

February 4, 2022

Members of the House of Delegates Counties, Cities and Towns Committee  
Richmond, Virginia

Re: Support for HB1325

Ladies and Gentlemen,

As a developer of low-income housing tax credit properties, we are pleased to support HB1325, which expands the existing commercial PACE financing ("C-PACE) statute to include environmental remediation, safe drinking water and EV infrastructure improvements as eligible for C-PACE financing. In general, C-PACE offers building owners an innovative way to finance environmentally friendly renovations to their properties with no upfront capital, and to stimulate investment in a cleaner environment and the local economy. Specifically, we are investing in properties with significant redevelopment needs that require multiple layers of financing and cash contributions, which are often collectively referred to as the capital stack. By directly reducing the cash contribution on the front end, C-PACE serves as an important component of this capital stack, potentially reducing the need for other forms of equity and debt. In sum, we recognize the value of a financial product that offers 100% long-term capital at reasonable rates without personal recourse. If this bill passes, it will provide us an additional way to reduce our costs in revitalizing aging housing infrastructure.

From a local government perspective, C-PACE financing improves the building stock, which helps attract and retain businesses, creates jobs in the construction sector, and brings in incremental tax revenue.

Sincerely yours,

A handwritten signature in blue ink that reads "Ed Solarz". The signature is written in a cursive, flowing style.

Ed Solarz  
Genesis Properties