

## X-Caliber Eyes 'Micro-Rural' Projects

**X-Caliber** intends to originate more construction debt on commercial real estate projects in small U.S. communities by incorporating commercial Property Assessed Clean Energy financing into the loan packages.

The Irvington, N.Y.-based lender has lined up about \$700 million of potential deals to be funded through its Rural PACE-X initiative. Roughly half of those are on track to close by year-end, starting with the first one early next month. Each financing deal would be split between senior-secured debt originated by X-Caliber's [Rural Capital](#) unit and a C-PACE loan from its **CastleGreen Finance** affiliate.

The program, to be marketed as a new stand-alone loan offering, aims to provide high-leverage financing for projects of at least \$20 million, with no upper limit. It's focusing on resorts, industrial properties and any other type of commercial real estate that would create jobs in nonmetropolitan areas populated by fewer than 20,000 people. Even with strong metrics, such deals often get overlooked by mainstream lenders, said CastleGreen managing partner **Sal Tarsia**.

"A lot of these micro-rural areas we're targeting might be resort areas or have other significant demand drivers, despite being low in actual population," he said.

Developers can use C-PACE loans, which are repaid via assessments collected with property taxes, to help finance the construction of commercial buildings that meet certain standards for energy efficiency and sustainability. Those fixed-rate loans generally have terms of 20 to 30 years.

X-Caliber's Rural Capital arm, led by executive manager **Jordan Blanchard**, is the nation's leading provider of funds for rural business and economic development projects under the **U.S. Department of Agriculture's** OneRD Guarantee Loan program.

That unit's originations under the Rural PACE-X platform, with fixed or floating rates and terms ranging from three to five years, would be similar to its USDA-backed loans. But they



typically would not be guaranteed, X-Caliber chief executive **Christopher Callahan** said.

X-Caliber also originates **HUD** mortgages and bridge-to-equity loans, including senior and mezzanine debt, on commercial properties across the U.S. — primarily in the multi-family and healthcare sectors. ❖

**COMMERCIAL MORTGAGE ALERT: September 6, 2024**

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