



CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

Physical Address:
901 P Street, 3rd Floor
Sacramento, CA 95814

Mailing Address:
P.O. Box 942809
Sacramento, CA 94209
p (916) 654-5610
f (916) 589-2805
cpcfafa@treasurer.ca.gov
www.treasurer.ca.gov/cpcfafa

MEMBERS

FIONA MA, CPA, CHAIR
State Treasurer

MALIA M. COHEN
State Controller

JOE STEPHENSHAW
Director of Finance

EXECUTIVE DIRECTOR
Shela Tobias-Daniel

California Pollution Control Financing Authority (CPCFA)

Request for Proposals No. CPCFA02-24

CalCAP SSBCI Loan Participation Project

RESPONSES TO QUESTIONS

April 22, 2025

The following information is provided in response to questions received by CPCFA regarding Request for Proposals (“RFP”) No. CPCFA02-24, as shown below:

- 1. Can you please clarify what constitutes an “office” for purposes of the minimum qualifications? For example, if an organization does not maintain an official office in the jurisdiction but has one or more remote employees working there, is that enough to satisfy this requirement?**

Answer: The administrator must have its principal office located in the State of California, or have a physical office located in the State of California.

- 2. Attachment 4 requests references for pooled loan programs offered within the last five years. If a proposer has relevant experience in loan participations, small business lending, community banking, and/or other agency outreach programs that may not utilize pooled loan structures, can those references be submitted for consideration?**

Answer: Yes, CPCFA will accept references that demonstrate experience in loan participations, small business lending, and community banking.

3. **The U.S. Department of the Treasury’s SSBCI Capital Program Policy Guidelines recognize that lenders may charge reasonable origination fees and that certain administrative costs may be paid from program income, provided these fees comply with applicable Treasury rules and guidance. In the context of this RFP, does CPCFA anticipate that lender origination or servicing fees will be taken into consideration when reviewing proposals?**

Answer: Yes, lender origination or servicing fees will be considered in reviewing proposals. Lender origination or servicing fees can be described in the Content and Format of Proposals, Section C.2.

4. **For the Contractor and proposer requirements and certifications described in the RFP, will such certifications and requirements only apply to the contracting entity (and not to affiliated entities)?**

Answer: The Contractor and proposer requirements and certifications described in the RFP will apply to the contracting entity and to all personnel performing services under the agreement.

5. **Our organization utilizes a professional employer organization (PEO), which serves as the co-employer with an LLC in our corporate structure. Therefore, the contracting entity will not have any direct employees. Will employment-related requirements apply to employees of a PEO that service the program funded by the CalCAP SSBCI Loan Participation Project? If so, will such employment-related requirements only apply to employees physically located in California?**

Answer: The RFP does not include employment related requirements. The respondent must meet the Minimum Qualifications for Proposers as stated in Section B of the RFP. All employment-related requirements will apply to all personnel performing services under the agreement.

6. **Define eligible CFIs.**

Answer: A CFI stands for Correspondent Financial Institution and under the terms of the program must be either a Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration (NCUA) insured depository institution, headquartered in California, with at least 10 years of experience in providing a range of banking services.

7. **Does the CFI need to be a depository or is a CDFI loan fund eligible?**

Answer: The CFI needs to be a FDIC or NCUA insured depository institution.

8. What is the role of the CFI in the LPP relationship with Administrator and CPCFA?

Answer: The Correspondent Financial Institution's (CFIs) role will be managing Program funding and collaborating with the administrator to facilitate loan participation processing.

9. On who's balance sheet will the participations be recorded? (CPCFA, Administrator or CFI)?

Answer: The Correspondent Financial Institution (CFI).

10. Will CPCFA want the SSBCI corpus back at some point?

Answer: Yes. The SSBCI corpus is being used to initially fund the program with the idea that all returned principal, and interest and fees earned will remain in the program fund with the hope of the program becoming self-sustaining.

11. What is the legal mechanism to transfer the SSBCI funds to the Administrator or CFI? (Grant? Revenue for Services?)

Answer: CPCFA will deposit funds as stated in Exhibit B of the Standard Agreement, to be determined by Contractor's proposal.

12. Which entity (CPCFA, Administrator or CFI) may retain the participation loan fee and interest income?

Answer: Participation loan fees and interest income can be split between the Administrator, CPCFA, and CFI.

13. Can income sources be used to reduce the Administrator's operating costs as outlined in the RFP's Sub-section G - Cost Proposal and Requirements and listed in Attachment 6 reducing the cost to CPCFA to zero?

Answer: Yes.

14. Is there an expectation that CPCFA will earn income from lead loan fees or participation interest income?

Answer: Yes.

15. How was the LPP described/outlined in California's Other Credit Support Programs section of their SSBCI application?

Answer: In general, CPCFA's SSBCI application for an LPP was described as follows:

The LPP will be marketed to a consortium of community financial institutions that include: California Community Banks, minority depository institutions, and other insured depository financial institutions throughout California.

The LPP intends to target and work with community banks throughout California. The Program will be tailored to collaborate and partner with a network of California community banks whose combined footprint covers all 58 counties. Community banks focus on providing traditional banking services in their local communities and are the experts in small business lending that can rapidly deploy capital to target very small (VSB) and socially and economically disadvantaged (SEDI) businesses.

The CFI will underwrite and originate each term loan or line of credit with CPCFA participating up to 50% of each loan. Participation amounts will vary depending on the loan amount that each lender is willing to underwrite. CPCFA anticipates an average participation of 30% but will allow up to 50% for SEDI, VSB, or impactful businesses. Interest rates will be blended to be lower than market rate. CPCFA will work to have a lower blended rate for SEDI owned businesses.

CPCFA can be subordinate or pari-passu on the loan depending on the needs of the borrower determined by the lender. The LPP will encourage SEDI loans with a loan participation enhancement not to exceed 50%.

16. Did CPCFA set a lower dollar limit for a maximum loan amount other than the \$20 million limit set in SSBCI?

Answer: No, the maximum loan amount allowable is \$20 million.

17. It is mentioned in subsection m. that the first tiebreaker is based on the higher score of the Experience/Expertise with Program Details. It is then followed that if the Correspondent Financial Institution's Qualifications and Expertise are judged. What is the scoring matrix for testing the Correspondent Financial Institution's Qualifications and Expertise? These qualifications and expertise are not listed in Section 3 – Content and Format of Proposals.

Answer: In the event two (2) or more responsive and responsible proposers earn the highest score, the Agreement will be awarded to the responsive and responsible firm earning the higher score in Experience/Expertise with Program Details. The CFI's qualifications can be described in the Content and Format of Proposals, Section C.2.

18. In what section do you want the CFI's qualifications and expertise listed?

Answer: The CFIs qualification and expertise can be listed in the Content and Format of Proposals, Section C.2.

19. Confirm that electronic submission of the proposal is not allowed.

Answer: CPCFA will only accept mail or hand-delivered proposals to the following address:

California Pollution Control Financing Authority
Attn: Lauren Dominguez
(916) 653-9249
901 P Street, Suite 313A
Sacramento, CA 95814

20. Does the TA provided in the scored section need to be in-house or can we use a sub-recipient model of another organization that is providing the targeted TA support?

Answer: Technical Assistance (TA) can be provided by another organization.

21. Confirm the Time Horizon to be used for the leverage calculation table.

Answer: The Time Horizon to be used for the leverage calculation table is from 2025 through the year 2031.

22. Will CPCFA distribute a table with protected formulas, so all proposers are held to the same leverage calculation?

Answer: No, proposers shall include a detailed narrative of assumptions for their estimates contained in the tables.

23. Would CPCFA prefer that the required Attachments (1–21) be submitted as a separate document from the main proposal document, or is it acceptable to include them at the end of the proposal as attachments or appendices?

Answer: The required Attachments (1-21) can be submitted as a single attachment to the main proposal document.