

MINUTES

**California Pollution Control Financing Authority
901 P Street, Room 102
Sacramento, California
December 10, 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 11:02 a.m.

Members Present: Khaim Morton for Fiona Ma, CPA, State Treasurer
David Oppenheim for Malia M. Cohen, State Controller
Michele Perrault for Joe Stephenshaw, Director of Finance

Staff Present: Shela Tobias-Daniel, Executive Director
Deanna Hamelin, Section Manager
Doreen Smith, Section Manager
Lauren Dominguez, SSBCI Program Manager
Solomita Malko, Bond Program Manager
Andrea Gonzalez, Staff Services Manager I
Ryan Dannewitz, Staff Services Analyst
Thaddaeus Brown, Associate Governmental Program Analyst
Morgan Matz, Staff Services Analyst
Tyler Hanks, Staff Services Analyst
Theodore Hoffman, Staff Services Analyst
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 October 15, 2024, board meeting. There were none.

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

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

The minutes were approved.

The item was passed by the following vote:

David Oppenheim, for the State Controller	Aye
Michele Perrault, for the Director of Finance	Aye
Khaim Morton for the State Treasurer	Aye

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

Ms. Tobias-Daniel presented the Executive Director’s Report.

She began her report by stating that since this is the last meeting of 2024 she wanted to mention some of the CPCFA 2024 highlights from the Bond, California Investment and Innovation Program (Cal IIP), and California Capital Access (CalCAP) Programs:

- To date, the CPCFA Bond Program has closed two issuances for solid waste disposal companies totaling \$68,000,000. We are on track to exceed this amount in 2025.
- A total of up to \$15,000,000 was available for the 2024 Cal IIP grant awards. Cal IIP received a total of 67 applications and awarded \$14,200,000 to qualified CDFIs focusing on small business, housing, reaching the underbanked, and various other community development projects.
- To date, the 2024 loan enrollments for all CalCAP Programs total over 2,200 equating to approximately \$260 million in loan dollars and roughly \$31 million in contributions resulting in 1902 jobs created in California. Most notably, we increased our Small Business Program loans by over 400% and increased our Collateral Support loans by over 118% compared to 2023.

She then continued with her report by stating that the Bond Program staff is working with the State Treasurer’s Office (STO) general counsel and other subject matter experts to update CPCFA’s Bond Issuance Guidelines Policy to align with those of other STO Boards, Commissions and Authorities. The updates are anticipated to be presented to the CPCFA Board in the first quarter of 2025. Additionally, CPCFA staff is working on updating the Bond Program fees schedule to ensure that the fees are competitive and relevant in the public finance industry. Staff anticipates presenting the fee schedule updates at the January 21, 2025, CPCFA board meeting.

Ms. Tobias-Daniel mentioned that in October 2024, the California Investment and Innovation Program (Cal IIP) received over 70 grant applications from Community Development Financial Institutions (CDFIs). She stated that the Cal IIP team is busy

with the review process to ensure that the requirements for grantees set by the Legislature are met. Staff anticipates presenting the award recommendations at the January 21, 2025, CPCFA Board meeting. The announcement of awards will be made by February 1, 2025.

Ms. Tobias-Daniel then spoke about outreach and mentioned that when you search Google for the term “Capital Access”, CPCFA’s California Capital Access Program consistently shows up as the third search on the first page. Being one of the top three results on a Google search is no easy feat and is a testament to CPCFA’s small, but mighty outreach team. She stated that the Outreach team does a great job.

She went on to say that in November, staff attended the San Joaquin Valley Small Business Forum hosted by the Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency. Ms. Tobias-Daniel attended a reception hosted by one of CPCFA’s Participating Financial Institutions, Access Plus Capital, one of our CDFIs in the Fresno area. Zero Emissions Staff has also participated in Trucking Shows, throughout California, most recently in San Francisco, spreading the word about our CalCAP Zero Emissions programs.

Ms. Tobias-Daniel then announced that on the personnel front, our CPCFA team has grown. Recent additions to the staff include Kirsten Hensley, Office Technician; Megan Cannon, Staff Services Analyst, and Yoerina Handojo, Associate Governmental Program Analyst. Additionally, Theodore Hoffman was promoted from Office Technician to Staff Services Analyst working in the CalCAP program.

Ms. Tobias-Daniel stated that since the last Board Meeting on October 15, 2024, she has approved ten actions under her delegated authority:

- She approved a 6th and final draw request on the issue that closed on May 4, 2022, for Arakelian Enterprises, Inc. dba Athens Services, Inc. in the total amount of \$23,000,000. She signed on October 16, 2024, for an October 21, 2024, draw.
- On October 25, 2024, approved an Initial Resolution for Atlas Disposal Industries, LLC for an amount not to exceed \$18,000,000. Note proceeds will be used for the acquisition of land and waste processing equipment such as CARB-compliant waste collection vehicles, bins and containers.
- On November 13, 2024, she approved three post-Issuance requests for California Waste Recovery Systems, LLC Series 2017, Atlas Disposal Industries, LLC Series 2022, and Sonoma County Resource Recovery, LLC Series 2017. These companies requested amendments to the Indentures, which will change all provisions related to the Bloomberg Short-term Bank Yield (BSBY) Index rate to instead refer to the Secured Overnight Financing Rate (SOFR) Index rate.

- On November 15, 2024, she approved two Post-Issuance requests for Bay Counties Waste Services, Inc. Series 2021 and Mission Trail Waste Systems, Inc. Series 2020. These companies also requested amendments to the Indentures, which will change all provisions related to the Bloomberg Short-term Bank Yield (BSBY) Index rate to instead refer to the Secured Overnight Financing Rate (SOFR) Index rate.
- On November 18, 2024, approved an Initial Resolution for Second Street Energy, LLC for an amount not to exceed \$6,000,000. Bond proceeds will be used to construct a new methane emission covered lagoon dairy digester facility at the host dairy, River Rock Ranch, located in Stevinson.
- On November 18, 2024, approved an Initial Resolution for Meirinho West Dairy Biogas, LLC for an amount not to exceed \$6,000,000. Bond proceeds will be used to construct a new methane emission covered lagoon dairy digester facility at the host dairy, Meirinho West Dairy Biogas, located in Modesto
- She approved a second and final draw request on the issue that closed on October 10, 2024, for Napa Recycling & Waste Services LLC in the total amount of \$14,650,000 signed on December 2, 2024, for a December 5, 2024, draw.

She then concluded her Executive Director's report.

Deputy Treasurer Morton stated that he appreciates the hard work of the CPCFA Outreach team and CPCFA staff. Mr. Oppenheim remarked that he is grateful for the focus on underserved communities and congratulated the team on the job creations in the communities. Mr. Oppenheim also thanked staff for getting the word out about these complicated programs. He stated that we are getting closer to a cleaner California because of these types of programs. Michele Perrault also recognized the efforts that staff make to let businesses know about these programs so that they can be effectively utilized.

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

4. Business Items (Action Items)

4.A.1. Request to Amend Infill Grant Documents Under the California Recycle Underutilized Sites (CALReUSE) Remediation Program

Presented by: Ryan Dannewitz, Staff Services Analyst

Joined remotely by: Lila Hussein, Senior Project Manager, Hunters Point Shipyard and Michael Hochstoeger, Director of Operations, at Lennar.

The Office of Community Investment and Infrastructure, also known as the Successor Agency to the Redevelopment Agency of the City and County of San Francisco requested approval of an amendment to extend the term of the Infill Grant Agreement, dated November 19, 2008, from December 31, 2024, to December 31, 2026, under the CALReUSE Remediation Program.

The Hunters Point Shipyard Project final development block of housing has encountered more delays due to the area surrounding the building awaiting an ADA inspection sign-off before the Certificate of Final Completion and Occupancy (CFCO) can be issued. The ADA inspection of the surrounding sidewalk revealed that some additional work may be needed before the issuance of the Final Certificate of Occupancy, which will push the completion date beyond the current December 31, 2024, deadline. The review and delay of submitting the final closeout documentation will require a minimum of six months of review, so the grantee is requesting an extension through December 2026. He stated that additional months have been included to allow for installation delays, as well as time for the associated inspections and submittal of all final reports to CPCFA, and to provide CPCFA staff ample time to close out the grant.

Staff requested Board approval of Resolution No. 24-03-004 to amend and extend the term of the Infill Grant Agreement from December 31, 2024, to December 31, 2026.

Deputy Treasurer Morton asked if any of the board members would like to make any comments on Item 4.A.1. There were none.

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

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

The item was passed by the following vote:

David Oppenheim, for the State Controller	Aye
Michele Perrault, for the Director of Finance	Aye
Khaim Morton, for the State Treasurer	Aye

4.A.2. Request to Amend Infill Grant Documents Under the California Recycle Underutilized Sites (CALReUSE) Remediation Program

Presented by: Thaddaeus Brown, Associate Governmental Program Analyst

Joined remotely by: Charice Duckworth, Development Project Manager II, and Lina Velasco, Community Development Director, both with the City of Richmond Community Development - Housing Division.

The representatives from the Miraflores Project requested to extend the term of their Infill Grant Agreement from December 31, 2024, to December 31, 2026. The remediation of the property was successfully completed in 2015, and the Rental Component was completed in 2018 and is now fully occupied.

However, the development of the For-Sale Housing Component has experienced significant delays. The original developer, Miraflores Community Devco, LLC, defaulted under the Disposition and Development Agreement (DDA) executed in 2016 with the Successor Agency to the former Redevelopment Agency (RDA). Additionally, a private lender foreclosed on the property, which is now owned by ACRIRE Holdings, LLC. The new owner is currently seeking a development partner, but the timeline remains uncertain.

Staff requested approval of an amendment to Resolution No. 24-03-005 to amend the For-Sale Housing terms and extend the term of the Infill Grant Agreement from December 31, 2024, to December 31, 2026.

Deputy Treasurer Morton asked if any of the board members would like to make any comments on Item 4.A.2. There were none.

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

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

The item was passed by the following vote:

David Oppenheim, for the State Controller	Aye
Michele Perrault, for the Director of Finance	Aye
Khaim Morton, for the State Treasurer	Aye

- 4.B.** Request to Approve a Final Resolution Authorizing the Issuance of Tax-Exempt Notes for New Money Purposes, and a Request to Approve a Resolution for Small Business Assistance Fund (SBAF) Costs of Issuance Assistance.

Presented by: Morgan Matz

Joined in-person were company representatives Jason Toro, Chief Executive Officer, and Eileen Riener, Chief Operations Officer, both with Tri-CED Economic Development Corporation. John Wang, Note Counsel, Orrick, Herrington & Sutcliffe joined remotely.

Tri-City Economic Development Corporation dba Tri-CED Community Recycling and/or its affiliates, requested approval of a final resolution for an amount not to exceed \$8,525,500 in tax-exempt notes and a Resolution for SBAF cost of issuance assistance in an amount not to exceed \$125,388. The note proceeds will be used to purchase upgraded sorting equipment including a drum feeder, an old corrugated cardboard screen (OCC), optical sorters, and an eddy current separator; SB 1383 compliant bins and containers to be used and distributed throughout Alameda County; fleet management software; and contamination management hardware and software.

Mr. Matz stated that the contract between Tri-CED and Union City is still in the process of being finalized, the Lender in this transaction, Fremont Bank, requested that CPCFA accept an alternative letter of commitment in order to limit their financial exposure until the contract with the City is executed. Under this arrangement, Fremont Bank would only commit to lending up to \$4,276,608 before the contract signing, which is expected to occur in March 2025. After the contract is signed, Fremont Bank plans to commit to lending the remainder of the total of the notes.

CPCFA consulted with multiple parties about this arrangement before deciding to move forward, including the Office of the Attorney General acting as Issuer's Counsel and Ted Ballmer from STO Legal, both of whom stated that the bank's request is not prohibited by the CPCFA Act and that the request is ultimately a CPCFA policy decision. Staff also consulted with Orrick, Herrington & Sutcliffe acting as bond counsel and Geoff Palmertree from PFD, both of whom deferred to AGO and STO Legal's opinion regarding the legality of the arrangement and saw no other impediments.

Mr. Matz stated that Fremont Bank requested to change the closing date from December 30, 2024, to January 2025. As such the amended closing date in the resolution will be amended. This amendment to the Final Resolution needed Board approval, so the Board vote included the amended resolution so the notes can be sold on or before February 1, 2025.

Staff recommended approval of Final Resolution No. 24-01-623 for sale of notes in a total amount not to exceed \$8,525,500, and Resolution No. 24-01-001 for the approval of SBAF assistance in an amount not to exceed \$125,388 for Tri-City Economic Development Corporation dba Tri-CED Community Recycling and/or its affiliates.

Deputy Treasurer Morton stated that he had a chance to visit the Tri-CED Facility in Union City and remarked that it was a very impressive operation.

Mr. Oppenheim confirmed with STO legal counsel that the policy review related to the alternative letter of credit commitment had appropriate legal review. Ted Ballmer, STO Legal Counsel, confirmed that it had.

Mr. Oppenheim then asked for clarification regarding the nature and purpose of the equipment to be purchased with the note proceeds, namely the OCC screen.

Jason Toro, Chief Executive Officer of Tri-CED, provided further details about the OCC screen stating that the screen is actually a new piece of equipment and that the word old in the name is just the industry term name for the screen that they will be purchasing. Mr. Toro then thanked the CPCFA board for this opportunity and explained that 70% of Tri-CED's staff were formerly incarcerated individuals. He stated that they are a company of second chances. The new equipment will help them pull out 95% of recyclable material from the waste stream and reducing contamination to about 25% from 46%. He also stated that Tri-CED and Union City have had a longstanding working relationship. He indicated that Tri-CED fully expects the contract with Union City to be signed and he reiterated that the transaction has documented community support.

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

Mr. Oppenheim moved to approve the amended Resolution which included the amended issuance date of February 1, 2025; there was a second from Ms. Perrault.

The item was passed by the following vote:

David Oppenheim, for the State Controller	Aye
Michele Perrault, for the Director of Finance	Aye
Khaim Morton, for the State Treasurer	Aye

5. Public Comment

Deputy Treasurer Morton then asked if there were any other public comments on any items not discussed today. There were none.

6. Adjournment

There being no further business, public comments, or concerns, the meeting adjourned at 11:44 a.m.

Respectfully submitted,

Shela Tobias-Daniel

Shela Tobias-Daniel, Executive Director