

MINUTES

**California Pollution Control Financing Authority
915 Capitol Mall, Room 587
Sacramento, California
July 19, 2022**

In light of the COVID-19 pandemic and in accordance with the requirements of Executive Order N-25-20 to provide social distancing at state body meetings, CPCFA provided Authority members, participants, and members of the public the opportunity to participate in this meeting via teleconference.

**Public Participation Call-In Number (877) 853-5257: Meeting ID: 987 6693 6958
Participant Code: 560284**

1. Call to Order & Roll Call

Fiona Ma, Chairperson, called the California Pollution Control Financing Authority (CPCFA or Authority) meeting to order at 10:55 a.m.

Members Present: Tony Sertich for Betty T. Yee, State Controller

Via Zoom Meeting:

Fiona Ma, CPA, State Treasurer
Ryan Miller for Keely Martin Bosler, Director of Finance

Staff Present: Shela Tobias-Daniel, Executive Director
Christina Sarron, Deputy Executive Director
Solomita Malko, AGPA (Via Zoom)
Robert Salls, SSA (Via Zoom)
Kamika McGill, AGPA (Via Zoom)
Dori Floyd, Executive Assistant
JoOnna Trushkov, Office Technician

Quorum: The Chairperson declared a quorum

2. Minutes

Ms. Fiona Ma asked if there were any questions or comments concerning the meeting minutes from the meeting held on June 21, 2022. There were none.

Mr. Sertich moved approval of the minutes. Mr. Miller provided the second.

The minutes were approved.

The item was passed by the following vote:

Tony Sertich for the State Controller	Aye
Ryan Miller for the Director of Finance	Abstain
Fiona Ma, CPA, State Treasurer	Aye

3. Executive Director's Report

Presented by: Shela Tobias-Daniel, Executive Director

Ms. Tobias-Daniel began her Executive Director's report by stating that we have been advised that California will be receiving notice of funding award approval for the State Small Business Credit Initiative (SSBCI) 2.0 any day. The California Infrastructure and Economic Development Bank (IBank) as the lead applicant was asked to recertify the California application last week and will work with CPCFA for review and approval of the final allocation agreement before submitting on behalf of the state of California.

She was pleased to announce another new lender in the CalCAP Program. The Small Business Development Corporation of Orange County was approved to participate in the CalCAP Small Business and CalCAP Collateral Support Programs. This new lender enrollment was part of our efforts to continue to expand our lending network in preparation to deploy funds for SSBCI 2.0. We are pleased to report that there were "No Findings" in the Tax-Exempt Bond Program's yearly SB 99 audit for FY 20/21. Board members were provided copies electronically, and hard copies of the report were mailed. Additionally, the audit report was also posted on the CPCFA webpage.

On the Personnel front, CPCFA said farewell to our Compliance and Reporting Lead Analyst, LeAndre Henry. LeAndre was a valued employee, with CPCFA for eight years. He leaves CPCFA to accept a promotion at the Sacramento Municipal Utilities District (SMUD), and while we are happy for him, he will be greatly missed.

Ms. Tobias-Daniel then reported on one item that was approved under her delegated authority. On June 15, 2022, Ms. Tobias-Daniel approved a second and final draw for Garaventa Enterprises, Inc., Series 2021 for an amount of \$10,000,000. Ms. Tobias-Daniel concluded her Executive Director's report.

Ms. Fiona Ma asked if there were any questions or comments concerning the Executive Director's report. There were none.

4. Business Items

A. Request to Approve a Final Resolution Authorizing the Issuance of Tax-Exempt Revenue Notes for New Money and Refunding Purposes and a Request to Approve a Resolution for Small Business Assistance Fund (SBAF) Costs of Issuance Assistance.

Atlas Disposal Industries, LLC

Presented by: Solomita Malko, Associate Governmental Program Analyst (AGPA)

Staff introduced Municipal Advisor to Borrower, Mark Holmstedt of Piper, Sandler & Company

Ms. Malko introduced herself as the Analyst for the Atlas Application. Atlas Disposal Industries, LLC, and/or its affiliates (the "Borrower") requested approval of a Final Resolution for a total amount of \$15,595,000 in tax-exempt notes, of which \$9,470,000 will be used to refund the Series 2018 Notes previously issued by the California Pollution Control Financing Authority (the "Authority"). The Borrower also requested the approval of a Small Business Assistance Fund (SBAF) Resolution in the amount of \$183,000. The new money amount of \$6,125,000 will be used to purchase new solid waste equipment, construction of the maintenance and storage building to house waste collection vehicles and containers, and construction of an electric vehicle (EV) charging station to accommodate future EV-powered trucks. Staff recommended approval of final resolution number 22-01-617 in a total amount not to exceed \$15,595,000 and SBAF resolution number 22-01-002 in an amount not to exceed \$183,000 for Atlas Disposal Industries, LLC, and/or its affiliates.

Ms. Ma asked if there were any questions from the Board. There were none.

Mr. Sertich moved approval of the item; there was a second by Mr. Miller.

Ms. Ma asked if there were any public comments on the item.

Mark Holmstedt on behalf of the borrower thanked the Board, and Treasurer. Mr. Holmstedt mentioned that it may have been lost in the staff report, that California Air Resources Board (CARB) and state are moving toward all electric vehicles (EV). Mr. Holmstedt continued to comment, that this is the first of his solid waste clients to set themselves up to be able to order and try an electric garbage truck, so the company is also adding an EV charging station on the property. Mr. Holmstedt continued, that the technology of EV powered waste collection vehicles is not proven to be able to function on routes better than the CNG vehicles. He pointed out that

this client was being very progressive as one of the first to explore the EV garbage truck market. Mr. Holmstedt finished by thanking the Board for its support.

Ms. Ma asks if there are any public comments. There were none.

The item was passed by the following vote:

Tony Sertich for the State Controller	Aye
Ryan Miller for the Director of Finance	Aye
Fiona Ma for the State Treasurer	Aye

Item 4.A. was unanimously approved.

B. Request to Amend Infill Grant Documents Under California Recycle Underutilized Sites (“CALReUSE”) Remediation Program

Downtown Railyard Venture, LLC
Presented by: Robert Salls, Staff Services Analyst (SSA)

Mr. Salls introduced himself as an analyst for the CALReUSE program. Mr. Salls began his report with Downtown Railyard Venture, LLC’s request to extend the term of their Infill Grant Agreement from December 31, 2022, to July 31, 2023. He stated that Downtown Railyard Venture LLC’s representatives, Amanda Frazier and Frank Myers, were available by Zoom or phone call-in, for any questions the Board may have. It was noted that the Project Manager, Josh Leachman, was unable to attend the meeting, however his colleagues were equipped to answer any questions.

Background of the Approved Project:

The Sacramento Railyards Project was awarded an Infill Grant Agreement in the amount of \$5,000,000 approved by the Board on November 19, 2008. The Board also pre-approved the Project for additional grant funding of \$9.75 million if the funds became available. On February 21, 2017, and December 21, 2018, additional funding was allocated to the Grantee bringing the total awarded amount to \$7,126,857.56.

The approved Brownfield Infill Project, or cleanup portion of the Grant, was redefined from a single project to two projects with the original \$5,000,000 Grant going to Project A, cleanup of hazardous materials in the historic central shop’s structures. Project B received the additional funding beyond the original \$5,000,000 for the cleanup of hazardous materials in the surrounding area. Both Project A and Project B are complete, and the Grantee has submitted documentation to CPCFA. All disbursement requests for both Project A and Project B have been submitted and paid. The amended Infill Development Project, aka the housing owed under the Grant, is a mixed-income mixed-use community providing 345 housing units (69 affordable), an increase from the original 197 units/195 affordable.

Although construction on the housing site began in August 2020, the COVID-19 pandemic and accompanying shut down of the economy created various delays including supply chain disruption, labor shortages, delays in inspections, and other logistical challenges. The Temporary Certificates of Occupancy are anticipated in the first quarter of 2023, and Final Certificates are expected in the second quarter. The grantee included additional time to account for potential weather or construction delays and requested to extend the term to July 31, 2023.

Staff prepared a Resolution to extend the term of the Infill Grant Agreement to July 31, 2023, for the Board's consideration and possible amendment.

Ms. Ma asked if there were any questions or comments from the Board or public. There were none.

Ms. Ma asks for questions or comments from Railyard Ventures, LLC representatives.

Mr. Frank Myers, Chief Financial Officer, of Downtown Railyard Ventures, LLC, responded by extending thanks to the Board and program staff that helped make the project peaceful. He continued stating that the housing is the first development in the Railyard after decades of planning and effort to get the infrastructure in place to make this addition to Downtown Sacramento possible. Mr. Myers continued to state they are excited that the landmark project is nearing completion. The assistance received in the cleanup of the central shops was instrumental in making the financial feasibility of these projects possible. Mr. Myers finished by thanking the Board and that he was available for any questions about the project.

Ms. Ma asked if there were any further questions. There were none.

Mr. Sertich moved approval of the item, there was a second from Mr. Miller.

Ms. Ma asked for Public Comment. There were none.

The item was passed by the following vote:

Tony Sertich for the State Controller	Aye
Ryan Miller for the Director of Finance	Aye
Fiona Ma, State Treasurer	Aye

Item 4.B. was unanimously approved.

C. Request for Consideration and Approval of Amendments to the Regulations for the California Capital Access Program Regarding the California Capital Access for Small Business Program

Presented by: Kamika McGill, Associate Governmental Program Analyst (AGPA)

Ms. McGill stated staff requested Board approval to adopt emergency regulations that included updates for the California Capital Access Program (“CalCAP”) for Small Business Program. Upon the Board’s approval, staff will file the regulations with the Office of Administrative Law (OAL). The proposed regulations revised the regulatory requirements for CPCFA to recapture funds from the lender’s loan loss reserve accounts annually. This regulatory change is for the California Capital Access Program (CalCAP) for small business program only. California Capital Access Program (CalCAP) is anticipating federal funding from the US Treasury under the SSBCI that will eliminate the need for recapture. CPCFA implemented the recapture provision in 2017 to sustain the CalCAP for Small Business program. At that time, the federal funding that CPCFA received in 2011 was expended and no new funding was allocated for the program. Therefore, in anticipation of the 2022 receipt of the new federal funding, CPCFA requested approval of emergency regulations that remove the recapture mechanism for the CalCAP Small Business program.

Ms. Ma asked if there were any questions or comments. There were none.

Mr. Sertich moved approval of the item; there was a second by Mr. Miller.

The item was passed by the following vote:

Tony Sertich for the State Controller	Aye
Ryan Miller for the Director of Finance	Aye
Fiona Ma, State Treasurer	Aye

5. Public Comment

Ms. Ma asked if there was any public comment. There were none.

6. Adjournment

There being no further business, public comments, or concerns, the meeting adjourned at 11:10 a.m.

Respectfully submitted,

Shela Tobias-Daniel
Executive Director