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A decorative graphic consisting of a thin yellow circle on the left side, a thick yellow bracket on the right side, and a horizontal yellow bar across the middle. The text 'California Pollution Control Financing Authority' is centered within the yellow bar.

California Pollution Control Financing Authority

Sherri Kay Wahl
Treasury Program Manager II
California Pollution Control Financing Authority

Pacific Organics Recycling Conference
September 23, 2009

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California Pollution Control Financing Authority (CPCFA)

CPCFA Financing Programs

- California Capital Access Program (CalCAP)
 - Small business loan assistance
 - Special Assistance for diesel equipment, trucks and recyclers
- Bond Financing
 - Tax exempt bonds for qualifying waste and recycling facilities
 - Taxable Bonds for waste, recycling and pollution control
- California Recycle Underutilized Sites (CalReUSE)
 - Grants and loans to clean up contaminated lands
 - Loans for site assessments



CPCFA Board Members



State Treasurer
Bill Lockyer, Chair



State Controller
John Chiang



Director of Finance
Michael Genest

California Capital Access Program (CalCAP)

- Administered by CPCFA, helps small-business borrowers obtain loans through participating financial institutions
- CalCAP contributes to the loan loss reserves of a financial institution, allowing the lender to provide loans to business which might not be able to obtain financing



CalCAP Requirements

- Business must have 100 employees or less
- Average less than \$10 million annual income over 3 years
- The maximum size of a CalCAP loan is \$1.5 million and there is no minimum size

How CalCAP Works

- Step 1: Small business applies to Lender for CalCAP loan. Lender determines loan terms and provides loan
- Step 2: Lender deposits premium and borrower premium into Lender's CalCAP loss reserve account

How CalCAP Works

- Step 3: Lender submits CalCAP loan enrollment application for approval
- Step 4: CalCAP reviews the application for eligibility
- Step 5: CalCAP deposits funds to the lender's loss reserve account

How CalCAP Works

Example: Lender makes a \$100,000 loan to a borrower:

<i>Borrower Premium (2%)</i>	<i>\$2,000</i>
<i>Lender Premium (2%)</i>	<i>2,000</i>
<i>CPCFA Premium (2%)</i>	<i>2,000</i>
<i>Total Contributions (6%)</i>	<i>\$6,000</i>

CalCAP Independent Contributor Program

- An Independent Contributor (IC) provides another incentive for a Lender to approve a potential borrower
- IC's pay the premium for the Borrower if the Borrower's business is related to what the IC does
- The regulations were recently changed to allow the IC to pay the premiums of the Lender and CPCFA as well

CIWMB as IC

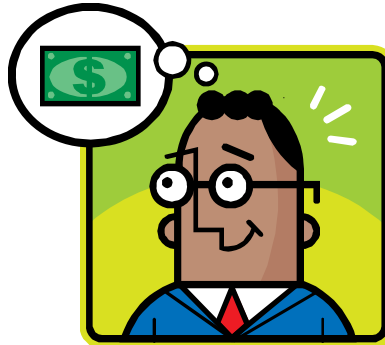
- Has enrolled 16 loans totaling \$3,390,000
- Paid \$135,606.04 in premiums
- Examples of loans; Verma-compost, mulch, and various other types of recycling

CPCFA Tax Exempt Waste/Recycling Bonds

- CPCFA's Tax Exempt Bond Financing Program gives California businesses help with:
 - acquisition or construction of qualified pollution control, waste disposal, or recycling facilities,
 - and the acquisition and installation of new equipment

Bond Financing

- Cheaper than typical financing
- Terms of the bond can be up to 120% of the project life
- Typically, tax-exempt bond issues exceed \$2.5 million.



Tax Exempt Bonds

- Types of projects, which may qualify for tax-exempt bond financing:
 - Solid waste disposal or recycling facilities
 - Waste conversion facilities such as anaerobic digestors
 - Certain types of biomass conversion facilities
 - Privately owned sewage/wastewater treatment facilities
 - Purchase of collection vehicles and residential waste containers

Tax Exempt Bonds

- Potential Uses of Bond Proceeds
 - Buildings and equipment
 - Machinery and furnishings
 - Land
 - Costs of architects, engineers, attorneys and permits
 - Costs of bond issuance



Bond Financing Process

- Submit an application to CPCFA
- CPCFA considers an Initial Resolution (helpful for tax purposes)
- A Final Resolution (FR) is later approved by CPCFA after a more detailed review

[Bond Financing Process Cont.]

- An FR authorizes a bond sale for a project within a certain period (usually 180 days)
- Allocation under state tax-exempt bond ceiling is obtained
- The Office of the State Treasurer schedules the bonds for sale

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