

CASE STUDY

StoneCreek at Copperfield Houston, TX



The Houston PACE program facilitates an innovative source of capital to provide quality senior housing and care in the Copperfield area of the City.

THE PROBLEM:

Access to quality senior housing is a challenge facing communities across the state of Texas, including the Copperfield area of Houston. Recognizing this need, StoneCreek Real Estate Partners identified a site that was originally developed with a pool, sport courts and an office building. They initially explored alternative capital sources including comparatively expensive mezzanine debt, but then decided the best fit for their project was Property Assessed Clean Energy (TX-PACE) financing.

THE PACE SOLUTION:

In place of typical mezzanine debt with interest rates between 12%-15%, StoneCreek Real Estate Partners worked with capital provider, Counterpointe SRE and used TX-PACE to fund \$2.8 million in energy efficiency and water conservation measures financing at an interest rate of 5.85%. With upgraded HVAC, lighting, building envelope, domestic water heating, and water conservation measures, StoneCreek at Copperfield's annual use of electricity will be reduced by 44%, water use will be 44% lower, and natural gas use will be reduced by 25%.

According to Nick Craig, of Stonecreek Real Estate Partners, "We are bringing a project to life that will raise the standard of living for Houston seniors while incorporating energy efficiency." This upfront investment yields a savings of approximately \$84,000 per year and the creation of 29 clean energy jobs. Mark McClure, director at Counterpoint SRE noted that: "By providing capital through TX-PACE and PACE programs nationally, CounterpointeSRE is able to play a role in reducing the carbon footprint of our built environment, while providing developers a source of funds that is more flexible and lower cost than preferred equity or mezzanine finance."

COMMUNITY IMPACT:

StoneCreek at Copperfield created a much needed 108-bed senior housing facility, increasing access to quality senior housing and care in the community, while the energy-efficiency and water conservation measures supported by TX-PACE financing reduced the facility's ongoing operational costs. From the City of Houston's perspective, Lara Cottingham, Chief Sustainability Officer concluded, "This use of the City's PACE program to facilitate \$2.8 million in private financing to make the StoneCreek of Copperfield senior living facility more energy and water efficient is a perfect example of how we can reduce the impact of climate change in our community and reduce the cost of operating senior housing facilities. This is a win-win for Houston."

PROJECT OVERVIEW

PROJECT FINANCING

Total Assessment: \$2,794,544
Term: 25 years

PROJECT PARTNERS

City of Houston & Counterpointe SRE

ANNUAL IMPACT

Clean Energy Jobs Created
29.75

Anticipated Electric Energy Savings
305,822.00 kWh

Natural Gas Savings
677.00 mmBTU

Total Anticipated Water Savings
3107 kGal

Clean Air Improvements
Avoided CO2: 195.03 tonnes
Avoided NOX: 0.08 tonnes
Avoided SOX: 0.27 tonnes

BUILDING

Building Size: 79,218 square feet
Built: 2021

IMPROVEMENTS

Lighting, HVAC, Building Envelope, Domestic Water Heating, Water Conservation



PACE IN TEXAS

Texas PACE answers the question, "How are we going to pay for it?" and is transforming how developers, owners, and contractors look at projects, proving that there is a clear path forward for energy efficiency, distributed generation, water use reduction, and resiliency projects in existing buildings.



HOW DOES TX-PACE WORK?

Property Assessed Clean Energy (PACE) is an innovative financing program that offers commercial, industrial, and large multifamily property owners an opportunity to participate in a voluntary program to obtain up to 100% financing for water conservation, energy-efficiency, and distributed generation retrofits. PACE has great potential to directly affect a business' bottom line; a project's savings in utility costs offsets the cost of installing the project. In most instances, this will result in an immediate positive cash flow.



THE CITY OF HOUSTON

The City of Houston's TX-PACE program is based on the PACE in a Box model, created by over 130 volunteer stakeholders for Texas. The market-based, flexible TX-PACE program enables property owners to do business with the parties of their choosing at the lowest possible administrative cost. The program includes a high level of consumer protection to ensure that the projects will deliver the anticipated savings.

www.houston.texaspaceauthority.org



TEXAS PACE AUTHORITY

Texas PACE Authority (TPA) administers the City of Houston PACE Program. TPA is a nonprofit organization that administers over 80 programs in Texas with a market-based approach to energy finance and economic development. TPA works with all parties – property owners, contractors, and lenders to bring energy and water improvements that are both economically sound and environmentally friendly.

www.texaspaceauthority.org



COUNTERPOINTE SRE

Counterpointe Sustainable Real Estate (SRE) provides capital to fuel the deployment of sustainable and energy efficient infrastructure in commercial and multifamily buildings. Counterpointe SRE has been financing the reduction of carbon emissions since 2014. They have played a role in the formation of the PACE industry from its onset and are focused on driving investment toward clean energy and efficiency in one of the nation's most impactful segments: commercial real estate. While buildings produce over 70% of the nation's carbon emissions, that's not the only reason CSRE invests in their improvement. These same buildings represent an opportunity for economic and community development.

www.counterpointesre.com

FOR MORE INFORMATION CONTACT US TODAY!



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