



**Economic Innovation and Sustainability Committee
MEETING AGENDA
November 18, 2021
Upon Adjournment of Regular CSCDA Meeting**

Pursuant to Governor Newsom's Executive Order, Commissioners of the California Statewide 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 623-404-9000, Meeting ID 240 338 9861 Passcode 747188. 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 August 19, 2021 Meeting.

3. Public Comment.

B. ITEMS FOR CONSIDERATION AND ACTION

4. Consideration of PACE administration agreement update.

5. Consideration of Forbight Bank as a CSCDA commercial PACE Capital Provider.

6. Consideration of Lief Real Estate Energy Partners as a CSCDA commercial PACE Capital Provider.

This ___ page agenda was posted at 1100 K Street, Sacramento, California on _____, 2021 at ___: ___m, Signed _____. Please email signed page to info@cscda.org

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

7. Staff Updates.
8. Adjourn.

NEXT MEETING: Thursday, December 16, 2021 upon adjournment of CSCDA Regular Meeting.



MINUTES

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

August 19, 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 July 15, 2021 Minutes

The Committee unanimously approved the minutes.

3. Public Comment.

There were no public comments.

4. Consideration and discussion of C-PACE structure for condominium project.

The Committee directed staff to work with CCG as a commercial PACE administrator on the condominium project in Napa.

5. Staff Updates.

None.

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

Submitted by: James Hamill, Managing Director

NEXT MEETING: Thursday, September 16, 2021 after the regular CSCDA meeting.



Agenda Item No. 4

Agenda Report

DATE: November 18, 2021

TO: Committee Members

FROM: James Hamill, Managing Director

PURPOSE: Consideration of PACE administration agreement update

Background

Staff was directed to work with CSCDA's General Counsel and residential Open PACE administrators (the "PACE Administrators") to update the CSCDA PACE Administration Agreement (the "Agreement") to reflect today's current environment. The following recommendations for amendments are being proposed.

1. Public Records – Clarify documents that are public records. In addition, if a PACE administrator disagrees that a public records request is a public record they, not CSCDA, needs to file an action with the court to request a clarification.
2. Annual Reports/Reviews – PACE Administrators will file with CSCDA the annual reports it files with the California Department of Financial Protection and Innovation (DFPI). In addition, every January the EIS Committee and staff will conduct an annual review of the PACE administrators.
3. Termination/Extension – The current termination without cause clause under the agreement is six months. It is recommended such clause be extended to eighteen months. This is due to transition and ensuring that all property owners will be serviced correctly. Six months is too small of a window. In addition, it is recommended the PACE Administrator contracts be extended to 2026.
4. Legal Expense Deposit – As this Committee is aware legal expenses incurred by CSCDA associated with PACE have steadily increased. It is recommended that each PACE Administrator deposit \$50,000 into a CSCDA Legal Expense fund to be funded through 2026. This would total \$300,000 for each PACE Administrator over the time period. The funds could only be drawn on for CSCDA legal expenses related to that PACE Administrator, and not payment of any claims or settlements.

RECOMMENDATION:

Staff to work with General Counsel to finalize and submit to the Commission for approval an amendment to the PACE Administrator contracts incorporating the above-referenced amendments.



Agenda Item No. 5

Agenda Report

DATE: November 18, 2021

TO: Committee Members

FROM: James Hamill, Managing Director

PURPOSE: Consideration of Forbright Bank as a commercial Open PACE Capital Provider.

EXECUTIVE SUMMARY:

CSCDA received a proposal from Forbright Bank for commercial PACE only Capital Provider under the CSCDA Open PACE program. As a Capital Provider Forbright Bank would not have a contract with CSCDA, and all transactions would need to be brought back to the Commission for approval.

OVERVIEW:

Forbright Bank

- Forbright Bank (Forbright) is a full-service bank, commercial lender, and asset manager headquartered in Chevy Chase, Maryland, that is committed to accelerating the transition to a sustainable, clean energy economy by financing the companies, investors, and innovators driving that change.
- \$4.5 billion of owned and managed assets, Forbright provides specialty lending and banking services to clients across the United States. Its Sustainable Finance, Healthcare, and Specialty Lending divisions provide nationwide lending products, including customized real estate loans, working capital, warehouse lines of credit, and forward loan purchase agreements.
- Responsible environmental, social and governance (ESG) practices are central to Forbright's commitment to its stakeholders. Forbright is committed to embedding sustainability in the foundation of its business and believe high standard ESG practices are entirely aligned with creating long term value.

Forbright exceeds all of the CSCDA Capital Provider requirements as outlined below:

1. Minimum of \$10MM in capital available for financing C-PACE loans. Availability of capital needs to be evidenced by a capital commitment letter or letter of intent;
2. Minimum transaction size \$2MM;
3. C-PACE finance team established including bond counsel, assessment engineer and trustee;
4. Minimum 2 years of C-PACE or similar financing experience;
5. Ability to manage delinquency of assessments.

Attachment A – Powerpoint Overview of Forbright Bank

RECOMMENDED ACTION:

Recommend the approval of Forbright Bank as a new commercial Open PACE Capital Provider.

Commercial Property Assessed Clean Energy Financing Division



October 2021

ForbrightTM

About Forbright

Forbright Bank (www.forbrightbank.com), rebranded from Congressional Bank, Member FDIC, is a full-service bank, commercial lender, and asset manager headquartered in Chevy Chase, Maryland, that is committed to accelerating the transition to a sustainable, clean energy economy by financing the companies, investors, and innovators driving that change. With over \$4.5 billion of owned and managed assets, the Bank provides specialty lending and banking services to clients across the United States. Its Sustainable Finance, Healthcare, and Specialty Lending divisions provide nationwide lending products, including customized real estate loans, working capital, warehouse lines of credit, and forward loan purchase agreements. The Bank provides real estate loans, mortgage loans, and other business loans, as well as sophisticated and competitive deposit products, which will include deposits linked to decarbonization- and sustainability-oriented loans, to businesses and individuals through its Community Bank division.

Forbright Bank Launch

Forbright Launches to Accelerate Financing of the Clean Energy Transition

Congressional Bank rebrands as Forbright Bank and will dedicate half its assets to financing companies, investors, and innovators driving sustainability and the shift to a low-carbon economy

Former Congressman and entrepreneur John Delaney leads the enterprise's path to net-zero, backed by industry leaders and former government officials at BlackRock, Centerbridge Partners, Gallatin Point Capital, and Bayview Asset Management and former Federal Reserve Vice Chair Donald Kohn

September 21, 2021 08:01 AM Eastern Daylight Time

CHEVY CHASE, Md. --(BUSINESS WIRE)--Congressional Bank today announced its intent to rebrand as Forbright Bank, a full-service bank, commercial lender, and asset manager committed to accelerating the transition to a more sustainable economy and driving decarbonization. Forbright launches as the need to build a more resilient, sustainable, and low-carbon economy grows increasingly urgent, which is why the Bank will dedicate half of its assets to financing the companies, investors, operators, and innovators driving this change.

"The science is clear: Climate change is a fundamental risk to individuals, business, and our world, and we must move to a more sustainable, net zero carbon economy by 2050 to avoid its worst impacts," said founder and Executive Chairman John Delaney. "Governments cannot fund this transition alone. The private sector needs a bank to help finance a brighter, greener, and more sustainable future, and Forbright will be an indispensable financial partner in advancing that goal."

Delaney brings to this endeavor a unique mix of policy and private sector perspective. He founded and led two New York Stock Exchange listed financial services companies before the age of 40 and represented Maryland in the U.S. House of Representatives for six years. In 2017, he was named one of [The World's 50 Greatest Leaders](#) by *Fortune Magazine* and a Climate Legislator of the Year by Citizens' Climate Lobby.

Forbright's approach will empower customers, partners, and stakeholders to seize the tremendous investment opportunities presented by decarbonizing the economy, which analysts estimate will result in an economic benefit to the world of [\\$26 trillion by 2030](#). By connecting them with the capital and financing they need to make critical investments in the energy, transportation, manufacturing, and building sectors, the Bank will do its part in the worldwide effort to build the green economy of the future.

"We are redefining how a bank should operate in a changing world, guided by the principle that banking with a sustainability focus is best for our customers, our business, and society," said Chief Executive Officer Don Cole. "Our national reach and our growing and well-established healthcare, lender finance, real estate, leveraged lending, and technology platforms, coupled with our ability to think creatively and execute quickly, result in tailored, reliable lending and banking solutions that enable our customers to grow and succeed."

To drive the growth of its business in a safe and sound manner, and to add to its existing strong capital base, the Bank recently closed a [\\$345 million capital investment](#) through a private stock placement that is expected to enable up to \$10 billion in new lending across its Sustainable Finance, Healthcare, Specialty, Real Estate, and Leveraged Lending businesses. The investment was led by funds and accounts managed by Centerbridge Partners L.P., Gallatin Point Capital LLC, Bayview Asset Management LLC, and BlackRock, Inc. The Bank also announced a [significant partnership with Mosaic](#), a leading solar and energy-efficient home improvement financing platform, to facilitate \$1.5 billion in new loans to homeowners and builders across the United States making the transition to clean solar energy and battery storage.

"Congressional Bank rebrands as Forbright Bank and will dedicate half its assets to financing companies, investors, and innovators driving sustainability and the shift to a low-carbon economy."

"Forbright's approach will empower customers, partners, and stakeholders to seize the tremendous investment opportunities presented by decarbonizing the economy."

"The Bank has implemented a Responsible Investment and ESG policy to embed its commitment to responsible and sustainable principles and practices across its businesses."

Note: See footnote 1.

Our Commitment to ESG

Responsible environmental, social and governance (ESG) practices are central to our commitment to all of our stakeholders. We are committed to embedding sustainability in the foundation of our business and we believe high standard ESG practices are entirely aligned with creating long term value.

In our judgment, companies that successfully integrate best-in-class ESG practices and drive top-tier financial performance will thrive, positioning them to make the biggest impact on advancing multi-stakeholder capitalism. This is our goal. By embedding ESG practices into our mission, across our operations, and as part of our loan selection and capital allocation process, we are reimagining how a financially successful bank should operate in a changing world. We don't pretend, however, to have all the answers. Our goal is one of consequence, but our insight as to the road ahead is only partial. We must be self-aware and engage in continual learning, reevaluation, and adaptation.

Forbright Senior Leadership



John Delaney Founder & Executive Chairman

John Delaney is the founder and Executive Chairman of Forbright Bank. Previously he founded and led as CEO two publicly traded companies before the age of 40 – CapitalSource, Inc. and HealthCare Financial Partners, Inc. John Served in Congress for six years representing Maryland in the U.S. House of Representatives and pursued an unsuccessful run for the Democratic nomination for President. Delaney is a past winner of Ernst & Young's Entrepreneur of the Year, received the Bank Enterprise Award from the Obama Administration for lending to disadvantaged communities, and in 2017 was named one of the World's 50 Greatest Leaders by Fortune Magazine. He is a graduate of Columbia University and Georgetown University law Center.



Don Cole Chief Executive Officer

Don Cole is the Chief Executive Officer of Forbright Bank. Previously Don was the Chief Executive Officer of Congressional Bank. From 2012 to 2018, Don served as Chief Financial Officer of Alliance Partners. From 2009 to 2011, Don served as Chief Financial Officer of CapitalSource. From 2003 to 2009, Don served in various senior management positions at CapitalSource including Chief Operations Officer, Chief Accounting Officer, and Chief Information Officer. Don received his BS and MBA from the State University of New York at Buffalo and his law degree from the University of Virginia.

CPACE Leadership



Mike Cary

Managing Director, CPACE Lending

As leader of Forbright's Commercial PACE team, which will sit within the Sustainable Finance division, Cary will be responsible for sourcing, underwriting, and managing Commercial PACE lending opportunities in qualified jurisdictions across the United States. Prior to joining Forbright, he helped build and lead the Commercial PACE effort at Poppy Bank as its Senior Vice President, National PACE Lending. Cary has more than 30 years of commercial lending experience, including numerous senior leadership positions at Citibank, First Nationwide Mortgage Corporation, and CIT Group.



Mike Lemyre

Director, CPACE Lending

As a Director on Forbright's Commercial PACE team, Lemyre will be responsible for government relations at federal, state and local levels, territory and market development, and representing the organization in the Commercial PACE industry. Prior to joining Forbright, he was a founding executive at Ygrene Energy Fund where he built and lead the national market development, government relations, policy and regulatory functions. Lemyre also led Ygrene's Commercial PACE business as its Senior Vice President and Executive Team member. Lemyre has more than 25 years of corporate development, government relations and regulatory experience, including numerous leadership positions at Chartis (formerly AIG), Arch Insurance Group, and McKinsey & Company.

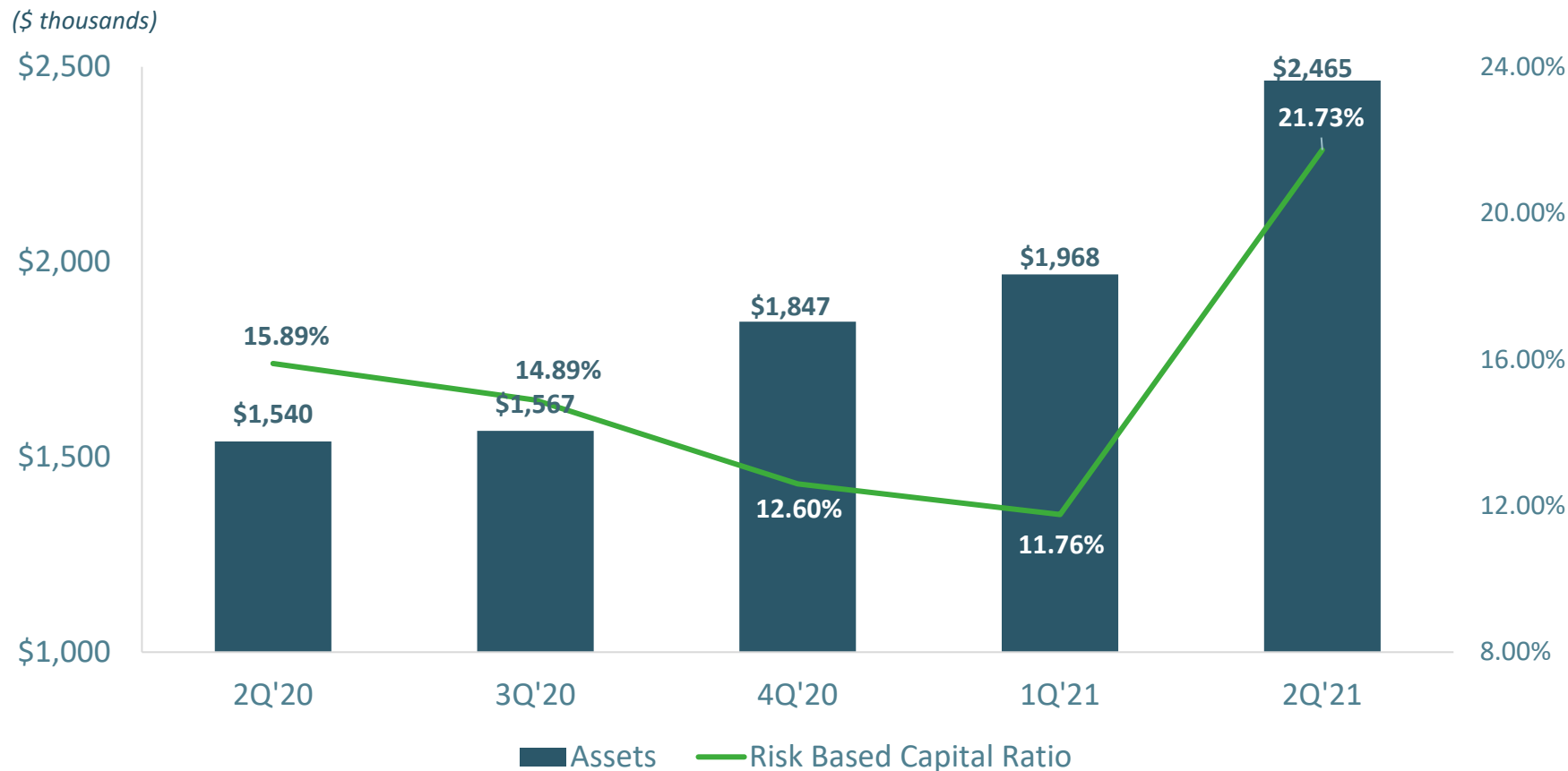


Brian Deering

Sales Operations Director, CPACE Lending

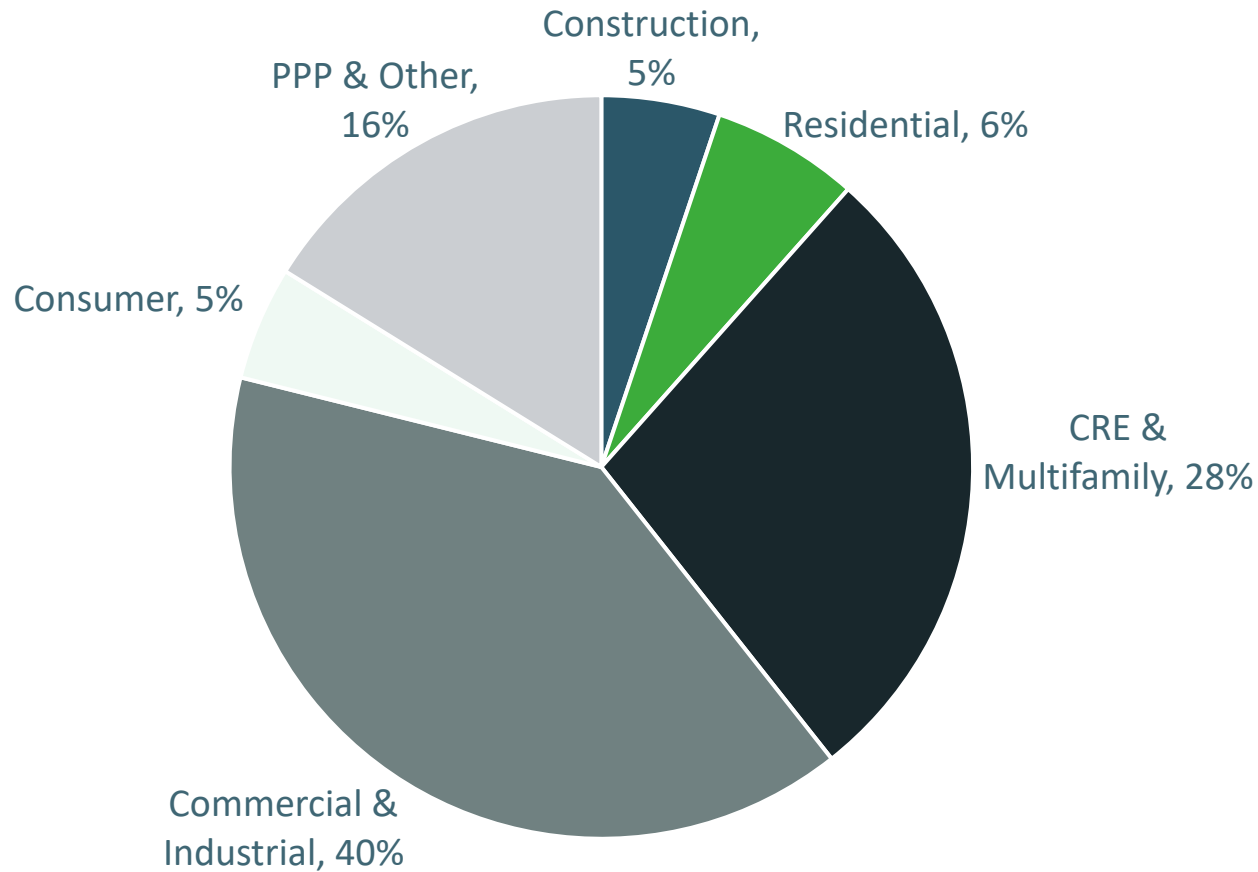
Brian Deering is the Sales Operations Director, CPACE Lending, reporting to Mike Cary. Brian will be responsible for establishing policy and guidelines while optimizing efficiencies throughout the CPACE Business Division. Prior to joining Forbright, he managed Sales and Operation CPACE Business units for the last six years with Ygrene Energy Fund and Poppy Bank. Brian has more than 30 years in the Financial Services industry splitting his time between Managing both Sales and Operations at Security Pacific Financial, CIT and Wilmington Financial (An AIG affiliate).

Bank Assets and Capital Growth



Source: S&P Capital IQ. See footnote 1.

Bank Loan Portfolio



Source: S&P Capital IQ as of June 30, 2021. See footnote 1.

Forbright's CPACE Strategy

Capital

Deploy our low-cost capital in a variety of ways, supporting our internal banking divisions, commercial property owners and developers and our Partner network

Team

Experienced CPACE executive management that have experience operating a national CPACE platform

Execution

Best in class service delivery and response times supported by outstanding team and technology platform

Quality and Compliance

We pride ourselves on our best-in-class compliance process ensuring all assets are produced in accordance with CPACE lending requirements

Sustainable Finance Commitment

Forbright has committed to growing its asset base by providing capital to sustainable and renewable energy projects in a variety of asset classes on a national scale

Forbright's Go-To-Market Strategy

Summary

- > Enter into contractual agreements with experienced commercial PACE professionals to identify opportunities directly with and for property owners
 - > CPACE originators/providers will refer projects to Forbright for consideration with Forbright fulfilling the underwriting, financing, compliance and reporting requirements of the Bank, CSCDA and applicable regulatory agencies
- > Bring value add to our internal lending divisions by offering CPACE solutions to existing property owners, for example our Healthcare lending division has many California facilities that will have access to a customizable CPACE solution for both Senior and CPACE needs
- > Build an external/internal Sales Team specifically directed to support our internal banking divisions and specific property types and owners that complements our expertise
- > Build a CPACE portal to provide access to program guidelines, products, pricing, and transaction status
- > Build statewide Partnerships (e.g., architects, engineers, state/local agencies) that can act as referral sources for property types that we target for energy efficiency, water conservation and seismic upgrades

Property Type Focus

- | | | | | |
|----------------|--------------|------------------------|--------------------------|-------------------------|
| > Multi-family | > Non-Profit | > Industrial Buildings | > Educational Facilities | > Healthcare Facilities |
|----------------|--------------|------------------------|--------------------------|-------------------------|

Thank you!

www.forbrightbank.com

Congressional Bank, member FDIC, and its parent company Congressional Bancshares, Inc. announced its intent to rebrand as Forbright, a full-service bank, commercial lender, and asset manager on September 21, 2021. For existing Bank customers, all account numbers, PINs, routing numbers and other account information will remain exactly the same, while ATM cards, debit cards, credit cards and checks will continue to function normally. The rollout of its new name will not affect the bank's normal business operations as the Bank completes its legal transition to Forbright. Congressional Bank is an equal housing lender and makes loans without regard to race, color, religion, national origin, sex, handicap, or familial status. Please visit: www.congressionalbank.com for additional disclosures.

Footnote 1: Statements or representations regarding asset size and past earnings are not predictions of future growth or performance. Known and unknown risks, uncertainties, and other factors may cause future results to differ materially from historical performance reported herein. Please be advised that we undertake no obligation to update this chart after the date of the quarter last listed above even if the Bank's financial performance materially differs at some later date.



forbright



Agenda Item No. 6

Agenda Report

DATE: November 18, 2021

TO: Committee Members

FROM: James Hamill, Managing Director

PURPOSE: Consideration of Lief Real Estate Energy Partners as a CSCDA commercial PACE Capital Provider.

EXECUTIVE SUMMARY:

CSCDA received a proposal from Lief Real Estate Energy Partners (Lief) for commercial PACE only Capital Provider under the CSCDA Open PACE program. As a Capital Provider Lief would not have a contract with CSCDA, and all transactions would need to be brought back to the Commission for approval.

OVERVIEW:

Lief

- **Experienced Sustainable Investment Professionals**
 - Lief Real Estate Energy Partners, LLC, the applicant, is a subsidiary of Lief, LLC, which is led by sustainable investment pioneer Brad Kavin.
 - Lief's C-PACE team members have collectively over 40 years of real estate investment management, development, transaction management and direct private lending experience.
- **Institutional Capitalization and Expert Investment Management**
 - Lief is capitalized by balance sheet investments from seasoned institutional investors.
 - Together with its investors, Lief presents a asset and investment management team committed to careful underwriting and thoughtful investment management.
- **CSCDA Open PACE Strategy**
 - Lief has developed a substantial pipeline of projects which it anticipates to close in the coming months.
 - To ensure execution, Lief is applying first to become a Capital Provider under the CSCDA Open PACE Program.
 - Lief will then work with CSCDA towards becoming a Program Administrator.

Lief exceeds all of the CSCDA Capital Provider requirements as outlined below:

1. Minimum of \$10MM in capital available for financing C-PACE loans. Availability of capital needs to be evidenced by a capital commitment letter or letter of intent;
2. Minimum transaction size \$2MM;
3. C-PACE finance team established including bond counsel, assessment engineer and trustee;
4. Minimum 2 years of C-PACE or similar financing experience;
5. Ability to manage delinquency of assessments.

Attachment A – Powerpoint Overview of Lief

RECOMMENDED ACTION:

Recommend the approval of Lief Real Estate Energy Partners as a new commercial Open PACE Capital Provider.



Lieef

CSCDA Open PACE Capital Provider Application

Executive Summary

CSCDA Open PACE Capital Provider Application

- **Experienced Sustainable Investment Professionals**
 - Lief Real Estate Energy Partners, LLC, the applicant, is a subsidiary of Lief, LLC, which is led by sustainable investment pioneer Brad Kavin
 - Lief's C-PACE team members have collectively over 40 years of real estate investment management, development, transaction management and direct private lending experience
 - Lief, together with its investors, is committed to lowering the cost of C-PACE and improving structures for borrowers to encourage and enable transformative, sustainable, and regenerative low-emission and net-zero real estate development
- **Institutional Capitalization and Expert Investment Management**
 - Lief is capitalized by balance sheet investments from seasoned institutional investors
 - Target C-PACE investment size ranges from \$2M to \$500M+
 - Together with its investors, Lief presents a formidable asset and investment management team committed to careful underwriting and thoughtful investment management
- **Best-in-Class 3rd-Party Execution Partners**
 - Lief will use best-in-class 3rd-party experts and counterparties to underwrite and execute C-PACE transactions
 - Bond Counsel: Jones Hall; Trustee: Wilmington Trust; Assessment Engineer: David Taussig and Associates
- **CSCDA Open PACE Strategy**
 - Lief has developed a substantial pipeline of projects which it anticipates to close in the coming months
 - To ensure execution, Lief is applying first to become a Capital Provider under the CSCDA Open PACE Program
 - Lief will then work with CSCDA towards becoming a Program Administrator



Company Profile and Leadership

Experienced and Innovative Sustainable Investment Management

- **Lieef, LLC and Lieef Real Estate Energy Partners, LLC**
 - Lieef LLC is a sustainable investment manager founded by CEO Brad Kavlin in 2020
 - Lieef makes direct, structured equity investments in sustainable, regenerative, and renewable energy infrastructure projects and C-PACE investments in clean energy and efficiency improvements
 - Lieef's C-PACE investments are executed through its subsidiary Lieef Real Estate Energy Partners, LLC, a joint venture with TEC Partners, a boutique sustainable real estate private equity investment firm
 - Lieef's target C-PACE investment size ranges from \$2M to \$500M+
 - Lieef is committed to lowering the cost of C-PACE for borrowers over the near, medium, and long term with the goal of exponentially growing the C-PACE marketplace and encouraging transformatively green real estate development
- **Brad Kavlin, Founder and CEO of Lieef, LLC**
 - Founding member of BlackRock's Renewable Energy and Infrastructure principal investment platform
 - Together with team members, grew assets under management from \$0 to over \$34Bn
 - Co-led BlackRock's largest renewable energy private investment to date
 - Secured over \$1Bn of first-time non-recourse debt as borrower for portfolio companies
 - Co-led BlackRock's first solar LBO and executed dividend recap generating returns for investors
 - Co-led BlackRock's first investment in a Japanese solar company
 - Led industry first wind power financing beyond useful life as sponsor/borrower
 - Co-created BlackRock's proprietary Merchant Power Forecast



Lief C-PACE Financing Team

Experienced Sustainable Real Estate Investment Professionals

- **Tom Bencivengo (Principal and CEO of Lief Real Estate Energy Partners, LLC)**
 - 14 Years of Principal Real Estate Development and Equity investment experience
 - Structured joint venture with Lief, LLC and co-created Lief's sustainable real estate investment vertical
 - Founded TEC Partners, a carbon conscious real estate private equity firm with Caleb Stokes in 2015
 - As founding principal of TEC Partners developed and grew TEC's equity and preferred equity investment platform
 - As a principal at Synapse Partners, oversaw the acquisition and repositioning of \$40M of existing buildings and raw land in NYC, including Manhattan's first large-scale certified Passive House rental project
- **Caleb Stokes (Principal and COO of Lief Real Estate Energy Partners, LLC)**
 - 14 years of Direct Private Lending, Capital Markets, and Risk Management experience
 - Co-created Lief's sustainable real estate investment vertical
 - Founded TEC Partners, a carbon conscious real estate private equity firm with Tom Bencivengo in 2015
 - Developed direct private lending advisory business and underwrote over \$400M in institutional loans
 - Developed TEC's Transitional Asset Carbon Reduction (TransACRe) Preferred Equity program and executed inaugural transaction
- **Brendan Cody (General Counsel)**
 - Experienced C-PACE and private debt transaction counsel
 - As transaction counsel for Cleanfund Commercial PACE Capital, responsible for \$125M in accurate and timely C-PACE closings
 - Experience included some of the largest and most complex C-PACE transactions consummated to date
- **Kris Knecht (Managing Director)**
 - Over 10 years in financial services as an analyst, director, and principal
 - Lead a multidisciplinary investment platform including over 250,000 sf of office, retail, residential, and arts programming uses



Lieef C-PACE Investment Program Focus

Asset Classes, Financing Types, and Transformative Development

- **Asset Classes**

- Lieef will lend to all commercial real estate asset types, including:
 - Multifamily housing, including affordable housing and market rate projects
 - Healthcare, including seniors housing, skilled nursing, medical office, and hospitals
 - Hospitality, including hotels, corporate and student housing, resorts, stadiums and entertainment venues
 - Industrial, including data centers, cold storage, agricultural and sustainable infrastructure assets
 - Retail, including mixed use assets
 - All other commercial real estate assets

- **Financing Types**

- Lieef will provide financing to the following project types:
 - New construction
 - Gut renovation
 - Efficiency retrofit
 - Retroactive refinancing of previously completed improvements

- **Transformative Sustainable Development**

- In addition to projects meeting CSCDA Open PACE qualifying clean energy, efficiency, and sustainability guidelines, Lieef will seek to provide financing to projects with exceptional efficiency and clean energy aspirations and achievements:
 - Net-zero
 - Passive House
 - LEED Platinum
 - Other similarly transformative developments



Capitalization and Investment Management

Balance Sheet Capital from Experienced Investors

- **Capitalization**

- Lief receives allocations of capital from institutional investors for deployment into C-PACE transactions
 - Lief's C-PACE investors have raised over \$50Bn in capital and have over \$75Bn in assets under management, and have deployed well over \$100M in C-PACE transactions to date
 - Lief has over \$500M of direct partner equity available for standard C-PACE transactions of \$100M or less, and has a wide range of sources available for larger transactions

- **Investment Management**

- Lief forms project-specific joint ventures for each C-PACE financing with its investor or investors and maintains an equity interest in each investment
- Lief's asset management team will maintain a close dialogue with the assessment obligor, first-mortgage lender, CSCDA, and all other stakeholders in the case of delinquency
- Lief manages each asset on behalf of its investors
 - Lief's C-PACE team has over 40 years of real estate development, asset management, and capital markets experience
 - Lief's investors are large institutional asset managers with robust in-house capabilities
 - In the unlikely event of a workout, Lief will manage and resolve its investment in partnership with its institutional investor partner or partners



Underwriting and Due Diligence

Experienced In-House and Outsourced Resources

- **Underwriting**
 - Lief's Investment committee reviews each transaction, applying a robust risk and mitigant analysis and asset-level stress testing prior to term sheet issuance and again prior to closing
 - Lief principals are seasoned real estate professionals
 - Lief's team has underwritten over \$1Bn real estate debt and equity capital transactions, including over \$200M of C-PACE financings
 - Lief's investment committee includes representatives from its institutional investors, providing additional layers of risk management and investment review prior to closing
- **Due Diligence and Program Qualification**
 - Lief contracts with certain firm-approved building engineers and construction managers to evaluate and qualify C-PACE eligible measures
 - Approved engineers and construction managers include Asset Environments, Bright Power, and BuildingPrep LLC
 - Lief makes a good-faith effort to use third party reports commissioned by first-mortgage lenders whenever possible to reduce borrower costs, as long as those reports come from Lief-approved providers
 - Approved Appraisal providers include CBRE, Cushman Wakefield, JLL, and Integra Realty Resources
 - Approved Environmental Site Assessment providers include EBI Consulting, Hillman Consulting, and Partner Engineering and Science



Bond Placement and Assessment

Experienced CSCDA Open PACE Resources

- **Jones Hall – Bond Counsel**
 - Jones Hall is the established preferred bond counsel for the CSCDA Open PACE Program
 - Jones Hall is a top-ranked law firm devoted exclusively to public and municipal finance projects
 - Founded in 1978, Jones Hall has represented over 1,100 California public entities as bond or disclosure counsel
- **Wilmington Trust – Trustee**
 - Wilmington Trust is the established preferred trustee for the CSCDA Open PACE Program
 - In existence for over 115 years, merged with M&T Bank in 2010
 - Currently the 10th largest fiduciary institution in the United States
- **David Taussig and Associates – Assessment Engineer**
 - David Taussig and Associates (“DTA”) is the preferred assessment engineer for the CSCDA Open PACE Program
 - DTA is the assessment engineer for more than 90% of PACE loans made in California
 - Currently servicing over \$4Bn of PACE loans across California, Missouri, and Florida



CSCDA Capital Provider Application

Near-Term Execution; Long Term Partnership

- **Capital Provider First**
 - Lief has established a substantial near-term executable pipeline within the CSCDA Open PACE jurisdiction
 - Lief is applying to become a C-PACE Capital Provider as an interim step to ensure smooth execution of deals
 - Lief intends to execute its first transactions with CSCDA as the Program Administrator
- **Transition To Program Administrator**
 - Lief will then work towards establishing itself a Program Administrator within the CSCDA Open PACE program
 - Lief will develop thorough and lasting program documentation in partnership with CSCDA guidance



Contact Information

Lieef C-PACE Contact Information:

- **Caleb Stokes (Principal and COO)**
 - caleb.stokes@lieef.com
 - 917.349.4101

Lieef, LLC Contact Information:

- **General Information**
 - contact@lieef.com
 - www.lieef.com

