



California Pollution Control Financing Authority

California Capital Access Program (CalCAP)

***Presenting to Kern Community Foundation
and its local partners***

Janae Davis, Deputy Executive Director
September 30, 2020





Why is the California Pollution Control Financing Authority (CPCFA) in the Business of Small Business?

- 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:
 - Provide incentives to **small businesses**, frequently waste and recycling companies, to off-set the cost of issuance for pollution control projects
 - Create the **California Capital Access Program (CalCAP)** in 1994 to establish loan loss reserve accounts for participating lenders; and
 - 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

2020 Year to Date

590 loans enrolled for **\$18.9** mill
\$618,990 in contributions

Program Totals

15,575 loans enrolled for **\$666.8** mill
\$21.4 mill in contributions

CalCAP/CARB Program

2020 Year to Date

1,877 loans for **\$131,499**
1,938 trucks and **71** trailers financed
\$8.9 mill in contributions

Program Totals

27,307 loans enrolled for **\$1.8** bill
28,092 trucks and **698** trailers financed
\$127.6 million in contributions

CalCAP/Collateral Support Program

2020 Year to Date

24 loans for **\$8** mill
\$2.3 mill in contributions

Program Totals

296 loans for **\$261.2** mill
\$78.9 mill in contributions



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

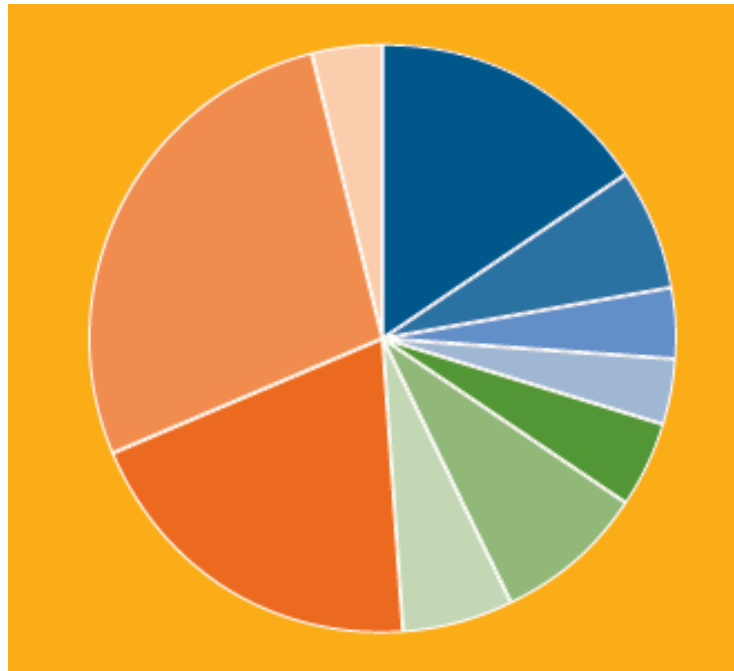
CalCAP/Small Business: 39 loans enrolled for **\$1.8** mill and **\$28,253** in contributions
Collateral Support: 1 loan enrolled for **\$245,000** and **\$98,000** in contributions
CalCAP/CARB: 379 loans enrolled for **\$26.1** mill and **\$1.45** mill in contributions



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.
 - Start-Ups? Yes!
 - Non-profits? Yes!
 - Fewer than 500 employees
- Some restrictions on eligible purpose of the loan proceeds:
 - Refinancing? Most likely...check source of original loan.
 - Commercial Real Estate? Yes! If property to be used for the operation of the business by the property owner.
 - Passive Real Estate? No, not for investment, trade, speculation or rental.
 - 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?

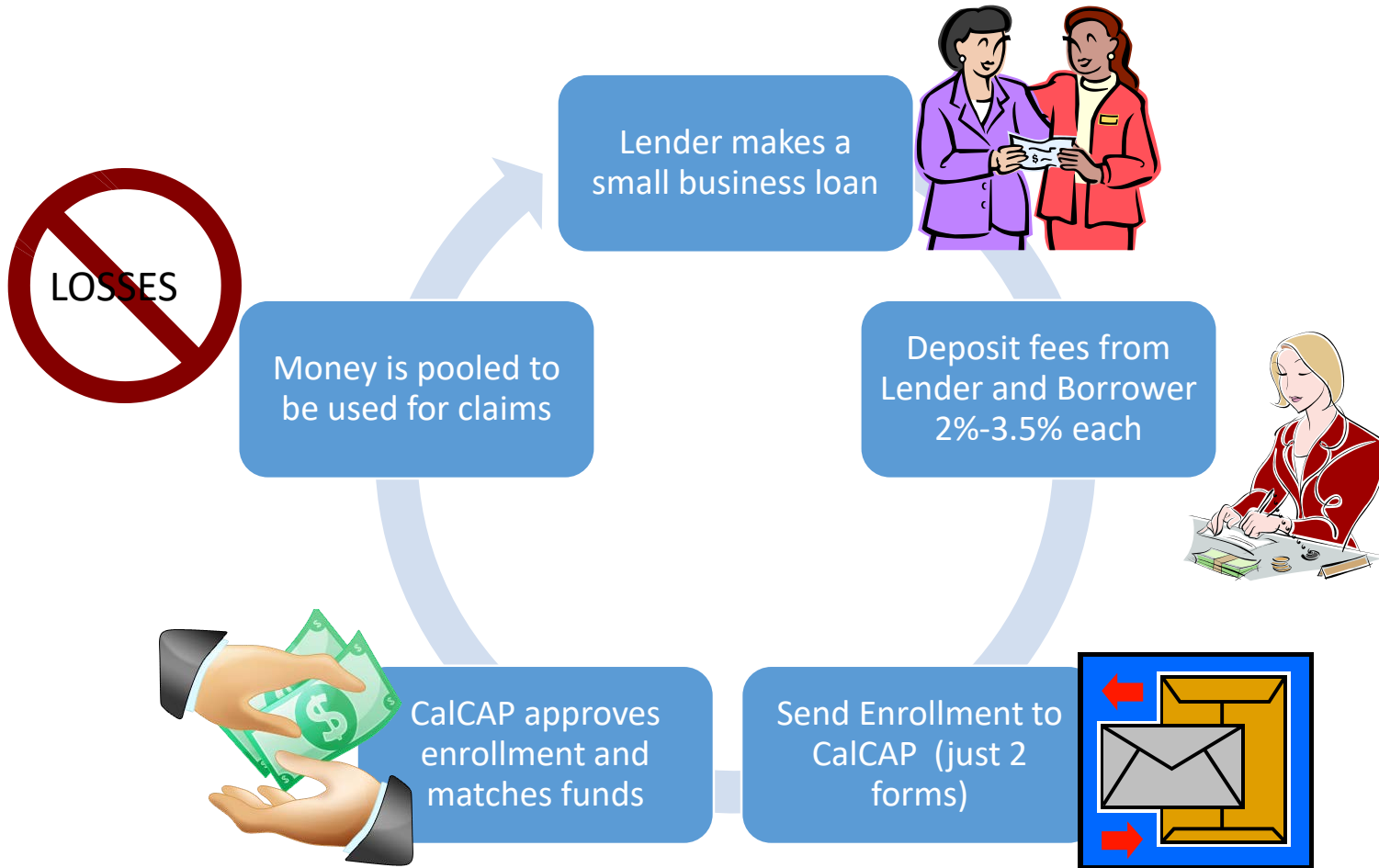


TOP 10 INDUSTRIES

- 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



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/cpcfca/calcap/sb/index.asp>
- Lender List: <https://www.treasurer.ca.gov/cpcfca/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/cpcfca/calcap/collateral/index.asp>
- Lender List: <https://www.treasurer.ca.gov/cpcfca/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/cpcfca/calcap/evcs/index.asp>
- Lender List: <https://www.treasurer.ca.gov/cpcfca/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 not 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/cpcfca/calcap/ada/index.asp>
- Lender List: <https://www.treasurer.ca.gov/cpcfca/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/cpcf/cap/Updated-Program-Notice.pdf>



Online Resources - Contacting CalCAP Lenders

<https://www.treasurer.ca.gov/cpcfafa/calcap/lenders.asp>



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CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY



California Capital Access Program (CalCAP)



Participating Lender Contact Lists

- [CalCAP for Small Business Program](#)
- [CalCAP Collateral Support Program](#)
- [CalCAP Air Resources Board Heavy-Duty Vehicle Air Quality Loan Program](#)
- [CalCAP Electric Vehicle Charging Station Financing Program](#)
- [CalCAP Americans with Disabilities Act Financing Program](#)
- [CalCAP Seismic Safety Financing Program](#)

Currently 47
lenders
enrolled
across our
CalCAP
programs.

More Online Resources

Sample Lender Contact List

CalCAP Small Business Lender Contact List					
As of September 21, 2020					
Lenders Currently Enrolling Loans in the Small Business Program					
	Participating Financial Institution	Contact Name	Phone Number	Address	Website
1	Accion San Diego	Robert Lopez	(619) 795-7250	404 Euclid Ave, Suite 271 San Diego, CA 92114	https://us.accion.org/region/southern-california/
2	AmPac Tri-State CDC, Inc.	Brandon Sellers Damaris Whisler	(909) 915-1706	22365 Barton Rd, Suite 304 Grand Terrace, CA 92313	https://ampac.com/
3	Bankers Small Business CDC of California	Susan Lamping	(800) 611-6170	2448 Historic Decatur Rd, Suite 200 San Diego, CA 92106	https://cdkloans.com/
4	CDC Small Business Finance	Susan Lamping	(800) 611-6170	2448 Historic Decatur Rd, Suite 200 San Diego, CA 92106	https://cdkloans.com/
5	Community Vision Capital & Consulting	Dan McDonald	(415) 392-8215	870 Market Street, Suite 677 San Francisco, CA 94102	https://communityvisionca.org/
6	Economic Development & Financing Corp (Mendocino and Lake Counties Only)	Diann Simmons	(707) 234-6705	208 B South Oak St Ukiah, CA 95482	https://www.edfc.org/
7	First Choice Bank	Alex Rodriguez John Murillo	(619) 651-9444 (213) 787-2834	530 Broadway Chula Vista, CA 91910	https://www.firstchoicebank.ca.com/
8	Fresno CDFI	Baldev Birk	(559) 263-1522	1920 Mariposa Mall, Suite 330 Fresno, CA 93721	https://www.accessouscapital.com/
9	Innovative Lease Services, Inc.	Nora Nere	(800) 438-1470 x104	2382 Faraday Ave, Suite 160 Carlsbad, CA 92008	https://www.ilsesasa.com/equipment-lease/
10	Lendistry, LLC	Leeann Lynch	(562) 242-2900	330 E. Lambert Road, #275 Brea, CA 92821	https://lendistry.com/
11	Mega Bank	John Nerland	(626) 656-2380	245 West Valley Blvd. San Gabriel, CA 91776	https://www.megabankusa.com/
12	Murphy Bank	Jose Herrera	(559) 225-0318	5180 N. Palm, Suite 101 Fresno, CA 93704	https://www.murphybank.com/
13	Opening Doors	David Comito Londell Earls	(916) 492-2591	1111 Howe Ave., Suite 125 Sacramento, CA 95825	https://openingdoorsinc.org/
14	Opportunity Fund	(Main Line)	(866) 299-8173	111 West St. John Street, Suite 800 San Jose, CA 95113	https://www.opportunityfund.org/
15	PACE Finance Corporation	Namoh Sokhom	(213) 989-3265	1055 Wilshire Blvd., Suite 900B Los Angeles, CA 90017	http://pacetabdc.org/
16	Pacific Premier Bank	Gabe Rios	(949) 705-5601	17901 Von Karman Avenue, Suite 1200 Irvine, CA 92614	https://www.pppb.com/
17	Snider Leasing Corp.	Matt Caplinger	(916) 332-8812	5301 Madison Ave, Suite 101 Sacramento, CA 95841	https://www.sniderleasing.com/
18	Sunwest Bank	Thomas Chavez	(714) 730-4459	2050 Main Street, Suite 300 Irvine, CA 92614	https://www.sunwestbank.com/
19	Working Solutions CDFI	Sara Razavi	(415) 655-5433	930 Montgomery Street, Suite 400 San Francisco, CA 94133	https://www.workingsolutions.org/

Ongoing contact list updates are available at:



<http://www.treasurer.ca.gov/cpcfa/calcap/sb/institutions.pdf>

We welcome new lenders. For information on becoming a participating lender visit:

<http://www.treasurer.ca.gov/cpcfa/calcap/sb/index.asp>

**WELCOMING
NEW
LENDERS!**

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 to meet the financing needs of California's small businesses.

- The program administered by the California Pollution Control Financing Authority (CPCFA) which was established in 1973 and is chaired by the California State Treasurer.

Who Qualifies?

Qualified borrowers meet following criteria:

- The business is classified as a **small business** under U.S. Small Business Administration guidelines.
- Employs **fewer than 500 full-time** equivalent employees.
- The business purpose is one of the industries listed in the North American Industry Classification System (NAICS) codes 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; and
 - 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 enrolled amount is \$2.5 million.** Individual borrowers are limited to a **maximum of \$2.5 million enrolled over a 3 year period.**
- Loans can be short- or long-term, 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 Severely Affected Communities (SAC).

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/cpcfa/calcap/sb/index.asp>

updated 2/16/2019

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/cpcf/cap/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!



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