



**Economic Innovation and Sustainability Committee
MEETING AGENDA
August 22, 2022
Upon Adjournment of CSCDA Regular Meeting**

Pursuant to Government Code Section 54953(e) (Assembly Bill 361), 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 669-900-9128, Meeting ID 259-798-2423, Passcode 129070. If you experience technical problems with the telephonic meeting, please contact info@cscda.org or 1-800-531-7476 for assistance. 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 May 5, 2022 Meeting.
3. Public Comment.

B. ITEMS FOR CONSIDERATION AND ACTION

4. Consideration of DTC book-entry for Poppy Bank commercial PACE transactions.
5. Consideration of sewer/water line improvements as an eligible measure for PACE.
6. Consideration of three-year program administration agreement extension for PACE Equity and White Oak Advisors.

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

7. Staff Updates.

8. Adjourn.

NEXT MEETING: Thursday, September 15, 2022 upon adjournment of CSCDA Regular Meeting



MINUTES

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

May 5, 2022

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 March 17, 2022 Minutes

The Committee unanimously approved the minutes.

3. Public Comment.

There were no public comments.

4. Consideration of Lief Real Estate Energy Partners as a CSCDA commercial PACE Program Administrator.

The Committee approved recommending Lief as a commercial PACE program administrator to the CSCDA Commission.

5. Consideration of Proposal from Allectrify.

The Committee reviewed the proposal and agreed to continue to take the next steps to establish a small commercial PACE program.

6. Consideration of three-year program administration agreement extension for Nuveen Green Capital (formerly Greenworks).

The Committee recommended a three-year extension for Nuveen Green Capital.

7. Staff Updates.

None.

The meeting was adjourned at 2:42 p.m.

Submitted by: James Hamill, Managing Director

NEXT MEETING: Thursday, June 21, 2022 after the regular CSCDA meeting.



Agenda Item No. 4

Agenda Report

DATE: August 18, 2022

TO: Committee Members

FROM: James Hamill, Managing Director

PURPOSE: Consideration of DTC book-entry for Poppy Bank commercial PACE transactions.

EXECUTIVE SUMMARY:

Poppy Bank (the “Bank”) is a CSCDA commercial Open PACE administrator. They have requested that the documents for their transactions allow for DTC book-entry.

A Depository Trust Company (DTC) settled bond has the advantage of being able to be kept in book-entry form with the Bank’s safekeeping institution. With physical settlement, the Bank holds the bonds in their own vault because most safekeeping agents no longer accept paper. Furthermore, a DTC settled bond would be assigned a CUSIP and be Bloomberg traceable, so this would allow the Bank’s third-party recordkeeper to include it in the monthly accounting entries, and the Bank would no longer need to account for the assets on its internal loan accounting system.

Jones Hall as PACE Counsel to CSCDA has reviewed this request and see no issues or concerns.

RECOMMENDED ACTION:

Recommend to bringing a resolution to the CSCDA Commission for approval of DTC book-entry bonds for Poppy Bank commercial PACE transactions.



Agenda Item No. 5

Agenda Report

DATE: August 18, 2022

TO: Committee Members

FROM: James Hamill, Managing Director

PURPOSE: Consideration of sewer/water line improvements as an eligible measure for PACE.

EXECUTIVE SUMMARY:

Water conservation projects are eligible to be financed by residential PACE under the CSCDA program. Such water conservation efforts have been successful, but also have created a related requirement for a growing number of homeowners to replace old sewer lines in order to prevent leakage of grey water into the ground rather than being recycled. In addition, leaky sewer lines divert untreated sewage directly into the ground and possibly groundwater at the residence.

On a broader, community scale, when the wastewater from a house doesn't reach the main sewer line, there is less water in the sewer line. Sewer lines need a certain amount of water flowing through them to function properly. When there is not enough water in the sewer lines, the sewer company has to manually add water and flush the sewer mains. In today's drought conditions, this is a waste of water.

In most communities, the homeowner is responsible for any repairs from the house to the sewer main in the middle of the street. These are most always emergency, unplanned expenditures. They are very costly, usually in excess of \$20,000.

Jones Hall as PACE Counsel to CSCDA has reviewed the statutes that authorize PACE and have determined that sewer/water line improvements would fit into the category of water conservation, and therefore can be added as a eligible measure for the Open PACE program.

RECOMMENDED ACTION:

Recommend adding sewer/water line improvements as an eligible measure for PACE.



Agenda Item No. 6

Agenda Report

DATE: August 18, 2022

TO: Committee Members

FROM: James Hamill, Managing Director

PURPOSE: Consideration of three-year program administration agreement extension for PACE Equity and White Oak Advisors.

EXECUTIVE SUMMARY:

PACE Equity and White Oak Advisors entered into an Open PACE Program Administration Agreement with CSCDA for commercial PACE in 2019. The initial term was three-years and is expiring at the end of August, 2022. Staff recommends extending the contract another three years. CSCDA's General Counsel has drafted an extension that may be considered by the CSCDA Commission.

Both PACE Equity and White Oak Advisors continue to be active in the commercial PACE space. PACE Equity has closed four transactions with CSCDA, and White Oak Advisors has closed three transactions.

RECOMMENDED ACTION:

Recommend to bringing a three-year Open PACE Program Administration Agreement extension for PACE Equity and White Oak Advisors to the CSCDA Commission for approval.