

MINUTES

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

**Public Participation Call-In Number (877) 853-5257: Meeting ID: 987 6693 6958
Passcode: 560284**

1. Call to Order & Roll Call

Khaim Morton, Deputy Treasurer, called the California Pollution Control Financing Authority (CPCFA or Authority) meeting to order at 11:05 a.m.

Members Present: Khaim Morton for Fiona Ma, CPA, State Treasurer
David 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
Ted Ballmer, Senior Attorney
Doreen Smith, (remotely) CalCAP Section Manager
Deanna Hamelin, (remotely) Bonds and Grants Section Manager
Lauren Dominguez, SSBCI Program Manager
Solomita Malko, (remotely) Bond Program Manager
Alison French-Tubo, (remotely) Staff Services Manager I
Andrea Gonzalez, (remotely) Staff Services Manager I
Kamika McGill, Associate Governmental Program Analyst
Morgan Matz, (remotely) Staff Services Analyst
Ryan Dannewitz, Staff Services Analyst
Theodore Hoffman, (remotely) Office Technician
Jill Hess, Executive Assistant

Quorum: The Chairperson declared a quorum.

2. Minutes (Action Item)

Deputy Treasurer Morton asked the Board members if there were any questions or comments concerning the meeting minutes from the June 18, 2024, board meeting. There were none.

Deputy Treasurer Morton 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:

David Oppenheim, for the State Controller	Aye
Erica Gonzales, for the Director of Finance	Aye
Khaim Morton, for the State Treasurer	Aye

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

Ms. Tobias-Daniel began her report talking about the STO sponsored bill, Assembly Bill (AB)-2731, to add qualified carbon dioxide capture facilities to CPCFA's Tax-Exempt Bond Program's eligible project type for financing. It was signed by Governor Newsom on July 15, 2024.

Ms. Tobias-Daniel stated that the Senate Bill (SB) 99 audit for the Bond Program has been completed and the report was sent to the State Controller's office with no findings. Bond staff attended two CalRecycle Zone Works miniseries on textile, tire recycling, and market development. This workshop provides the Bond team with insight on possible future projects and helps with market awareness of CPCFA's potential role in financing these types of qualified solid waste projects.

Ms. Tobias-Daniel then spoke about the California Investment & Innovation Program (Cal IIP) and how staff visited Community Development Financial Institution (CDFI) awardee, Mission Economic Development Agency's (MEDA) Fondo Adelante, which received a \$200K award to increase its total net assets, fund small business lending, and technical assistance and consulting. Staff were able to visit small businesses that have been funded by this program.

Ms. Tobias-Daniel talked about CalCAP continuing rollout of its three new Zero-Emission Heavy-Duty (ZEHD) pilot programs: the CalCAP ZEHDV; ZEHDI; and ZETBIF. Three lenders were approved and on-boarded: Regions Bank; California International Bank; and Crossroads Equipment Lease and Finance, with more working through the onboarding process. CalCAP staff attended California's Transportation Transformation event and Small Business Diversity Network's Small Business Resources Conference.

Ms. Tobias-Daniel stated since the last Board Meeting in June, seven actions were taken under her delegated authority.

- On June 21, 2024, she signed the Order of Authority for a June 26, 2024, final draw for Bay Counties Waste Services. Inc. in the amount of \$7,465,000.

- On July 3, 2024, she signed the Order of Authority for a July 9, 2024 second draw for MarBorg Industries in the amount of \$5,000,000.
- On July 11, 2024, she approved four separate Initial Resolutions. The Initial Resolution amounts and the four entities which are owned by Maas Energy Works are:
 - Matos Dairy Biogas, LLC, \$7,000,000;
 - Double DJ Dairy Biogas, LLC, \$8,000,000;
 - San Joaquin Valley Energy, LLC, \$14,000,000; and
 - Brasil Dairy Biogas, LLC, \$10,000,000.
- On July 16, 2024, she approved an Initial Resolution in the amount of \$23,500,000 for Napa Recycling & Waste Services, LLC.

Deputy Treasurer Morton stated that he appreciates the Cal IIP end of year map that was provided to show where all the projects and outreach are throughout the state. He is really excited for the ZEHD vehicle programs and partnerships and the projects for alternate energy and reducing waste. He also congratulated staff on the passing of the bill to add qualified carbon dioxide capture facilities as an eligible project type for the private activity tax-exempt bond program.

Mr. Oppenheim stated that he misspoke at last month’s meeting when he referred to the CPCFA Bond Audit and a finding. He congratulated staff that there were no audit findings. He continued that the information provided on the Cal IIP Annual report is outstanding. The map shows the needs and the areas that we need to concentrate on.

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

4. Business Items (Action Item)

4.A. Request for Consideration and Approval of Amendments to the Regulations for the California Capital Access Program (CalCAP) for Small Business

Presented by: Kamika McGill, Associate Governmental Program Analyst

The California Pollution Control Financing Authority's mission is to promote access to capital through the delivery of diverse financing options to California. In 1994, the Legislature authorized CPCFA to develop and implement the CalCAP, a credit enhancement program to provide loss reserve funding to participating lenders making qualifying loans to California small businesses.

The proposed amendments to the regulations will extend the current timeframe for CalCAP to pay claims from 30 days to 180 days. CalCAP will also be clarifying the regulation language pertaining to the sale of CalCAP loans to lenders enrolled in the program, and lenders outside of the program.

Staff recommended the approval of Resolution Number 24-02-004 to authorize staff to undertake emergency and regular rulemaking proceedings and other related actions for the California Capital Access Program for administration of the California Capital Access for Small Business Program.

Mr. Oppenheim stated his concern about moving the claim approval date from 30 to 180 days. Ms. Tobias-Daniel reiterated that the goal for payment will always be 30 days, but that we need to be realistic to address the onslaught of applicants and associated claims. She reiterated that the goal will always be to pay the claims in 30 days or less. She stated that new, updated technology is coming online soon to streamline the process, which will help meet the goal in timely payment of claims

Mr. Oppenheim moved to approve the item; there was a second from Ms. Gonzales.

Deputy Treasurer Morton asked if there were any public comments. There were none.

The item was passed by the following vote:

David Oppenheim, for the State Controller	Aye
Erica Gonzales, for the Director of Finance	Aye
Khaim Morton, for the State Treasurer	Aye

5. **Public Comment**

Deputy Treasurer Morton 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 11:30 a.m.

Respectfully submitted,

Shela Tobias-Daniel, Executive Director