



## Nevada C-PACE Overview

for



*February 18, 2025*

Presented by:



# Today's Presenter

## ■ Brian McCarter

- CEO of Sustainable Real Estate Solutions (SRS)
- C-PACE Program Administrator for Nevada Cities and Counties:
  - **Southern NV jurisdictions**
    - City of Las Vegas
    - City of North Las Vegas
    - City of Henderson
  - **Northern NV jurisdictions**
    - City of Reno
    - City of Sparks
    - City of Fernley
    - County of Washoe
    - County of Pershing
- \$172 million in C-PACE project amount financed to date



# Today's Agenda

- **Nevada C-PACE Background**
- **Program Updates** (SB 283)
- **Resources**

# Nevada C-PACE Background



# Nevada C-PACE Background

- **2017:** Nevada State Legislature adopted C-PACE enabling legislation - Nevada Revised Statutes Chapter 271.6312-6325
  - Authorizes Municipalities to establish C-PACE programs
- **2019:** Las Vegas, Reno and Fernley launched C-PACE programs
- **2020:** Henderson launched its C-PACE program
- **2021:** Nevada State Legislature, via Senate Bill 283, amended and expanded the original NRS 271 enabling legislation
- **2022:** Las Vegas, Reno, Fernley and Henderson amend their C-PACE Resolutions to conform with Senate Bill 283
- **2023:** North Las Vegas, Sparks, Washoe & Pershing Counties adopt C-PACE

# C-PACE Structure

- **Structure:** “Open Market” enables property owners to select their preferred developers, contractors & private capital providers
  - No public funds are used to finance projects
- **Program Sponsor:** City or County
  - Participating area defined by City or County corporate limits
- **Administration:** 3<sup>rd</sup> party administration by SRS
- **Example Websites:**
  - [vegaspaces.com](http://vegaspaces.com)
  - [renocpaces.com](http://renocpaces.com)

# What is C-PACE?

- **New way to finance Qualified Improvement Projects\* in Qualifying Commercial or Industrial Property retrofits & new construction.**
- **\*Qualified Improvement Projects:** improvements which are permanently affixed and have a useful life of 10+ years in the following categories:
  - **Energy efficiency:** improvements that decrease energy consumption, e.g., HVAC, LED lighting, controls, etc.
  - **Renewable energy:** equipment used to generate electricity from renewable energy, e.g., solar PV, including energy storage

# Qualified Improvements (cont.)

- **Resiliency projects:** improvements that increase structural resiliency for:
  - Seismic events
  - Indoor air quality
  - Wind and fire resistance
  - Electrical outages
  - Urban heat island effects
  - Environmental hazards
  - Stormwater management and flash flooding risk
- **Water efficiency:** improvements that conserve or remediate water
  - “Nonfunctional turf” removal projects, per NV Assembly Bill No. 356, are eligible

# C-PACE Key Benefits

- **Existing building retrofits:** Up to 100%<sup>(1)</sup>, long-term financing<sup>(2)</sup> not to exceed 25% of fair market value of the Tract as determined by a certified appraiser
- **New construction:** long-term financing<sup>(2)</sup> not to exceed 35% of fair market (“as stabilized”) value of the Tract as determined by a certified appraiser provided new building meets or exceeds current NV energy code (IECC 2018)
- **Financing is secured through a voluntary and assignable assessment lien recorded against the owner’s property**

*(1) Including hard and soft costs*

*(2) Financing Term not to exceed the weighted average effective useful life of Qualifying Improvement(s).*

## C-PACE Key Benefits (cont.)

- **Repayment to the Capital Provider per the terms of:**
  - **Assessment Agreement** between Property Owner and City/County
  - **Financing Agreement** between Property Owner and Capital Provider
- **Transferrable upon sale**
- **Non-accelerating** (akin to a city/county special improvement district assessment)

# Program Updates

**The June 2021 Senate Bill 283 amendments caused existing C-PACE programs to amend and restate their Resolutions**



# Program Updates

## Key updates and clarifications:

- **Qualified Improvement Projects:** expanded beyond energy efficiency and renewable energy to include **resiliency** and **water efficiency** projects
- **Energy Efficiency Improvement Project:** no longer requires a savings-to-investment ratio greater than 1 ( $SIR > 1$ ), rather improvements that decrease or support the decrease of energy consumption are eligible.
  - Projects must be supported by an Energy Audit performed by a Qualified Service Company – a firm with a record of established similar projects or a person with demonstrated technical capabilities that is licensed under applicable City and State laws and in good standing with Nevada State Contractors Board
  - See Program website > Resources page for Contractor Application
- **Renewable Energy Project:** expanded to include energy storage systems

## Program Updates (cont.)

- **Assessment and Assessment Lien:** new defined term clarifying the voluntary lien created by the City/County against a Tract benefited by a Qualified Improvement Project.
- **Assessment Agreement:** new agreement form between the City/County and the Property Owner, whereby the Owner consents to a voluntary Assessment and Assessment Lien imposed and recorded on their property as security for the repayment of the Financing as defined in the Financing Agreement.
- **Notice of Assessment and Assessment Lien:** new form executed by the City/County and recorded in the records of the County Recorder's Office to evidence the Assessment Lien.
- **Assignment of Assessment and Assessment Lien:** Updated form to facilitate the assignment of the Assessment and Assessment Lien to the Qualified Capital Provider following the recording.

# Program Updates (cont.)

- **Financing Agreement:** no longer requires the City/County to be a party to the agreement, rather the Financing Agreement is now a 2-party agreement between the Property Owner and Qualified Capital Provider.
- **Lender Consent:** updated form whereby a Lender (party that holds a mortgage, deed of trust or other recorded instrument that encumbers a Tract as security for repayment of a loan) consents in writing to the creation of an Assessment and Assessment Lien against a Tract for a Qualified Improvement Project.
  - Each consent must be recorded in the County Recorder's Office and once recorded is binding on the Lender.
- **Qualified Capital Provider:** clarification that the Capital Provider is solely responsible for the billing, collection, and enforcement of the Assessment and Assessment Lien.
  - Clarification that enforcement shall be by judicial foreclosure in the manner of a mortgage per NRS Chapter 40.

# Program Updates (cont.)

- **Delinquent C-PACE Payments:** clarification that delinquent payments will result in the interest and penalties set forth in the Financing Agreement
- **Delinquencies and lien priority:** clarification that only the current C-PACE payment and any delinquent payments shall be prior and superior to all liens, claims, encumbrances and titles other than liens and assessments of general taxes pursuant to NRS 361.450.
- **Liens:** clarification that the outstanding amount owed on all recorded liens against a Tract, together with the C-PACE Financing Amount, shall not exceed 90% of fair market value as determined by a certified appraiser.

# Resources



# Resources

Program websites: [vegascpace.com](http://vegascpace.com) & [renocpace.com](http://renocpace.com) > Resources page includes updated documents\*:

- **Senate Bill 283**
- **Amended and Restated City Resolution**
- **Program Guide**
- **Form of Assessment Agreement**
- **Form of Notice of Assessment and Assessment Lien**
- **Form of Assignment of Assessment and Assessment Lien**

\*Template documents enable new jurisdictions to adopt C-PACE with minimal effort.

# C-PACE Contact

For questions and support:

- **Brian McCarter**
  - (203) 459-0567
  - [BMcCarter@PACEworx.com](mailto:BMcCarter@PACEworx.com)

