

MINUTES

**California Pollution Control Financing Authority
915 Capitol Mall, Room 587
Sacramento, California
February 17, 2015**

1. CALL TO ORDER & ROLL CALL

Alan Gordon, Chairperson, called the California Pollution Control Financing Authority (CPCFA or Authority) meeting to order at 11:03 a.m.

Members Present: Alan Gordon for John Chiang, State Treasurer
Anne Baker for Betty T. Yee, State Controller
Eraina Ortega for Michael Cohen, Director of Finance

Staff Present: Reneé Webster-Hawkins, Executive Director

Quorum: The Chairperson declared a quorum

2. MINUTES

Mr. Gordon asked if there were any questions or comments concerning the meeting minutes from the meeting held January 20, 2015. There were none.

Ms. Ortega moved approval of the minutes; there was a second.

The item was passed by the following vote:

Alan Gordon for the State Treasurer	Aye
Anne Baker for the State Controller	Aye
Eraina Ortega for the Director of Finance	Aye

3. EXECUTIVE DIRECTOR'S REPORT

Ms. Webster-Hawkins welcomed the Board Members. She stated that CPCFA has been busy finalizing specific objectives for 2015 consistent with its Strategic Planning efforts last year, and coordinating with the incoming Treasurer's executive management team to ensure sponsorship of those efforts.

Ms. Webster-Hawkins first reported on the Bond Program Carryforward allocation for 2014. The total available 2012-2014 Carryforward Allocation to CPCFA is \$3,491,810,388 including Solid Waste Disposal for \$1,738,055,000; Sewage Facilities for \$303,755,388; and Water Furnishing for \$1,450,000,000.

Ms. Webster-Hawkins updated Board Members on the two lenders' roundtable meetings, one

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for CPCFA lenders participating in the Air Resources Board (ARB) program and another for those participating in the loan loss reserve and Collateral Support Programs (CSP). Staff utilized these roundtable discussions, which convene two to three times per year, to provide updates and clarification on program funding, eligibility, and administration; and to solicit feedback about the programs.

The California Capital Access Program (CalCAP) co-hosted a roundtable discussion with the California Association of Micro Enterprise Opportunity (CAMEO), which invited other state leaders and decision makers to hear the latest research on economic trends in the labor and economic sector, focusing on the increasing numbers and importance of solo-entrepreneurs and other truly small businesses. Ms. Webster-Hawkins stated CalCAP remains a model, nationwide, in incentivizing private lending to small business for working capital. The California Small Business Association identified access to working capital as a critical barrier to microenterprise sustainability, and CPCFA's loan loss reserve and Collateral Support have provided a critical tool to lenders to have confidence in offering such lending.

Ms. Webster-Hawkins then gave an update of the completed affordable housing units and development projects supported by CPCFA's remediation funding in the California Recycle underutilized Sites Program (CALReUSE) as the Proposition 1C funding program has matured. The Commercial and 22nd Street mixed use project in San Diego, the 64th and Christie mixed use project in Emeryville, and The Township 9 Project in Sacramento were just a few projects coming online in March. CalReUSE staff has focused on reaching out to the U.S. Environmental Protection Agency (EPA), Air Resources Board (ARB), and other agencies to identify potential sources of funding that CALReUSE may be able to administer in support of brownfields remediation.

Ms. Webster-Hawkins utilized her delegated authority to approve two transactions. The first was a change in the remarketing agents from W. R. Taylor Company to The Frazer Lanier Company, Inc. Ms. Webster-Hawkins signed the Carlos Echeverria & Sons Dairy Project, Bond Series 2002 agreement on January 20, 2015 and the T&W Farms Dairy Project Bond Series 2002 on February 4, 2015. The second transaction was an interagency agreement with the State Treasurers Office, and approved in the amount of \$161,416 for rent and security services provided at the Treasurer's Office building.

4. BUSINESS ITEMS

A. CONSIDERATION AND APPROVAL OF THE COLLATERAL SUPPORT PROGRAM UPDATES FUNDED BY THE STATE SMALL BUSINESS CREDIT INITIATIVE

Presented by: Megan Hodapp, Staff Services Analyst

In January 2013, CPCFA launched the Collateral Support Program in order to more effectively utilize \$84,000,000 of the State Small Business Credit Initiative (SSBCI) allocation. Enhancements to the program were brought to the board in 2013 in an effort to increase lender participation and also in 2014 in order to target specific industries and areas.

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The Collateral Support Program has proven useful to the lenders and beneficial to the borrowers they serve. At this time, staff proposed refinements to the program to ensure that there is a balanced ratio of Severely Affected Community (SAC) contributions to general support, where the SAC support is capped at 1/5 of the total support; and to clarify the fees in process for lines of credit with annual renewals.

Staff recommended the approval of the program updates to CalCAP Collateral Support Program, consistent with SSBCI standards and the CalCAP statute and regulations, in order to ensure that the CalCAP Collateral Support SAC contribution is consistently applied to qualified small business loans, and that lenders have a clear guidance about the fees and other requirements associated with lines of credit.

Ms. Ortega moved approval of the item; there was a second.

Mr. Gordon asked if there were any questions or comments from the Board or public. There were none.

The item was passed by the following vote:

Alan Gordon for the State Treasurer	Aye
Anne Baker for the State Controller	Aye
Eraina Ortega for the Director of Finance	Aye

B. REQUEST TO CONSENT TO THE SALE OF BOND-FINANCED PROJECT

Presented by: Deanna Hamelin, Associate Treasury Program Officer

Ms. Webster-Hawkins recommended for purposes of item 4.B. that the Board reconvene on Thursday, February 19, 2015 at 9:30 a.m. in Conference Room 470, should the Board agree to adjourn the meeting to give the Borrower extra time to provide additional documentation in support of its request.

Mr. Gordon asked if anyone present was expecting to make public comment on the agenda item at that time. There was none.

Mr. Gordon asked if there was a motion to reconvene the meeting on Thursday, February 19, 2015 at 9:30 a.m. in Conference Room 470.

Ms. Ortega moved to continue the meeting until Thursday, February 19, 2015 at 9:30 a.m. in Conference Room 470. There was a second.

Mr. Gordon asked if there were any questions or comments from the Board or public. There were none.

The continuation was passed by the following vote:

Alan Gordon for the State Treasurer	Aye
Anne Baker for the State Controller	Aye

Eraina Ortega for the Director of Finance Aye

5. PUBLIC COMMENT

Mr. Gordon asked if there were any general comments from the public. There were none.

6. ADJOURNMENT

There being no further business at this time, nor public comments or concerns, the meeting was adjourned at 11:15 a.m. to be reconvened at 9:30 a.m. on Thursday, February 19, 2015.

7. CANCELLATION

The continuation of the board meeting was cancelled on Wednesday, February 18, 2015 at 3:10 p.m. per the attached cancellation notice.

Respectfully submitted,

Originally Signed By

Reneé Webster-Hawkins
Executive Director

Attachment

AGENDA

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
(CPCFA)

NOTICE OF CANCELLATION

MEMBERS

JOHN CHIANG, CHAIRMAN
State Treasurer

BETTY T. YEE
State Controller

MICHAEL COHEN
Director of Finance

EXECUTIVE DIRECTOR
Reneé Webster-Hawkins

PLEASE BE ADVISED THAT CPCFA HAS CANCELED THE REGULAR BOARD MEETING
CONTINUED TO

THURSDAY, FEBRUARY 19, 2015, 9:30 a.m.
915 Capitol Mall, Room 470
Sacramento, CA 95814

The February 17, 2015 CPCFA meeting was adjourned to be continued at 9:30 a.m. on Thursday, February 19, 2015 at 915 Capitol Mall, Room 470, Sacramento, CA 95814 to hear Agenda Item 4.B.

CPCFA hereby cancels that meeting.

~~RECONVENE MEETING~~

~~4.B. REQUEST TO CONSENT TO THE SALE OF BOND-FINANCED PROJECT
California Pollution Control Financing Authority Variable Rate
Demand, Solid Waste Disposal, Revenue Bonds (Crown Disposal
Company, Inc. Project) Series 2010A
Purchaser of Project: Recology, Inc.~~

STAFF

~~Deanna Hamelin~~

~~5. PUBLIC COMMENT~~

~~6. ADJOURNMENT~~

FOR ADDITIONAL INFORMATION

Reneé Webster-Hawkins, Executive Director, CPCFA
Melissa Smith, Executive Assistant, CPCFA
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The agenda is also available on our website:

<http://www.treasurer.ca.gov/cpcfa>

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