



**Economic Innovation and Sustainability Committee
MEETING AGENDA
April 20, 2023
Upon Adjournment of CSCDA Meeting**

1 Old Ranch Rd, Carmel-By-The-Sea, CA 93923

Members of the public may also observe and offer comment at this meeting telephonically by dialing 669-900-9128, Meeting ID 259-798-2423, Passcode 129070.

A. OPENING AND PROCEDURAL ITEMS

1. Roll Call.

 ___ Brian Stiger, Member
 ___ Tim Snellings, Member
 ___ Brian Moura, Member
2. Consideration of the Minutes from the January 19, 2023 Meeting.
3. Public Comment.

B. ITEMS FOR CONSIDERATION AND ACTION

4. Consideration of contract amendment related to Counterpointe Sustainable Real Estate.

C. STAFF ANNOUNCEMENTS, REPORTS ON ACTIVITIES OR REQUESTS

5. Staff Updates.
6. Adjourn.

NEXT MEETING: Thursday, May 18, 2023 upon adjournment of CSCDA Regular Meeting.



MINUTES

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

January 19, 2023

1. Roll Call.

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

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

2. Consideration of the November 17, 2022 Minutes

The Committee unanimously approved the minutes.

3. Public Comment.

There were no public comments.

4. Consideration of policy related to commercial PACE retroactive projects.

The Committee recommended retroactive financings for improvements from a prior owner. Such financings should be brought back to the Commission for approval.

5. Staff Updates.

None.

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

Submitted by: James Hamill, Managing Director

NEXT MEETING: Thursday, February 16, 2023 after the regular CSCDA meeting.



Agenda Item No. 4

Agenda Report

DATE: April 20, 2023
TO: Committee Members
FROM: James Hamill, Managing Director
PURPOSE: Consideration of contract amendment related to Counterpointe Sustainable Real Estate

EXECUTIVE SUMMARY:

CSCDA received the attached letter from Counterpointe Sustainable Real Estate (Counterpointe SRE). As indicated in the correspondence they are joining with Massachusetts Mutual Life Insurance Company to form new entity to offer commercial PACE financing.

Counterpointe SRE has been a CSCDA Open PACE administrator since 2015. They began in residential PACE, and have pivoted to commercial PACE only. The partnership with Massachusetts Mutual Life Insurance Company will provide an infusion of significant capital into its commercial PACE program via this new platform.

Counterpointe is requesting to set up subsidiary program administrator agreements under the same terms and conditions of the existing contracts.

RECOMMENDED ACTION:

Recommend directing staff to work with CSCDA's General Counsel to draft the necessary documentation, and present for consideration to the CSCDA Commission.



3/13/2023

James Hamill
Managing Director
CSCDA
1700 North Broadway Ste 405
Walnut Creek, CA 94596

Dear James:

In an effort to better serve our clients, respond to market conditions and increase C-PACE originations, Counterpointe Energy Partners LLC (“**CEP**”) and its subsidiaries, including Counterpointe Energy Solutions (CA) LLC (“**CES-CA I**”), our California program administrator, and Counterpointe Sustainable Real Estate LLC (“**CSRE**”) (together “**Legacy Counterpointe**”) are joining with Massachusetts Mutual Life Insurance Company (“**MassMutual**”) to create a new PACE platform, Counterpointe Sustainable Advisors LLC (“**CSA**”), and its subsidiaries (together “**New Counterpointe**”).

New Counterpointe will continue Legacy Counterpointe’s reputation as a best in class, respected, nationwide leader in C-PACE and will look to offer, among other matters, a combined C-PACE and green commercial mortgage to broaden our market and increase our success rate on C-PACE originations. New Counterpointe intends to also develop sustainable financial offerings to include solar power purchase agreements and energy savings agreements. We believe that New Counterpointe’s enhanced platform will incentivize property owners to make sustainable and resilient upgrades to their properties and accelerate adoption of these measures in the California market.

As part of the new platform, CSA would like to create a new program administrator, Counterpointe Energy Solutions (CA) II LLC (“**CES-CA II**”) on the CSCDA Open PACE platform. Legacy Counterpointe’s current program administrator, CES-CA I, will remain active with a view to maintaining the jurisdictional footprint we have helped developed for the CSCDA as well as be available for certain municipalities where opt-in is problematic. It is contemplated that CES-CA I will subcontract its program administrator rights to CES-CA II to enable CES-CA II to serve the municipalities where opt-in may not be available by the time the transaction with MassMutual is scheduled to close.

Legacy Counterpointe is one of the oldest PACE program administrators in the nation and has consistently been one of the top producers of PACE assessments since joining the CSCDA Open Program in May 2015. With our new platform and expanded financial offerings, New Counterpointe believes it will be able to increase our C-PACE project volume and therefore increase our impact on carbon reduction.



New Counterpointe meets or exceeds CSCDA Program Administrator requirements as outlined below:

1. Program administration contract with CSCDA.
 - a. Legacy Counterpointe has an existing Program Administration Agreement, which can be duplicated for the new entity.
2. Exclusively offer C-PACE through CSCDA only in California.
 - a. Legacy Counterpointe has been exclusive in California to CSCDA since 2015 and New Counterpointe will continue to only offer CSCDA Open PACE.
3. Substantial capital available for financing C-PACE loans.
 - a. Legacy Counterpointe has consistently been one of the top PACE producers for the CSCDA, executed some of the largest PACE transactions in the nation including \$49.5MM for a single transaction in California, and New Counterpointe intends to grow the business with the new platform. Given the financial assets of Mass Mutual, New Counterpointe expects to commit significant new capital to the C-PACE sector.
4. Minimum transaction size \$100,000.
 - a. Legacy Counterpointe has proudly offered C-PACE assessments supporting small businesses and protecting building occupants having been selected in 2015 to provide PACE financing for the San Francisco Earthquake Safety Improvement Program.
5. C-PACE finance team.
 - a. Legacy Counterpointe's finance team is one of the most experienced in the nation with PACE program administration in Florida since 2014, for the CSCDA since 2015 and for the city of Chicago since 2019. Eric J. Alini will continue to lead New Counterpointe.
6. Minimum 2 years of C-PACE or similar financing experience.
 - a. Legacy Counterpointe has been active in California and was named in the 2014 CSCDA resolution establishing the CSCDA OPEN PACE program.
7. Ability to manage delinquency of assessments.
 - a. Legacy Counterpointe has, and New Counterpointe will have, an extensive asset management and service group with experience in delinquent assets including C-PACE in California.
8. Commission approval of program handbook and documents.
 - a. Legacy Counterpointe currently has a CSCDA approved program handbook and documents.



We envision that the new program administrator with the CSCDA Open PACE Program would be established on substantially similar terms, conditions and documentation that currently exist. We would like to have CES-CA II approved as a program administrator (and be subcontracted CES-CA I's rights as a program administrator) as soon as practicable, and as always, we appreciate your time and help with this matter.

I am available to answer any questions you may have about this exciting new phase of our company.

With Regards,

A handwritten signature in black ink, appearing to read "Eric J. Alini", is written over a horizontal line.

Eric J. Alini

Managing Partner

Counterpointe Energy Partners LLC