



CALIFORNIA CAPITAL ACCESS LOAN PROGRAM (CALCAP)

2022 ANNUAL REPORT TO THE LEGISLATURE



**A PROGRAM OF THE
CALIFORNIA POLLUTION CONTROL
FINANCING AUTHORITY
DECEMBER 2023**

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About the California Pollution Control Financing Authority

The California Pollution Control Financing Authority (CPCFA) administers programs which incentivize capital investment in specific economic activities reflecting state and federal policy goals.

CPCFA was approved as part of the State Treasurer's Office in 1972 and began taking action March 7, 1973. Our name references our original conduit bond projects which addressed industrial air and water pollution.

CPCFA provides California businesses with financing options for pollution control facilities and small businesses, and administers programs serving a variety of goals, including:

- Helping businesses construct solid waste, recycling, water, and wastewater projects as a conduit issuer of tax-exempt bonds;
- Assisting small businesses in obtaining loans for business start-up, expansion, and working capital through the California Capital Access Loan Program and Collateral Support Program;
- Collaborating with other state agencies, including the California Air Resources Board and the California Energy Commission, to provide lenders with incentives to finance electric vehicles and infrastructure;
- Developing a new grant program to meet the needs of borrowers in disadvantaged communities throughout California.

This annual report to the Legislature describing the California Capital Access Loan Program is prepared pursuant to the California Pollution Control Financing Authority Act, Health and Safety Code Section 44559.6.

CPCFA Board Members:

Fiona Ma, CPA, Chair
State Treasurer

Malia M. Cohen
State Controller

Joe Stephenshaw, Director
Department of Finance

EXECUTIVE SUMMARY

The California Pollution Control Financing Authority (CPCFA) successfully concluded another year assisting small businesses in California through our California Capital Access Loan Program (CalCAP) for Small Business (CalCAP for Small Business) and the California Air Resources Board (CARB) Heavy-Duty Vehicle Air Quality Loan Program, also known as the Truck Loan Assistance Program (CalCAP/CARB). Figure 1, below, shows the program statistics for 2022.

Figure 1: 2022 At-A-Glance

Total Loan Enrollments	5,570
Total Loan Dollars	\$560 Million*
Percentage Loan Dollar Increase from 2021	9.97%*
Contributions to Lenders' Loss Reserves	\$60.1 Million*
Total Claims Processed	152
Total Claim Dollars Paid	\$10 Million*
New Lender Enrollment	9
Current Participating Lenders (Exhibit F)	47

*Approximate Values

Through the end of December 2022, the total number of loans enrolled in each CalCAP program is as follows:

- CalCAP for Small Business since 1994 is 25,161.
- CalCAP/CARB since 2009 is 39,780.
- Collateral Support Program (CalCAP/CSP or CSP) since 2013 is 387.
- CalCAP Electric Vehicle Charging Station (EVCS) Financing Program (CalCAP/EVCS) since 2015 is four.
- California Seismic Safety Capital Access Loan Program (CalCAP/Seismic Safety) since 2016 is four.
- CalCAP American with Disabilities Act Program has not enrolled any loans to date.

Collectively, CPCFA has enrolled loans from businesses located in 56 of California's 58 counties since 1994.

Credit enhancements offered by CPCFA for loans enrolled in CalCAP for Small Business, CSP, CalCAP/Seismic Safety and CalCAP's Americans with Disabilities Act Financing Program (CalCAP/ADA) are eligible for supplemental contributions for borrowers whose businesses and properties are located in a Severely Affected Community (SAC). CPCFA's regulations define a high unemployment area as a SAC.

In addition to areas of high unemployment as SAC criteria, CPCFA has recognized the economic impact of the COVID-19 pandemic, designated disaster areas due to wildfires, earthquakes, extreme weather conditions, and public safety power shutoffs to

California small businesses. Borrowers affected by these disasters are eligible for the SAC contribution with the submission of a certification. CalCAP issued an additional \$1.5 million in supplemental contributions for loans enrolled in CalCAP for Small Business and CSP.

CPCFA conducted outreach for all CalCAP programs, including events for the State Small Business Credit Initiative (SSBCI) and a pilot program with CARB for medium- and heavy-duty ZEV. Events included webinars and workshops hosted by the State Treasurer's Office and partners such as CARB, GO-Biz, and California's Small Business Development Centers (SBDCs). Outreach was focused on providing presentations and materials with information about the key roles of financial institutions and small business centers in bringing the benefit of the CalCAP credit enhancement mechanisms to small businesses.

CALIFORNIA CAPITAL ACCESS LOAN PROGRAM (CALCAP) FUNDING SUMMARY

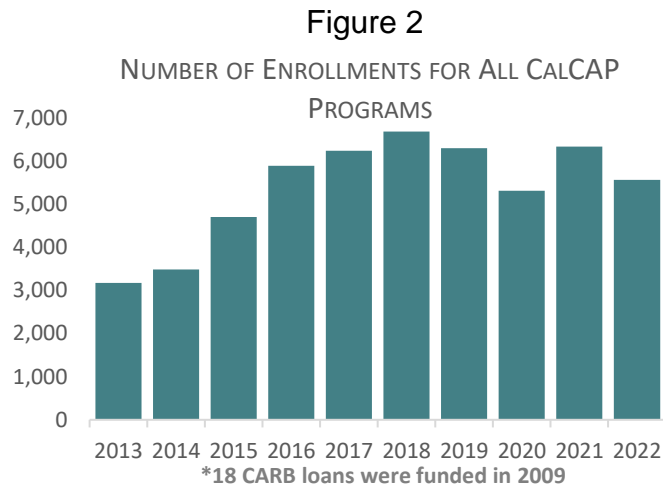
CalCAP for Small Business was established by legislation enacted in AB 253 (Chapter 1163, Statutes of 1994) and was created to be administered by CPCFA. CalCAP assists small businesses in obtaining loans through participating financial institutions (lenders). CalCAP is a loan loss reserve program that may provide up to 100% reimbursement on losses as a result of qualifying loan defaults. While each lender is entirely liable for its loan losses, those losses may be reimbursed from each lender's loan loss reserve account. The loss reserve accounts are built through fees paid by the borrower and lender and contributions made by CPCFA.

Prior to 2010, CPCFA funded CalCAP with \$38.3 million transferred from CPCFA's Small Business Assistance Fund (SBAF), itself sourced from fees CPCFA collected from large businesses financing projects through CPCFA's Pollution Control Tax-Exempt Bond Program. In October 2010, the Legislature appropriated \$6 million from the State's General Fund to supplement CPCFA's funding. In 2011, CalCAP expanded rapidly when it received an allocation of federal funds from the State Small Business Credit Initiative (SSBCI) administered by the U.S. Department of the Treasury, made available by the Small Business Jobs Act of 2010. CPCFA was awarded half of the total \$168 million allocation to the State of California. These federal funds enabled CPCFA to expand the CalCAP for Small Business and to establish CSP to increase lending assistance for California small-business owners.

Of CPCFA's share of the SSBCI allocation, the U.S. Department of the Treasury mandated that \$20 million be allocated to the continued administration of CalCAP for Small Business, and these moneys became the primary source of CPCFA's contributions to lenders' loan loss reserves. Over the next eight years, CPCFA also used State General Fund moneys as supplemental assistance for loan enrollments that were located in a SAC and for the regular contributions for loans that were not eligible under the stricter SSBCI requirements. With the federal funds fully exhausted in the first quarter of 2018, State General Fund moneys again became the main source of funds for contributions until they were depleted. Following that, the annual recapture of

contributions (effective August 2017) for matured loans previously enrolled in CalCAP for Small Business became the primary source for the State’s contributions.

The remaining SSBCI funds – \$65 million – was sub-allocated by the U.S. Department of the Treasury for the creation of CSP, designed specifically to provide a cash deposit for individual loans enrolled by participating lenders, where the borrower lacks sufficient collateral. As the principal outstanding balance of each loan is successfully reduced, CPCFA recaptures a portion of the cash deposit on an annual basis to support the enrollment of new CSP loans. Figure 2, above, shows total loan enrollment for all the CalCAP programs.



In 2022, the American Rescue Plan reauthorized and expanded the Small Business Credit Initiative (SSBCI) to provide \$10 Billion to support small businesses. CalCAP, together with the IBank, applied to the United States Treasury for California’s allocation which is split evenly between the agencies. The CalCAP for Small Business and Collateral Support Programs will be funded and expanded with this allocation.

Under CalCAP, CPCFA has administered a loan loss reserve program funded by CARB to assist owners and operators of small fleets of heavy-duty trucks in achieving compliance with CARB’s Truck and Bus Regulation, designed to reduce emissions of diesel particulate matter. As an independent contributor to the Heavy-Duty Vehicle Air Quality Loan Program since 2009, CARB has disbursed \$244.54 million to CPCFA through the end of 2022 to fund loan loss reserve accounts for lenders specializing in lending to small vehicle fleets. CARB funding for this program ended in 2023 as the focus has shifted to electric trucks and infrastructure.

In 2015, CPCFA received \$2 million from the California Energy Commission (CEC) to establish a pilot program, CalCAP Electric Vehicle Charging Station (CalCAP/EVCS). Loans enrolled in this program could be used for the design, development, purchase, and installation of charging stations at small business locations in California, including multi-unit dwellings. The CalCAP/EVCS program was based on the loan loss reserve model, with enhanced contributions for project installations that included preferred features, such as placement at multi-dwelling unit residential projects and businesses located in disadvantaged communities. The program also included a rebate for each borrower with no more than one late payment before the maturity of its loan. The pilot program enrolled four loans that financed the installation of 98 charging stations located throughout California. The program ended March 31, 2022.

In 2016, CPCFA launched CalCAP/ADA. With a \$10 million appropriation from Assembly Bill 1230 (Chapter 787, Statutes of 2015), the CalCAP/ADA program assists

small businesses with financing to alter or retrofit existing facilities to increase access and comply with the requirements of the federal Americans with Disabilities Act of 1990. To date, no loans have been enrolled in this program.

In June 2016, Senate Bill 837 (Chapter 32, Statutes of 2016) appropriated \$10 million to CPCFA to fund CalCAP/Seismic Safety. Implemented through rulemaking effective January 2017, CalCAP/Seismic Safety incentivizes private lending for California small business and residential property owners to finance the cost of seismic retrofits for existing buildings and homes vulnerable to future earthquakes. There have been four loans enrolled in this program.

CPCFA's continued transparency of the CalCAP programs assures stakeholders they are included in discussions and offers opportunities during Lender Roundtable webinars offered throughout the year for participating lenders to learn about program changes and updates and to provide feedback. Lenders are encouraged to attend these informational webinars and those that are unable to view live meetings are invited to view webinar recordings and presentations that are posted on CPCFA's website. By utilizing the rulemaking framework through the Office of Administrative Law, the program criteria and administration are clear and unambiguous. The framework also permits CPCFA to nimbly augment the program criteria in response to statutory updates, changes in funding, and other market dynamics.

CALCAP FOR SMALL BUSINESS PROGRAM RESULTS 2022

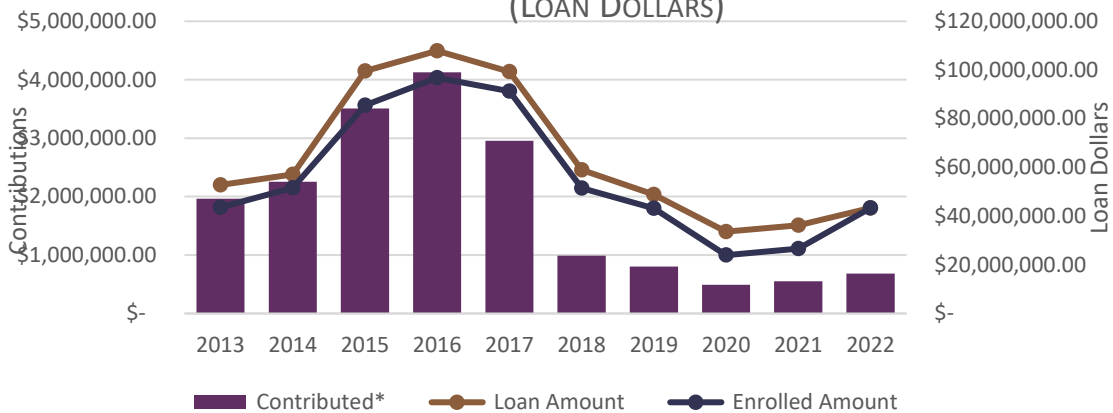
CalCAP for Small Business Loan Dollars – In 2022, more than \$32.6 million was enrolled in CalCAP for Small Business out of the approximately \$43.2 million in dollars loaned. The average loan size was approximately \$40,027. At the end of December 2022, CalCAP for Small Business lenders have cumulatively loaned approximately \$2.89 billion since the program began in 1994. See Figure 3 below.

CalCAP for Small Business Loan Volume – In 2022, CalCAP for Small Business enrolled 1081 small business loans made to 1069 borrowers. At the end of December 2022, the total number of loans enrolled in CalCAP for Small Business since 1994 is 25,161. See Figure 4 below.

CalCAP for Small Business Contributions – CPCFA contributes a percentage of each loan amount into the lender's loan loss reserve account when it is enrolled in CalCAP for Small Business. In 2022, CPCFA contributed a total of \$680,743 towards lenders' loan loss reserves.

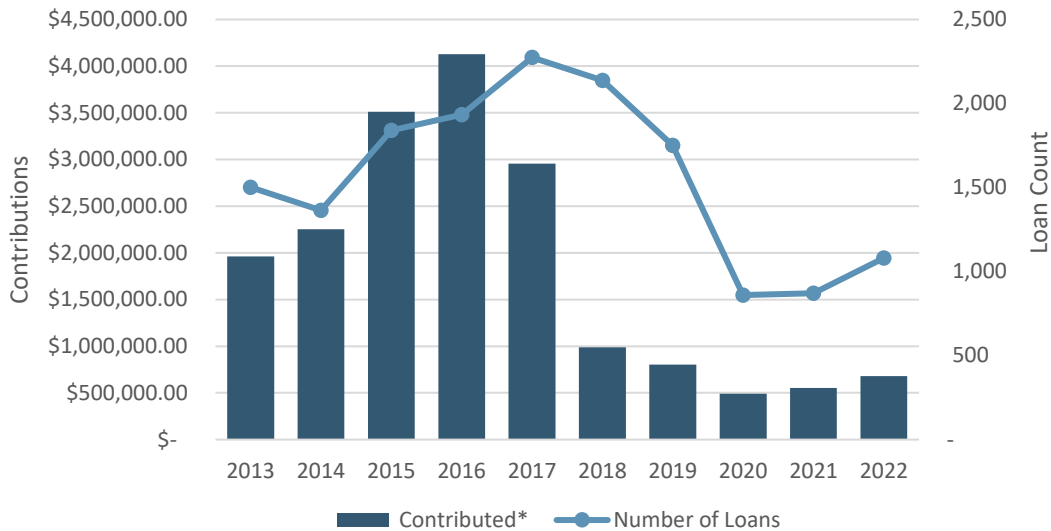
Severely Affected Community (SAC) – Of the 1081 loans enrolled in CalCAP for Small Business, 154 were disbursed to small businesses located in a SAC. In 2022, CalCAP for Small Business issued \$55,596 in supplemental contributions.

FIGURE 3: CALCAP FOR SMALL BUSINESS PROGRAM SUMMARY
(LOAN DOLLARS)



*2019 data reflects a statutory reduction in State contributions that took effect in April 2017.

FIGURE 4: CALCAP FOR SMALL BUSINESS PROGRAM SUMMARY
(LOAN COUNT)



*2019 data reflects a statutory reduction in State contributions that took effect in April 2017.

CalCAP for Small Business Microloans – In 2022, of the 1081 loans made to California small- business owners, 634 loans totaling approximately \$9.3 million were microloans under \$40,000.

CalCAP for Small Business Jobs – In 2022, loans enrolled in CalCAP for Small Business helped create 504 new jobs and retain 3899 existing jobs.

CalCAP for Small Business Loans by Industry – The following chart, Figure 5, describes the distribution of enrollment activity by sector, using the North American Industry Classification System (“NAICS”) Sector number.

Figure 5: 2022 CalCAP for Small Business Program Loans by Industry

NAICS Sector	Description	# Of Enrollments	Loaned Dollars	Enrolled Dollars
11	Agriculture, Forestry, Fishing and Hunting	9	\$1,964,949.12	\$790,000.00
21	Mining, Quarrying, and Oil and Gas Extraction	0	\$0.00	-
22	Utilities	1	\$6,100.00	\$6,100.00
23	Construction	81	\$2,572,827.00	\$2,346,300.00
31-33	Manufacturing	41	\$947,085.88	\$872,991.88
42	Wholesale Trade	33	\$991,424.56	\$905,057.00
44-45	Retail Trade	73	\$1,573,849.01	\$1,573,848.56
48-49	Transportation and Warehousing	372	\$22,262,331.97	\$13,558,207.86
51	Information	19	\$916,197.00	\$725,800.00
52	Finance and Insurance	16	\$425,800.00	\$425,800.00
53	Real Estate and Rental and Leasing	40	\$1,250,177.90	\$1,250,177.90
54	Professional, Scientific, and Technical Services	92	\$1,521,600.00	\$1,542,600.00
55	Management of Companies and Enterprises	0	\$0.00	-
56	Administrative and Support/Waste Management/Remediation Services	44	\$1,126,427.58	\$1,041,678.33
61	Educational Services	11	\$249,900.00	\$249,900.00
62	Health Care and Social Assistance	49	\$1,071,120.00	\$1,071,120.00
71	Arts, Entertainment, and Recreation	17	\$178,199.00	\$178,199.00
72	Accommodation and Food Services	114	\$4,962,879.97	\$4,908,846.47
81	Other Services (except Public Administration)	68	\$1,216,877.77	\$1,206,328.87
92	Public Administration	1	\$10,000.00	\$10,000.00
GRAND TOTALS		1081	\$43,2668,746.76	\$32,662,955.87

CalCAP for Small Business Geographic Area Served – Exhibit A on page 19 shows the distribution of the loans enrolled in 43 counties in 2022 and indicates the number of enrollments and approximate dollars loaned by county.

CalCAP for Small Business Loan Loss Claims – CalCAP processed and approved 65 claims filed by lenders against their loan loss reserve accounts in 2022, totaling approximately \$1.2 million (Figure 6). The default rate for 2022 was 6.01%. Figure 7 shows the default rate percentage for the last 10 years.

**FIGURE 6:
CALCAP FOR SMALL BUSINESS PROGRAM CLAIM
SUMMARY**

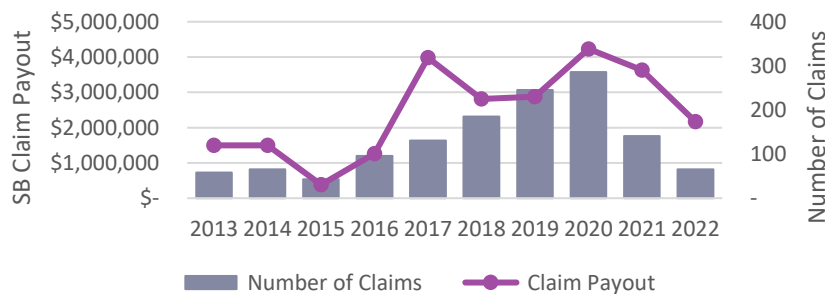
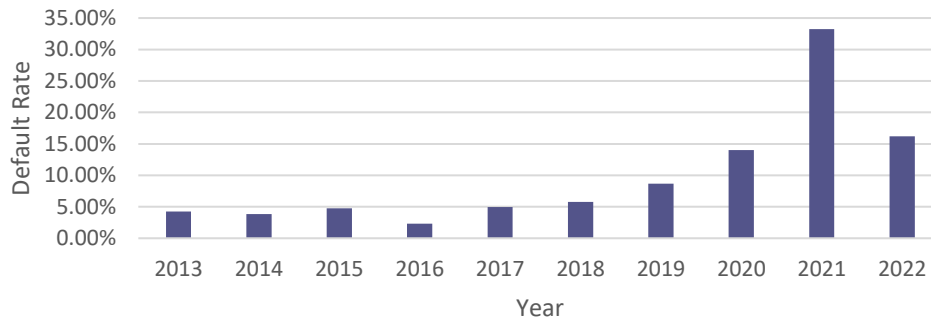


FIGURE 7:
CALCAP FOR SMALL BUSINESS PROGRAM DEFAULT
SUMMARY



CalCAP for Small Business Fund Balance – CalCAP received a 1st tranche total of \$178,556,939 from the U.S. Treasury SSBCI on November 30, 2022, that will help support loans enrolled in the CalCAP for Small Business and Collateral Support Programs. The Small Business Program received \$27,358,671.50 and the Collateral Support Program received \$109,434,684. Additional funding was received for Socially and Economically Disadvantaged Individuals (SEDI) as well as very small businesses that total \$41,763,583.50.

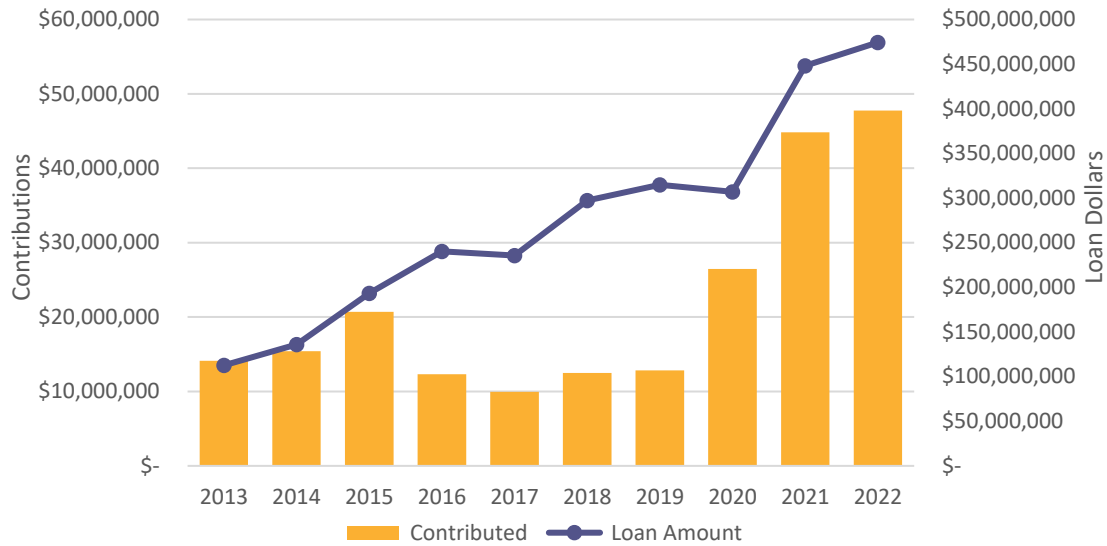
CALCAP CALIFORNIA AIR RESOURCES BOARD (CARB) HEAVY-DUTY VEHICLE AIR QUALITY LOAN PROGRAM (CALCAP/CARB) RESULTS 2022

In May 2009, CARB began participating in CalCAP as an independent contributor for the CARB Heavy-Duty Vehicle Air Quality Loan Program. Through an interagency agreement, CARB partnered with CPCFA to assist small-business owners of heavy-duty trucks in meeting state air quality regulations. Under the program rules, CARB contributed 14% of each loan enrolled to the lender’s loan loss reserve account until the lender receives \$500,000 in total contributions, after which the rate is reduced to 10% for all subsequent enrollments.

Funded by CARB’s Air Quality Improvement Program (AQIP) Funding Plan, CARB has allocated a total of \$244.54 million to this program. CARB funding for the program has ended and loan enrollments ended July 31, 2023. CARB is now focusing on financing zero-emission vehicle programs and CalCAP is collaborating with CARB to develop a new ZE financing program.

Currently, 30 lenders are enrolled to participate in CalCAP/CARB. Of those 30 lenders, 20 enrolled loans in the program during 2022. The top three participating lenders -- Crossroads Equipment Lease & Finance, Ascentium Capital LLC., and Accion Opportunity Fund -- enrolled approximately 59% of the total 2022 loan volume.

FIGURE 8: CALCAP CALIFORNIA AIR RESOURCES BOARD HEAVY-DUTY VEHICLE AIR QUALITY LOAN PROGRAM SUMMARY



CalCAP/CARB Loan Dollars – In 2022, approximately \$474 million (Figure 8, above) in total loans were enrolled in CalCAP/CARB, bringing the total amount enrolled since program inception to \$2.9 billion. In 2022, CPCFA paid contributions of \$7.7 million towards that amount. The average loan size was approximately \$106,358.

CalCAP/CARB Loan Volume – In 2022, CARB enrolled 4,460 loans made to 4,181 borrowers to purchase 4,611 trucks and 152 trailers. Since the inception of CalCAP/CARB in 2009, 39,780 loans have been enrolled for 40,946 trucks and 1,221 trailers. This equates to the removal of the air pollution emitted from almost over 11 million passenger cars or over 165 tons per year of particulate matter.

CalCAP/CARB Jobs – In 2022, loans enrolled in CalCAP/CARB helped create 3587 new jobs and retain 6,797 existing jobs.

Terminal Rental Adjustment Clause (TRAC) Leases – A TRAC lease is a different type of lending instrument that some lenders choose to use, giving borrowers another option for purchasing heavy-duty diesel vehicles. In 2022, CPCFA paid contributions of \$379,810 for 31 TRAC leases. Of the approximate \$474 million enrolled in CalCAP/CARB, approximately \$3.7 million was a result of enrolled TRAC leases.

CalCAP/CARB Loans by Industry – The following chart, Figure 9, describes the distribution of enrollment activity by sector, using the NAICS Sector number.

Figure 9:
2022 CalCAP California Air Resources Board Heavy-Duty Vehicle Air Quality Loan Program Loans by Industry

NAICS Sector	Description	# of Enrollments	Loaned Dollars	Enrolled Dollars
11	Agriculture, Forestry, Fishing and Hunting	4	\$558,434.04	\$558,434.04
21	Mining, Quarrying, and Oil and Gas Extraction	3	\$541,097.86	\$541,097.86
22	Utilities	3	\$306,978.48	\$306,978.48
23	Construction	32	\$4,391,509.71	\$4,391,509.71
31-33	Manufacturing	9	\$1,300,652.77	\$1,300,652.77
42	Wholesale Trade	10	\$1,024,332.32	\$1,024,332.32
44-45	Retail Trade	2	\$93,090.00	\$93,090.00
48-49	Transportation and Warehousing	4319	\$456,972,047.81	\$456,853,047.81
51	Information	1	\$112,351.38	\$112,351.38
52	Finance and Insurance	0	-	-
53	Real Estate and Rental and Leasing	10	\$917,364.05	\$917,364.05
54	Professional, Scientific, and Technical Services	1	\$114,760.00	\$114,760.00
55	Management of Companies and Enterprises	0	-	-
56	Administrative and Support/Waste Management/Remediation Services	54	\$6,506,743.17	\$6,506,743.17
61	Educational Services	0	-	-
62	Health Care and Social Assistance	0	-	-
71	Arts, Entertainment, and Recreation	1	\$145,746.00	\$145,746.00
72	Accommodation and Food Services		-	-
81	Other Services (except Public Administration)	10	\$1,231,254.80	\$1,231,254.80
92	Public Administration	1	\$139,934.09	\$139,934.09
GRAND TOTALS		4460	\$474,356,296.48	\$474,237,296.48

CalCAP/CARB Geographic Area Served – Exhibit B on page 20 shows the distribution of the CalCAP/CARB-funded loans enrolled in 50 counties and indicates the number of enrollments and approximate dollars loaned.

CalCAP/CARB Loan Loss Claims – CalCAP processed and approved 82 claims filed by lenders against their CalCAP/CARB loan loss reserve accounts, totaling approximately \$2.8 million in payments disbursed for 2022 (Figure 10). The default rate for 2022 is 1.84%. Figure 11 shows the default rate percentage for the last ten years.

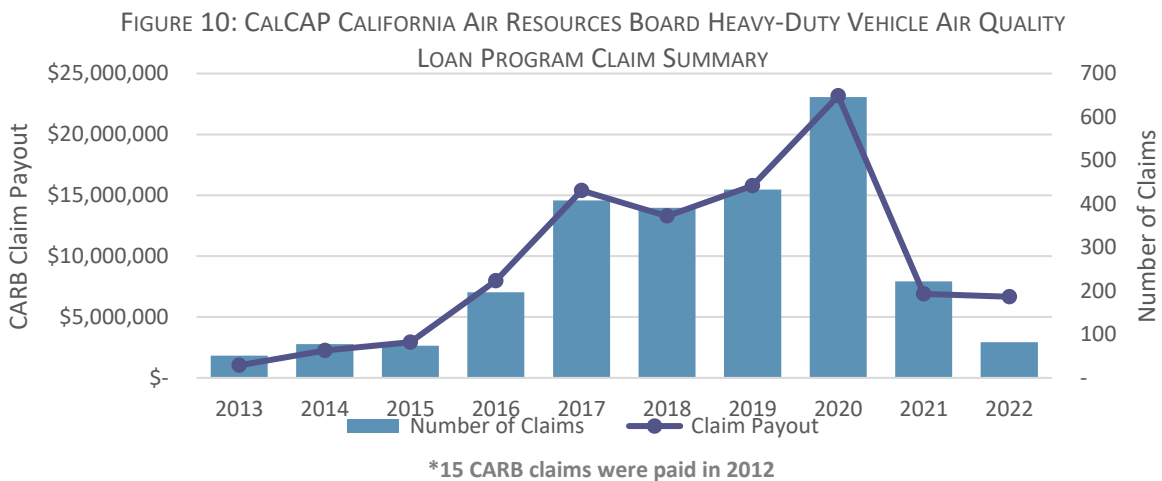
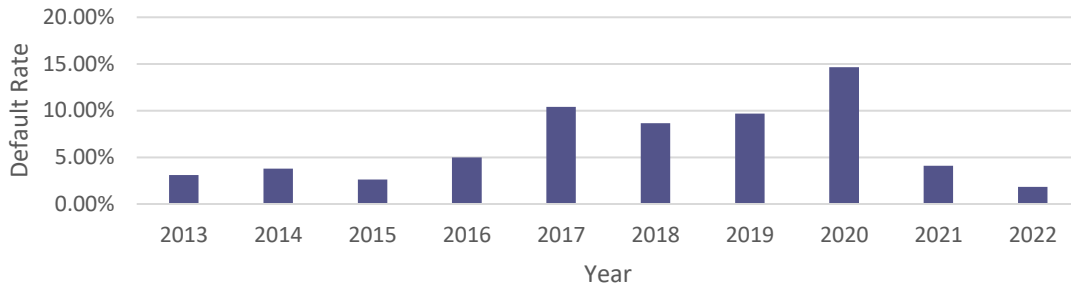


FIGURE 11: CALCAP CALIFORNIA AIR RESOURCES BOARD HEAVY-DUTY VEHICLE AIR QUALITY LOAN PROGRAM DEFAULT SUMMARY



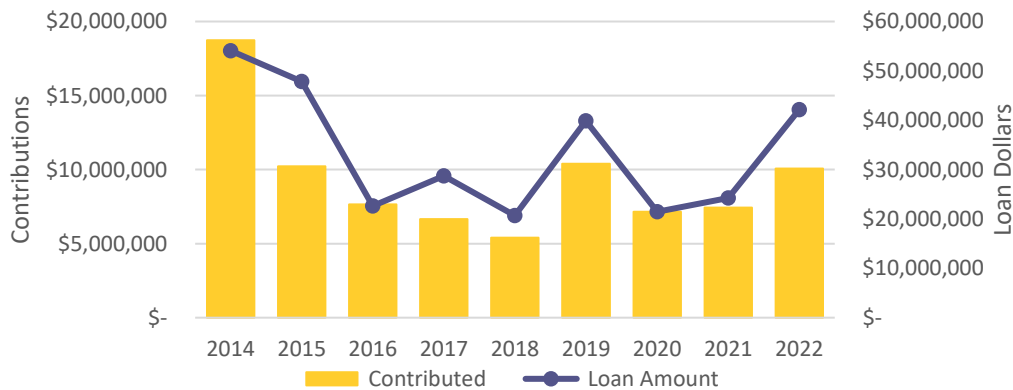
CalCAP/CARB Fund Balance – As of December 31, 2022, the balance available in the CalCAP/CARB fund was \$8.6 million.

COLLATERAL SUPPORT PROGRAM (CSP) RESULTS 2022

CSP was designed to enable financing for small businesses with a collateral shortfall. In January 2013, CSP was approved by the U.S. Department of the Treasury as part of CPCFA’s \$85 million allocation under SSBCI. CPCFA provides a cash deposit to the lender to hold as partial collateral against potential loss. Under CSP, CPCFA recaptures a portion of the cash deposit annually as the loan pays down according to a defined recapture schedule. The recaptured funds allowed CalCAP to continue the CSP program until the receipt of SSBCI funds from the US Treasury in late 2022.

As of December 31, 2022, CPCFA had contributed a total of \$107.9 million in cash deposits for 387 loans, utilizing moneys that were recaptured and recycled. In the CSP program, CPCFA provides enhanced support for green and manufacturing loans. As of December 31, 2022 CPCFA had contributed a total of \$13.4 million in cash deposits to support 15 green loans totaling roughly \$26.5 million (Figure 12).

FIGURE 12: COLLATERAL SUPPORT PROGRAM SUMMARY



CSP Loan Volume – In 2022, CPCFA enrolled 28 loans to 27 borrowers. At the end of December 2022, the total number of loans enrolled in CSP since 2013 is 387.

CSP Loan Dollars – In 2022, CSP leveraged approximately \$42.1 million dollars in lending. The average loan size was approximately \$1,505,867.47.

CSP Loan Contributions – In 2022, CPCFA contributed approximately \$10 million in cash deposits to support loans to small businesses.

Severely Affected Community (SAC) – Of the 28 loans enrolled, 19 were to small businesses located in a SAC. CPCFA approved supplemental cash deposits for those loans in the amount of \$1.45 million.

CSP Jobs – In 2022, loans enrolled in the CSP helped create 112 new jobs and retain 694 existing jobs.

CSP Loans by Industry – The following chart, Figure 13, describes the distribution of enrollment activity by sector, using the NAICS Sector number.

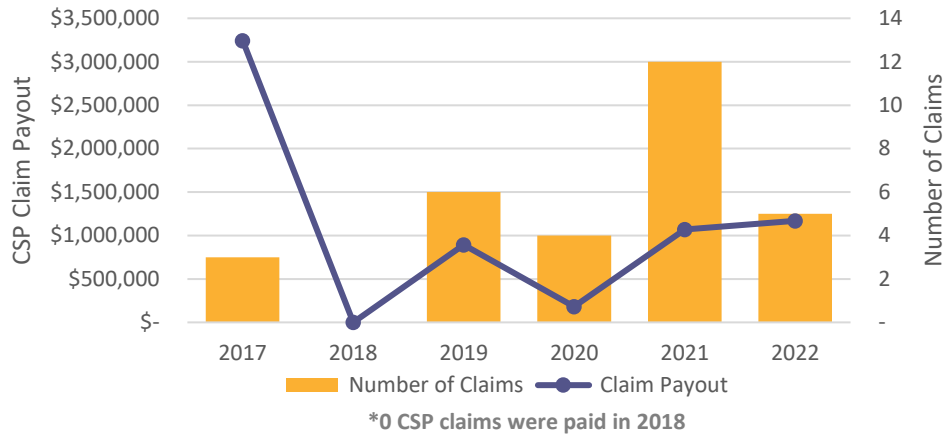
Figure 13:
2022 Collateral Support Program Loans by Industry

NAICS Sector	Description	# Of Enrollments	Loaned Dollars	Enrolled Dollars
11	Agriculture, Forestry, Fishing and Hunting	0	-	-
21	Mining, Quarrying, and Oil and Gas Extraction	0	-	-
22	Utilities	0	-	-
23	Construction	1	\$25,000.00	\$25,000.00
31-33	Manufacturing	7	\$8,519,066.93	\$8,519,066.93
42	Wholesale Trade	2	\$10,500,000.00	\$10,500,000.00
44-45	Retail Trade	2	\$2,150,000.00	\$2,150,000.00
48-49	Transportation and Warehousing	0	-	-
51	Information	0	-	-
52	Finance and Insurance	0	-	-
53	Real Estate and Rental and Leasing	4	\$5,575,966.00	\$5,575,966.00
54	Professional, Scientific, and Technical Services	2	\$850,000.00	\$850,000.00
55	Management of Companies and Enterprises	0	\$0.00	\$0.00
56	Administrative and Support/Waste Management/Remediation Services	1	\$10,000,000.00	\$10,000,000.00
61	Educational Services	0	-	-
62	Health Care and Social Services	1	\$107,895.52	\$107,895.52
71	Arts, Entertainment, and Recreation	0	-	-
72	Accommodation and Food Services	7	\$636,360.76	\$636,360.76
81	Other Services (except Public Administration)	1	\$3,800,000.00	\$3,800,000.00
92	Public Administration	0	-	-
	Grand Totals	28	\$42,164,289.21	\$42,164,289.21

CSP Geographic Area Served – Exhibit C on page 21 shows the distribution of the loans enrolled in 9 counties, the number of enrollments, and approximate dollars loaned.

CSP Claims – In 2022, 5 CSP claims were filed for a total of \$247,045 in payments. The program has had 30 claims since its inception in 2013 (Figure 14).

FIGURE 14: COLLATERAL SUPPORT PROGRAM CLAIM SUMMARY



CSP Recapture – Loans supported by CSP are subject to an annual recapture of the funds on deposits. In 2022, CSP recaptured approximately \$9.5 million in funds on 85 loans. The recaptured funds will be used for future CSP loans to sustain the program.

CSP Funds Remaining – As of December 31, 2022, the balance available from remaining recaptured moneys allocated to the State-funded CSP total approximately \$29.7 million for FY 21/22.

OTHER CALCAP SPECIALTY PROGRAMS

CalCAP Electric Vehicle Charging Station Financing Program (CalCAP/EVCS)

CalCAP/EVCS was introduced in 2015 and aimed to expand the number of electric vehicle charging stations installed by small businesses in California. The program, funded with \$2 million as a pilot project by the California Energy Commission, provided incentives to small-business borrowers and lenders to finance electric vehicle charging station equipment acquisition and installation. Loans enrolled in this program could be used for the design, development, purchase, and installation of electric vehicle charging stations in the state of California. This partnership allowed CalCAP to provide up to 100% coverage to lenders on qualifying loan defaults. Borrowers with good repayment history may be eligible to receive a rebate of 10-15% of the enrolled loan amount payable from the lenders’ loss reserve accounts.

In 2022, CalCAP/EVCS funded one loan enrollment in the amount of \$500,000 to a borrower in Los Angeles County for the installation of 6 charging stations at two different sites located in Sacramento and Riverside. CalCAP/EVCS contributed \$150,000 to the lender’s loan loss reserve, including a \$50,000 incentive because the installations would be located in a disadvantaged community.

Since 2015, CalCAP/EVCS has enrolled four loans for a total of \$1.5 million. These loans financed the installation of 98 charging stations. CPCFA paid contributions in the amount of \$452,225 and rebates of \$75,000 were paid to the borrowers.

The EVCS program came to an end on March 31, 2022. **Exhibit D** on page 22 shows the distribution of the loan enrolled.

California Americans with Disabilities Act Small Business Capital Access Loan Program (CalCAP/ADA)

CPCFA developed and implemented CalCAP/ADA in 2016. The program was created through Assembly Bill 1230 (Chapter 787, Statutes of 2015) with a \$10 million one-time appropriation. CalCAP/ADA is designed to assist with financing costs to alter or retrofit existing small-business facilities in order to comply with the requirements of the federal Americans with Disabilities Act of 1990. Loans enrolled in this program may be used for the cost of surveying facilities for non-compliance, estimating and planning eligible alterations, construction costs, and other related expenses but excluding business expansion. This program includes a recapture mechanism to encourage financial sustainability of the program.

Assembly Bill 1553 (Chapter 644, Statutes of 2017) expanded the definition of small business for the purposes of CalCAP/ADA to include businesses with less than \$5 million in total gross annual income, expanding the types of businesses that qualify for funding. Assembly Bill 1553 also authorized CPCFA to use its Small Business Assistance Fund (SBAF) moneys to incentivize participation in the CalCAP/ADA loan loss reserve program by providing for the reimbursement of required Certified Access Specialist (CAsp) reports.

Assembly Bill 1547 (Chapter 645, Statutes of 2018) further modified the definition of a small business for purposes of CalCAP/ADA to mean a business that is independently owned and operated and not dominant in its field, and with 30 or fewer full-time employees or less than \$5 million in total gross annual income from all sources. CalCAP/ADA has not enrolled any loans to date. Despite extensive outreach to small businesses throughout the state, a lack of participation in this program is often attributed to a hesitation on the part of small businesses that are tenants/lessors and are reluctant to take out debt for improvements on facilities they do not own.

California Seismic Safety Capital Access Loan Program (CalCAP/Seismic Safety)

CalCAP/Seismic Safety was launched January 2017. The program was created through Senate Bill 837 (Chapter 32, Statutes of 2016) with a \$10 million one-time appropriation. The purpose of CalCAP/Seismic Safety is to incentivize private financing for California small businesses and residential property owners (including multi-dwelling units and mobile homes registered by the California Department of Housing and Community Development) for the costs to seismically retrofit existing buildings and homes. Proceeds from loans enrolled in CalCAP/Seismic Safety may be used for seismic retrofit construction alterations performed on a qualified building or its components to substantially mitigate seismic damage.

Assembly Bill 1547 (Chapter 645, Statutes of 2018) modified the term “qualified building” to mean a residential or commercial building identified by the local building code official as a building in need of seismic retrofitting and either a building of a type that is potentially vulnerable in the event of a catastrophic earthquake or a building constructed before 1981. Assembly Bill 1547 discontinued the occupancy requirement for a qualified building to be eligible under CalCAP/Seismic Safety and authorized a qualified loan under CalCAP/Seismic Safety to finance passive real estate.

CalCAP did not enroll a loan in the CalCAP/Seismic Safety Program in 2022.

Since 2016, CalCAP/Seismic Safety has enrolled four loans for multi-unit buildings in the greater Los Angeles area for a total of \$385,000. CPCFA paid contributions in the amount of \$43,000.

OUTLOOK FOR 2023

Access to capital continues to be the prime concern for small businesses’ sustainability. The CalCAP loan loss reserve developed and administered by CPCFA has been in continual and vigorous demand by lenders since the inception of CalCAP. Currently, for every dollar CalCAP contributes through one of its credit enhancement programs, approximately \$10 of private investments is used to help support small businesses throughout California. This leverage ratio will be critical for the deployment of federal fund through the federal State Small Business Credit Initiative (SSBCI 2.0). Since the SSBCI 2.0 program was signed into law as part of the American Rescue Plan Act of 2021, CPCFA has taken the necessary preparations to prepare to receive part of the \$10 billion authorized for states across the country for qualifying support programs. California’s Allocation agreement was approved on September 16, 2022, and CalCAP received its first allocation of SSBCI 2.0 funding in the amount of \$178,556,939 on November 30, 2022. The funds will be used to support the CalCAP for Small Business Program and Collateral Support Program. CalCAP will continue to work with qualifying financial institutions, organizations serving small businesses, and community organizations throughout California to increase lender participation in CalCAP.

It is anticipated that CalCAP will no longer implement the Small Business Recapture mechanism due to the amount of SSBCI 2.0 funding being received, and the Collateral Support Program guidelines and eligibility will be updated to incentivize lenders enrolled in the program to enroll more loans.

CPCFA is excited to support the growing needs of California’s small-business community with the moneys received.

Staff is working closely with the State Treasurer, partner state agencies, financial institutions, and other stakeholders to reach small business borrowers in need of capital throughout the state. Throughout 2022, CPCFA engaged with current and potential lenders, borrowers, and partners through various outreach events.

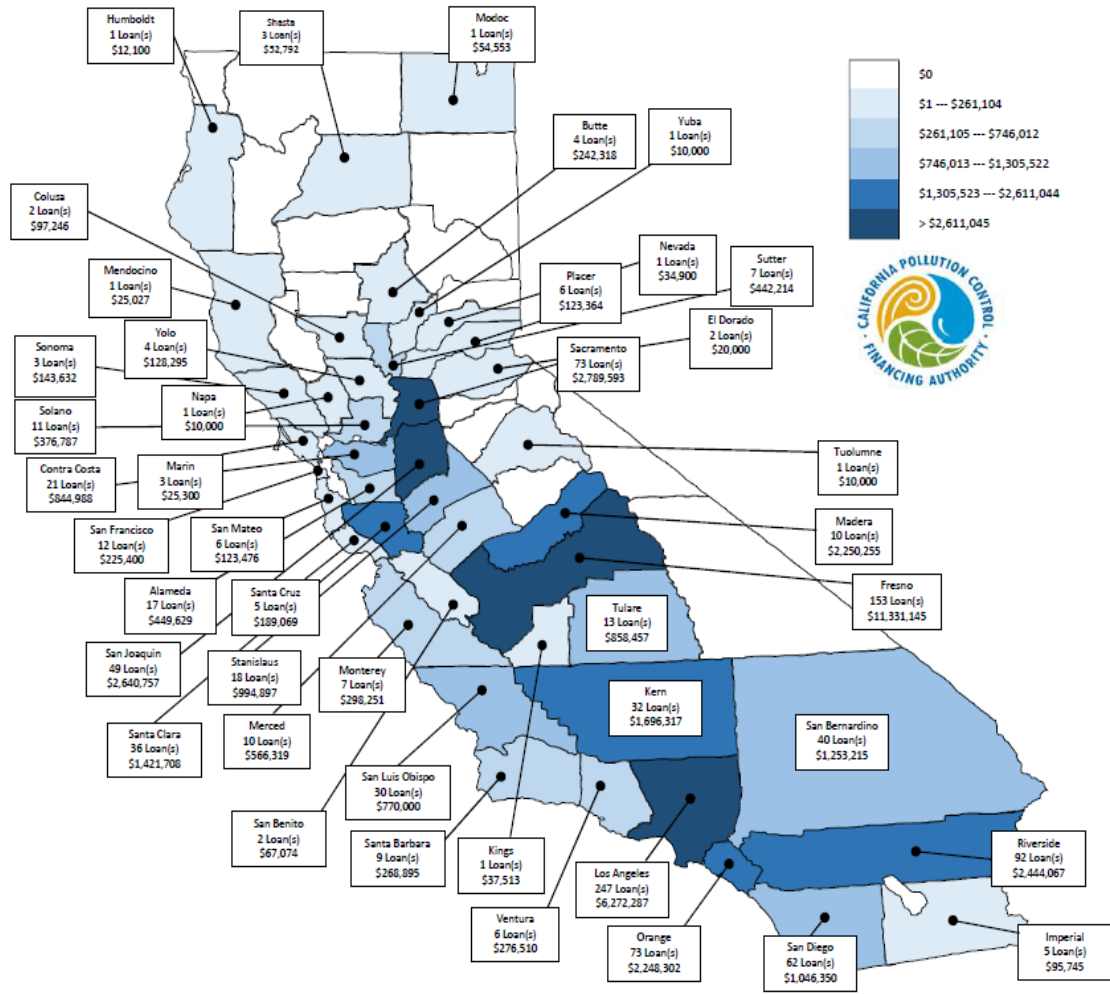
CPCFA’s partnership with CARB remained strong as we closed 2022 with 4,460 loans enrolled in the truck program. In 2023, CalCAP began working with CARB on

developing a new program to finance zero-emission medium- and heavy-duty vehicle fleets pursuant to the passage of Senate Bill 372 that was signed by Governor Newsom on October 7, 2021.

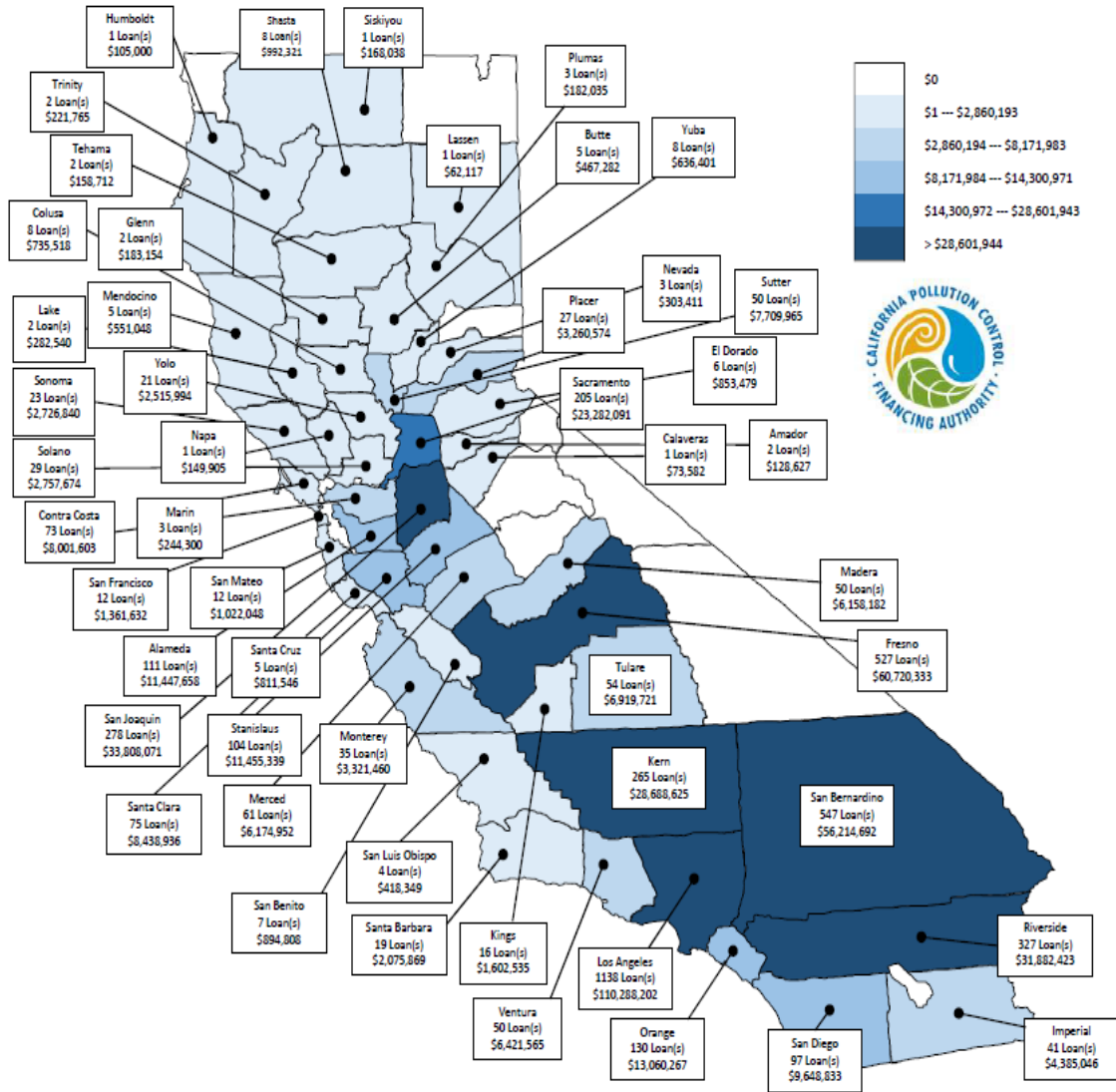
CalCAP's loan loss reserve model continues to be one of the most effective means of leveraging private funds with public investments.

CPCFA will continue its outreach partnerships with other state agencies, legislative members, local governments, and the State Treasurer's office while also exploring other opportunities to increase borrower and lender participation across CPCFA's programs. CalCAP has implemented an online loan application process to enhance the ease of submitting loan enrollments for lenders. The goal is to transition to all online submissions by the end of 2024. These activities will continue to provide CalCAP with more opportunities to promote small-business lending in California.

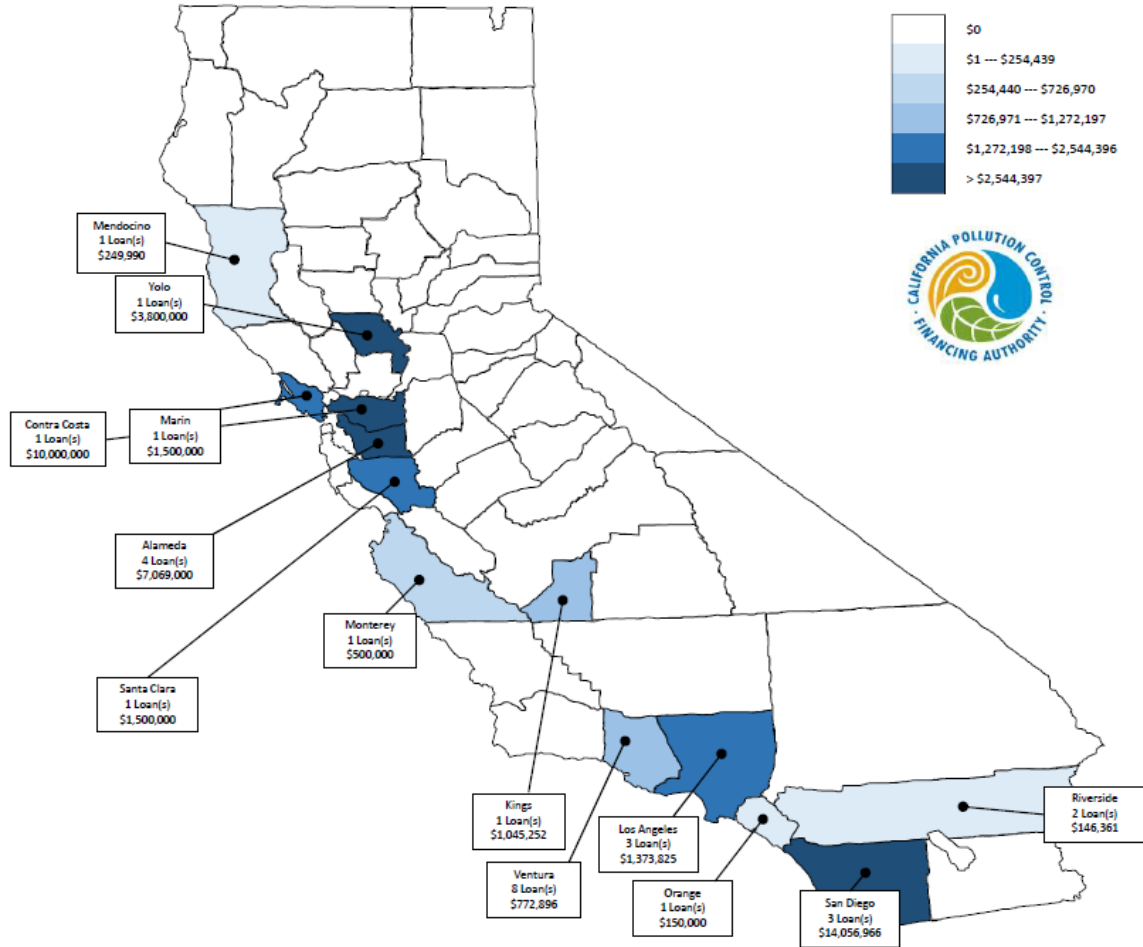
**EXHIBIT A:
GEOGRAPHIC AREA SERVED: CALCAP FOR SMALL BUSINESS
PROGRAM 2022**



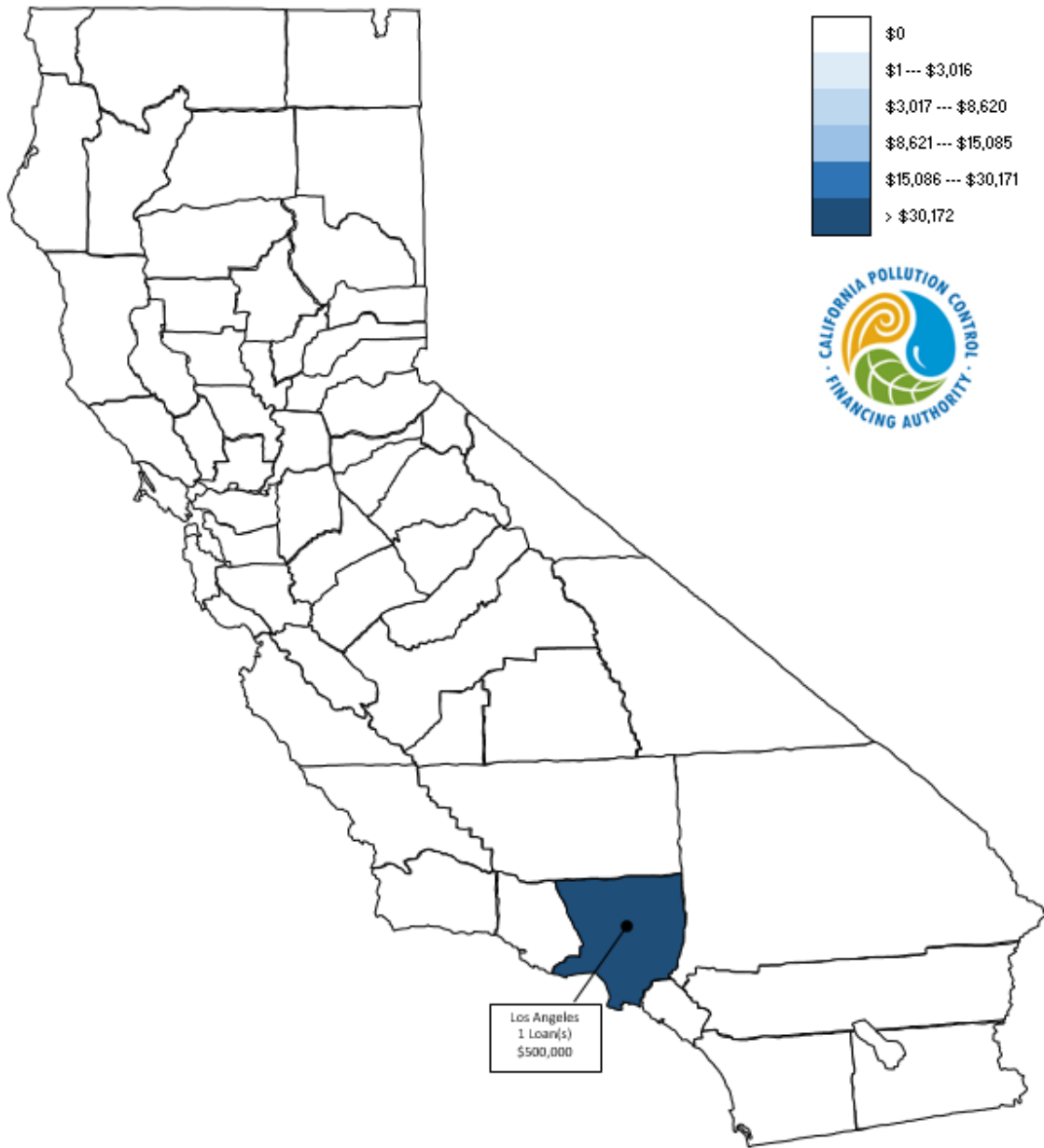
**EXHIBIT B:
GEOGRAPHIC AREA SERVED: CALCAP CALIFORNIA AIR RESOURCES BOARD
HEAVY-DUTY VEHICLE AIR QUALITY LOAN PROGRAM 2022**



**EXHIBIT C:
GEOGRAPHIC AREA SERVED: COLLATERAL SUPPORT PROGRAM 2022**



**EXHIBIT D:
GEOGRAPHIC AREA SERVED: CALCAP/EVCS PROGRAM 2022**



CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

**EXHIBIT E:
CALCAP PARTICIPATING LENDER LIST**

Participating Financial Institution	Website	SB	CSP	CARB	ADA	Seismic Safety	EVCS
Accessity	https://accessity.org/	x		x			
Accion Opportunity Fund	https://aofund.org/	x		x			
Acelera Financial Corp.	https://acelerafinancial.com/			x			
Allegiant Partners, Inc.	https://apfinancing.com/			x			
American Lending Center	https://americanlendingcenter.com/			x			
AmPac Tri-State CDC, Inc.	https://ampac.com/	x	x	x			
Amur Equipment Finance, Inc.	https://www.amuref.com/			x			
Ascentium Capital, LLC	https://ascentiumcapital.com/			x			
Atlas Capital, Inc.	http://www.allstate-finance.com/			x			
Bankers Small Business CDC of California	https://cdcloans.com/	x					
Black Cooperative Investment Fund	www.bcifund.org	x	x				
California International Bank	https://www.calibankna.com/ https://www.calibankna.com/		x	x			
Calfund, LLC	https://www.calfundllc.com/			x			
CapX Equipment Leasing, LLC	https://www.capxfunding.com/			x			
CapX Funding Corp.	https://www.capxfunding.com/			x			
CDC Small Business Finance	https://cdcloans.com/	x					
Celtic Bank Corporation	https://www.celticbank.com/		x				
Commercial Credit Group, Inc.	https://www.commercialcreditgroup.com/			x			
Community Vision Capital & Consulting	https://communityvisionca.org/	x	x				
Cornerstone Financial Services	https://www.trucktrailerfinance.com/			x			
Crossroads Equipment Lease & Finance	https://www.crelease.com/			x			
Economic Development & Financing Corp	https://www.edfc.org/	x	x				
First Community Capital, Inc.	http://www.fccbi.org/	x					
Fresno CDFI	https://www.accesspluscapital.com/	x	x		x		
Gain Federal Credit Union	https://gainfcu.com/		x				
General Business Credit	http://gbcfactor.com/			x			
Genesis LA Economic Growth Corp	http://genesislal.org/		x				

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

Inclusive Action for the City	https://www.inclusiveaction.org/	x					
Innovative Lease Services, Inc.	https://www.ilslease.com/equipment-lease/	x	x	x			
Lendistry, LLC	https://lendistry.com/	x	x				
Main Street Capital Group, LLC	No webpage available. Please call 424-777-2439.			x			
Maxim Commercial Capital, LLC	https://www.maximcc.com/			x			x
Meriwest Credit Union	https://www.meriwest.com/	x	x				
Momentum Commercial Funding, LLC	https://www.momentumcommercial.com/			x			
Murphy Bank	https://www.murphybank.com/	x		x			
NCRC Community Development Fund, Inc.	https://www.communitydevelopmentfund.org/	x	x	x	x	x	x
Opening Doors	https://openingdoorsinc.org/	x			x		
PACCAR Financial	https://www.paccarfinancial.com/			x			
PACE Finance Corporation	http://pacelabdc.org/	x	x				x
Pacific Premier Bank	https://www.ppbi.com/	x	x				
SLIM Capital, LLC	https://slimcapital.com/			x			x
Small Business Development Corporation of Orange County	https://sbfdoc.org	x	x				
Snider Leasing Corp.	https://www.sniderleasing.com/	x		x			x
TMC Community Capital	https://tmccommunitycapital.org/	x					
United Business Bank	https://www.unitedbusinessbank.com/		x	x		x	x
Western Alliance Bank dba Bridge Bank	https://www.westernalliancebancorporation.com/bridge-bank-home		x				
Working Solutions CDFI	https://www.workingsolutions.org/	x					

Program Key

SB	California Capital Access Loan Program (CalCAP) for Small Business Program
CSP	California Capital Access Loan Program (CalCAP) Collateral Support Program
CARB	California Capital Access Loan Program (CalCAP) California Air Resources Board Heavy-Duty Vehicle Air Quality Loan Program
ADA	California Capital Access Loan Program (CalCAP) Americans with Disabilities Act Financing Program
Seismic Safety	California Capital Access Loan Program (CalCAP) California Seismic Safety Financing Program
EVCS	California Capital Access Loan Program (CalCAP) Electric Vehicle Charging Station Financing Program