

MINUTES

**California Pollution Control Financing Authority
915 Capitol Mall, Room 587
Sacramento, California
October 18, 2022**

In accordance with Government Code Section 11133(a), 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
and 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 10:50 a.m.

Members Present: Fiona Ma, CPA, State Treasurer
Tony Sertich for Betty T. Yee, State Controller
Gayle Miller for Joe Stephenshaw, Director of Finance

Staff Present: Shela Tobias-Daniel, Executive Director
Christina Sarron, Deputy Executive Director
Andrea Gonzalez, Associate Governmental Program Analyst
(Remotely)
Doreen Smith, Staff Services Manager I
Dori Floyd, Executive Assistant
Nicholas Polisner, Office Technician (Remotely)
Patricia Creighton, Office Technician

Quorum: The Chairperson declared a quorum

2. Minutes (Action Item)

Treasurer Ma asked if there were any questions or comments concerning the meeting minutes from the meeting held on September 20, 2022. There were none.

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

Treasurer Ma asked if there were any public comments. There were none.

The minutes were approved.

The item was passed by the following vote:

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

**3. Executive Director’s Report (Information Item)
Presented by Shela Tobias-Daniel, Executive Director**

Ms. Tobias-Daniel presented her report and provided information on the following topics: Ms. Tobias-Daniel appeared virtually at the San Francisco Regional Roundtable held in Los Angeles, CA along with the IBank Executive Director, Scott Wu. This event was organized by the FDIC as a Touchpoint with Minority Depository Institutions. We provided an overview of the SSBCI 2.0 allocation for California as well as information and materials for the lenders regarding enrollment in IBank and CalCAP programs to access capital through SSBCI.

Ms. Tobias-Daniel continued by stating that CPCFA staff had attended the Eastern Sierra Capital summit with invitees from 14 counties, including some of the most rural and underserved counties. It was organized by the Bakersfield Small Business Development Center (SBDC). CalCAP programs that are a part of SSBCI deployment were discussed and CPCFA Outreach Manager, Alison French-Tubo, gave a presentation on how lenders in rural and underserved areas can participate in those CalCAP programs.

Ms. Tobias-Daniel also stated that CPCFA staff recently attended the Annual California Trucking show held in Ontario. The staff represented the CARB program for CalCAP.

Ms. Tobias-Daniel reported on CPCFA’s contact with all five regional SBDC entities regarding the rollout of SSBCI 2.0, making specific mention of the information and guidelines as to how lenders can enroll in CalCAP programs. In person meetings with these SBDC entities are scheduled for November.

The California Capital Access Program (CalCAP) recently expanded the role of a lender. CalCAP is proud to welcome to our ever-growing lender network:

- California International Bank – Amended to add CARB, joined with CSP.

The expansion of this lender’s role is very important as CPCFA ramps up and expands its lender network to be prepared to issue more loans to small businesses in California.

Ms. Tobias-Daniel reported that she approved one item under her delegated authority:

On September 21, 2022, Ms. Tobias-Daniel approved and signed amendments to the Indenture, Tax Certificate, and IRS form 8038 for an interest rate index change from LIBOR to SOFR for the Garaventa Enterprises, Inc., Series 2021 transaction.

Ms. Tobias-Daniel also presented an item for the Board's awareness announcing the Board Meeting Calendar for 2023, noting that the meetings are scheduled for the third Tuesday of each month, except for November and December when it is scheduled for the second Tuesday of those months.

Ms. Tobias-Daniel concluded her Executive Director's report.

Treasurer Ma asked if there were any questions or comments concerning the Executive Director's report. Tony Sertich complimented CPCFA Staff for their outreach regarding the SSBCI program funding. There were no public comments.

4. Business Items (Action Items)

A. Request for Consideration and Approval of Amendments to the Regulations Pertaining to the Small Business Assistance Fund (SBAF) Fees for the Bond Program

Presented by: Andrea Gonzalez, Associate Governmental Program Analyst (AGPA)

Staff requested Board approval to begin the regular rulemaking process and to file regulations to amend sub-section (e) and delete sub-section (f) to section 8035 of the California Pollution Control Financing Authority (the "Authority") regulations pertaining to a temporary suspension of the Small Business Assistance Fund (SBAF) fees charged to large businesses. The amended section (e) will suspend collection of SBAF fees until December 31, 2026. Upon approval, staff will file the regulations with the Office of Administrative Law (OAL).

The current SBAF Fee paid by large business borrowers is .0066 of the total amount of tax-exempt bonds issued.

Staff anticipates that the temporary fee suspension will entice large businesses to once again finance with the Authority since the suspension of the SBAF fee noticeably reduces a portion of the cost of issuance.

Staff recommended the adoption of a resolution to amend regulations relating to a temporary suspension of SBAF fees for the Bond Program and to authorize staff to undertake the regular rulemaking proceedings and other actions related to the Authority bond program regulation revisions.

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

Treasurer Ma asked if there were any questions or comments from the Board or the public. Tony Sertich asked for clarification on the status of the available funds and utilization rate in SBAF. Ms. Gonzalez stated that there is approximately \$15 million available in the SBAF Fund, and the Fee Waiver would not affect any eligible small businesses looking for assistance. Treasurer Ma added that the fee waiver could provide a competitive advantage for people to use the fund. There were no public comments.

The item was passed by the following vote:

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

B. Request for Consideration and Approval of Amendments to the Regulations for the California Capital Access Program

Presented by: Doreen Smith, Staff Services Manager I

Staff requested Board approval to begin the emergency rulemaking process and file regulations to add § 8078.1 to the California Capital Access Program regulations. Upon approval, staff will file the regulations with the Office of Administrative Law (OAL).

The proposed amendments to the CalCAP for Small Business Program regulations will add language conforming to the U.S. Treasury and the State Small Business Credit Initiative (SSBCI) Program requirements.

On October 11, 2022, staff posted a Notice of Emergency Regulations to provide the required opportunity for the public, including stakeholders, to comment on the proposed text of the regulations and finding of emergency for five (5) business days.

Upon the Board's adoption of these amendments to the existing regulations as proposed, emergency and regular rulemaking packages will be filed with the Office of Administrative Law (OAL).

Staff recommended adoption of Resolution No. 22-02-004 to amend regulations conforming to U.S. Treasury requirements for loans enrolled in the CalCAP for Small Business Program with contributions made with federal funding from the SSBCI and to authorize staff to undertake the emergency and regular rulemaking proceedings and other actions related to CPCFA CalCAP program regulation revisions.

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

Treasurer Ma asked if there were any questions or comments from the Board or the public.

The item was passed by the following vote.

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

5. Public Comment

Treasurer Ma asked if there were any comments from the public on matters that were not on the agenda. There were none.

6. Adjournment

There being no further business, public comments, or concerns, the meeting adjourned at 11:03 a.m.

Respectfully submitted,

Shela Tobias-Daniel
Executive Director