

# MINUTES

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**California Pollution Control Financing Authority  
901 P Street, Room 102  
Sacramento, California  
January 16, 2024**

**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, Treasurer, called the California Pollution Control Financing Authority (CPCFA or Authority) meeting to order at 10:30 a.m.

Members Present: Fiona Ma, CPA, State Treasurer  
Dave Oppenheim for Malia M. Cohen, State Controller  
Erica Gonzales for Joe Stephenshaw, Director of Finance

Staff Present: Shela Tobias-Daniel, Executive Director  
Christina Sarron, Deputy Executive Director (online)  
Ted Ballmer, Senior Attorney  
Doreen Smith, CalCAP Program Manager  
Andrea Gonzalez, Grant Program Manager  
Thaddaeus Brown, Associate Governmental Program Analyst  
Jakran Singh, Staff Services Analyst  
Ryan Dannewitz, Staff Services Analyst  
JoOnna Trushkov, Staff Services Analyst  
Morgan Matz (remotely), Staff Services Analyst

Quorum: The Chairperson declared a quorum

## **2. Minutes (Action Item)**

Treasurer Ma asked the Board members if there were any questions or comments concerning the meeting minutes from the December 12, 2023, board meeting. There were none.

Treasurer Ma asked if there were any public comments.

There were none.

Mr. Oppenheim moved approval of the minutes; Ms. Gonzales provided the second.

The minutes were approved.

The item was passed by the following vote:

Erica Gonzales, for the Director of Finance	Aye
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Dave Oppenheim, for the State Controller  
Fiona Ma, CPA, State Treasurer

Aye  
Aye

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

Ms. Tobias-Daniel stated that the CPCFA agenda had a California Investment & Innovation Program (Cal IIP) item and a California Capital Access Program (CalCap) Program item.

Ms. Tobias-Daniel began her report with an update on the Tax-Exempt Bond Program, noting the Bond team continues to work on evaluating CPCFA fees, drawdowns, and upcoming issuances.

Ms. Tobias-Daniel moved on to the Cal IIP, using the opportunity to congratulate the Cal IIP team, as the day's request for approval of grant awards (Action Item 4.A.) represented Cal IIP's inaugural grant awards. She noted the Cal IIP team worked hard to implement this new program by working on regulations and workshops, putting together a team, and creating a program structure. She gave a special thank you to Cal IIP program manager Andrea Gonzalez, who Ms. Tobias-Daniel credited as the driving force of Cal IIP since taking the position.

Ms. Tobias-Daniel then spoke about the CalCAP, mentioning that the Outreach/CalCAP/CPCFA Executive Management team continues to hold ongoing meetings with current participating financial institutions to gain insight and feedback on the CalCAP programs. Financial institutions are CPCFA's primary target for growing the CalCAP programs, but CPCFA is excited to strengthen its partnership with the California Office of the Small Business Advocate (CalOSBA), which will be making awards for its State Small Business Credit Initiative (SSBCI) Technical Assistance network soon. Last month, CPCFA's Outreach team met with the CalOSBA Local Engagement Team to present the latest information on the CPCFA CalCAP SSBCI programs and discuss plans to ensure grantees will be prepared to advise about the unique qualities of each type of credit enhancement.

The CPCFA Outreach team, in a joint effort with the IBank Outreach team, will be holding an SSBCI informational webinar directed at providing program updates and side-by-side program information to financial institutions on February 1, 2024, with a specific focus on Community Banks, CDFIs, and minority depository institutions (MDIs).

Finally, CPCFA continues to develop the pilot program for Zero Emission Vehicles (ZEVs) and infrastructure, which will be designed to meet program goals for the two funding agencies, CARB and CEC, via CPCFA's CalCAP mechanisms and administrative services, and anticipate the next step will be an interagency agreement with CEC, in addition to the one already approved with CARB.

Ms. Tobias-Daniel moved to the personnel front, informing the board that CPCFA is advertising to fill two Staff Services Manager II (SSMII) positions. One will cover CPCFA's Bonds and Grant programs, and the second will cover CPCFA's CalCAP program, which includes SSBCI, CARB, and other small business programs.

CPCFA's original structure included only one SSMII who covered all programs. This resulted in a bottleneck when that person was pulled in another direction or not available. CPCFA revised this position to cover its Bonds and Grant programs. The second SSMII CalCAP position is a newly created position.

The revision and creation of the SSMII positions marks another step in CPCFA's plan to move CPCFA to a more sustainable organizational structure. Previous moves include the creation of a Staff Services Manager I to oversee SSBCI, as well as the Manager I to oversee CPCFA's new Cal IIP.

CPCFA will continue to evaluate its programs and organizational structure, and will make changes to ensure that regardless of executive leadership, CPCFA will be able to work towards its mission and meet its goals.

Ms. Tobias-Daniel stated since the last Board Meeting in December, she took two actions under her delegated authority.

1. She approved the fourth Draw Request of \$15,000,000 for Arakelian Enterprises, Inc. dba Athens Services from its issue that closed on May 4, 2022. This was signed on December 20, 2023, for a December 26, 2023, draw.
2. She approved the eighth Draw Request of \$500,000 for Bay Counties Waste Services, Inc., from its issue that closed on July 1, 2021. This was signed on January 4, 2024, for a January 9, 2024, draw.

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

#### 4. Business Items (Action Items)

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##### A. Cal IIP Grant Applications

**Presented by: Andrea Gonzalez, Cal IIP Program Manager**

Staff requested approval of grant awards under the California Investment & Innovation Program (Cal IIP) in the amount of \$14,200,000. Legislation requires Cal IIP to award grants to Community Development Financial Institutions (CDFIs) that meet the programs eligibility requirements by February 1, 2024.

The 2022-2023 California State budget included \$50 million to fund the Cal IIP grant program, \$5 million of which is for administrative costs. The remaining \$45 million will be annually deployed in ("up to" depending on applicant specifics) \$15 million increments.

The deadline to apply for the Cal IIP grant program was November 1, 2023. CPCFA received a total of 67 applications. Exhibit A (attached to the staff report) includes a list of the applicants, award amounts, and grant fund uses. Four (4) applicants will not be receiving grant awards since they did not meet the minimum eligibility requirements.

The eligible uses of Cal IIP grant funds are working capital and increasing total net assets.

Grants shall be awarded to applicants that hold the following eligibility characteristics:

[required in Health & Safety Code (HSC) Section 44558(f)]:

- Current federal CDFI Fund certification
- Five or more loans in the 12 months prior to application
- A minimum net worth of \$25,000
- Already serving California
  - Principal office AND officers domiciled in CA or
  - 25% of the CDFI's loan portfolio provides financial assistance to persons or projects in CA or
  - Provided financial assistance in CA totaling >=\$10M in the three years prior to application

CPCFA developed criterion to adjust the award sizes by developing funding categories. They are:

- **Small & Emerging (Presented by Jakran Singh)** – Applicants who meet the minimum eligibility requirements, as defined in Health and Safety Code Section 44558, subdivision (f), and has less than ten million dollars (\$10,000,000) in assets.

- **Tier 1 (Presented by Thaddaeus Brown)** – Applicants who meet the minimum eligibility requirements, as defined in Health and Safety Code Section 44558, subdivision (f), and has more than ten million dollars (\$10,000,000) in assets.
- **Tier 2 (Presented by Ryan Dannewitz)** – Applicants who meet the minimum requirements as defined in Health and Safety Code Section 44558, subdivision (f), as well as:
  - (A) The applicant shall have made a minimum of 10 loans in the most recently completed fiscal year, or,
  - (B) The applicant shall have provided financing assistance in the state totaling \$10 million or more in the last three fiscal years.

Staff recommended approval the approval of Resolution No. 24-05-001 to make the grant awards to eligible applicants in an amount totaling \$14,200,000 under the California Investment & Innovation Program.

Treasurer Ma asked if CPCFA was cross-marketing other CPCFA programs (CalCAP, CSP) with the Cal IIP applicants. Ms. Tobias-Daniel confirmed CPCFA was doing so.

Treasurer Ma then asked if any of the board members would like to make any comments on behalf of the Item. Mr. Oppenheim suggested a map of California showing the areas being served with the money being disbursed by the Cal IIP program would be beneficial in identifying any “dry areas”, which could then become an area of focus in the next round of funding.

Treasurer Ma asked if any of the board members would like to make any other comments on behalf of the Item. There were none.

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

Mr. Oppenheim moved approval of the item; there was a second from Ms. Gonzales.

The item was passed by the following vote:

Erica Gonzales, for the Director of Finance	Aye
Dave Oppenheim, for the State Controller	Aye
Fiona Ma, CPA, State Treasurer	Aye

**B. Request to Approve a Fifth Amendment to an Interagency Agreement with the California Air Resources Board (“CARB”) Regarding the California Capital Access Loan Program Independent Contributor Program, Heavy-Duty Vehicle Air Quality Loan Program**

**Presented by: Doreen Smith, CalCAP Program Manager**

The California Pollution Control Financing Authority has an Interagency Agreement with the California Air Resources Board under the California Capital Access Loan Program to administer CARB’s Heavy-Duty Vehicle Air Quality Loan Program. This item seeks a fifth amendment to the IA, under CARB 18MSC004 between CPCFA and CARB to extend the term of the IA and to clarify the administration and compliance of the program since funding has ended and no new loans are being enrolled.

CARB was an Independent Contributor under CalCAP and provided financial assistance to small-business owners who have heavy-duty vehicles affected by CARB’s Truck and Bus Regulation and other air pollution control mandates.

The Program started in 2009 and since then CPCFA has contributed \$270.69 million in CARB funds towards 43,043 loans in the Program. CARB is not providing additional funding for this program. The last day to submit loans for enrollment in this program was July 31, 2023.

CPCFA and CARB are seeking a fifth amendment to CARB 18MSC004 to extend the term of the agreement to allow for CPCFA to continue providing administrative and compliance duties until the last enrolled loan matures. The amendment will also clarify end of program terms and requirements.

Staff recommended the approval of Resolution No. 24-02-001 to authorize the Executive Director or Deputy Executive Director to execute Amendment 5 to Interagency Agreement CARB 18MSC004 to extend the term of the agreement and clarify the administration and compliance of the program.

Treasurer Ma asked if the lack of additional funding was due to CARB feeling as if a maximum number had been reached. Ms. Smith responded that shifts in policy, now aimed at zero-emission vehicles, was the reason behind CARB no longer providing additional funding for diesel trucks.

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

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

Ms. Gonzales moved approval of the item; there was a second from Mr. Oppenheim.

The item was passed by the following vote:

Erica Gonzales, for the Director of Finance	Aye
Dave Oppenheim, for the State Controller	Aye
Fiona Ma, CPA, State Treasurer	Aye

5. **Public Comment**

Treasurer Ma asked if there were any comments from the public on matters that were not on the agenda. Paula Bahamon of Mission Valley Bank asked when the names of the awardees would be released for the Cal IIP program. Ms. Gonzalez informed Ms. Bahamon the awardees were listed on the CPCFA website, in Exhibit A for the staff report for Item 4.A., and that the list would also be posted on the Cal IIP website.

Treasurer Ma asked if there were any other 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