



DATE: November 17, 2017
TO: C-PACE Contractors and Program Participants
FROM: Tracy Phillips, Director, Colorado C-PACE
REGARDING: **Counties with no Zoning Laws**

The CO C-PACE program encourages participation from rural communities, which represent a historically underserved market sector in the U.S. As such, the program is continuously seeking ways to encourage and facilitate participation in these areas.

Most recently, efforts by the CO C-PACE program to serve rural communities have involved:

- **Engaging qualified capital providers willing to finance smaller projects** (those less than \$100,000); several capital providers that will finance projects as low as \$50,000 have recently joined the C-PACE program.
- **Understanding zoning laws** (or lack of zoning laws) in certain rural counties.

Providing capital providers to finance smaller projects is an historic step forward in the C-PACE financing realm, given that many projects in rural communities cannot warrant investments larger than \$100,000.

However, lack of zoning laws in some counties represents an industry-first hurdle. To this end, the Colorado C-PACE program has researched methods for addressing counties in which there are no zoning laws.

In many cases, a single property may contain commercial or agricultural operations, coupled with residential facilities. Because the program is intended to serve the commercial and industrial (C&I) market sector, it is important that a property's eligibility is clearly determined based on its zoning (or lack thereof). To this end, the C-PACE program offers this guidance.

- When no zoning laws exist, the way in which the county **assesses** the property will determine how the property is classified:
 - Commercial
 - Agricultural
 - Residential
- The county assessor's website can be used to determine the assessment classification of a property. Ninety percent of the time, entering the address of the property in the assessor's website will determine its classification.
 - If the property is classified on the assessor's website as commercial or agricultural, it is eligible for C-PACE financing.

- If the address is not found on the assessor's website, the assessor's office will need to be contacted to determine the property's classification.
- If the property is classified as residential, it may still be eligible if it is not a "principal place of residence."
 - Some agricultural properties may be classified as residential for their first five years of operation – so while classified residential, the property may not represent the principal place of residence, and therefore would still qualify.
 - Properties that are suspected to be primarily commercial or agricultural, but are classified as residential on the assessor's website, will be researched by the program on a case-by-case basis to determine if they are, in fact, a principal place of residence.
 - For these properties that have been classified as residential on the assessor's website, but are determined to *not* serve as principal places of residence and are therefore eligible for the C-PACE program, the owner will be asked to sign an affidavit stating that the property indeed is not a principal place of residence, and this documentation will be filed in the program's project documentation.
- Properties that are deemed eligible for C-PACE financing as described above can proceed to develop energy efficiency, renewable energy, and water conservation projects using C-PACE financing. However, in all cases, the residential portion of the property must be excluded from the project.