

MINUTES

**California Pollution Control Financing Authority
915 Capitol Mall, Room 587
Sacramento, California
April 16, 2013**

1. CALL TO ORDER & ROLL CALL

Katie Carroll, Chairperson, called the California Pollution Control Financing Authority (CPCFA or Authority) meeting to order at 10:31 a.m.

Members Present: Katie Carroll for Bill Lockyer, State Treasurer
Alan Gordon for John Chiang, State Controller
Tom Dyer for Ana J. Matosantos, Director of Finance

Staff Present: Sherri Kay Wahl, Deputy Executive Director

Quorum: The Chairperson declared a quorum

2. MINUTES

Mr. Gordon moved approval of the March 19, 2013 minutes; upon a second the minutes were unanimously approved.

3. DEPUTY EXECUTIVE DIRECTOR'S REPORT

Ms. Wahl stated that Mr. Paparian, Executive Director, is absent this morning. He is traveling to Washington DC to speak at a conference being held by the Brookings Institute called the Brookings/Living Cities State and Metropolitan Prosperity Collaborative. Mr. Paparian will be talking about tools the State is using to finance economically important infrastructure projects and how infrastructure planning and projects are integrated with our State's economic growth strategy.

On March 21, 2013 Mr. Paparian and California Capital Access Program (CalCAP) staff gave a presentation regarding the success of the Air Resources Board (ARB) On-Road Heavy Duty Diesel Program and requested additional funding to maintain the program through the end of the contract date of December 2013. One CalCAP lender who utilizes the program spoke in support of the additional funding, expressing gratitude for the numerous jobs created and retained in California as a result of past efforts. Not only are these jobs that are being created for truckers, but also jobs for those who work at these lending institutions. The ARB Board approved a request of \$4 million in additional immediate funding from the original AB 118 fund. The ARB Board was very complimentary of the program and staff, and expressed a dedication to finding additional funding for the program.

Since then, CalCAP has been working with ARB staff and have identified some additional money that could help get the program through the end of the year. A slight reduction in the ARB contribution was made to make the funds last longer. On April 11, 2013 CalCAP held a Lender Roundtable Call with the banks to explain what was going on with the current funding and the new contribution levels.

Ms. Wahl further reported that CPCFA staff was able to post a Request for Applications to solicit lenders for the new Energy/Environmental Efficiency Loan Participation Program for small businesses to the CPCFA website. During the process, CPCFA Staff has experienced many fits and starts working with the States Small Business Credit Initiative (SSBCI) rules regarding the funding and also with CPCFA's own contracting processes within the State. Staff is looking forward to coming back in a couple of months with some recommended lenders and new programs.

Ms. Carroll asked if there were any questions or comments from the Board or public. There were none.

4. BUSINESS ITEMS

A. CONSIDERATION AND APPROVAL OF AMENDMENT TO REGULATIONS PERTAINING TO THE SMALL BUSINESS ASSISTANCE FUND (SBAF) FEES FOR THE BOND PROGRAM

Presented by: Andrea Escobar

Staff requested Board approval to begin the emergency rulemaking process and file regulations to amend and add Section (e) to § 8035 of the CPCFA regulations pertaining to a temporary suspension of the Small Business Assistance Fund (SBAF) fees for large businesses that pay into SBAF. Staff proposed a temporary fee waiver until the bond market improves and anticipates that the temporary fee waiver will entice large businesses to issue private activity bonds in California by noticeably reducing a portion of the cost of issuance.

CPCFA management received a preliminary comment from a stakeholder with concerns regarding clarification in the regulation change. The section added insures that large businesses will not be charged a future SBAF fee in the case of refunding bonds and conversion bonds if the original bond was issued after the effective date of this subsection and before June 30, 2015.

Upon approval, staff will file regulations with the Office of Administrative Law (OAL).

Staff recommended adoption of a resolution to amend regulations concerning a temporary waiver of SBAF fees for the Bond Program and to authorize staff to undertake emergency and regular rulemaking proceedings and other actions related to CPCFA bond program regulation revisions.

Agenda Item 2.

Ms. Carroll asked if there were any questions from the Board. There were none.

Ms. Carroll asked if there was a motion.

Mr. Gordon moved approval of the item; upon a second the item was unanimously approved.

Ms. Carroll asked if there were any further comments from the public. There were none.

5. PUBLIC COMMENT

Ms. Carroll asked if there were any comments from the public. There were none.

6. ADJOURNMENT

There being no further business, public comments, or concerns, the meeting adjourned at 10:37 a.m.

Respectfully submitted,

Sherri Kay Wahl
Deputy Executive Director