



January 2016

Cambridge Court Apartments: A USDA PACE First

✓ Project Quick Stats

PACE District: Montcalm County

Property Owner: PK Housing

PACE Contractor: Parker-Arntz

PACE lender: Petros PACE Finance

Amount Financed: \$117,580

Energy Conservation Measures:

- Efficient boilers
- Mechanical controls
- LED lighting inside and outside
- 20 kW solar system
- Low-flow water fixtures

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 upfront 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 was the first PACE project in West Michigan, the first multifamily PACE project statewide, the first property in the nation to receive U.S. Department of Agriculture approval 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

Impact: 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.

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.

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 governments, contractors, property owners, and lenders to invigorate Michigan's PACE statute with a market-based approach to energy finance and economic development.

Project Partners



PACE Financing

Commercial building owners spend \$200 billion per year on utilities, yet 30% of this is waste. The 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 greater than the energy savings. PACE changes all this by allowing property owners to finance energy efficiency and renewable energy projects via a property tax special assessment.

Montcalm County's elected leaders created a countywide PACE district in 2015 by joining the statewide Lean & Green Michigan PACE program. Since the County will enforce the PACE assessment just like any other property tax obligation, lenders feel secure in providing fixed-interest loans with terms of up to 25 years. The result is 100% up front financing to facilitate energy-saving projects. In addition, these projects create good jobs, and communities upgrade their building stock, increasing the local tax base over time.

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