

CAMBRIDGE COURT APARTMENTS: A USDA PACE First



Project Quick Stats:

PACE district: Montcalm County

Property owner: PK Housing

PACE developer: Parker-Arntz

PACE lender: Petros PACE Finance

PACE financing: \$117,580

Energy Conservation Measures:

Efficient boilers, mechanical controls, LED lighting inside and outside, 20 kW solar system, low-flow water fixtures and Energy Star appliances.

Energy Reductions: Each year, the Cambridge Court PACE project will replace or eliminate **50,820 kilowatt hours** of traditional electricity and **6,700 therms of natural gas**.

- That's equal to avoiding the burning of **75,139 lbs. of coal**
- Or the carbon soaking capacity of **58 acres of forest**
- And that's **every year!**

Overview

Cambridge Court is a small apartment complex in Greenville, Michigan. Owner PK Housing has several dozen such properties across the state. Until now, PK could rarely justify making clean energy upgrades because of prohibitive up-front costs, even though inefficient buildings were wasting energy and money. PACE financing changed all that. At Cambridge Court, PK Housing worked with Parker-Arntz, Petros PACE Finance, and Levin Energy Partners to add a 20kW solar system, LED lighting, low-flow plumbing fixtures, high-efficiency appliances, and upgrades to the heating and cooling systems.

Cambridge Court is the first PACE project in West Michigan, the first multi-family PACE project statewide, the first property financed by the U.S. Department of Agriculture in the nation to receive approval from USDA for PACE financing – and one of the first to combine PACE with a Rural Energy for America Program (REAP) grant. The USDA's Rural Development staff immediately grasped the power of PACE to help transform affordable housing to benefit property owner, tenant, community, and planet. In this case, the project achieves 40% reductions in electricity and natural gas consumption, a 29% reduction in water use, saves tenants on utility bills, updates an important community asset, and eliminates significant carbon pollution to help Michigan achieve its energy goals.

Partners



PACE Financing

Commercial building owners spend \$200 billion per year on utilities, yet 30% of this is waste. The comprehensive energy projects that could make these properties efficient often require significant up-front capital and take years to achieve profitability. Commercial loans typically have a tenor of 3-5 years, making the annual repayment much greater than the energy savings. PACE changes all this by allowing property owners to finance energy efficiency and renewable energy projects through a property tax special assessment.

Montcalm County leaders created a county-wide PACE district in 2015 by joining the statewide Lean & Green Michigan PACE program. Since the county government will enforce this assessment just like any other tax obligation, lenders feel secure in providing fixed-interest loans with terms of up to 20 years. The result is 100% financing with positive cash flow for commercial property owners, since the savings generated by the energy project are greater than the PACE loan repayments. In addition, these projects create good jobs and communities upgrade their building stock, increasing the local tax base over time. Everybody wins.

Lean & Green Michigan

Lean & Green Michigan™ helps commercial, industrial and multi-family property owners take advantage of PACE to finance energy projects, eliminate waste and save money through long-term financing solutions that make energy projects profitable. Lean & Green Michigan™ is a public-private partnership that works with local government, contractors, property owners, and lenders to invigorate Michigan's PACE statute with a market-based approach to energy finance and economic development.

Contact

For more information on PACE, contact **Lean & Green Michigan™** at info@levinenergypartners.com



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