

**ADDENDUM TO THE INITIAL STATEMENT OF REASON**  
**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY**  
**TITLE 4, DIVISION 11, ARTICLE 7**

The California Pollution Control Financing Authority (the “Authority”) is supplementing the Initial Statement of Reason for the Regulations regarding the California Americans with Disabilities Small Business Capital Access Loan Program published in the Notice Register of the Office of Administrative Law (“OAL”) on March 23, 2018, OAL Notice No. Z2018-0313-01, as follows:

The sections below in the “Section Analysis” are being added as follows:

Section 8078.8(k). Adds the term “Reimbursement” and “Reimbursement for CASp Report” defined as the amount that can be reimbursed to the Qualified Small Business by the Authority. The Reimbursement cannot exceed 5% of the loan amount enrolled in the CalCAP/ADA program. A range of factors can impact the costs of a CASp report like square footage of the facility, specific areas that need to be inspected, and license level of CASp inspector. In consultation with the Division of the State Architect, CPCFA determined that an average CASp report for a facility of maximum 10,000 square feet (which represents one eligibility criteria for the CalCAP/ADA program, could cost between \$1,500.00 and \$3,500.00, depending on various factors mentioned above. So \$2,500.00 is a reasonable cost being the median. Since the maximum loan amount eligible for enrollment in the CalCAP/ADA is \$50,000, 5% of the maximum loan amount would limit the reimbursement to \$2,500.00. In the absence of a reimbursement limit the Division of the State Architect and CPCFA’s concerns were that the inspectors might charge without restriction, knowing that the borrower can be reimbursed for whatever the cost.

Section 8078.10(h). Provides the requirement information and documentation a Borrower must submit to the Authority in order to request a reimbursement for the CASp Report cost. The required information is necessary to determine the maximum reimbursement amount for an eligible Borrower. The information to be included in the reimbursement request was determined based on discussions with our trustee who manages the program accounts, and a similar reimbursement process from one of CPCFA’s specialty programs, the CalCAP Electric Vehicle Charging Station Financing Program.(see CCR Title 4 , section 8078.7(c))

Section 8078.10(i). Provides the timeframe and process for the Authority to effectuate the Reimbursement. This gives the Borrower an expected timeframe to receive the payment and holds the Authority to a timely standard. The timeframe provides the Authority sufficient time to review the reimbursement request for accuracy and completeness. A 30 day review appears to be a reasonable timeframe for reimbursement, and it is similar to the claim reimbursement request timeframe for the lender. (see CCR Title 4, section 8074(c))

All other aspects of the Initial Statement of Reason remain the same.