



CSCDA
CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY



**Economic Innovation and Sustainability Committee
MEETING AGENDA
April 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 Minutes from February 18, 2021 Meeting
3. Public Comment.

B. ITEMS FOR CONSIDERATION AND ACTION

4. Consideration of Payment Penalty Prevention Program.
5. Consideration of PACENation Diverse, Equitable and Inclusive Marketplace.
6. Consideration of updates to PACE Administrator Form Contract.
7. Consideration of updated refinancing lookback qualifications for commercial PACE.

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

8. Staff Updates.

9. Adjourn.

NEXT MEETING: Thursday, May 20, 2021 at adjournment of CSCDA Regular Meeting.



MINUTES

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

February 18, 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. Public Comment.

There were no public comments.

3. Consideration of CastleGreen Finance as a commercial PACE capital provider.

The Committee unanimously approved the recommendation of CastleGreen Finance as an Open PACE capital provider to the CSCDA Commission.

4. Consideration of Bayview Asset Management as a commercial Open PACE Administrator.

The Committee unanimously approved the recommendation of Bayview Asset Management as an Open PACE capital provider to the CSCDA Commission.

5. Consideration of updates to Open PACE Handbook.

The Committee unanimously approved the updates to the Open PACE Handbook, including the spelling correction by T.Snellings.

6. Staff Updates.

None.

The meeting was adjourned at 2:55 p.m.

Submitted by: James Hamill, Managing Director

NEXT MEETING: Thursday, March 18, 2021 after the regular CSCDA meeting.



Agenda Item No. 4

Agenda Report

DATE: April 15, 2021
TO: Committee Members
FROM: James Hamill, Managing Director
PURPOSE: Consideration of Payment Penalty Prevention Program

EXECUTIVE SUMMARY:

The intent of today's presentation is to apprise this Committee of a new program CSAC Finance Corporation is looking partner with CSCDA.

- The purpose of the program is to prevent taxpayers from becoming delinquent by failing to timely pay their property tax bill, and being subject to the statutorily required 10 percent payment penalty which attaches to the property pursuant to state law.
- The program would provide financing to those taxpayers who require short term assistance with the payment of their property taxes. Additionally, it allows taxpayers to effectively schedule monthly payment of property tax, to promote better personal financial management and budgeting.
- The service of monthly payments has been a long-time request of taxpayer groups in California and has been the subject of legislation, including in this legislative year.
- There is currently no commercially available program that effectively enables automatic monthly payments outside of the mortgage process, in part because of the costs of the development of the technology necessary for the program, but also because of the technical know-how and interactions necessary with those that administer the property tax and ultimate beneficiaries of the revenue at counties
- California counties collect more than \$80 billion annually, and allocate those revenues to local agencies within the county where California public school districts are typically the largest beneficiary of this tax revenue.

ANALYSIS:

CSCDA's role in the program would be to provide the financing for the short-term assistance of property tax payers. This would be accomplished through the issuance of a bond/note in the form of a revolving line of credit that could be drawn on based upon demand of property taxpayers.

CSCDA would look to use its existing infrastructure used for SCIP and PACE for the financing and collection. Terms are being finalized with a capital provider, CSAC Finance Corporation and its technology partner.

RECOMMENDED ACTION:

Staff is seeking input on the program and will bring back further details to this Committee as they are outlined.



Agenda Item No. 5

Agenda Report

DATE: April 15, 2021
TO: Committee Members
FROM: James Hamill, Managing Director
PURPOSE: Consideration of PACENation Diverse, Equitable and Inclusive Marketplace

EXECUTIVE SUMMARY:

In March 2019, 150 leaders in the PACE community made a commitment to build a more diverse, equitable and inclusive (DEI) PACE marketplace. These leaders agreed to work with PACENation to develop a set of proactive steps we can take together to build a PACE marketplace that is good for people, good for communities and good for business.

The commitments included in the below plan are intended as another step to facilitate the growth of a PACE marketplace that enables historically underserved and underrepresented communities to be full participants in the nation's clean energy future. Full participation means access to capital for critical building upgrades, access to jobs and career advancement, and access to wealth creation opportunities for people of color, women, people who identify as LGBTQ+, and people with disabilities.

To develop this action plan, PACENation sought guidance and perspective from experienced leaders who have dedicated their careers to advocating for racial, economic and environmental justice.

Transparency and Accountability

In order to facilitate full transparency and accountability about how we are living up to our DEI commitments inside our own organizations, each of us commits to:

- Share employment data with PACENation on an annual basis (subject to internal corporate requirements) so that PACENation can track the PACE industry's progress in hiring and promoting people of color, women, people who identify as LGBTQ+, and people with disabilities;
- Develop specific strategies and tactics to increase the diversity of the PACE supply chain and the companies we do business with.

Hiring and Organizational Leadership

In order to improve the diversity of organizations, especially at senior leadership levels and above, each of us commits to:

- Review recruitment efforts and outline the steps necessary to increase the diversity of our Board of Directors, senior leadership staff and other staff within the next 3 months and then take concrete action to increase the diversity of our Board and leadership within the next 18 months;
- Review hiring practices and implement measures to better reach a diverse pool of candidates.

Cultivating Future Leaders

In order to establish career pathways for future leaders and foster a corporate culture that prioritizes Diversity, Equity and Inclusion, each of us commits to:

- Support an industry-wide “Access and Equity Internship Program,” a paid internship program that is designed to create career pathways for young leaders. Support for this initiative can include but is not limited to funding an internship at one’s own organization, helping to fund an internship opportunity with a local government or PACE administrator, or hosting an internship opportunity that is jointly funded by others;
- Encourage all employees to participate in unconscious bias and allyship training offered annually by PACENation.

Strengthening PACE for All Communities

In order to ensure PACE financing benefits all communities, especially historically underserved communities, each of us commits to:

- (Residential PACE providers only) Coordinate with community stakeholders and relevant policymakers to accelerate the adoption of enhanced national consumer protection standards that will be enforced in all residential PACE programs;
- (Commercial PACE providers only) Coordinate with community organizations and relevant federal agencies (e.g. the U.S. Department of Housing and Urban Development) to reduce barriers and accelerate investment into affordable multi-family housing and long-term care facilities, where high energy costs disproportionately impact low-income communities of color;
- (PACENation only) Support city and county officials in their efforts to ensure access to clean drinking water and clean energy in low-income communities.

Other entities that have signed on to the DEI Action Plan include the following: (1) Cook County, Illinois; (2) New York City Energy Efficiency Commission; (3) City of Philadelphia; (4) New Mexico PACE Program; (5) Michigan PACE Program; (6) Renew Financial; (7) PACE Funding Group.

RECOMMENDED ACTION:

Recommend submitting the PACENation DEI Action Plan to the CSCDA Commission for approval.



Agenda Item No. 6

Agenda Report

DATE: April 15, 2021
TO: Committee Members
FROM: James Hamill, Managing Director
PURPOSE: Consideration of updates to PACE Administrator Form Contract

EXECUTIVE SUMMARY:

In an effort to make improvements to the CSCDA Open PACE program the following updates are recommended to the Program Administration Agreement (the “Agreement”) for residential PACE providers:

1. Legal Reserve Fund - \$100,000 deposit from each residential PACE provider. Paid in \$50,000 installments over 2 years (12/31/21 and 12/31/22). The funds can be used for ongoing and future expenses allocated to each administrator.
2. Document Dropbox – Update the Agreement to provide real-time access to all documents associated with each PACE financing.
3. Monthly Complaint Report – A monthly report filed with CSCDA summarizing complaints including type and timing of resolution.
4. Department of Financial Protection and Innovation (DPFI) Reports – All reports filed with DPFI to also be filed with CSCDA.
5. Termination Clause – Add to the Agreement a “for cause” provision for termination. Due to the addition of the “for cause” provision add an 18 month termination provision for termination “without cause”. Currently the Agreement termination clause without cause is 6 months.
6. Performance Review – Annual performance review with this Committee in January each year starting in 2022.

RECOMMENDED ACTION:

Recommend General Counsel drafting amendment to the Program Administration Agreement for residential PACE providers to incorporate above-referenced updates.



Agenda Item No. 7

Agenda Report

DATE: April 15, 2021
TO: Committee Members
FROM: James Hamill, Managing Director
PURPOSE: Consideration of updated refinancing lookback qualifications for commercial PACE

EXECUTIVE SUMMARY:

Under the current requirements of the CSCDA Open PACE commercial program property owners are able to refinance eligible improvements looking back 3 years from the certificate of occupancy. The PACE statutes are silent as to lookback qualifications, leaving it to CSCDA to make the determination of how far back eligible improvements can be refinanced.

ANALYSIS:

Staff has received requests to extend this lookback to as short as 5 years to as long as 12 years. This would allow eligible measures installed within those proposed windows to be included in a current financing or refinancing. In reviewing other states including Connecticut, Michigan, Florida and Wisconsin who have the longest standing commercial PACE programs the longest lookback is 3 years. Most are at 2 years and some do not allow lookbacks at all. In consultation with PACE counsel, pushing beyond the current 3-year lookback, while legal under the statute, could come under scrutiny for not meeting the intent of the PACE statutes.

RECOMMENDED ACTION:

Staff is recommending maintaining the 3-year lookback period, and monitoring the market to determine if any changes should be made in future.