

AN ORDINANCE to enact Chapter 7 (COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY (C-PACE) FINANCING PROGRAM) of Title 7 (PLANNING AND DEVELOPMENT) of the Code of the City of Alexandria, Virginia, 1981, as amended.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That Chapter 7 of Title 7 of the Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained by the addition of the following new chapter in underline as follows:

CHAPTER 7 – Commercial Property Assessed Clean Energy (C-PACE) Financing Program

Sec. 7-7-1 – Purpose.

The purpose of this chapter is to create a "City of Alexandria Commercial Property Assessed Clean Energy (C-PACE) Financing Program," in accordance with the Commonwealth of Virginia's Clean Energy Financing Law, section 15.2-958.3 of the Code of Virginia of 1950, as amended (hereinafter the "Act"). The C-PACE Program will facilitate loans made by Capital Providers to Borrowers to finance renewable energy production and distribution facilities, energy efficiency improvements, resiliency improvements, water usage efficiency improvements, or stormwater management improvements for which loans may be offered. Resiliency improvements may include mitigation of flooding or the impacts of flooding or stormwater management improvements with a preference for natural or nature-based features and living shorelines as defined in section 28.2-104.1. Subject to the limitations set forth in this chapter, the Act, or other applicable law, each C-PACE Loan, inclusive of principal, interest, and any financed fees, costs, or expenses, will be secured by a voluntary special assessment lien on the property that is the subject of such Loan.

Sec. 7-7-2 – Definitions.

For the purpose of this chapter, the following words shall have the meanings respectively ascribed to them as follows:

(a) "Act" means Virginia's "financing clean energy, resiliency, and stormwater management programs" law, section 15.2-958.3 of the Code of Virginia of 1950, as amended.

(b) "Amendment" means an amendment of the C-PACE Lien as permitted under the Loan Documents and Program Guide.

(c) "Assignment" means an assignment of the Loan Payments and/or C-PACE Lien pursuant to the terms of the assignment document.

(d) "Borrower" means:

(1) The owner(s) of Eligible Property who obtain(s) a C-PACE Loan from a Capital Provider in accordance with the Program Guide; or

(2) A successor in title to the Borrower.

(e) "Capital Provider" means:

1 (1) A private lending institution that has been approved by the Program Administrator in
2 accordance with the Program Guide to originate a C-PACE Loan and its successors and
3 assigns; or

4 (2) The current holder of a C-PACE Loan.

5 (f) "City" or "City of Alexandria" means the City of Alexandria, Virginia.

6 (g) "City Council" or "Council" means the City Council of the City of Alexandria, Virginia.

7 (h) "Commonwealth" means the "Commonwealth of Virginia."

8 (i) "C-PACE" means Commercial Property Assessed Clean Energy.

9 (j) "C-PACE Lien" or "Lien" means a voluntary special assessment lien duly Recorded
10 against an Eligible Property to secure Loan Payment. Each Lien (i) shall run with the land,
11 and those portions of Loan Payment secured by such Lien that have not yet become due are
12 not eliminated by foreclosure of a property tax lien, and (ii) shall have the same priority
13 status as a real property tax lien, except that such Lien shall have priority over any previously
14 recorded mortgage or deed of trust lien on the Property only if a written subordination
15 agreement is executed by the holder of each such previously recorded lien. Such
16 subordination agreement shall be Recorded with the Lien, and shall be in a form and
17 substance acceptable to the prior lienholder in its sole and exclusive discretion. Prior to the
18 Recording of any Lien, Borrower must submit to the Capital Provider evidence that: (i)
19 Borrower is current on payments on all loans secured by a mortgage or deed of trust lien on
20 the Eligible Property and on property tax payments to the City, (ii) Borrower is not insolvent
21 or subject to bankruptcy proceedings, and (iii) Borrower's title to the Eligible Property is not
22 in dispute.

23 (k) "C-PACE Lien Certificate" means the voluntary special assessment lien document duly
24 recorded among the Land Records against an Eligible Property to secure a C-PACE Loan.

25 (l) "C-PACE Loan" or "Loan" means a loan from a Capital Provider to a Borrower to finance
26 a Project, in accordance with the Program Guide.

27 (m) "C-PACE Program" or "Program" means the program established by the City through
28 this chapter, in accordance with the Act, that facilitates the financing of Eligible
29 Improvements and provides for a C-PACE Lien to be levied and recorded against the
30 Property to secure the C-PACE Loan.

31 (n) "C-PACE Program Agreement" means the Agreement between the Borrower, City, and
32 Capital Provider, and their respective successors and assigns, which includes the terms and
33 conditions for participation in the C-PACE Program; the Borrower's acknowledgment and
34 consent for the City to impose a voluntary special assessment and record a C-PACE Lien
35 Certificate against the Borrower's Eligible Property; and a summary of the terms of the C-
36 PACE Loan. A copy of the draft C-PACE Program Agreement is included herein as Exhibit
37 A.

38 (o) "Delinquent Payment" means any C-PACE Loan payment that was not paid by a
39 Borrower in accordance with the Loan Documents.

40 (p) "DMME Guidelines" means the Uniform Statewide Financial Underwriting Guidelines
41 for C-PACE Loans, issued on December 1, 2015, by the PACE Stakeholder Committee
42 organized by the Virginia Department of Mines, Minerals, and Energy (DMME), as amended
43 from time to time.

1 (q) "Eligible Improvement" means the initial acquisition and installation of clean energy,
2 energy efficiency, water efficiency, resiliency, or stormwater improvements for both existing
3 properties and new construction, as further prescribed in this chapter and the Program Guide.
4 (r) "Eligible Property" or "Property" means real property located within the City other than
5 residential property with fewer than five dwelling units or a condominium as defined in
6 Virginia Code § 55.1-2000.
7 (s) "Financing Agreement" means the written agreement, as may be amended, modified, or
8 supplemented from time to time, between a Borrower and a Capital Provider, regarding
9 matters related to the extension and repayment of a C-PACE Loan to finance Eligible
10 Improvements.
11 (t) "Land Records" means the land records of the Clerk of the Circuit Court of the City of
12 Alexandria.
13 (u) "Loan Amount" means the aggregate amount of a Loan, inclusive of principal, interest,
14 and any financed fees, costs, or expenses, all as provided for in the Loan Documents.
15 (v) "Loan Documents" means the C-PACE Program Agreement, Financing Agreement, a C-
16 PACE Lien Certificate, and any other document, agreement, or instrument executed in
17 connection with a C-PACE Loan.
18 (w) "Loan Payment," means the periodic installment payments of the C-PACE Loan by a
19 Borrower, due and payable to the City or Capital Provider as permitted by the Act in such
20 amounts and at such times as described in the Loan Documents.
21 (x) "Program Administrator" means the person or entity retained by the City to administer the
22 Program in accordance with the requirements of the Act, this chapter, and the Program
23 Guide.
24 (y) "Program Fee(s)" means the fee(s) authorized by the Act and charged to participating
25 Borrowers to cover the costs to design and administer the Program, including without
26 limitation, compensation of the Program Administrator and recovery of expenses incurred by
27 the City.
28 (z) "Program Guide" means a comprehensive document setting forth the procedures,
29 eligibility rules, restrictions, Program Fee(s), responsibilities, and other requirements
30 applicable to the governance and administration of the Program.
31 (aa) "Program Manager" means the City Manager or such person designated in writing by the
32 City Manager to supervise the Program and act as liaison with the Program Administrator.
33 (bb) "Project" means the construction or installation of Eligible Improvements on Eligible
34 Property.
35 (cc) "Residential Property" means improved real property used or occupied, or intended to be
36 used or occupied, for residential purposes with fewer than five dwelling units.
37 (dd) "Stabilized Occupancy" means the occupancy level that an income producing Property
38 is expected to achieve after the property is exposed to the market for lease over a reasonable
39 period of time and at comparable terms and conditions to other similar properties.
40 (ee) "Stabilized Value" means the market value of the Property after it reaches stabilized
41 occupancy as evidenced by an appraisal of the Property.
42 (ff) "Subordination Agreement" means a written agreement executed by the holder of each
43 existing lien, mortgage, or deed of trust on Eligible Property that is the subject of a C-PACE

1 Loan, which allows the C-PACE lien to have senior priority to the existing mortgage or deed
2 of trust.

3 (gg) "Useful Life" means the normal operating life of the Fixed asset as determined by
4 Generally Accepted Accounting Principles (GAAP).

5
6 **Sec. 7-7-3 – Effective Date.**

7 This chapter shall become effective immediately following its adoption.

8
9 **Sec. 7-7-4 – C-PACE Program; Eligible Improvements.**

10 (a) C-PACE Program. The C-PACE Program shall be available throughout the City of
11 Alexandria, provided that the Borrower, the Property, and the proposed Eligible
12 Improvements all qualify for the Program. The following types of Eligible Improvements
13 may be financed with a C-PACE Loan:

14 (1) Renewable energy production and distribution facilities, including but not limited to,
15 solar photovoltaic, solar thermal, geothermal, wind, fuel cells, biomass systems, biogas,
16 or methane recovery systems;

17 (2) Energy usage efficiency systems reasonably expected to reduce the energy usage of
18 the eligible property, including but not limited to, high efficiency lighting and building
19 systems, heating, ventilation and air conditioning upgrades, air duct sealing, high
20 efficiency boilers and furnaces, high efficiency hot water heating systems, combustion
21 and burner upgrades, fuel switching, heat recovery and steam traps, cogeneration
22 systems, building shell or envelope improvements, reflective roof, cool roof, or green
23 roof systems, weather-stripping, fenestration and door improvements and modifications,
24 insulation (both in walls, roofs, floors and foundations and in heating, ventilation and air
25 conditioning systems' radiant barriers), building energy management systems, process
26 equipment upgrades, and other forms of conservation; provided, that for qualifying
27 improvements that are part of a new building or structure, such qualifying improvements
28 shall exceed the minimum energy efficiency requirements of then applicable law,
29 ordinance, regulation or code;

30 (3) Electric vehicle charging infrastructure;

31 (4) Water usage efficiency improvements such as recovery, purification, recycling, and
32 other forms of water conservation. For new construction, these improvements qualify for
33 program financing only if they exceed the minimum water usage efficiency requirements
34 of then applicable law, ordinance, regulation, or code;

35 (5) Stormwater improvements that reduce onsite stormwater runoff into the stormwater
36 system such as reduction in the quantity of impervious surfaces, and onsite filtering of
37 stormwater;

38 (6) Improvements that reduce the impacts of water or wind-related natural or manmade
39 events, such as installation of wet and dry floodproofing, raising mechanical and
40 electrical equipment and reinforcement of building envelope to reduce impacts of wind;

41 (7) Construction, renovation, or retrofitting of a Property directly related to the
42 accomplishment of any purpose listed in subsections (1), (2), or (3) above, whether such
43 Eligible Improvement was erected or installed in or on a building or on the ground, it
44 being the express intention of the City to allow Eligible Improvements that constitute, or

1 are a part of, the construction of a new structure or building to be financed with a C-
2 PACE Loan; or

3 (8) Any other category of improvement approved by the Program Administrator with the
4 consent of the Program Manager as qualifying for financing under the C-PACE Act and
5 the Program.

6 (b) Use of C-PACE Loan Proceeds. The proceeds of a C-PACE Loan may be used to pay for
7 the construction, development, and consulting costs directly related to Eligible
8 Improvements, including without limitation, the cost of labor, materials, machinery,
9 equipment, plans, specifications, due diligence studies, consulting services (e.g., engineering,
10 energy, financial, and legal), Program Fees, C-PACE Loan fees, capitalized interest, interest
11 reserves, and C-PACE transaction underwriting and closing costs.

12 (c) Program Applications; Prioritization. The Program Administrator will develop a Program
13 application process that allows for the review and approval of proposed Eligible
14 Improvements and C-PACE Loan Documents. Program applications will be processed on a
15 first come, first serve basis; provided, however, that the applicant meets eligibility
16 requirements as set forth in the Program Guide.

17
18 **Sec. 7-7-5 - C-PACE Loan Requirements; Program Fees; Reporting; Program**
19 **Administrator; Program Guide.**

20 (a) Source of Loans. C-PACE Loans shall be originated by Capital Providers. The City shall
21 have no obligation to originate or guarantee any C-PACE Loans.

22 (b) C-PACE Loan Amount Thresholds. The minimum Loan Amount that may be financed
23 for each Project is fifty thousand dollars (\$50,000). The maximum Loan Amount that may be
24 financed for each Project is twenty-five million dollars (\$25,000,000) or thirty percent (30%)
25 of the Stabilized Value of the Property, whichever is greater. The Program Administrator
26 may also accept other forms of valuation including, but not limited to, assessed value or
27 value derived from a minimum assessment agreement. There shall be no limit on the total
28 value of all C-PACE Loans issued under the Program.

29 (c) C-PACE Loan Interest. The interest rate of a C-PACE Loan shall be as set forth in the
30 Loan Documents.

31 (d) C-PACE Loan Term. The term of a C-PACE Loan shall not exceed the (i) Useful Life of
32 the Project Improvement with the longest Useful Life or (ii) thirty (30) years, whichever is
33 less.

34 (e) C-PACE Loan Amortization. The amount of the C-PACE Loan shall be fully amortized
35 in the C-PACE Payments over the term of the C-PACE Loan as agreed by the Borrower and
36 the Capital Provider.

37 (f) Apportionment of Costs. All of the costs incidental to the financing, administration,
38 collection, and enforcement of the C-PACE Loan shall be borne by the Borrower.

39 (g) Financing Agreements. Capital Providers may use their own Financing Agreements for
40 C-PACE Loans, but the Financing Agreement may not conflict with the provisions of this
41 chapter, the Act, or the C-PACE Program Agreement. To the extent of any conflict, this
42 chapter, the Act, and the C-PACE Program Agreement shall prevail.

43 (h) C-PACE Program Agreement. In order to participate in the C-PACE Program, Borrower
44 and Capital Provider shall enter into a C-PACE Program Agreement with the City, which

1 sets forth certain terms and conditions for participation in the City's C-PACE Program. This
2 Agreement shall be binding upon the parties and their respective successors and assigns until
3 the C-PACE Loan is paid in full. Each C-PACE Program Agreement shall be in substantially
4 the form provided herein in Exhibit A. The C-PACE Program Agreement may be modified
5 as necessary to further the Program's purpose and to encourage Program participation,
6 including such additions, deletions, or alterations as may be approved by the Program
7 Manager and City Attorney, so long as such modifications do not conflict with the Program
8 Guide, this chapter, or the Act.

9 (i) Repayment of C-PACE Loan; Collection of Loan Payments. C-PACE Loans will be
10 repaid by the Borrower through Loan Payments. Upon assignment of the Lien to the Capital
11 Provider, as described in §7-7-6(c) hereof, the Borrower shall make all such Loan Payments
12 directly to the Capital Provider pursuant to the Financing Agreement, and the Capital
13 Provider shall be responsible, subject to and in accordance with the terms of the Financing
14 Agreement, for all billing, collection, enforcement and administrative duties in respect of
15 each of the Loan, and the Loan Payment and the Lien. In the alternative, C-PACE Loans may
16 be serviced by the Program Administrator, and the Program Administrator shall remit Loan
17 Payments it receives from Borrowers to the Capital Provider within thirty (30) days of
18 receipt.

19 (j) C-PACE Loan Assumed. The Borrower shall assume the obligation to repay all remaining
20 unpaid Loan Payments, whether it obtained ownership of the Property voluntarily or
21 involuntarily, which are due upon acquisition of the Property, if any, and which accrue
22 during Borrower's period of ownership. Only the current Loan Payment and any Delinquent
23 Payments, together with any costs of collection, shall be payable at the settlement of a
24 Property upon sale or transfer, unless otherwise agreed to by the Capital Provider.

25 (k) Transfer of C-PACE Loans.

26 (1) C-PACE Loans may be transferred, assigned, or sold by a Capital Provider to another
27 Capital Provider at any time unless the C-PACE Loan is paid in full provided that Capital
28 Provider shall:

29 A. Notify the Borrower and Program Administrator prior to the billing date of the
30 next Loan Payment due;

31 B. Record a C-PACE Loan Assignment among the Land Records; and

32 C. Deliver a copy of the recorded C-PACE Assignment to the Borrower, City, and
33 Program Administrator as set forth in the C-PACE Program Agreement and Program
34 Guide.

35 (2) Recordation of the C-PACE Assignment shall constitute an assumption by the new
36 Capital Provider of the rights and obligations of the original Capital Provider contained in
37 the Loan Documents.

38 (l) Program Fees. The Program will be self-financed through Program Fee(s) charged to
39 participating Borrowers. The Program Fee(s) are established to cover the actual and
40 reasonable costs to design and administer the Program, including the compensation of a
41 third-party Program Administrator. Program Fee(s) will be assessed as a percentage fee of
42 the C-PACE Loan paid at closing. The amount(s) of the Program Fees shall be set forth in
43 the Program Guidelines. Program Fee(s) may be changed by the Program Manager from
44 time to time and shall only apply to C-PACE Loans executed after the date the revised Fees

1 are adopted. The Capital Provider shall collect the Program Fee(s) from Borrower at Loan
2 closing, and shall remit any such Program Fee(s) so collected to the Program Administrator
3 within ten (10) days of the date of such closing, without requiring demand or notice from the
4 Program Administrator.

5 (m) Notification of Proposed Loan and Closing. The Program Guide will set forth the C-
6 PACE Loan notification requirements and Loan closing process.

7 (n) Reporting. The City may require the Capital Provider and/or the Program Administrator
8 to provide a written report with summary information regarding the C-PACE Loan Program,
9 the portfolio performance of participating Capital Providers, or other Program statistics as
10 required in the Program Guide.

11 (o) Program Administrator. The City will enter into a contract with a third-party Program
12 Administrator pursuant to the City's procurement process and in accordance with any
13 requirements of the Virginia Public Procurement Act. The Program Administrator's principle
14 duties shall be those set forth in its contract with the City, which may include, but not be
15 limited to:

16 (1) Creating the Program Guide and revising and updating the Guide, as necessary;

17 (2) Certifying that prospective C-PACE service providers and Capital Providers are
18 eligible to participate in the program;

19 (3) Processing C-PACE applications to determine Project eligibility for a C-PACE Loan
20 and related Eligible Improvements;

21 (4) Coordinating the billing and collection process by serving as a servicer for C-PACE
22 Loans or subcontracting with a qualified C-PACE Loan servicer;

23 (5) Ensuring compliance with the requirements of the C-PACE Program; and

24 (6) Performing marketing, outreach, and promotion for participation in the C-PACE
25 Program.

26 In the alternative, the City may use any public C-PACE administrator established by the
27 Commonwealth for the purposes of administering local C-PACE programs. The Program
28 Administrator:

29 (1) Will endeavor to conduct a competitive, open-market Program, available to all pre-
30 certified Capital Providers, contractors, engineers, and consultants who apply to provide
31 services or funding for the Program, and;

32 (2) Shall not grant any Capital Provider or service provider an exclusive right to provide
33 services or funding for the Program.

34 (p) Program Guide.

35 (1) The Program Guide shall be developed by the Program Administrator under the
36 direction of, and in consultation with the Program Manager. The Program Guide and any
37 subsequent amendments thereto shall become effective only:

38 A. To the extent that the Program Guide and such amendments do not contravene this
39 chapter or the Act; and

40 B. After review by the City Attorney and written approval by Program Manager.

41 (2) The Program Guide shall include, without limitation:

42 A. Disclosures about program fees, costs, and program processes;

43 B. Eligibility requirements for participation in the program by Capital Providers,
44 Contractors, and other stakeholders;

1 C. Eligibility requirements for Borrowers, Eligible Improvements, and projects.
2 Eligibility of Property Owners shall be contingent upon submission of a Property
3 Owner Certification and any necessary Lender Consents;
4 D. Technical assessment requirements, which may be based on the size and type of
5 the building and the size and scope of the proposed Eligible Improvements;
6 E. Template Program forms, including but not limited to, the program application,
7 Property Owner Certification, and C-PACE assignment; and
8 F. Suggested underwriting criteria including, without limitation, underwriting
9 guidelines established by the Virginia Department of Mines, Minerals, and Energy or
10 the Mid-Atlantic PACE Alliance Regional C-PACE Toolkit published in June 2018,
11 such as financial ratios related to:

- 12 1. Total loan (including program loan) to value benchmarks;
- 13 2. Program assessment to value benchmarks;
- 14 3. Savings to investment ratio; and
- 15 4. Debt service coverage ratio.

16 (3) The Program Guide may incorporate other appropriate underwriting guidelines
17 consistent with this type of Program. The Program Guide will be designed to create an
18 open, competitive, and efficient Program. The Program Administrator may modify the
19 Program Guide from time to time subject to the approval of the Program Manager and in
20 accordance with the intent and purpose of the C-PACE Program as approved by the City
21 Council.

22 (4) The Program Guide, including any amendments thereto, shall contain the following
23 provisions:

24 A. “This Program Guide (this “Guide”) has been prepared for purpose of providing a
25 more detailed description of the requirements, rules, procedures, and fees applicable
26 to the City of Alexandria Commercial Property Assessed Clean Energy (C-PACE)
27 Financing Program (the “Program”). This Guide and all provisions hereof are subject
28 to the applicable chapter of the Codified Ordinances of the City of Alexandria,
29 Virginia (the “Chapter”), in all respects including, without limitation, the provisions
30 of the Chapter governing the amendment of this Guide. In the case of any conflict
31 between the provisions of this Guide and the provisions of the Chapter, the provisions
32 of the Chapter shall control.”

33
34 “THIS GUIDE IS ONLY A REFERENCE DOCUMENT, AND CREATES NO
35 LEGAL RIGHTS IN FAVOR OF ANY BORROWER, CAPITAL PROVIDER,
36 SERVICE PROVIDER, CONTRACTOR, OR ANY OTHER PERSON, NOR DOES
37 IT IMPOSE ANY LEGAL DUTY OR OBLIGATION ON THE CITY OF
38 ALEXANDRIA, VIRGINIA.”

39
40 **Section 7-7-6 – Levy of Assessment; Recordation; Priority; Amendment.**

41 (a) Levy of Voluntary Special Assessment Lien. Beginning on the effective date of this
42 chapter and for each C-PACE Loan made under the Program, the City Council hereby levies
43 a voluntary special assessment (C-PACE Lien) against each Property benefitting from

1 Eligible Improvements financed with C-PACE Loans, in an amount equal to the C-PACE
2 Loan, upon recordation of the C-PACE Lien Certificate.

3 (b) Notification of Closing. Upon the financial closing of a Project, the Capital Provider will
4 promptly provide notice thereof to each of Program Manager and Administrator, which
5 notice shall include: (i) a statement of the Loan Amount, (ii) a copy of the Financing
6 Agreement executed by Borrower and Capital Provider, (iii) a written subordination
7 agreement with each holder of a prior mortgage or deed of trust lien on the Eligible Property,
8 and (iv) evidence that (A) Borrower is current on payments on loans secured by a mortgage
9 or deed of trust lien on the Property and on property tax payments to the City, (B) Borrower
10 is not insolvent or subject to bankruptcy proceedings, and (C) Borrower's title to the Eligible
11 Property is not in dispute.

12 (c) Recordation of C-PACE Lien Certificate; Assignment. Upon receipt of such notice in §7-
13 7-6(a) hereof, the Capital Provider, as authorized by the City for such purposes, shall
14 promptly Record the Certificate of Levy and Lien of Special Assessment on behalf of the
15 City. Promptly thereafter, the Capital Provider, as authorized by the City for such purposes,
16 shall assign the Lien from the City to the Capital Provider, to cause the Capital Provider to be
17 named as the holder of the Lien in the land records of the City, by Recording an Assignment
18 of Special Assessment Lien. Such assignment shall include only the City's right, title and
19 interest in and to the Loan Payment and the Lien, and the City shall retain all of its other
20 rights and remedies, including any special powers of enforcement or collection to which the
21 City, by virtue of its status as a political subdivision of the Commonwealth, is entitled or
22 empowered to exercise under applicable laws of the Commonwealth.

23 (d) Priority. The C-PACE Lien shall have the same priority as a real property tax lien and
24 priority over any previously recorded lien, mortgage, or deed of trust, as evidenced by
25 Subordination Agreement(s) obtained from each prior lien holder, mortgagee, or trustee(s) of
26 any deed(s) of trust. Only the current Loan Payment and any Delinquent Payments, in
27 addition to real property taxes levied by the City, shall constitute a first lien on the Property.

28 (e) Amendment of Lien. Upon written request by a Capital Provider in accordance with the
29 Program Guide, the Program Manager may execute an amendment of the C-PACE Lien after
30 the closing of a C-PACE Loan. The Program Administrator will record the Amendment in
31 the Land Records.

32
33 **Section 7-7-7 – Role of the City; Limitation of Liability.**

34 (a) By executing the Loan Documents including the C-PACE Program Agreement, or by
35 otherwise participating in the Program, the Borrower and Capital Provider acknowledge and
36 agree that as a condition of participation in the Program:

37 (1) The City undertakes no obligations under the Program except as expressly stated
38 herein or in the C-PACE Program Agreement;

39 (2) In the event of a default by a Borrower, the City has no obligation to use City funds to
40 make Loan Payments to any Capital Provider including, without limitation, any fees,
41 expenses, and other charges and penalties, pursuant to a Financing Agreement between
42 the Borrower and Capital Provider;

43 (3) No C-PACE Loan, Loan Payment, C-PACE Lien, or other obligation arising from any
44 Loan Document, the Act, or the chapter shall be backed by the credit of the City, the

1 Commonwealth, or its political subdivisions, including, without limitation, City taxes or
2 other City funds;

3 (4) No C-PACE Loan, Loan Payment, C-PACE Lien or other obligation arising from any
4 Loan Document, the Act, or the chapter shall constitute an indebtedness of the City
5 within the meaning of any constitutional or statutory debt limitation or restriction;

6 (5) The City has not made any representations or warranties, financial or otherwise,
7 concerning a Borrower, Eligible Property, Project, Capital Provider, or C-PACE Loan;

8 (6) The City makes no representation or warranty as to, and assumes no responsibility
9 with respect to, the accuracy or completeness of any Loan Document, or any Assignment
10 or amendment thereof;

11 (7) The City assumes no responsibility or liability in regard to any Project, or the
12 planning, construction, or operation thereof;

13 (8) Each Borrower or Capital Provider shall, upon request, provide the City with any
14 information associated with a Project or a C-PACE Loan that is reasonably necessary to
15 confirm that the Project or C-PACE Loan satisfies the requirements of the Program
16 Guide; and

17 (9) Each Borrower, Capital Provider, or other participant under the Program, shall
18 comply with all applicable requirements of the Program Guide.

19
20 **Sec. 7-7-8 – Additional Provisions.**

21 (a) Severability. The provisions of this chapter are severable. If a court of competent
22 jurisdiction determines that a word, phrase, clause, sentence, paragraph, subsection, section,
23 or other provision is invalid or that the application of any part of the chapter or provision to
24 any person or circumstance is invalid, the remaining provisions of the chapter shall not be
25 affected by that decision and continue in full force and effect.

26
27 Section 2. That Chapter 7 as enacted pursuant to Section 1 of this ordinance, be, and
28 the same hereby is, enacted as part of the City of Alexandria City Code.

29
30 Section 3. That this ordinance shall become effective upon the date and at the time of
31 its final passage.

32
33 JUSTIN WILSON
34 Mayor
35

36
37 Introduction: November 10, 2020
38 First Reading: November 10, 2020
39 Publication:
40 Public Hearing: November 14, 2020
41 Second Reading: November 14, 2020
42 Final Passage: November 14, 2020
43