

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY**  
**California Capital Access Program**  
**Meeting Date: October 17, 2018**  
**Executive Summary**

***Request for Approval to Contract for Trustee Services for the California Pollution Control Financing Authority in Connection with the California Capital Access Program in an Amount Not to Exceed \$780,000.00***

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**Summary.** Staff requests approval to enter into a contract with Zions Bank to provide Trustee services for the California Capital Access Program (“CalCAP” or “Program”). The contract will be for a three-year term for a not to exceed amount of \$780,000 with an option to extend for one additional year.

Under the general direction of the Executive Director of the CPCFA, the scope of service will include establishing various accounts, maintaining lenders’ loan loss reserve accounts, daily deposits, disbursement and transfer of funds, tracking various program statistics, and preparing periodic management reports.

**Background.** The CalCAP Trustee maintains lenders’ loan loss reserve accounts, performs daily fund transactions, and prepares periodic management reports. There are currently 109 Participating Financial Institution (“PFI”) held accounts, 36 Program accounts, 22 PFI California Air Resources Board (“CARB”) Loan Loss Reserve Accounts, 56 PFI loan-specific Collateral Support Program (“CSP”) Loan Loss Reserve Accounts, 8 PFI Electric Vehicle Charging Stations (“EVCS”) Loan Loss Reserve Accounts, 39 PFI CalCAP Small Business Loan Loss Reserve Accounts, and 3 PFI Americans Disabilities Act (“ADA”) Loan Loss Reserve Accounts. The expectation is to enroll new PFIs and double the number within the next three (3) years. The Trustee oversees these accounts on behalf of CalCAP and handles transfers of funds in and out of the accounts.

CalCAP has added three (3) new programs since 2014. The Electric Vehicle Charging Station Financing Program (“CalCAP/EVCS”) is a \$2 million financing program providing incentives to small business owners and landlords to install electric vehicle charging stations for employees, clients, and tenants. This program is funded through the California Energy Commission.

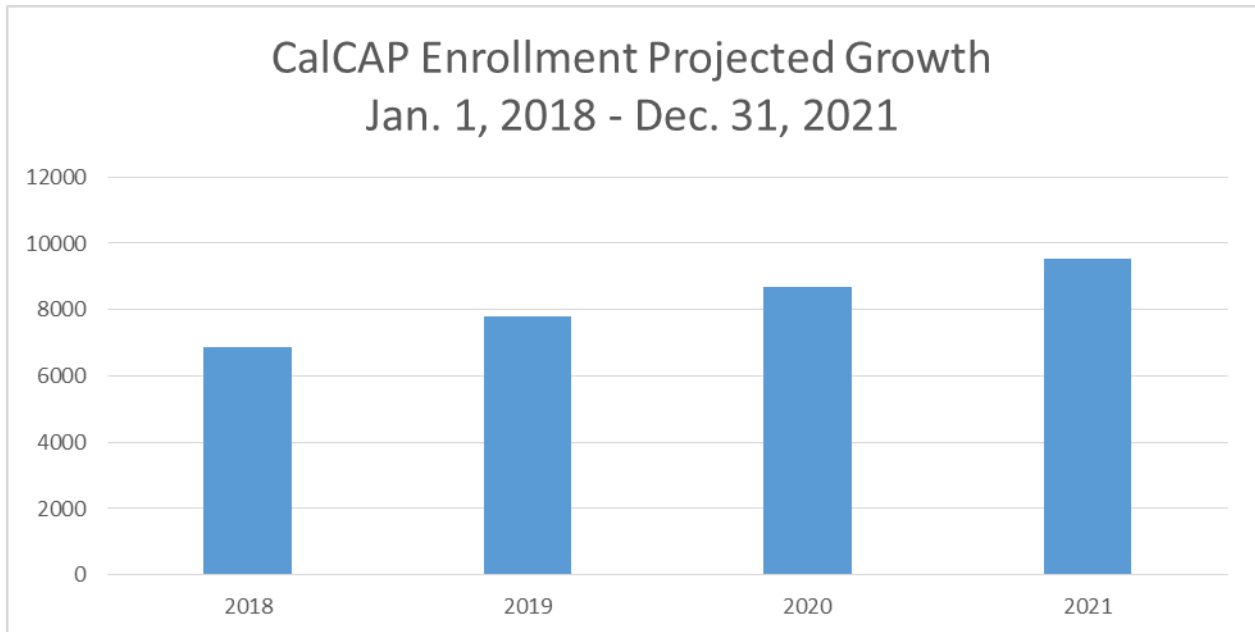
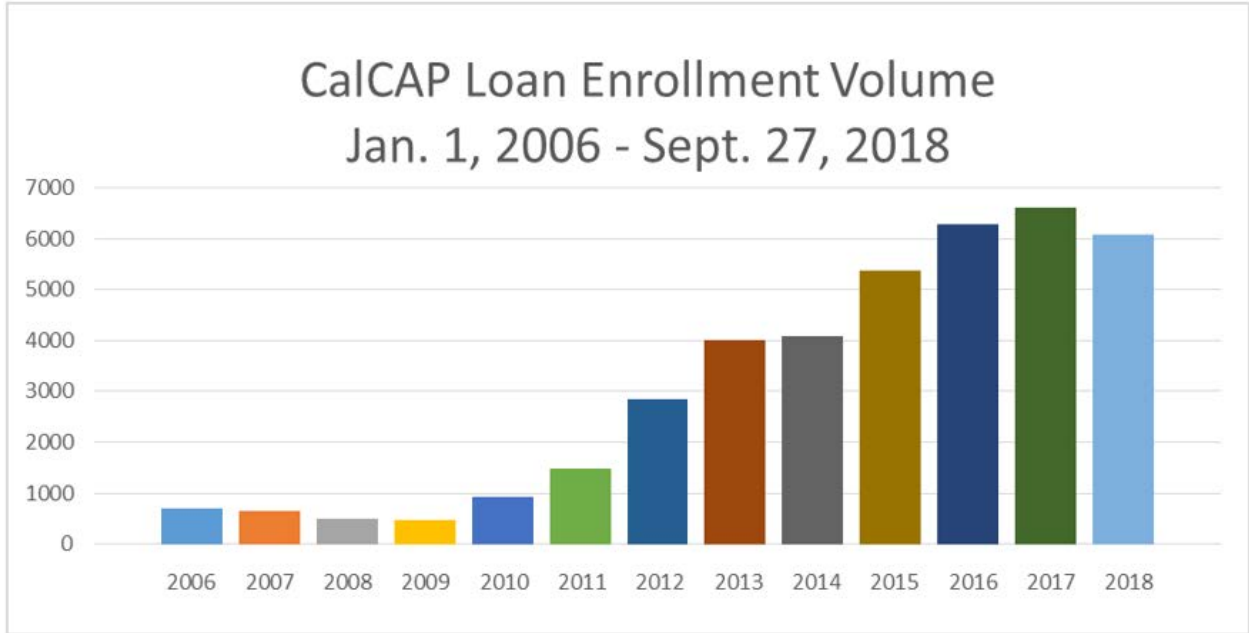
The Americans Disabilities Act Financing Program (“CalCAP/ADA”) is a program similar to the CARB and CalCAP Small Business programs. CalCAP/ADA encourages banks and other financial institutions to make loans to small businesses that have difficulty obtaining financing. Any small business with 15 or fewer full time equivalent employees requiring a loan for physical alterations or retrofits to its business facility of less than 10,000 square feet for compliance with the federal Americans Disabilities Act, may receive more favorable loan terms from a lender if the loan is enrolled in the CalCAP/ADA Financing Program.

The newest program, the Seismic Safety Capital Access Loan Program is designed to assist California’s small businesses and residential property owners (including multi-dwelling units and

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mobile homes registered by the California Department of Housing and Community Development) with financing the costs to seismically retrofit existing buildings and homes.

If CPCFA were to add new programs, the additional accounts would be handled by the Trustee. The table below shows the CalCAP Loan enrollment volume over the past twelve (12) years and a projection of future loan enrollments in the CalCAP programs.



**Request for Proposal Process.** On August 6, 2018 CPCFA staff advertised a Request for Proposal (“RFP”) through the Cal eProcure website, ListSERV, and the CPCFA website.

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CPCFA received one proposal, from Zions Bank and an email from US Bank thanking CPCFA for the opportunity to bid. CPCFA received one other reply to the Proposal from US Bank stating they would not be submitting a proposal as they are unable to sign off on the language currently required by the Department of General Services.

Staff conducted its evaluation process that included an Evaluation Committee consisting of CPCFA staff. Proposals were evaluated based on the characteristics and point values outlined below. A proposer could earn a maximum of 100 points. Zions Bank received a total average score of 88 from the Evaluation Committee.

- 1) Overall experience demonstrating its ability to successfully complete the scope of services defined in the RFP, including Trustee depository experience. (20 points)
- 2) Evaluation of qualifications of individuals to be assigned to the contract on the basis of professional and educational background and experience in related work including experience with other trustee and similar type of programs. (20 points)
- 3) Evaluation of the proposer's Flow Chart demonstrating the firm's understanding of establishing the CPCFA Program Funds and Loss Reserve Account's setup of a Participating Financial Institution, the relationship of the Trustee firm's role in CalCAP, Model Flowchart illustrating establishing a new PFI, funding from a Program Account, funding from an Independent Contributor Account, and payment of a claim reimbursement. (15 points)
- 4) Evaluation of the Trustee firm's ability to provide the required reporting account activities and information as listed in the RFP. (15 points)
- 5) Evaluation of actual fees proposed that are associated with CalCAP and the establishment of Program Accounts including Loss Reserve Accounts, trust administration and annual fees, loan enrollments and claims, disbursement fees, and any other reimbursable expenses. (30 points)

**Overview of Zions Bank Corporate Trust.** Zions Bank was originally founded in 1873 as Zions Savings Bank and Trust Company. Due to mergers and incorporations over the years, the name has changed numerous times. Today, Zions First National Bank is known as Zions Bank, a division of ZB, National Association which is a wholly-owned subsidiary of Zions Bancorporation. Zions Bank is a consistent market leader in US Small Business Administration lending. Zions Bank offers mortgage and home equity loan options, credit cards, private and executive banking services, online and mobile banking. In recognition of exemplary customer service, Zions Bank was awarded the Greenwich Excellence Awards and was honored among the "Best Banks to Work for" in 2018 by American Banker magazine. Zions Bank has also been constantly ranked as one of the top 10 providers of bond trustee and paying guest agent services in the country by Thomson Reuters.

Zions Bank has been CPCFA's Trustee since January 1, 2017 and has been performing all tasks listed in the Scope of Services. Zions has continuously performed well in all duties from the

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previous contract and has had contracts with other state agencies. Zions Bank's administrative team has also provided similar Trustee services to CPCFA's sister agency, California Alternative Energy and Advanced Transportation Financing Authority ("CAEATFA"). CPCFA is confident Zions Bank will continue to perform under a new contract, if awarded.

**Contract Terms.** The contract will be for a three-year term with an option to extend for an additional year. The contractor will be compensated subsequent to providing specific services. The compensation amount shall not exceed \$780,000 for the term of the contract.

**Recommendation.** Staff recommends adoption of Resolution Number 18-04-002 authorizing execution of a contract with Zions Bank to provide Trustee services to CPCFA for the California Capital Access Program in an amount not to exceed \$780,000 over three years.

**RESOLUTION OF THE CALIFORNIA POLLUTION CONTROL FINANCING  
AUTHORITY AUTHORIZING THE EXECUTION OF A CONTRACT FOR TRUSTEE  
SERVICES IN CONNECTION WITH THE  
CALIFORNIA CAPITAL ACCESS PROGRAM (CalCAP)**

October 17, 2018

**WHEREAS**, the California Pollution Control Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized and empowered by the provisions of Section 44500 of the Health and Safety Code; and

**WHEREAS**, Section 44522(c) of the Health and Safety Code provides that the Authority is authorized to “do all things generally necessary or convenient to carry out its powers”; and

**WHEREAS**, the Authority has determined it requires Trustee services in connection with its Capital Access Program; and

**WHEREAS**, the Authority has undergone a competitive process to identify an appropriate contractor to provide Trustee services;

**NOW, THEREFORE, BE IT RESOLVED** by the Authority, as follows:

**Section 1.** The Authority hereby authorizes the execution of a contract in an amount not to exceed \$780,000 to retain the Zions Bank to provide Trustee services for its Capital Access Program.

**Section 2.** The term of the contract will commence upon execution and will continue for three years with an option to extend for a period of one-year unless earlier terminated by the Authority.

**Section 3.** The Chair of the Authority, Executive Director and Deputy Executive Director are hereby authorized for and on behalf of the Authority to obtain Trustee services, with the form and substance of said contracts to be reviewed and approved by legal counsel of the Authority.

**Section 4.** This resolution shall take effect immediately upon its approval.