

# California Pollution Control Financing Authority (CPCFA)

## **SMALL BUSINESS ASSISTANCE FUND (SBAF) POLICY**

CPCFA uses its SBAF funds to offset certain costs of issuance of tax-exempt bonds issued on behalf of small businesses. This assistance reduces the net cost of financing for the small businesses.

### Eligibility:

To be eligible you must meet the size standards set forth in Title 13 of the code of Federal Regulations or you must be an eligible small business, which is defined as 500 employees or less, including affiliates.

### Eligible Costs:

- Bond Counsel
- Underwriter
- Underwriter Counsel
- Trustee
- Trustee Counsel
- Rating Agency
- Printing
- CPCFA Feasibility Study
- Bank Credit Enhancement
- First year LOC fees
- STO Agent for Sale
- Financial Advisor
- Borrowers Counsel
- CDLAC and CDIAC fees

Below is the formula to be used in calculating the maximum SBAF award for a project.

### **SBAF Formula**

	<u>Par Amount</u>	<u>Maximum SBAF Subsidy *</u>
≤	\$5 million	\$130,000 + 1.6% of Par
	\$5 to \$13.75 million	\$130,000 + 1.6% of Par – [(Par-\$5,000,000) x 4%]
>	\$13.75 million	\$0

\*Represents maximum award. Borrower must first apply 2% of bond proceeds toward Eligible Costs and then award may be used to offset unfinanced Eligible Costs at Authority's discretion.

**SAMPLE BOND SIZES AND CORRESPONDING AWARDS**

<u>Bond Size</u>	<u>Maximum Subsidy Amount*</u>
1,000,000	\$146,000
2,000,000	\$162,000
3,000,000	\$178,000
4,000,000	\$194,000
5,000,000	\$210,000
6,000,000	\$186,000
7,000,000	\$162,000
8,000,000	\$138,000
9,000,000	\$114,000
10,000,000	\$90,000
11,000,000	\$66,000
12,000,000	\$42,000
13,000,000	\$18,000
14,000,000 & above	0

\* Represents maximum award. Borrower must first apply 2% of bond proceeds toward Eligible Costs and then award may be used to offset un-financed Eligible Costs at Authority’s discretion.

**Definition of a Small Business:** Provides financing to California business that meets the size standards set forth in Title 13 of the code of Federal Regulations or are an eligible small business, which is defined as 500 employees or less, including affiliates, for the acquisition, construction or installation or qualified pollution control, waste disposal, and resource recover facilities.