

Applications of C-PACE for New Construction & Existing Assets

C-PACE in Recent Transactions

Varenita, Simi Valley - \$13MM in C-PACE Financing

Refinancing existing loans allows banks to recycle capital.

A repeat client of the bank and Bayview was seeking a compelling capital structure to refinance a senior living project, Varenita of Simi Valley. The PACE loan allowed a creative solution for the bank and sponsor. By reducing the bank's whole dollar position in the loan, the bank could recycle this capital to make additional loans to the borrower. The transaction also upsized the total loan stack for eventual HUD takeout.

Outbound Hotel & Cabins Yosemite - \$19.8MM in C-PACE Financing

PACE participates with banks in construction loans to reduce bank proceeds.

The PACE loan benefited the bank as we maximized PACE proceeds, creating a situation where the PACE loan was twice the size of the bank loan, significantly reducing the bank's whole dollar exposure on a low overall leverage loan stack. The bank secured significant depository accounts with the borrower in excess of the bank's loan position.

Benefits of C-PACE Financing for Lenders

- PACE fills gaps in the capital structure and is less expensive than other forms of capital.
- PACE can reduce the bank loan amount so banks can preserve capital.
- PACE is non-recourse and cannot be accelerated at any time.
- PACE loans do not require intercreditor agreements.
- PACE financing is applicable at any time during the property life cycle ranging from new construction to retroactive financing.
- Escrowing for PACE payments is recommended as they also escrow for insurance and taxes. This helps ensure that the PACE stays current and security position is maintained.
- PACE in the capital stack enables banks to continue the lending relationship with valuable clients while maintaining a healthy deposit-to-loan balance.
- PACE loans can transfer upon sale of a property or be pre-paid at any time.

**Commercial
PACE
Market
Data**

*PACE-enabling legislation is active in 38 states.
C-PACE continues as a mainstream finance tool, having recently topped \$6.9 billion in total financings.*