October 16, 2018
Renee Webster-Hawkins,
Executive Director
The Agenda

- Introductions
- AB 1547 Updates and Rulemaking Status
- CalCAP Programs Overview and Updates
  - CalCAP/Seismic Safety
  - CalCAP/ADA
  - CalCAP/EVCS
  - CalCAP/Small Business
  - CalCAP/CARB
  - Collateral Support
- 2018 Recapture Update
- Training Refresher/ Survey of Training Needs
- CalCAP/CARB One-Stop events
- Outreach updates
AB 1547 Updates & Rulemaking Status

- Assembly Bill 1547 (Quirk-Silva) was signed by Governor Brown on September 21, 2018.
- CalCAP will be amending regulations to implement the statutory changes to the CalCAP/ADA and CalCAP/Seismic financing programs.
- The proposed amendments include:

  - **CalCAP/ADA**: Redefinition of the term “Small Business” or “Qualified Business” to reflect an increase in the number of employees from 15 to 30 for a small business to qualify for the CalCAP/ADA program. It also allows the small business income and maximum employee number to be interchangeable for program eligibility.

  - **CalCAP/Seismic**: Modification of the definition “Qualified building” for the CalCAP/Seismic Safety program to identify the type of building eligible under the program to include property potentially vulnerable in an earthquake or constructed before 1981.

  - Removal of the occupancy requirement from the definitions of a “Qualified small business”, a “Qualified residential property owner”, and a “Qualified commercial property owner” of a qualified building to authorize a qualified loan under the program to be used to finance passive real estate ownership.

  - Adds, strengthening a building’s lateral load resisting system to the definition of “Seismic retrofit construction” to conform to standard building industry language.
Estimated Rulemaking Timeline

- Oct. 9 - 5 working day Notice posted on CPCFA Website.
- Oct. 17 - CPCFA Board meeting.
- Oct. 18 - Emergency regulations filed with OAL.
- Oct. 23 - Public comment period ends.
- Oct. 28 - OAL review period ends. If approved, the emergency regulations are filed with the Secretary of State and are in effect.
- April 28, 2019 - Emergency regulations expire.
CalCAP/Seismic Safety

Loss Reserve Program for small businesses, residential or commercial property owners to make seismic safety upgrades for buildings.

Fees and Contributions
- Lender and Borrower: 2 - 3.5%
- CPCFA: 4X the Lender Fee
- SAC: Up to 2X the Lender Fee
The following Amendments will be made to the regulations for the Seismic Safety Program:

- It is no longer a requirement that an owner is also an occupant of a qualified building to be eligible for the program.
- A qualified loan can be used to finance passive real estate.
- Strengthening a building’s lateral load resisting system is now included as an eligible loan purpose for seismic retrofit construction.

- CalCAP Seismic borrower’s webpage: https://www.treasurer.ca.gov/cpcfa/calcap/seismic/owners/index.asp
CalCAP/ADA Program Overview

Loss Reserve Program for small businesses with 30 or fewer employees to alter or retrofit the existing facility to comply with federal and state ADA (Americans with Disabilities Act) requirements.

Fees and Contributions
- Lender and Borrower: 2 - 3.5 %
- CPCFA: 4X the Lender Fee
- SAC: Equal to the Lender Fee

Reimbursement for CASp Report Costs
- Borrower can be reimbursed for an amount equal to up to 5% of the enrolled loan amount, toward the cost of the CASp report.

CalCAP/ADA Updates

- CalCAP has launched a new CalCAP-ADA borrowers webpage https://www.treasurer.ca.gov/cpcfa/calcap/ada/sbo.asp

  Information includes:
  - Who Qualifies
  - How to Apply
  - CASp Report Reimbursement
  - Additional links are also provided which are very beneficial to borrowers or potential borrowers.

- Our CalCAP/ADA Participating Lenders List is Growing! We’d love to add your name!

http://www.treasurer.ca.gov/cpcfa/calcap/ada/institutions.pdf
Electric Vehicle Charging Station Financing Program Overview

Loss Reserve Program for small businesses with 1000 or fewer employees to install electric vehicle charging stations at their place of business.

Fees and Contributions
- Lender and Borrower: Not Applicable
- CPCFA: 20% of the loan amount
- DAC or Multi-Unit Dwelling: 10% of the loan amount

Borrower Rebate
- Rebate of up to 15% of the loan amount upon loan repayment

Program Summary, Lender Manual, and Program Forms are located at: https://www.treasurer.ca.gov/cpcfa/calcap/index.asp
CalCAP Small Business Program Overview

Loss Reserve Program which encourages banks and other financial institutions to make loans to small businesses that have difficulty obtaining financing.

- Employs fewer than 500 full-time equivalent employees.
- 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.

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
CalCAP Small Business Updates

Reminder:

• Fire-stricken areas have been designated as **Severely Affected Communities (SAC)** based on the Governor’s declaration of state of emergency.

• CalCAP will make an additional SAC contribution to the loan loss reserve account for these designated counties:

<table>
<thead>
<tr>
<th>Date of Declaration</th>
<th>Counties</th>
<th>End Dates for SAC</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 9, 2017</td>
<td>Butte, Lake, Mendocino, Nevada, Orange, Napa, Sonoma, Yuba</td>
<td>December 31, 2018</td>
</tr>
<tr>
<td>October 10, 2017</td>
<td>Solano</td>
<td>December 31, 2018</td>
</tr>
<tr>
<td>December 5, 2017</td>
<td>Los Angeles, Ventura</td>
<td>December 31, 2018</td>
</tr>
<tr>
<td>December 7, 2017</td>
<td>Santa Barbara, San Diego</td>
<td>December 31, 2018</td>
</tr>
<tr>
<td>July 5, 2018</td>
<td>Siskiyou</td>
<td>July 5, 2019</td>
</tr>
<tr>
<td>July 26, 2018</td>
<td>Mariposa, Riverside, Shasta</td>
<td>July 26, 2019</td>
</tr>
</tbody>
</table>
CalCAP CARB Program Overview

Loss reserve program for **heavy duty vehicle** loans for **small business owners** with **fleets of 10 or fewer vehicles**.

CARB Contribution Thresholds

14 % **Contribution** - for first $500,000 in total contributions
7 % **Contribution** - for $500,001 - $1.5 million in total contributions
4 % **Contribution** - for contributions over $1.5 million

Program Summary, Lender Manual, and Program Forms at:
[https://www.treasurer.ca.gov/cpcfa/calcap/arb/index.asp](https://www.treasurer.ca.gov/cpcfa/calcap/arb/index.asp)

**CalCAP CARB’s 20,000 loan was made in the end of September!**
CalCAP-CARB Compliance Updates - Preparing for 2020

- **HEAVIER TRUCKS** and buses with a GVWR greater than 26,000 pounds must comply with a schedule by engine model year or owners can report to show compliance with more flexible options.

<table>
<thead>
<tr>
<th>Engine Model Year</th>
<th>Requirements for Heavier Trucks from January 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-1994</td>
<td>No requirements until 2015, then 2010 engine</td>
</tr>
<tr>
<td>1994-1995</td>
<td>No requirements until 2016, then 2010 engine</td>
</tr>
<tr>
<td>1996-1999</td>
<td>PM filter from 2012 to 2020, then 2010 engine</td>
</tr>
<tr>
<td>2000-2004</td>
<td>PM filter from 2013 to 2021, then 2010 engine</td>
</tr>
<tr>
<td>2005-2006</td>
<td>PM filter from 2014 to 2022, then 2010 engine</td>
</tr>
<tr>
<td>2007-2009*</td>
<td>No requirements until 2023, then 2010 engine</td>
</tr>
<tr>
<td>2010 or newer</td>
<td>Meets final requirement</td>
</tr>
</tbody>
</table>

* Must install a PM filter by January 1, 2014 if not originally equipped.

- **LIGHTER TRUCKS** and buses with a GVWR of 14,001 to 26,000 lbs. have compliance requirements starting January 1, 2015.

<table>
<thead>
<tr>
<th>Engine Model Year</th>
<th>2010 Engine Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995 and older</td>
<td>January 1, 2015</td>
</tr>
<tr>
<td>1996</td>
<td>January 1, 2016</td>
</tr>
<tr>
<td>1997</td>
<td>January 1, 2017</td>
</tr>
<tr>
<td>1998</td>
<td>January 1, 2018</td>
</tr>
<tr>
<td>1999</td>
<td>January 1, 2019</td>
</tr>
<tr>
<td>2003 and older</td>
<td>January 1, 2020</td>
</tr>
<tr>
<td>2004-2006</td>
<td>January 1, 2021</td>
</tr>
<tr>
<td>2007-2009</td>
<td>January 1, 2023</td>
</tr>
</tbody>
</table>

More information can be found at: https://www.arb.ca.gov/msprog/truckstop/tb/truckbus.htm
Fleets must comply with the tables in the previous slide, or report to use limited flexibility options.

Compliance with CARB Truck and Bus Rule will be required for DMV registration renewal starting in 2020.

CARB will likely restrict 2007-2009 eligibility in the next 2-4 months.

More information can be found at: https://www.arb.ca.gov/msprog/truckstop/tb/truckbus.htm
CalCAP-CARB Updates (continued)

- A new borrower’s webpage has been launched.
  
  https://www.treasurer.ca.gov/cpcfa/calcap/arb/index.asp

  - Information includes:
    - Who Qualifies
    - How to Apply
    - Preventative Maintenance
    - Additional links are also provided which are very beneficial to borrowers or potential borrowers.

- CalCAP-CARB now allows warranties on eligible equipment to be included in the loan financing.

- On the CalCAP loan enrollment form, include “warranty” in the section “Purpose of Loan”, indicating the number of months/years premiums are included in the loan amount.

- Electric trucks are eligible for CalCAP-CARB loan enrollment.
CalCAP Collateral Support Program Overview

This CalCAP program pledges cash to cover the collateral shortfall of a loan in order to enable financing that otherwise might not be available to a small business.

Eligible borrowers must meet the these criteria:
- Business is considered a small business under the U.S. Small Business Administration
- Employs 750 employees or fewer full-time equivalents
- A majority of the business activity takes place in California

Eligible Uses of Loan Proceeds:
- Any tangible or intangible asset purchase, including: construction, renovation or improvements of an eligible place of business;
- Start-up costs
- Working capital
- Franchise fees
- Equipment
- Inventory and
- Bridge loans prior to the borrower obtaining permanent financing or support.
### 2018 CalCAP Recapture Update

<table>
<thead>
<tr>
<th></th>
<th>2017 Recapture Figures</th>
<th>2018 Recapture Figures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State Contributions:</strong></td>
<td>$392,945</td>
<td>$17,485</td>
</tr>
<tr>
<td><strong>Federal Contributions:</strong></td>
<td>$2,469,165</td>
<td>$1,328,769</td>
</tr>
<tr>
<td><strong>CARB Contributions:</strong></td>
<td>$6,152,066</td>
<td>$2,587,677</td>
</tr>
</tbody>
</table>
Rolling Out Web-Online Loan Enrollment

- Currently in final Testing - Will be available for all Lenders End of October to Mid November
- Submission of loan enrollments through CalCAP inbox will still be available, though the goal is to eventually only use the online method
- Technical assistance and training will be available

https://calcap.treasurer.ca.gov
CalCAP Training Poll

CalCAP offers training for newly enrolled lenders and refreshers are suggested and highly encouraged for existing lenders with new employees.

- What programs would you like to see more training on?
- Would you like additional training on proper completion/order of submission of the loan enrollment forms?
- Do you have suggestions on how the forms could be improved?
- Suggestions???
CalCAP CARB One-Stop Events

- What are CARB One Stop events? Fleet owner/operators can attend a one-day workshop for regulation updates, compliance assistance & clean air technology options.
  - Regulatory Assistance
  - Inspection Demos
  - Funding Options for On-Road trucks
- **Attendance is FREE** and gets you an exhibit table that you can customize to promote your business.
- CARB plans to set a comprehensive schedule of events and has asked for **lender input**
- **Google Survey email coming soon**
CalCAP’s outreach team participates in events that we are invited to, examples include:

- **Community workshops** sponsored by Senate and Assembly members
- **Informational meetings** hosted by local governments
- Stakeholder focused educational **conferences and seminars**

Opportunities for **CPCFA/CalCAP lender partnership**:

- Is your financial institution interested in participating in more outreach event along with CalCAP staff?

- What business groups in your community can benefit from learning more about CalCAP’s menu of capital access programs?
Questions?

- Email: CalCAP@treasurer.ca.gov
- Phone: 916-654-5610
- Website: www.treasurer.ca.gov/cpcfa