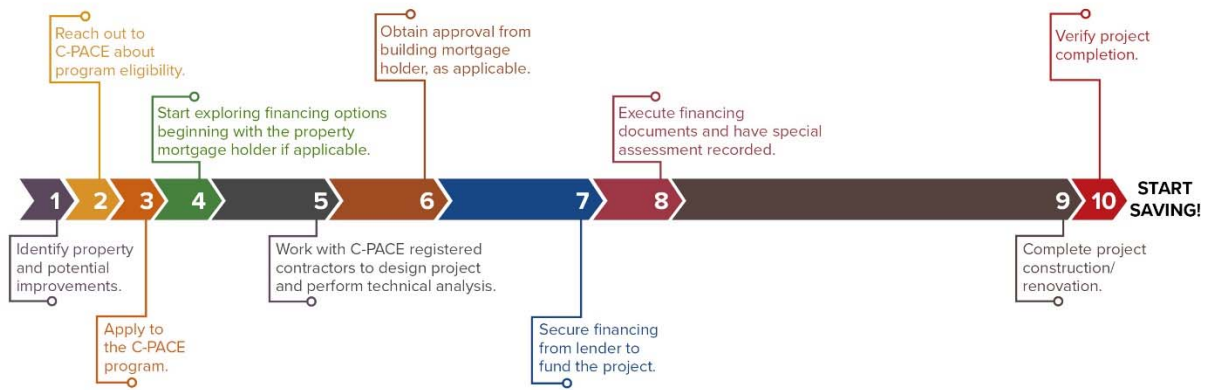


C-PACE Steps and Estimated Duration



Traditional Construction Steps and Estimated Duration



## 1. Project Identification

Determine a specific property and potential efficiency or renewable energy improvements that might be implemented. Consider whether the property and set of improvements might be a good candidate for C-PACE financing.

## 2. Contact C-PACE

Reach out to the Colorado C-PACE program to begin the [project prescreening process](#). This prescreening process involves a basic review, by C-PACE, of the public records available for the property. The goal of this review is to determine the eligibility status of the property for the C-PACE program. To initiate this process, building owners only need to submit a request that includes the property address and 12 months of recent utility data (if available) to C-PACE program staff. Project prescreening is provided at no cost.

## 3. Apply

Submit a [Pre-Qualification Submission](#) form to C-PACE staff to apply to the program. This submission is an official request to participate in C-PACE and includes details about the property and the high-level vision and scope of the project. Detailed analysis or financials are not yet required. Pre-Qualification is used to confirm program eligibility. Once eligibility is confirmed, a meeting will be scheduled by C-PACE staff to kick off the project.

## 4. Explore Financing

At this stage in the project, it makes sense to begin engaging financial institutions. Start with banks or lenders, including the existing mortgage holder, that have an existing relationship with the building owner. When engaging lenders, provide high-level project scope and inquire about their general interest.

## 5. Develop Project

The project development phase includes much of the design and technical analysis, and proceeds as financing opportunities develop. During this part of a project, building owners reach out to and work with C-PACE project developers and registered contractors to determine the optimal scope of work and cost for the project. Contractors and developers will perform the required technical studies and may model multiple scenarios. Upon development of the optimal project scenario,

C-PACE staff will review the scope of work, analysis, and supporting documentation, perform a quality assurance review, and develop an economics analysis report to determine the project's economics and approved program financing thresholds. Include these project details in ongoing conversations with potential capital providers as they are developed. See Technical Project Requirements for more information on required technical studies.

#### **6. Mortgage Holder Approval**

Written permission must be given by the existing mortgage holder of the property for the C-PACE transaction to move forward. C-PACE project developers will often lead these conversations. C-PACE staff members are also available to assist in discussions with the mortgage holder about the financial merits of the project and to assist with the development of consent documentation. This process can happen in parallel with the development of the project.

#### **7. Secure Project Financing**

Once a preferred lender has been selected, C-PACE staff will work with the lender and building owner to facilitate the analysis and documentation necessary for the underwriting process. Ultimately, the building owner will work with their preferred lender to execute the program's [Assessment and Financing Agreement](#). This document outlines the details of the financial agreement between the property owner and the capital provider.

#### **8. Special Purpose Assessment and Lien**

A [Preliminary Assessing Resolution](#) is prepared by the New Energy Improvement District at the Colorado Energy Office, the C-PACE oversight body, upon mortgage holder consent and finance amount determination. This resolution results in a 30-day comment period in which all lien holders are notified of the progression of the C-PACE assessment process. At the completion of the 30-day comment period, a hearing is held on the Final Assessing Resolution. This resolution finalizes and records the C-PACE lien with the county. This public hearing is held with the property owner, capital provider, and other interested parties. Once all documents have been received by C-PACE and closing conditions have been met, the lien is recorded in the County property records. Upon recording of the lien, project funds are released by the capital provider.

#### **9. Complete Construction**

In this phase of the project, funds are dispersed by the funding partner to the building owner or developer and the project work is completed by the approved contractor.

#### **10. Verify Project**

C-PACE staff will perform a site visit upon construction completion and will prepare a project verification report documenting satisfactory installation of the energy efficiency or renewable energy equipment.

#### **11. Servicing/Repayment**

After the completion of the project, C-PACE financing is repaid by the property owner through the special purpose assessment on the property tax bill. This repayment will proceed according to the terms set forth in the Assessment and Financing Agreement and may be transferred to subsequent building owners if the property is sold during the financing period.