



**Economic Innovation and Sustainability Committee
MEETING AGENDA
July 15, 2021
Upon Adjournment of Regular CSCDA Meeting**

Pursuant to Governor Newsom's Executive Order, Commissioners of the California Statewide Communities Development Authority or staff may participate in this meeting via a teleconference. In the interest of maintaining appropriate social distancing, members of the public may participate in the meeting telephonically. Members of the public may observe and offer comment at this meeting telephonically by dialing 623-404-9000, Meeting ID 240 338 9861 Passcode 747188. If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act ("ADA") please contact info@cscda.org or 1-800-531-7476 prior to the meeting for assistance.

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.

____ Brian Stiger, Member
____ Tim Snellings, Member
____ Brian Moura, Member

2. Consideration of the Minutes from the June 17, 2021 Meeting.

3. Public Comment.

B. ITEMS FOR CONSIDERATION AND ACTION

4. Consideration of Urban Ingenuity as a commercial PACE administrator.

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

5. Staff Updates.

6. Adjourn.

NEXT MEETING: Thursday, August 20, 2021 upon adjournment of CSCDA Regular Meeting.



MINUTES

MEETING OF THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY ECONOMIC INNOVATION & SUSTAINABILITY COMMITTEE

June 17, 2021

1. Roll Call.

Committee members participating via teleconference: Tim Snellings, Brian Moura and Brian Stiger.

Others participating via teleconference: Cathy Bando, CSCDA Executive Director; James Hamill, Bridge Strategic Partners.

2. Consideration of the April 15, 2021 Minutes

The Committee unanimously approved the minutes.

3. Public Comment.

There were no public comments.

4. Consideration of lender consent policy for commercial PACE.

The Committee unanimously approved the updated lender consent policy for commercial PACE.

5. Consideration of PACE policy related to state and federal securities laws.

The Committee unanimously approved the PACE policy related to state and federal securities, and directed staff to bring the matter back to the Commission.

6. Discuss commercial PACE related to cannabis facilities.

This item was tabled for consideration at a later meeting.

7. Staff Updates.

None.

The meeting was adjourned at 3:02 p.m.

Submitted by: James Hamill, Managing Director

NEXT MEETING: Thursday, July 15, 2021 after the regular CSCDA meeting.



Agenda Item No. 4

Agenda Report

DATE: July 15, 2021

TO: Committee Members

FROM: James Hamill, Managing Director

PURPOSE: Consideration of Urban Ingenuity Finance as a commercial Open PACE Program Administrator.

EXECUTIVE SUMMARY:

CSCDA received a proposal Urban Ingenuity for commercial PACE only program administrator under the CSCDA Open PACE program.

OVERVIEW:

Urban Ingenuity

- Urban Ingenuity provides innovative solutions to develop and finance advanced energy projects, building retrofits, and state of the art clean energy infrastructure.
- With special expertise in PACE financing and other tools of public and private financing, Urban Ingenuity brings new capital resources to support deep energy efficiency retrofits of commercial and multi-family buildings, and to support project development of clean-energy micro-grids, co-generation facilities, and solar installations.
- Urban Ingenuity is the program administrator for the DC PACE program, and has created innovative PACE solutions for nonprofits and multifamily housing.

Urban Ingenuity exceeds all of the CSCDA Program Administrator requirements as outlined below:

1. Program administration contract with CSCDA;
2. Exclusively offer C-PACE through CSCDA only in California;

3. Minimum of \$25MM in capital available for financing C-PACE loans. Availability of capital needs to be evidenced by a capital commitment letter or letter of intent; ***Urban Ingenuity has a commitment from a capital provider for \$125 million to fund CPACE projects.***
4. Minimum transaction size \$2MM;
5. C-PACE finance team established including bond counsel, assessment engineer and trustee;
6. Minimum 2 years of C-PACE or similar financing experience; ***The Urban Ingenuity team has over 10+ years' experience in CPACE.***
7. Ability to manage delinquency of assessments.
8. Upon Commission approval of program handbook and documents, individual C-PACE transactions do not need to be approved by the CSCDA Commission.

Attachment A – Powerpoint Overview of Urban Ingenuity

RECOMMENDED ACTION:

Recommend the approval of Urban Ingenuity as a new commercial Open PACE Program Administrator.



URBAN INGENUITY

C-PACE Program Administration Application to CSCDA

Urban Ingenuity PACE: *Executive Summary*

- Urban Ingenuity PACE (UI) is an established provider of Commercial Property Assessed Clean Energy (C-PACE) financing based in Washington, DC and operating nationally. To date, UI has structured a cumulative of \$100M of clean energy project finance using PACE and a variety of financing tools.
- As the long-standing program administrator to the DC PACE program, a founding member of PACE Nation and the Mid-Atlantic PACE Alliance, and a frequent technical service provider to property owners and PACE programs around the country, Urban Ingenuity has over 10 years experience with successful PACE project development, financial underwriting, closing, and asset management.
- UI has closed over \$45 M in PACE financing to date, making DC PACE one of the largest municipal PACE programs in the country. Urban Ingenuity serves as the program administrator under contract to the DC government overseeing a \$250M Bonding authority
- UI also has proven experience in PACE product innovation, as the first PACE provider to successfully develop tax exempt PACE financing for non-profits and the first HUD approved use of PACE in the context of Low Income Housing Tax Credit finance.
- UI has engaged two capital provider partners for the CA Open C-PACE program. Through these partnerships, Urban Ingenuity PACE can finance a minimum of \$250K up to a maximum of \$125M, as evidenced by the capital commitment letters submitted with this package.
- UI submits its application to CSCDA with a dedicated C-PACE finance team to include the following external support groups:
 - Bond Counsel – Jones Hall
 - Trustee – Wilmington Trust
 - Assessment Engineer – DTA
 - Special Counsel - Martin Gitlin, Clean Energy Counsel



Urban Ingenuity PACE: *Our Experience*

PACE Financing:

- Oversee \$250M PACE Bonding Authority for Washington DC
- Administrator to local DC PACE program, serving Department of Energy & Environment and Local Green Bank (33 projects closed)
- Advisor to NYCEEC and the NYC PACE Program
- First in the nation to structure LIHTC, HUD Assisted & Tax-Exempt PACE



Solar Development & Investment Platform:

- Open-Source solar finance and turn-key development solutions, with strength in affordable housing portfolios & non-profit organizations (Example: partnership with National Housing trust)
- Serving diverse assets, flexible structuring solutions & community benefits
- Minimize complexity while maximizing transparency & control for clients



Microgrid Advisory Services:

- Technical assistance, owner's agent, and development services to institutions (Gallaudet University, NYC Hunts Point, Walter Reed)
- Advisory services for local governments (DC DOEE, NYC: ORR, MOS, EDC). Strong focus on climate resilience and contractual structuring.
- Mission alignment with equity, economic and performance goals



Urban Ingenuity PACE: *C-PACE Platform + Asset Focus*

Minimum/ Maximum transaction size

Urban Ingenuity PACE can administer projects from \$250K at a minimum and up to \$125 Million

Qualified measures Urban Ingenuity PACE supports

Any improvements/measures allowable by CSCDA including:

- greater energy efficiency,
- reduced water usage,
- renewable energy,
- Seismic resilience measures,
- measures permanently affixed to the project, and
- measures that payback is less than the weighted measures' useful life

Building types Urban Ingenuity PACE supports

- multifamily
- office
- industrial
- retail
- hospitality
- senior living
- hospitals
- healthcare, and
- specialty assets such as sports stadiums, entertainment venues, and health clubs
- other allowable properties



Urban Ingenuity PACE: *Our Team*

Bracken Hendricks, Chief Executive Officer & Co-Founder. Bracken oversees all new market development, policy analysis and financial product development for Urban Ingenuity, with a special focus on reaching underserved communities. He also oversees operations of the District of Columbia's Commercial PACE program and advises on development of local Green Banks. As senior fellow with a leading think tank he helped shape clean energy portions of the American Recovery and Reinvestment Act and established US Department of Energy's Better Buildings Challenge. Bracken holds a Master's in public policy and urban planning from the Harvard Kennedy School and is co-author of the book "Apollo's Fire" with Washington State Governor Jay Inslee.

Ian Fischer, Chief Financial Officer & Co-Founder. Ian oversees all aspects of clean energy project development and financial structuring. Ian was part of the core team that developed the District of Columbia's Commercial PACE program, has advised on the development of programs in Connecticut, Philadelphia, and New York City, and he has 10-years of experience developing and operating PACE programs. Prior to UI, Ian was the Vice President at Clean Energy Solutions, Inc. where he managed multidisciplinary teams that worked with cities and states nationwide to design and execute energy efficiency and renewable energy programs that collectively have deployed over \$250 million of private capital into clean energy projects. Ian holds an MBA from the Yale School of Management and a BA in Biology from Brown University.

Martin Gitlin, Special PACE Counsel. Martin has 30 years of experience advising clients on a broad range of transactional matters related to the development and financing of energy projects, with particular emphasis on greenhouse gas emissions and emissions trading, distributed renewables and energy efficiency. Since 2011, he has been involved in all aspects of Property Assessed Clean Energy ("PACE") financing, representing capital providers, originators, program administrators, program sponsors, contractors and borrowers under residential and commercial PACE programs across multiple states. Martin was part of the team that designed the commercial PACE programs in Colorado and Greater Cincinnati and has testified in favor of the establishment of PACE programs. In recognition of his work to promote PACE financing, in 2021, PACENation recognized Martin with a "PACE Setter" award. Martin received his J.D. from the Harvard Law School, a Master's in Public Policy from the Harvard Kennedy School and an A.B. from the University of California, Berkeley. He is admitted to practice in New York, California, Colorado, Connecticut and the District of Columbia (inactive).

Urban Ingenuity PACE: *Our Team*

Niki Molina, PACE Administrator & Senior Financial Analyst. Niki oversees all aspects of financial and technical underwriting, project management, product development and customer engagement, ensuring seamless integration of project policy, technical and financial requirements. Before joining UI, Niki worked in community banking for 18 years, recently as a Portfolio Manager at John Marshall Bank where she was responsible for asset management, underwriting and loan documentation for the Bank's Community Development, Non-Profit and Commercial Real Estate lending portfolio. Niki is certified in Business and Commercial lending by the American Bankers Association.

David Godschalk, General Counsel. David has experience in government, in private practice, and as a corporate general counsel on matters including municipal finance, project finance, affordable housing and community development, civil rights, and securities and other regulatory matters. David has a Masters in public administration from Harvard's Kennedy School of Government and a JD and BA from the University of North Carolina.

John Clune, Senior Technical Analyst. John serves as lead technical energy project analyst for the Washington DC Property Assessed Clean Energy program (DC PACE), overseeing all energy underwriting for DC Government approval. He has served as an owner's agent for local governments, public housing authorities, affordable housing organizations, county buildings and private developers. Past clients include the Holyoke, MA municipal electric utility; development of a Local Energy Assurance Plan for Wilmington, NC; and serving as owner's agent for the Marin, CA Housing Authority; the City of Annapolis, MD; and affordable housing projects in Virginia and Rhode Island. Mr. Clune also provides energy project analysis for Clean Energy Solutions, Inc. and formerly worked with Ameresco, Inc., and EUA Citizens Conservation Services, Inc. He holds a BS in Business Management from Westfield State College.

Nora Barger, Project Manager. Nora is a project manager for Urban Ingenuity focusing on CA Open C-PACE and assisting UI's growth into additional markets. Prior to UI, Nora was a project manager with Clean Energy Solutions Inc. focusing on managing energy efficiency and renewable energy programs across the Mid-Atlantic and Southeast. She has managed programs in Maryland, Virginia, North Carolina and the US Virgin Islands. She began working on innovative programs by managing and administering the green roof incentive program in Washington, DC. Nora holds a Masters of Urban and Environmental Planning from the University of Virginia.



Urban Ingenuity PACE: C-PACE Bond Placement + Assessment Team

Bond Placement Agent. Urban Ingenuity is working with a fully licensed and full-service investment bank including municipally licensed investment bankers. This partner has a team of two investment bankers and two analysts dedicated to C-PACE transactions in addition to over 75 public finance bankers with specialties including Housing Authorities, Affordable Housing, Higher Education, Healthcare, and Utilities. They have been active in the C-PACE market since 2016 and operate as an approved placement agent for the California C-PACE program and currently have over \$50 M in secured transactions in Wisconsin, Michigan, Missouri and Ohio. In addition Urban Ingenuity will service projects in the CA market backed by a 2nd investor with a dedicated commitment to affordable housing serving non profit organizations. Please see letter of support for more information on partnership commitments and capital market engagement strategy

Jones Hall (Bond Counsel). Each year ranked consistently among the top bond counsel firms in California, Jones Hall is known for providing the highest level of service and expertise to their clients. Since 1978, Jones Hall has been helping cities, counties, school districts, housing authorities, special districts and public agencies finance public infrastructure through providing services centered around municipal bond law.

Wilmington Trust (Trustee). Wilmington Trust, member of the M&T corporate family, acts as Trustee, Paying Agent and Registrar for more than 350 public finance housing bonds- representing more than \$10 billion in bonds outstanding. Wilmington Trust is experienced with revenue bonds, assessment district bonds and provide reliable corporate trust services though their offices across the United States.

DTA (Assessment Engineer). DTA, established in 1985, is a California public finance consulting firm headquartered in Newport Beach with a national practice focusing on the establishment and implementation of infrastructure financing programs. DTA has completed consulting assignments pertaining to the financing of public infrastructure and services for more than 3000 in 10 states, with total authorized bonded indebtedness in excess of \$60 billion. DTA is licensed and registered with the US Securities and Exchange Commission (SEC) and Municipal Securities Rulemaking Board (MSRB) as a Municipal Advisor and follows all the fiduciary requirements associated with this designation.



Urban Ingenuity PACE: *Contact Information*

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