

# MUNICIPALITY FAQ

## ROLE OF THE MUNICIPALITY

**Q.** How do towns adopt C-PACE?

**A.** For municipalities to opt in to C-PACE, their legislative body must first pass a resolution to empower the municipality to sign an agreement with Green Bank. The second step is for the municipality to sign this agreement, pursuant to which the municipality agrees to assess, collect, remit and assign, benefit assessments to Green Bank in return for energy improvements for benefited property owners within the municipality and for reimbursement of costs reasonably incurred by the municipality in performing such duties.

**Q.** What are costs to the municipality?

**A.** Because C-PACE utilizes the municipalities' existing method of collecting payments, Green Bank expects added costs to be minimal in early stages of the C-PACE program. Green Bank is reimbursing towns for their added administrative costs. A typical amount for towns that have already opted in is \$500. Green Bank works with Quality Data Services (QDS) and all tax collection software providers to accommodate C-PACE on the tax bill.

**Q.** How is the program marketed to building owners? Does Green Bank support towns in these efforts?

**A.** Green Bank works with municipalities that have opted-in to the C-PACE program to market it to building owners. Green Bank provides municipalities with material, including (1) market data on eligible buildings in their town; (2) marketing material; (3) sample text to send to owners, media outlets or other relevant stakeholders.

**Q.** What are the risks to the municipality?

**A.** A municipality is responsible for collecting C-PACE assessments, not guaranteeing their collection. The municipality must also ensure that the C-PACE assessments are separately accounted for and cannot be utilized for any other purposes. If a building owner is deficient or delinquent on their C-PACE assessment, the municipality is not responsible to cover the shortfall. The municipality only makes payments to Green Bank that are actually paid by building owners and are not liable for any deficiency or delinquency. In the case of a non-payment, Green Bank can take assignment of the lien and begin collection processes. See sections 3d and 3f of the sample legal agreement in Exhibit B.

**Q.** Are C-PACE funds available to the municipality?

**A.** C-PACE funds cannot be commingled with municipality funds. The municipality will place the C-PACE assessment in a separate account pursuant to the legal agreement executed with each municipality, and the municipality has a fixed window by which they must remit the funds to Green Bank. Green Bank distributes funds to lenders. By law, Green Bank has the ability to enforce our own collection – Green Bank can take assignment of the lien.



---

**Q.** In the event of a bankruptcy, how is recovery money allocated?

**A.** Municipal liens related to real property have first priority, followed by C-PACE payments in arrears, followed by non-real property municipal liens and assessments, followed by the first mortgage holder. The municipality is not required to pay Green Bank if the owner is delinquent.