California Capital Access Program (CalCAP)

Presenting to Kern Community Foundation and its local partners

Janae Davis, Deputy Executive Director
September 30, 2020
• As a financing authority within the State Treasurer’s Office the California Pollution Control Financing Authority’s (CPCFA) core mission is stimulating environmental cleanup, economic development and job growth throughout California.

• CPCFA originated as a conduit issuer of tax-exempt pollution control bonds in 1973.

• CPCFA uses fees assessed on bond issuances to large businesses to fund the Small Business Assistance Fund (SBAF) to:
  o Provide incentives to small businesses, frequently waste and recycling companies, to off-set the cost of issuance for pollution control projects
  o Create the California Capital Access Program (CalCAP) in 1994 to establish loan loss reserve accounts for participating lenders; and
  o Create the CALReUSE Program that has provided grant and loan funding for assessment and remediation of brownfield and infill sites.
CalCAP Program List

**CalCAP for Small Business:** Perfect for working capital, start-up costs, and other typical credit needs including construction or renovation of buildings.

**Collateral Support Program:** Provides a different kind of credit enhancement for borrowers with strong business plans who lack sufficient collateral.

**CalCAP Air Resources Board (CARB) Truck Loan Assistance Program:** For owners of small fleets to finance the purchase of heavy-duty diesel trucks driven primarily in California to comply with the State's engine emission standards.

**CalCAP Electric Vehicle Charging Station (EVCS) Program:** For businesses wanting to install EV chargers for their employees or customers. Borrowers may be eligible for a rebate after 48 months or when the loan is paid in full.

**CalCAP Americans with Disabilities Act (ADA) Financing Program:** For mom-and-pop businesses to make accessibility retrofits.

**CalCAP Seismic Safety Loan Program:** For small businesses and building owners to upgrade the seismic safety of their residential and commercial real estate.
## CalCAP by the Numbers

### As of July 31, 2020

#### CalCAP/Small Business Program

<table>
<thead>
<tr>
<th>2020 Year to Date</th>
<th>Program Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>590 loans enrolled for $18.9 mill</td>
<td>15,575 loans enrolled for $666.8 mill</td>
</tr>
<tr>
<td>$618,990 in contributions</td>
<td>$21.4 mill in contributions</td>
</tr>
</tbody>
</table>

#### CalCAP/CARB Program

<table>
<thead>
<tr>
<th>2020 Year to Date</th>
<th>Program Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,877 loans for $131,499</td>
<td>27,307 loans enrolled for $1.8 bill</td>
</tr>
<tr>
<td>1,938 trucks and 71 trailers financed</td>
<td>28,092 trucks and 698 trailers financed</td>
</tr>
<tr>
<td>$8.9 mill in contributions</td>
<td>$127.6 million in contributions</td>
</tr>
</tbody>
</table>

#### CalCAP/Collateral Support Program

<table>
<thead>
<tr>
<th>2020 Year to Date</th>
<th>Program Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>24 loans for $8 mill</td>
<td>296 loans for $261.2 mill</td>
</tr>
<tr>
<td>$2.3 mill in contributions</td>
<td>$78.9 mill in contributions</td>
</tr>
</tbody>
</table>
CalCAP by the Numbers - continued
As of July 31, 2020

CalCAP/EVCS Program

2020 Year to Date
1 loan enrolled for $500,000
$150,000 in contributions

Program Totals
3 loans enrolled for $1 mill
$252,225 in contributions
$76,112 in rebates to borrowers

CalCAP/Seismic Safety Program

Program Totals
3 loans enrolled for $285,000
$35,000 in contributions

CalCAP Enrollments Kern County
2019 through September 10, 2020

CalCAP/Small Business: 39 loans enrolled for $1.8 mill and $28,253 in contributions
Collateral Support: 1 loan enrolled for $245,000 and $98,000 in contributions
CalCAP/CARB: 379 loans enrolled for $26.1 mill and $1.45 mill in contributions

California Pollution Control Financing Authority
CalCAP: What Businesses or Purposes are Eligible for CalCAP Loans?

• Any business meeting the requirements of “Qualified Business” and “Small Business Concern” per our regulations.
  o Start-Ups? Yes!
  o Non-profits? Yes!
  o Fewer than 500 employees

• Some restrictions on eligible purpose of the loan proceeds:
  o Refinancing? Most likely...check source of original loan.
  o Commercial Real Estate? Yes! If property to be used for the operation of the business by the property owner.
  o Passive Real Estate? No, not for investment, trade, speculation or rental.
  o Sin and Vice: No activities considered bad if you do too much of it. For example: gambling, shooting ranges, adult entertainment, tobacco products, alcohol sales.
Who Turned to CalCAP for Small Business in 2019?

TOP 10 INDUSTRIES

- Accommodation and Food Services
- Administrative and Support / Waste Management/Remediation Services
- Construction
- Health Care and Social Assistance
- Manufacturing
- Other Services (except Public Administration)
- Professional, Scientific, and Technical Services
- Retail Trade
- Transportation and Warehousing
- Wholesale Trade
CalCAP Loan Loss Reserve in Action

Lender makes a small business loan

Deposit fees from Lender and Borrower 2%-3.5% each

Money is pooled to be used for claims

Send Enrollment to CalCAP (just 2 forms)

CalCAP approves enrollment and matches funds

Losses

California Pollution Control Financing Authority
CalCAP for Small Business

- CalCAP for Small Business supports loans made to small businesses, including start-ups and non-profits, by facilitating private loans for costs related to start-up or expansion, including:
  - Land acquisition
  - Start-up costs
  - Working capital
  - Construction or renovation of buildings
  - Bridge loans for SBA loan guarantees
  - Equipment or inventory purchases
  - Food trucks

- The maximum loan amount is $5 million and the maximum enrolled amount is $2.5 million.

- Extra loan loss support for loans to businesses in Severely Affected Communities.

- Lenders set the terms and conditions of the loans pursuant to their usual underwriting policies and loans can be short or long-term, have fixed or variable rates and bear any type of amortization schedule.

- Program page: https://www.treasurer.ca.gov/cpcfa/calcap/sb/index.asp

- Lender List: https://www.treasurer.ca.gov/cpcfa/calcap/sb/institutions.pdf
Collateral Support Program

- CalCAP Collateral Support encourages banks and other financial institutions to make loans to small businesses by pledging cash to cover a collateral shortfall to enable financing that otherwise might not be available to a small business to finance:
  - Start-up costs
  - Franchise fees
  - Construction, renovation or improvements at your place of business
  - Bridge loans before permanent financing kicks in
  - Working capital
  - Equipment or inventory purchases

- $50,000 minimum and $20,000,000 maximum for under collateralized loans.

- Extra cash support is available to support “green” and manufacturing loans, loans between $50,000 and $250,000 and loans to businesses in Severely Affected Communities.

- $2.5 million maximum collateral support per loan and borrower.

- Program page: https://www.treasurer.ca.gov/cpcfa/calcap/collateral/index.asp

- Lender List: https://www.treasurer.ca.gov/cpcfa/calcap/collateral/index.asp
CalCAP California Air Resources Board (CARB)
Truck Loan Assistance Program - CalCAP/CARB

- Used by small fleet owners with no more than 100 employees, 10 vehicles in their fleet, and $10 million in average annual revenue to finance heavy-duty truck and buses to meet the State’s mandate to reduce emissions. Loans may include the following:
  - 2010 or new (engine year) heavy duty trucks – engines can use diesel fuel, compressed natural gas, liquefied natural gas, electric or other fuels including zero-emissions technology
  - Trailers when purchased with an eligible tractor
  - Equipment warranties with the purchase of an eligible tractor

- No minimum loan amount
- No fee from borrower or lender
- Maximum 20% APR
- Term of loan determined by the participating lender
- Program page: https://www.treasurer.ca.gov/cpcfa/calcap/arb/index.asp
- Lender List: https://www.treasurer.ca.gov/cpcfa/calcap/arb/lenders.pdf
CalCAP Electric Vehicle Charging Station (EVCS) Program CalCAP/EVCS

• Provides California small businesses and lenders incentives for financing electric vehicle equipment acquisition and installation to expand the number of electric vehicle charging stations at their place of business and at multi-unit dwellings.

• Eligible loans may include:
  - Costs of installation and acquisition of EV infrastructure
  - Design and development costs
  - Operation and maintenance costs
  - Hardware and software costs necessary to operate chargers

• Almost any corporation, partnership, cooperative or other entity with 1,000 or fewer employees is eligible.

• Loans of up to $500,000 per borrower and can be enrolled for up to 48 months.

• Borrowers maybe eligible for a rebate equal to 10-15% of the enrolled amount.

• Program page: https://www.treasurer.ca.gov/cpcfa/calcap/evcs/index.asp

• Lender List: https://www.treasurer.ca.gov/cpcfa/calcap/evcs/lenders.pdf
CalCAP Americans with Disabilities Act (ADA) Financing Program (CalCAP/ADA)

- Helps businesses with **30 or fewer** FTEs **OR** those with total annual gross income of **less than $5 million** receive loans for improvements to their **existing** facilities with **10,000 square feet** or less for compliance with the federal Americans with Disabilities Act of 1990. Loan proceeds may be used for:
  - Surveying of facilities, including required Certified Access Specialist (CASp) Report
  - Estimating and planning eligible alterations
  - Other related expenses but **cannot** include business expansion

- Maximum enrolled loan amount is $50,000.

- Extra loan loss support for loans to businesses in Severely Affected Communities.

- **Borrowers may be eligible for reimbursement, of up to 5% of the CalCAP/ADA enrolled loan amount, toward the cost of the CASp Report.**

- Program page: [https://www.treasurer.ca.gov/cpcfa/calcap/ada/index.asp](https://www.treasurer.ca.gov/cpcfa/calcap/ada/index.asp)

- Lender List: [https://www.treasurer.ca.gov/cpcfa/calcap/ada/institutions.pdf](https://www.treasurer.ca.gov/cpcfa/calcap/ada/institutions.pdf)
CalCAP Seismic Safety Financing Program
(CalCAP/Seismic Safety)

• Aids residential property and small business owners with less than 500 employees with financing seismic safety retrofits to protect their property from damage from future earthquakes, by offering loss reserve protection to lenders that underwrite the costs of the property improvements for:
  - Commercial buildings
  - Multi-unit housing buildings
  - Single-family residences
  - Registered mobile homes
  - Manufactured homes
  - Multifamily manufactured homes

• The maximum enrolled loan amount is $250,000.

• Extra loan loss support for loans to businesses in Severely Affected Communities.

• Program page: https://www.treasurer.ca.gov/cpcfa/calcap/ada/index.asp

• Lender List: https://www.treasurer.ca.gov/cpcfa/calcap/ada/institutions.pdf
Supplemental Contributions for Loans to Businesses in Severely Affected Communities

- Credit enhancements offered to participating lenders for loans enrolled in CalCAP for Small Business, the Collateral Support Program, the CalCAP/Seismic Safety Program, and CalCAP/ADA are eligible for supplemental contributions for borrowers whose businesses and properties are located in a Severely Affected Community (SAC), typically based on the unemployment statistics for the community in which the business is located.

- However, in recognition the impacts of COVID-19, designated disasters and the public safety power shutoffs, CalCAP has authorized the SAC supplemental contribution to be extended to business directly impacted by these events for the 12 month period following the emergency disaster designation.

https://www.treasurer.ca.gov/cpcfa/calcap/Updated-Program-Notice.pdf
Online Resources - Contacting CalCAP Lenders

https://www.treasurer.ca.gov/cpcfa/calcap/lenders.asp

Currently 47 lenders enrolled across our CalCAP programs.
More Online Resources

Sample Lender Contact List

<table>
<thead>
<tr>
<th>Participating Financial Institution</th>
<th>Contact Name</th>
<th>Phone Number</th>
<th>Address</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Aecton San Diego</td>
<td>Robert Lopez</td>
<td>(619) 796-7260</td>
<td>450 Buick Ave Suite 271, San Diego, CA 92114</td>
<td><a href="https://www.aecton.com/loan/section-california">Link</a></td>
</tr>
<tr>
<td>2 AmPac Tri-State CDC, Inc.</td>
<td>Brandon Sanders</td>
<td>(900) 915-1706</td>
<td>22160 Brown Rd, Suite 304, Costa Mesa, CA 92621</td>
<td><a href="https://ampac.com">Link</a></td>
</tr>
<tr>
<td>3 Bankers Small Business CDC of California</td>
<td>Susan Lamping</td>
<td>(800) 611-6170</td>
<td>2850 Riverdale Dr, Suite 200, San Diego, CA 92108</td>
<td><a href="https://banksloans.com">Link</a></td>
</tr>
<tr>
<td>4 CDC Small Business Finance</td>
<td>Susan Lamping</td>
<td>(800) 611-6170</td>
<td>2850 Riverdale Dr, Suite 200, San Diego, CA 92108</td>
<td><a href="https://cddasloans.com">Link</a></td>
</tr>
<tr>
<td>5 Community Vision Capital &amp; Consulting</td>
<td>Dan McDonald</td>
<td>(415) 392-4212</td>
<td>870 Market St Suite 677, San Francisco, CA 94110</td>
<td><a href="https://www.communityvision.ca">Link</a></td>
</tr>
<tr>
<td>6 Economic Development &amp; Financing Corp (Mendocino and Lake Counties Only)</td>
<td>Dan Simmons</td>
<td>(707) 234-5705</td>
<td>208 B South Oak St, Ukiah, CA 95482</td>
<td><a href="http://www.edf.org">Link</a></td>
</tr>
<tr>
<td>7 First Choice Bank</td>
<td>John Muto</td>
<td>(213) 876-2034</td>
<td>2105 North Hiawassee St, Suite 500, Atlanta, GA 30318</td>
<td><a href="https://www.firstchoicebank.com">Link</a></td>
</tr>
<tr>
<td>8 Fresno CDC</td>
<td>Balbir Birk</td>
<td>(559) 223-1622</td>
<td>1920 Maple Ave, Suite 330, Fresno, CA 93731</td>
<td><a href="https://www.fresnodowntown.org">Link</a></td>
</tr>
<tr>
<td>9 Innovative Lease Services, Inc.</td>
<td>Nita Breyer</td>
<td>(800) 436-1470</td>
<td>5222 Turnell Ave, Suite 150, San Francisco, CA 94127</td>
<td><a href="https://www.lease-management.com">Link</a></td>
</tr>
<tr>
<td>10 Lendityl, LLC</td>
<td>Leanne Lynch</td>
<td>(952) 242-3900</td>
<td>330 E. Lambert Road, Suite 275, Somers, NY 10589</td>
<td><a href="https://lenditl.com">Link</a></td>
</tr>
<tr>
<td>11 Lender Bank</td>
<td>John Needham</td>
<td>(626) 695-2300</td>
<td>252 West Valley Blvd, Suite 500, Des Plaines, IL 60022</td>
<td><a href="https://www.lenderbank.com">Link</a></td>
</tr>
<tr>
<td>12 Murphy Bank</td>
<td>Jose Herrera</td>
<td>(559) 225-0316</td>
<td>330 E. Lambert Road, Suite 275, Somers, NY 10589</td>
<td><a href="https://www.murphybank.com">Link</a></td>
</tr>
<tr>
<td>13 Opening Doors</td>
<td>David Cortez</td>
<td>(916) 452-2591</td>
<td>1111 Howe Ave, Suite 125, Sacramento, CA 95819</td>
<td><a href="https://openingdoors.com">Link</a></td>
</tr>
<tr>
<td>14 Opportunity Fund (Main Line)</td>
<td>Todd Draper</td>
<td>(866) 289-4173</td>
<td>111 West St John, Suite 600, Escondido, CA 92025</td>
<td><a href="https://www.opportunityfund.org">Link</a></td>
</tr>
<tr>
<td>15 PACE Finance Corporation</td>
<td>Nathan Slocum</td>
<td>(213) 959-3285</td>
<td>355 Wilshire Blvd, Suite 200, Los Angeles, CA 90017</td>
<td><a href="http://www.pace.org">Link</a></td>
</tr>
<tr>
<td>16 Pacific Premier Bank</td>
<td>Gabe Ross</td>
<td>(949) 726-6601</td>
<td>17901 Von Karman Avenue, Suite 1200, Irvine, CA 92612</td>
<td><a href="http://www.ppb.com">Link</a></td>
</tr>
<tr>
<td>17 Sider Leasing Corp</td>
<td>Matt Caplinger</td>
<td>(916) 332-8818</td>
<td>500 Madison Ave, Suite 200, San Francisco, CA 94104</td>
<td><a href="http://www.siderleasing.com">Link</a></td>
</tr>
<tr>
<td>18 Sunbelt Bank</td>
<td>Thomas Chavez</td>
<td>(714) 730-4469</td>
<td>200 Main Street, Suite 600, Los Angeles, CA 90017</td>
<td><a href="http://www.sunbeltbank.com">Link</a></td>
</tr>
<tr>
<td>19 Working Solutions CDFI</td>
<td>Sara Maxfield</td>
<td>(616) 655-5443</td>
<td>530 Montgomery Street, Suite 410, San Francisco, CA 94133</td>
<td><a href="http://www.workingsolutions.org">Link</a></td>
</tr>
</tbody>
</table>

Ongoing contact list updates are available at:
http://www.treasurer.ca.gov/cpca/calcap/sb/institutions.pdf

We welcome new lenders. For information on becoming a participating lender visit:
http://www.treasurer.ca.gov/cpca/calcap/sb/index.asp

Sample Program Informational Brochure

**CalCAP for Small Business**

The California Capital Access Program for Small Business (CalCAP SB or Program) encourages banks and other financial institutions to make loans to small businesses that have difficulty obtaining financing. CalCAP is a form of loan portfolio insurance which may provide up to 100% coverage on certain loan defaults. By participating in CalCAP, lenders have available to them a proven financing mechanism to help meet the financing needs of California’s small businesses.

- The program administered by the California Pollution Control Financing Authority (CPCFA) which was established in 1975 and is chaired by the California State Treasurer.

Who Qualifies?

Qualified borrowers meet the following criteria:
- The business is classified as a small business under U.S. Small Business Administration guidelines.
- Employ fewer than 500 full-time equivalent employees.
- The business is one of the industries listed in the North American Industry Classification System (NAICS) code list.
- The primary business and at least 51% of the employees or its income, sales or payroll comes from business in California. Business activity resulting from the bank’s loan must be created and retained in California.

Eligible Uses of Loan Proceeds

- The Program insures loans made to small businesses for the following:
  - Land acquisition;
  - Construction or renovation of buildings;
  - Start-up costs;
  - Equipment or inventory purchases;
  - Capital projects;
  - Working capital.

How It Works

- Small businesses reach out to participating lenders for financing based on the lender’s own underwriting standards. The maximum loan amount is $5 million and the maximum insured amount is $2.5 million. Individual borrowers are limited to a maximum of $2.5 million insured over a 3-year period.
- Loans can be term or revolving, have fixed or variable rates, be secured or unsecured, and bear any type of amortization schedule.
- Lenders and borrowers each contribute between 2% and 3.5% of the total loan amount to the lender’s CalCAP SB loan loss reserve account.
- CPCFA contributes an amount equal to the lender’s fee to the CalCAP SB reserve account and an additional amount for businesses located in Gevity Affected Communities (GAC).

To learn more, please contact CalCAP Program Managers at (916) 654-5610 or CalCAP@treasurer.ca.gov.

Also, please visit http://www.treasurer.ca.gov/cpca/calcap/index.asp
How do Lenders Participate in CalCAP?

- Most lending institutions qualified to do business in California are eligible to participate in CalCAP.

  Including: federal- and state-chartered banks, credit unions, savings associations, and federally certified Community Development Financial Institutions (CDFIs).

- Other institutions may qualify depending on source of CalCAP funds.

  How do lenders apply? Submit our simple one-page application:  
  [http://treasurer.ca.gov/cpcfa/calcap/forms/application.pdf](http://treasurer.ca.gov/cpcfa/calcap/forms/application.pdf)
Additional Questions or Comments?

Janae.Davis@treasurer.ca.gov
916-651-8663

Visit CalCAP webpage at:
https://www.treasurer.ca.gov/cpcfa/calcap/index.asp

Please send questions to the CalCAP inbox at:
CalCAP@treasurer.ca.gov

CalCAP Contacts:
916-654-5610

Please follow @CalCPCFA on Twitter!