

MINUTES

**California Pollution Control Financing Authority
915 Capitol Mall, Room 587
Sacramento, California
Tuesday, May 18, 2021**

In light of the COVID-19 pandemic and in accordance with the requirements of Executive Order N-25-20 to provide social distancing at state body meetings, CPCFA provided Authority members, participants, and members of the public the opportunity to participate in this meeting via teleconference.

Public Participation Call-In Number: (888) 788-0099, Meeting ID: 813 7293 3609, and
Passcode: 482099

1. Call to Order & Roll Call

Treasurer Fiona Ma, Chairperson, called the California Pollution Control Financing Authority (CPCFA or Authority) meeting to order at 10:50 a.m.

Members Present: Fiona Ma, CPA, State Treasurer

Mary-Ann Warmerdam for Betty T. Yee, State Controller
(via teleconference)
Gayle Miller for Keely Martin Bosler, Director of Finance
(via teleconference)

Staff Present: Derek Chernow, Interim Executive Director

Quorum: The Chairperson declared a quorum

2. Minutes

Treasurer Ma asked if there were any questions or comments concerning the meeting minutes from the meeting held April 20, 2021. There were none.

Ms. Miller moved approval of the minutes; upon a second, the minutes were unanimously approved.

The item was passed by the following vote:

Gayle Miller for Keely Martin Bosler, Director of Finance	Aye
Mary-Ann Warmerdam for Betty T. Yee, State Controller	Aye
Fiona Ma, CPA, State Treasurer	Aye

3. Interim Executive Director's Report

Mr. Chernow started the Interim Executive Director's Report by stating that since the last Board Meeting that CPCFA and the California Alternative Energy and Advanced Transportation Financing Authority participated in a small business workshop hosted by the Cupertino Chamber of Commerce and Treasurer Fiona Ma.

Additionally, Mr. Chernow stated that Governor Newsom announced that the federal State Small Business Credit Initiative (SSBCI 2.0) investment will be the largest small business relief program in the nation. Mr. Chernow further stated that CPCFA has been working closely with the California Infrastructure and Economic Development Bank (IBank) on SSBCI 2.0 and that IBank submitted the letter of intent earlier this month, which is the first official step to bring SSBCI 2.0 funding to California. The collaboration between CPCFA and the IBank has been excellent and we are all excited about the roughly \$900 million coming to California.

Mr. Chernow also shared that the 2020 Bond Program Annual Report had been amended to correct an error. Financing for a project which started in 2020 was not finalized as was initially reported.

Mr. Chernow stated that under his delegated authority, he approved the second draw for Garden City Sanitization, Inc., for \$20,410,000 on April 27, 2021. Mr. Chernow also approved the second draw for Mission Trail Waste Systems, Inc., for \$13,230,000 on April 28, 2021.

Ms. Miller emphasized that SSBCI 2.0 provides a phenomenal opportunity for innovation in new technologies to expand access for people who have not had as much access to capital. Ms. Miller also offered assistance from the Department of Finance as California moves forward to receive SSBCI 2.0 funding.

Mr. Chernow affirmed Treasurer Ma's question about whether SSBCI 2.0 funding would be used to recapitalize IBank's loan guarantee program and CalCAP's loan loss reserve program. Mr. Chernow also reported that CPCFA, in partnership with IBank, is planning a number of stakeholder meetings and outreach to lenders, borrowers and the small business communities in an effort to enable as many people as possible to take advantage of these programs.

Ms. Miller stated that in 2008/2009 SSBCI provided \$190 million to California and that this new funding will be approximately \$900 million that it can be used to create new programs. This new funding provides the opportunity we will be able to do so much more to help set the national standard in being innovative in assisting small businesses so that they have access to capital that they normally have not had. Ms. Miller encouraged CalCAP to work closely with the IBank and the Governor's Office of Business and Economic Development.

Treasurer Ma encouraged staff to reach out to the immigrant communities and other small business communities that have been underserved to assist them in applying for the programs.

Ms. Miller agreed with Treasurer Ma and noted that she hopes that the Legislature approves another \$1.5 million in funding for grants for small businesses.

Ms. Warmerdam also stated that the Legislature is taking up the private banking conversation and asked if this will help meet some of these identified needs for borrowers in a more understandable way.

Treasurer Ma replied stating that the program will also still be supportive of using the banks for underserved communities.

Mr. Chernow concluded that CPCFA will continue to keep the Board updated with most current information as it comes to fruition.

4. Business Items

A. Request to Approve a Second Amendment to an Interagency Agreement with the California Air Resources Board Regarding the California Capital Access Loan Program Independent Contributor Program, Heavy-Duty Vehicle Air Quality Loan Program

Presented by: Doreen Smith, CalCAP Program Manager

Ms. Smith reported that CPCFA currently has a two-year Interagency Agreement (IA) with the California Air Resources Board (CARB) under the California Capital Access Loan Program (CalCAP) to provide Independent Contributions to CPCFA in its role as administrator and operator of CARB's Heavy-Duty Vehicle Air Quality Loan Program (CalCAP/CARB).

Ms. Smith mentioned that CalCAP/CARB in 2009 and provides financial assistance to small-business owners of heavy-duty vehicles affected by CARB's Truck and Bus Regulation and other air pollution control mandates. CPCFA has contributed \$157.68 million in CARB funds towards 31,498 loans enrolled in CalCAP/CARB and there is approximately \$60 million available in the program account to contribute to new loans.

Ms. Smith stated that this item seeks a second amendment to IA CARB 18MSC004 to extend the term of the agreement by two years, so that the term of the IA will now run from June 30, 2021, to June 30, 2023, and to implement CalCAP/CARB modifications requested by CARB. The modifications include authorizing participating lenders to finance maintenance plans when funded with the purchase of an eligible vehicle and directing CalCAP to perform three or more annual audits of participating lenders CalCAP/CARB loan portfolios.

Ms. Smith recommended approval of Resolution No. 21-02-002 to authorize the Interim Executive Director or Deputy Executive Director to execute Amendment 2 to IA CARB 18MSC004 extending the term of the IA for the Heavy-Duty Vehicle Air Quality Loan Program from June 30, 2021, to June 30, 2023, and implementing specific program modifications requested by CARB.

Treasurer Ma asked if there were any questions or comments from the Board or public. There were none.

Ms. Miller moved approval; there was a second.

The item was passed by the following vote:

Gayle Miller for Keely Martin Bosler, Director of Finance	Aye
Mary-Ann Warmerdam for Betty T. Yee, State Controller	Aye
Fiona Ma, CPA, State Treasurer	Aye

B. Request to Amend Infill Grant Documents Under the California Recycle Underutilized Sites (“CALReUSE”) Remediation Program

Presented by: Ethan Wieser, Associate Governmental Program Analyst

Mr. Wieser began his report by stating that the City of Richmond as the Successor Agency to the Richmond Community Redevelopment Agency (Grantee) is requesting an extension to the term of the Infill Grant Agreement from July 31, 2021, until December 31, 2023, to complete the remaining 190 for-sale housing units, 30 of which will be affordable units.

Mr. Wieser reported that in November 2008, the CPCFA Board approved a grant in the amount of \$2.6 million for the remediation of a 14-acre former flower nursery in Richmond. The housing project consists of two phases - an 80-unit affordable senior rental project and a 190-unit for-sale housing project that will include 30 affordable for-sale units. Remediation of the site was completed and certified by the Department of Toxic Substances Control in June 2015.

Mr. Wieser reported that in August 2016, the CPCFA Board approved an extension of the grant until July 31, 2021, due to delays resulting from the dissolution of the redevelopment agency.

Mr. Wieser stated that in August 2018 the Grantee completed the first phase of the housing development, an 80-unit senior affordable rental project. The for-sale housing developer, Miraflores Community Devco, LLC (Miraflores Devco), anticipated site-grading would begin in July 2019; however, they have experienced delays related to COVID-19 and a request from the East Bay Municipal Utilities District (East Bay MUD) for additional soil information. The environmental consultant, PES Environmental, has submitted the additional

soil documentation to East Bay MUD and is awaiting final approval. Miraflores Devco anticipates that construction of the remaining 190 for-sale units will resume in May 2021 and that the project will be completed by December 2023.

Mr. Wieser recommended Board approval of Resolution No. 21-03-002 to extend the term of the Infill Grant Agreement until December 31, 2023, to allow the Grantee to complete the remaining 190 housing units.

Ms. Warmerdam asked what remaining tasks need to be completed on the project for remediation.

City of Richmond Director Alan Wolken thanked CPCFA staff and the Board for considering their request to extend the Infill Grant Agreement. Mr. Wolken stated that the project requested additional information on the waterline trenches that has since been approved. He also updated the Board that the waterline trenches will be ready for construction by the end of May or first week of June. Mr. Wolken also noted that the project backs up to a 4.5 acre green belt which is great for walking and biking. Additionally, the green belt connects to the Richmond Greenway and to the Bay Area Rapid Transit Station.

Treasurer Ma mentioned that it would be nice for staff to be a part of the ground breakings or ribbon cuttings to highlight these projects and investments.

Treasurer Ma asked if there were any questions or comments from the Board or public. There were none.

Ms. Warmerdam moved approval; there was a second.

The item was passed by the following vote:

Gayle Miller for Keely Martin Bosler, Director of Finance	Aye
Mary-Ann Warmerdam for Betty T. Yee, State Controller	Aye
Fiona Ma, CPA, State Treasurer	Aye

5. Public

Treasurer Ma 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 11:08 a.m.

Respectfully submitted, (Originally Signed By)

Derek Chernow

Interim Executive Director