

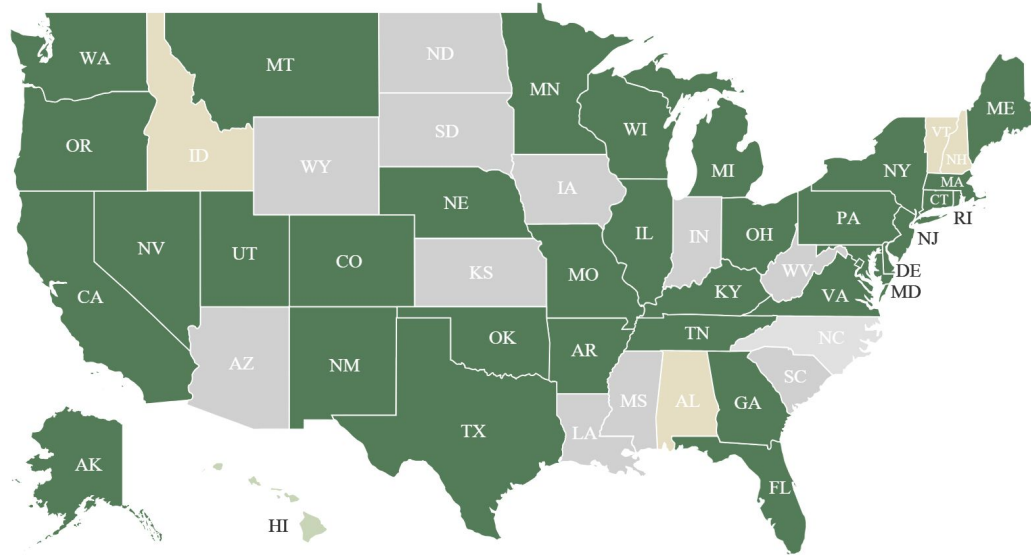


NM C-PACE Program

What is C-PACE?

- Commercial Property Assessed Clean Energy (C-PACE) is an alternative source of financing for improvements to commercial properties.
- Eligible properties include: any privately-owned commercial, agricultural, industrial, or multi-family property of five or more dwelling units. This includes properties owned by a not-for-profit organization.
- Covers the direct and indirect costs related to reducing energy or water consumption, generating renewable energy, or building resiliency.
- Over 90 C-PACE lenders and \$6.3 billion funded on over 3,200 commercial properties across the US.

Active C-PACE Programs



Map key



Active program(s)



Program in development



PACE-enabled

How to establish the program?

- States authorize C-PACE programs by statute. This was done in New Mexico through the Improvement Special Assessment Act enacted in 2023 via House Bill 228.
- Counties and Municipalities need to opt in to the program via ordinance (or resolution for Municipalities) so that projects within their jurisdiction can use it.
- Adelante Consulting has been contracted by NM EDD to serve as statewide program administrator for the C-PACE Program.
- C-PACE Capital providers provide funds without any public dollars or subsidy.

C-PACE Financing Process

1. Define the project and the portion eligible for C-PACE financing
2. The property owner and capital provider negotiate financial terms
3. Obtain a technical analysis of the project's utility savings
4. Obtain the consent of other lienholders on the property
5. The property owner/capital provider submits their application to the program administrator
6. The County signs and records 3 closing documents once a project application is approved
7. Payments are billed and collected by the capital provider but enforced like property taxes

Typical Measures Funded by C-PACE



Lighting
upgrades



HVAC systems



Building envelope
& insulation



Automatic
building controls



Solar PV



Solar thermal



Microgrids



EV charging
stations



Variable
frequency drives



Boilers & hot
water heating



Roof replacement



Water
conservation



Seismic resiliency



Hurricane
resiliency



Stormwater
management



Fire resiliency

General C-PACE Benefits



- Financing for 100% of direct and indirect costs;
- Fixed interest rates;
- Up to 30 years to repay;
- Secured by a property lien (not a personal guarantee); and
- Non-acceleratable in the event of default.

Benefits for Property Owners/Developers



- Overcome the up-front costs of a potential project
- Increase property value
- Lower operating costs through energy efficiency
- Special assessment is transferable upon sale

Benefits for County/Municipal Governments



- More jobs are created
- Local building stock value is enhanced
- Carbon footprint of buildings is reduced
- Resiliency of buildings is improved
- Higher property tax payments

Benefits for Capital Providers



- Stronger security for investors due to repayment via property tax bill
- Increased collateral value
- Increased cash flow

Benefits for Existing Lienholders



- Enhance property value
- Improve building's longevity
- See collateral improved without increase in credit risk
- Financing only permitted with consent of all existing lienholders

Frequently Asked Questions

- Q: Seniority of lienholders?
- A: From the statute - Written consent from any holder of a lien, mortgage or security interest in the real property that the property may participate in the program and that the special assessment lien shall have priority superior to all liens, claims and titles except a lien for general ad valorem property taxes or an improvement district lien that is coequal to property taxes.
- Q: Liability for local government?
- A: From the statute - A county is not liable in any way for the debt of the property owner, is not a third-party obligor and is not pledging or lending its credit to the property owner or the capital provider.

Frequently Asked Questions

- Q: Who is responsible for the billing and collection of loans?
- A: From the guidebook - Billing, collection, and enforcement of delinquent Improvement Special Assessment Liens or Improvement Special Assessment financing installment payments, including foreclosure, are the responsibility of the Capital Provider.
- Q: How are interest rates determined?
- A: From the guidebook - Interest rates are negotiated in a Special Assessment Financing Agreement between the Property Owner and the Capital Provider.

Frequently Asked Questions

- Q: What are the administrative fees associated with C-PACE?
- A: The Program Administrator's fees are outlined in the program guidebook and are paid at closing along with any required fees by the County for signing and recording the closing documents.
- Q: What is the responsibility of the program administrator?
- A: Responsibilities include:
 - Supporting interested Counties/Municipalities to opt in
 - Processing all project applications
 - Providing educational outreach and answering C-PACE questions for any interested stakeholders
 - Providing semi-annual reports on the C-PACE financing loan portfolio

Updates for New Mexico

- Counties connected with: Bernalillo, Doña Ana, Santa Fe, Sandoval, Valencia, McKinley, Curry, Taos, and Los Alamos.
- Bernalillo County introduced their C-PACE ordinance on April 9th, 2024 and final adoption is expected on May 28th.
- Albuquerque to introduce their resolution on May 20th, 2024.
- The NM C-PACE website is launched: www.nmcpace.com
- Connected to 9 out-of-state capital providers with C-PACE financing experience
- Reaching out to credit unions & other local financial institutions

Contact Information

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