

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

Meeting Date: December 15, 2010

Request Board to Authorize Staff to Apply for and Accept Funds from United States Department of the Treasury for the California Capital Access Program (CalCAP)

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Summary. The United States Treasury has allocated \$168.8 million to California for assisting small businesses. CPCFA staff is requesting Board approval to apply to the United States Treasury for up to \$168.8 million dollars. Staff is working with the Business, Housing and Transportation (BTH) Agency on a joint application, equally splitting California's allocation.

Background. President Obama signed the Small Business Jobs Act on September 27, 2010. This legislation includes \$1.5 billion for state Capital Access Programs and other state loan programs. California is expected to receive at least \$168.8 million. Staff is working on filing a joint application for these funds with a small business program at the Business, Transportation and Housing (BTH) Agency. It is anticipated that CalCAP and BTH will split California's share 50/50 – translating into approximately \$84.4 million for CalCAP.

Overview of CalCAP's Roles and Responsibilities. Staff will develop an interagency agreement with BTH, and quite possibly the Department of Finance in order to accept the federal monies. Staff is working cooperatively with BTH staff and once the application for the federal money is available, will determine which agency will take responsibility for reporting requirements to the United States Treasury.

Timeline. It is expected that the United States Treasury will make applications available in December 2010 and will respond quickly with funds once applications have been approved. Staff submitted an intent to apply in November 2010. The notice of intent was approved by the United States Treasury.

Resource and Staffing Considerations. Currently, staff is working out details of staffing needs that will be required to implement the additional workload and reporting requirements that will be involved with the new federal money.

Recommendation. Staff recommends that the Board authorize the Executive Director to work with BTH and apply for and accept funds from United States Department of the Treasury for the California Capital Access Program.

RESOLUTION OF THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY AUTHORIZING THE EXECUTIVE DIRECTOR AND DEPUTY EXECUTIVE DIRECTOR TO APPLY FOR FEDERAL FUNDING FOR THE CALIFORNIA CAPITAL ACCESS PROGRAM (CalCAP)

December 15, 2010

WHEREAS, the California Pollution Control Financing Authority (“Authority”) was created under the provisions of Section 44500 of the Health and Safety Code; and

WHEREAS, Article 8 (commencing with Section 44559) of Chapter 1 of Division 27 of the Health and Safety Code provides that the Authority is authorized to establish a Capital Access Program for Small Businesses (“CalCAP”); and

WHEREAS, Section 44519 of the Health and Safety Code provides that the Authority may employ an Executive Director and any other persons as are necessary to enable it to properly perform the duties imposed upon it by the Authority’s statutes; and

WHEREAS, On September 27, 2010, President Barak Obama signed into law the Small Business Jobs Act of 2010 (Pub. Law 111-240) which provides up to \$ 1.5 billion, for approved State Capital Access Programs of which California is expected to receive approximately \$168 million; and

WHEREAS, The Small Business Jobs Act of 2010 requires state capital access programs to make application to the Secretary of the Treasury to become eligible for funding;

WHEREAS, The Authority wishes to expand its CalCAP program using the available federal funding and anticipates filing a joint application for these funds with a small business program at the Business, Transportation and Housing (BTH) Agency. It is anticipated that CalCAP and BTH will split California’s share 50/50 – translating into approximately \$84 million for CalCAP.

NOW, THEREFORE, BE IT RESOLVED that the Executive Director, is given specific authorization by this Resolution to apply to the Secretary of the Treasury to participate as a state capital access program under the Small Business Jobs Act of 2010, and to do all things necessary to complete the application process, and accept and expend the funds.

BE IT FURTHER RESOLVED that this Resolution becomes effective immediately upon its adoption.