



Eric R. Anderberg, Chairman
Christopher B. Meister, Executive Director

COMMERCIAL PROPERTY ASSESSED CLEAN ENERGY PROGRAM

Attracting Private Investment to Illinois and Saving Money for Illinois Counties, Cities, and Villages

The Illinois Finance Authority (“IFA”) is establishing a commercial Property Assessed Clean Energy (“C-PACE”) financing program for all counties, cities, and villages throughout Illinois. Legislation adopted by the General Assembly and enacted by the Governor enables local units of government to permissively use IFA for interim funding and long-term bond financing of C-PACE projects, lowering the costs of such projects and creating clean energy jobs across the state.

The General Assembly has granted IFA \$2.0 billion of bonding authorization for C-PACE projects. IFA looks forward to partnering with local units of government and their engaged Program Administrators to provide the following cost-effective C-PACE financing options in their communities:

IFA C-PACE Warehouse Fund

- Qualifying C-PACE projects that are otherwise uneconomical for purposes of bond financing may access interim funding by IFA’s C-PACE Warehouse Fund, if desired by transaction participants.
- Functioning as a warehouse lender, IFA will utilize its balance sheet to interim fund small, qualifying projects in anticipation of bond financing.
- Interest Rate: Federal Reserve Bank of New York’s Daily Secured Overnight Financing Rate + 45 bps

IFA C-PACE Bond Financing Program

- Upon economies of scale being attained, the assessment contracts are pooled and IFA issues taxable municipal bonds which are purchased by a Capital Provider.
- Alternatively, if a qualifying project itself is economical for purposes of bond financing, IFA issues a stand-alone taxable municipal bond to fund the C-PACE project on behalf of the local unit of government (or Program Administrator).
- Transaction participants are not determined by IFA.

Stimulating Economic Development and Building Illinois’ Competitive Advantage

To increase market liquidity and create clean energy jobs in Illinois, IFA is providing a strategic state-support model by drawing upon its experience as an existing, statewide conduit bond issuer in stimulating economic development, including new construction. The IFA C-PACE financing program allows even the smallest of C-PACE projects to achieve economies of scale through the pooling of C-PACE projects for purposes of bond financing, ensuring local C-PACE programs are available for every small business.

C-PACE projects financed under the corporate powers of IFA benefit from dedicated and experienced staff, as well as standardized documents made available to local units of government. IFA’s open market model allows transaction participants to engage their own financing team, including Bond Counsel and Capital Providers, among others, which further strengthens Illinois’ competitive advantage.

About IFA

IFA is a body politic and corporate governed by a fifteen-person board appointed by the Governor and confirmed by the Senate. IFA does not rely on the State appropriation of taxpayer dollars to support its mission or operations.

Historically, IFA has served as the primary statewide conduit for the public financing of projects voluntarily undertaken by private borrowers (healthcare systems, educational institutions, small manufacturers, etc.) to preserve jobs and attract investment to Illinois. In Fiscal Year 2017 alone, IFA successfully closed and funded over 58 private activity bond transactions totaling more than \$4.14 billion. As of June 30, 2017, IFA’s conduit bonds issued on behalf of private borrowers totaled more than \$25.33 billion in outstanding principal.

**For additional information, please contact the staff listed below:
Brad Fletcher (312)651-1329; bfletcher@il-fa.com**