

**State of California
Office of Administrative Law**

In re:
California Pollution Control Financing
Authority

Regulatory Action:

Title 04, California Code of Regulations

Adopt sections: 8078.36

Amend sections:

Repeal sections:

**NOTICE OF APPROVAL OF EMERGENCY
REGULATORY ACTION**

Government Code Sections 11346.1 and
11349.6

OAL Matter Number: 2024-0920-01

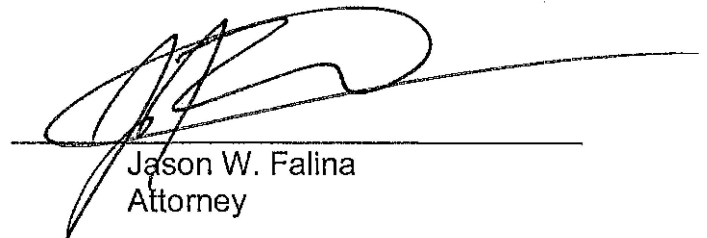
OAL Matter Type: Emergency (E)

This emergency rulemaking action by the California Pollution Control Financing Authority adopts a new regulation providing the methods and means in which to receive and deploy alternative funding sources through various financing mechanisms for small business growth and expansion.

OAL approves this emergency regulatory action pursuant to sections 11346.1 and 11349.6 of the Government Code.

This emergency regulatory action is effective on 9/30/2024 and will expire on 4/2/2025. The Certificate of Compliance for this action is due no later than 4/1/2025.

Date: September 30, 2024



Jason W. Falina
Attorney

For: Kenneth J. Pogue
Director

Original: Shela Tobias-Daniel, Executive
Director

Copy: Kamika McGill

EMERGENCY

STD. 400 (REV. 10/2019)

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-	REGULATORY ACTION NUMBER	EMERGENCY NUMBER 2024-0920-01E
For use by Office of Administrative Law (OAL) only		For use by Secretary of State only	
NOTICE		REGULATIONS	
AGENCY WITH RULEMAKING AUTHORITY California Pollution Control Financing Authority		AGENCY FILE NUMBER (If any)	

OFFICE OF ADMIN. LAW
2024 SEP 20 PM 2:47

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

SEP 30 2024

3:26 PM
[Signature]

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE		TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other		4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
OAL USE ONLY	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn		NOTICE REGISTER NUMBER	PUBLICATION DATE

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) California Capital Access Program for Small Businesses		1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)	
2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)			
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT 8078.36		
	AMEND		
TITLE(S) 4	REPEAL		
3. TYPE OF FILING			
<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346) <input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4) <input checked="" type="checkbox"/> Emergency (Gov. Code, §11346.1(b))			
<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute. <input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)			
<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h)) <input type="checkbox"/> File & Print <input checked="" type="checkbox"/> Other (Specify) Deemed emergency pursuant to HSC 44520(b)			
<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100) <input type="checkbox"/> Print Only			
4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)			
5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§11343.4, 11346.1(d); Cal. Code Regs., title 1, §100) <input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a)) <input checked="" type="checkbox"/> Effective on filing with Secretary of State <input type="checkbox"/> \$100 Changes Without Regulatory Effect <input type="checkbox"/> Effective other (Specify)			
6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY <input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660) <input type="checkbox"/> Fair Political Practices Commission <input type="checkbox"/> State Fire Marshal <input type="checkbox"/> Other (Specify)			
7. CONTACT PERSON Kamika McGill		TELEPHONE NUMBER (916) 653-0289	FAX NUMBER (Optional) E-MAIL ADDRESS (Optional) kamika.mcgill@treasurer.ca.gov

8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE <i>Shela Tob</i>	DATE 09/20/2024
TYPED NAME AND TITLE OF SIGNATORY Shela Tobias-Daniel, Executive Director	

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

SEP 30 2024

Office of Administrative Law

Title 4. Business Regulations
Division 11. California Pollution Control Financing Authority
Article 7. Capital Access Program for Small Businesses

Text of Modified Regulations

Changes are illustrated with an underline for proposed additions,
and a strikethrough for proposed deletions.

§ 8078.36. Alternative Funding Source.

(a) The Authority may from time to time have access to external funding, including from the Federal State Small Business Credit Initiative (SSBCI) pursuant to the American Rescue Plan Act of 2021 (ARPA) for a loan participation project (LPP), enabling the Authority to provide capital through various financing mechanisms for small business growth and expansion.

(b) When the Authority gains access to external funds, the Authority shall develop and adopt by resolution the terms and conditions describing the alternative funding source program, including the following information:

(1) The total amount of funding available.

(2) The target interest rate.

(3) If applicable, the maximum amount of funding available per Eligible Loan.

(4) An indication of loan eligibility, borrower eligibility, or other eligibility criteria that shall qualify as an Eligible Loan.

(5) Terms for the process by which Participating Financial Institutions (PFI) may apply to participate in the alternative funding source program, and how the funding shall be calculated and disbursed.

(c) The Authority may contract with a third-party administrator to:

(1) Provide operational capacity, skills, relationships, and expertise to manage the alternative funding source program;

(2) Provide the Authority with all necessary data and information needed for reporting;

(3) Assist with loan participations and coordination between the Authority and PFIs;

(4) Collaborate and partner with California community banks and other State agencies to market and advertise the alternative funding source program;

(5) Create and develop an accessible digital database to collect loan requests for screening and pre-qualification; and coordinate the selection, assembly, and management of the PFI.

(d) The terms of an alternative funding source program shall not contradict or override existing requirements and criteria described in this Article.

Authority: Sections 44520 and 44559.11, Health and Safety Code. Reference: Sections 44525, 44526(e)-(f), 44559(a)-(b), 44559.1, 44559.6 and 44559.11; 12 U.S.C. sections 5701-5710.