

☰ CPCFA Bond Program

Access to the Tax-Exempt Bond Market with Financial Assistance for Small Businesses

Conduit Issuance

California Pollution Control Financing Authority (CPCFA) sells investors a bond or note for a private project eligible for specific categories of tax-exemption. Then CPCFA immediately loans the sale proceeds to the project owner which has sole responsibility for repayment. Thus, the issuance has passed through a conduit (a pipe) from CPCFA to the project owner.

Bond Anticipation Note (BAN)

A BAN is a financing mechanism for a project anticipating future tax-exempt allocation.



How It Works

A conduit issuance with CPCFA requires these components.

- Small or large business with eligible project
- Initial Resolution (IR) and Final Resolution (FR) from CPCFA
- Tax-exempt allocation (with some exceptions)
- Private capital.

There are six steps to issuance, followed by compliance to preserve tax-exempt status.

- IR application
- FR application
- TEFRA notice and hearing
- CPCFA Board Meeting for FR
- CA Debt Limit Allocation Committee Board Meeting for tax-exempt allocation
- Issuance.

☰ Types of Projects & Requirements

Organic and Non-Organic Solid Waste Projects

- Conversion, feedstock, handling, recycling
- Project value of any amount

Water Furnishing Projects

- Supply of water to third-party customer(s)
- Project value of any amount

Wastewater Projects

- Black water, sewage
- Project value of any amount

Combined or Partial

Issuances may combine the categories above or issue partially tax-exempt and partially taxable bonds or notes

Manufacturing or Processing Projects Involving Solid Waste

- Tax-Exempt Industrial Development Bonds (IDBs)
- Issuance up to \$10,000,000

Required Permits for Projects

- No permits necessary for IR application
- All discretionary permits required for FR application

Small Business Assistance Fund (SBAF)

Businesses with 500 or fewer employees may be eligible to receive a financial award to off-set the costs of issuance

Green Bonds

Third-party certification ensures Green Bonds meet the expectations of investors