

## MINUTES

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**California Pollution Control Financing Authority  
901 P Street, Room 102  
Sacramento, California  
January 21, 2025**

**Public Participation Call-In Number (877) 853-5257: Meeting ID: 987 6693 6958 and Participant Code 560284**

### **1. Call to Order & Roll Call**

Fiona Ma, State Treasurer, called the California Pollution Control Financing Authority (CPCFA or Authority) meeting to order at 11:12 a.m.

Members Present: Fiona Ma, CPA, State Treasurer  
Malia M. Cohen, State Controller  
Michele Perrault for Joe Stephenshaw, Director of Finance

Staff Present: Shela Tobias-Daniel, Executive Director  
Deanna Hamelin, Section Manager  
Doreen Smith, Section Manager  
Lauren Dominguez, SSBCI Program Manager  
Solomita Malko, Bond Program Manager  
Andrea Gonzalez, Cal IIP Program Manager  
Ryan Dannewitz, Associate Governmental Program Analyst  
Morgan Matz, Staff Services Analyst  
Tyler Hanks, Staff Services Analyst  
Theodore Hoffman, Staff Services Analyst  
Jill Hess, Executive Assistant

Quorum: The Chairperson declared a quorum

### **2. Minutes (Action Item)**

Treasurer Ma asked the Board members if there were any questions or comments concerning the meeting minutes from the December 10, 2024, board meeting. There were none.

Treasurer Ma asked if there were any public comments. There were none.

Ms. Perrault moved approval of the minutes; Ms. Cohen provided the second.

The minutes were approved.

The item was passed by the following vote:

Malia Cohen, State Controller

Aye

Michele Perrault, for the Director of Finance  
Fiona Ma, CPA, State Treasurer

Aye  
Aye

**3. Executive Director's Report (Information Item)  
Presented by Shela Tobias-Daniel, Executive Director**

Ms. Tobias-Daniel presented the Executive Director's Report.

She began her report by stating that she was very happy to welcome all in attendance to the first board meeting of 2025. She mentioned some updates to programs and outreach efforts but first acknowledged the wildfire conditions down in Los Angeles and the surrounding areas. She began her updates with the California Capital Access (CalCAP) Program and stated that areas affected by wildfires have had certain contingencies activated and that the outreach program has been working diligently to get the word out about additional incentives available for those severely affected communities. She went on to say that staff is working on disseminating an e-bulletin for all in-network lenders to ensure they are informed about the incentives. She then said that she is very appreciative of the support from the State Treasurer's Office (STO) with the offer of additional incentives. Ms. Tobias-Daniel then went into further detail about the CalCAP program and mentioned the following highlights.

- CalCAP received their second tranche of state small business credit initiative fund from U.S. Treasury for the collateral support and small business programs. The amount was received on January 16, 2025, and totaled \$203,515,524.50.
- Zero emissions staff continue to get the word out about its lender incentives at trucking roadshows and clean energy events throughout California.

She then continued her report by stating that the Tax-Exempt Bond Program has a few specific items on today's agenda which relate to updates to fees and the delegation authority which expires on January 31, 2025. She continued by saying that the focus of the bond program is to make the bond program competitive with other conduit issuers. Ms. Tobias-Daniel stated that it was a very busy time for the bond program and said that staff are working diligently on getting a couple of Exempt Facility Allocation applications ready for submittal to the California Debt Limit Allocation Committee (CDLAC). She also said that the bond program team is working on drafting the bond program annual report, which is due to the legislature on March 31, 2025.

Ms. Tobias-Daniel then moved along to speak about the California Investment and Innovation Program (Cal IIP). She said that the first item on today's agenda requests board approval of the latest round of grant applications which is giving out

\$14,999,999.92 to 74 applicants. She stated that she is happy about this program and to be a part of it and then gave kudos to the Cal IIP team.

Ms. Tobias-Daniel stated that since the last Board Meeting on December 10, 2024, she has not taken any actions under her delegated authority.

She then concluded her Executive Director's report.

Treasurer Ma stated that there is a wildfire recovery resource guide on the STO website. She then went on to inquire about the existence of any Cal IIP program reporting requirements.

Ms. Tobias-Daniel responded by saying that there is a required annual report and called Cal IIP manager, Ms. Andrea Gonzalez, to speak more in depth about the program.

Ms. Gonzalez said that while there is no specific reporting requirement to submit to the legislature, staff is required to post the annual report to the CPCFA webpage on the STO website on March 1st annually.

Treasurer Ma then asked Ms. Gonzalez where the money for the Cal IIP program came from, and she confirmed that it came from the 2022-2023 state general fund.

Treasurer Ma then went on to ask Ms. Tobias-Daniel about the status of the CPCFA name change. Ms. Tobias-Daniel said that we are working with the legislative team at the STO to adopt a name change due to the evolution of CPCFA's environmental financing program and creation of multiple new programs. Ms. Tobias-Daniel stated the new name for CPCFA would be Capital Programs and Climate Financing Authority, with the same abbreviation of (CPCFA).

Treasurer Ma states she is very thankful for the name change and is happy to help.

Malia Cohen then asked Ms. Tobias-Daniel what the outreach process is for CPCFA.

Ms. Tobias-Daniel responded by saying that the CPCFA outreach team is small but mighty and staff are attending community events with partners and stakeholders. She then went on to say that the outreach team doesn't have a budget and often makes cold calls to potential partners.

Ms. Gonzalez added that the Cal IIP team utilizes the United States Postal Service to mail correspondence and other information to prospective grantees.

Controller Cohen then asked if the company needs to be a Community Development Financing Institution (CDFI) to qualify for these grants.

Ms. Gonzalez answered affirmatively.

Controller Cohen then asked how it's possible to increase the amount of money available.

Ms. Perrault and Treasurer Ma had a dialogue about how important it is that the Department of Finance sits on the CPCFA board so staff can see all of the good work that the programs do and visualize the impact that they make so that additional funds can be made available for such programs.

Ms. Perrault said that she appreciates the good work that CPCFA is doing and noted the request for more funding.

Treasurer Ma then asked if there were any public comments. There were three public comments via Zoom.

The first comment was from Ryan Sears with Neighborhood Partnership Housing Services (NPHS). The comment was in regard to the Cal IIP program. He stated that he was a possible grant recipient pending approval at the board meeting today. He also said that he was very thankful for the program, and that he looks forward to working with the STO in the future.

The second comment was from B. Dole. She stated that she had a question regarding the reporting process. Ms. Dole asked what the process would be if they cannot get recertified as a CDFI by the federal government.

Ms. Gonzalez stated that per the grant agreement, the grantee would have to notify CPCFA for annual reporting and that there's a worksheet on the Cal IIP webpage where the awardee will need to report how much money has been expended and any other updates. She then went on to say that if CDFI certification is lost, the grantee must notify Cal IIP staff as soon as possible.

Treasurer Ma asked Ms. Gonzalez what it means if a CDFI certification is lost.

Ms. Gonzalez explained that the CDFI Fund is currently requiring that all organizations recertify. She stated that in the event of an organization losing their certification, they would need to inform the Cal IIP team as soon as possible.

The third comment via Zoom was from Nate Schaffron, Executive Director of the California Coalition for Community Investment (CCCI). He stated that his association represents more than 50 California CDFI's and that in 2022, CDFI's have made over five billion dollars in loans, exclusively in low-income communities in California. He then went on to thank the staff at CPCFA and Cal IIP for driving investment in low-income communities and regions. Mr. Schaffron went on to provide several examples of what CDFIs are doing in California.

Treasurer Ma then asked if there were any other public comments. There were none.

Ms. Perrault said that with keeping the new federal administration in mind, there could be several funding requests that haven't been received yet. She went on to say that it's important to keep this in mind so that the STO isn't surprised if funding isn't received.

Treasurer Ma then asked if there were any public comments. There were none.

#### **4. Business Items (Action Items)**

##### **A. Request to Approve Grant Awards for the California Investment & Innovation Program (Cal IIP).**

**Presented by:** Ryan Dannewitz, Associate Governmental Program Analyst

Mr. Dannewitz stated that CPCFA staff is requesting approval to grant awards under the Cal IIP in the amount of \$14,999,999.92. Legislation requires Cal IIP to award grants to Community Development Financial Institutions (CDFIs) that meet the program's eligibility requirements by February 1, 2025.

In 2022, the Legislature established Cal IIP with Senate Bill 193 to provide grants to enhance the capacity of CDFIs providing technical assistance and capital access to economically disadvantaged communities in the state.

CDFIs are financial institutions that specialize in serving individuals and communities that are underserved by traditional financial institutions. CDFIs can include banks, credit unions, loan funds, and venture capital funds. Grant awards will help empower CDFIs to grow, achieve organizational sustainability, and contribute to the revitalization of the communities they serve.

The deadline to apply for the 2025 Cal IIP grants was on October 1, 2024. CPCFA received a total of 78 applications. Exhibit A (attached to staff report) includes a list of the applicants, information about their organizations, and award amounts. Exhibit B (also attached to staff report) includes a list of awardees, the communities they serve, and proposed grant fund uses. Four (4) applicants will not be receiving grant awards since they did not meet the minimum eligibility requirements.

Grants shall be awarded to applicants that hold the following statutory eligibility requirements:

- Current federal CDFI Fund certification
- Five or more loans in the 12 months prior to application
- A minimum net worth of \$25,000
- Already serving California
- Principal office AND officers domiciled in CA or
- 25% of the CDFI's loan portfolio provides financial assistance to persons or projects in CA or
- Provided financial assistance in CA totaling  $\geq$ \$10M in the three years prior to application

CPCFA developed criterion to adjust the award sizes by developing funding categories. Each applicant must meet the eligibility requirements as described previously. Additionally:

For the Small & Emerging (S&E) category, applicants must have less than \$10 million in assets. Out of the 78 applicants this year, seven qualified for the Small & Emerging Tier. Each applicant will receive \$428,571.42, with the total funding for S&E equaling \$2,999,999.94.

For the Tier 1 category, these applicants meet the minimum eligibility requirements and no additional requirements. One applicant will receive \$100,000, which is the total amount for this tier.

The Tier 2 category is broken down into two sub-tiers, with applicants needing to meet the minimum eligibility requirements as well as one of two additional requirements. For Tier 2A, applicants need to have made a minimum of 10 loans in the most recently completed fiscal year, or for Tier 2B need to have provided financing assistance in the state totaling \$10 million dollars or more in the last three fiscal years. Out of the 78 applicants this year, 66 (27 under the A requirement, 39 under the B requirement) qualified for Tier 2. Each applicant will receive \$180,303.03, with the total funding for Tier 2 equaling \$11,899,999.98.

The CDFIs scheduled to receive awards have demonstrated, via their application information, that they serve needs in the areas of childcare, community development, education, housing, non-profit lending, small business, and engaging the underbanked. Exhibit B provides a summary of communities served and award uses for each applicant. Estimated grant funds per category include:

- \$9.1 million to 45 CDFIs supporting small businesses;
- \$5.9 million to 28 CDFIs funding community development projects;
- \$5.0 million to 27 CDFIs with affordable housing programs; and
- \$4.3 million to 20 CDFIs working on engaging the underbanked.

Mr. Dannewitz stated that staff is recommending board approval of Resolution No. 25-05-001 to make the grant awards to eligible applicants in an amount totaling \$14,999,999.92 under the Cal IIP Program.

Treasurer Ma asked if any of the board members would like to make any comments on Item 4.A. Ms. Perrault had a question.

Ms. Perrault asked if there will be a final round of funding in 2026.

Mr. Dannewitz responded by saying that is correct and any remaining funds would rollover to the next year.

Ms. Ma asked if anyone could access these CDFIs and how to go about obtaining access.

Ms. Gonzalez responded by saying that there are physical locations that a business representative can walk in directly to inquire and obtain information. Additionally, there is a customer service phone line available as well. She also mentioned that any interested party can also give Cal IIP staff a call .

Treasurer Ma then asked if there were any public comments. There was one public comment from Ryan Sears.

Mr. Sears added clarification to the prior question by saying that at NPHS, they have a 9a.m.- 5p.m. phone line available, or they also have loan officers available on site for people to come in directly and speak in person about specific programs and options that are available to them.

Treasurer Ma then asked if there were any public comments. There were none.

Controller Cohen moved approval of the item; there was a second from Ms. Perrault.

The item was passed by the following vote:

Michele Perrault, for the Director of Finance	Aye
Malia Cohen, State Controller	Aye
Fiona Ma, CPA, State Treasurer	Aye

**B. Request to Approve a Resolution of the California Pollution Control Financing Authority Delegating Certain Powers and Authorizing Certain Actions Related to Bond Financings.**

**Presented by:** Tyler Hanks, Staff Services Analyst

Mr. Hanks stated that staff is requesting approval of resolution 25-01-001 re-authorizing delegation authority to our Executive Director and Deputy Executive Director for certain discretionary routine matters with respect to the Authority's bond program. The current resolution expires on January 31, 2025.

Mr. Hanks made a note that no other changes have been made to the delegation resolution and the request only extends the expiration date to January 31, 2027.

Treasurer Ma asked if any of the board members would like to make any comments on Item 4.B. There were none.

Treasurer Ma then asked if there were any public comments. There were none.

Controller Cohen moved approval of the item; there was a second from Ms. Perrault.

The item was passed with the following vote:

Michele Perrault, for the Director of Finance	Aye
Malia Cohen, State Controller	Aye
Fiona Ma, CPA, State Treasurer	Aye

**C. Request for Consideration and Approval of Amendments to the CPCFA Regulations Pertaining to the Fees and the Small Business Assistance Fund (SBAF) for the Bond Program.**

**Presented by:** Morgan Matz, Staff Services Analyst

Mr. Matz stated that in an ongoing effort to stay competitive in the bond market, CPCFA Bond Program staff compared the current schedule of fees with those of other issuers using a number of different likely financing scenarios, and found that although CPCFA's base fees are competitive and often the lowest on the market, its current fees related to the Small Business Assistance Fund (SBAF) and sections of their governing regulations that contain ambiguous language have the potential to make financing through CPCFA either prohibitively expensive or too unpredictable for some businesses.

Mr. Matz then outlined CPCFA's intent to make a total of four changes to its regulations:

- Lower the Administrative Fee on qualified Small Business refunding transactions from two-tenths to one-tenth of one percent of the face value of the bonds.
- Lower the SBAF fee for large businesses from 66 to 33 hundredths of one percent of the face value of the bonds.



- Eliminate the collection or recalculation of SBAF Fees for large businesses on refunding transactions.
- Eliminate language giving CPCFA the discretion to charge small businesses a non-specified fee in refunding transactions in lieu of the specific fees set forth elsewhere in the regulations.

He stated that staff believe that these changes will attract more large businesses to finance through CPCFA as well as maintain or increase the level of assistance they are able to provide to small businesses through both decreased fees and SBAF assistance.

Mr. Matz requested approval of Resolution No. 25-01-002 to move forward with the emergency rulemaking process so that these changes can become effective as soon as possible, after which the changes will be made permanent via the regular rulemaking process.

Treasurer Ma then asked if there were any public comments. There were none.

Controller Cohen moved approval of the item; there was a second from Ms. Perrault.

The item was passed by the following vote:

Michele Perrault, for the Director of Finance	Aye
Malia Cohen, State Controller	Aye
Fiona Ma, CPA, State Treasurer	Aye

**5. Public Comment**

Treasurer Ma asked if there were any comments from the public on matters that were not on the agenda. There were none.

**6. Adjournment**

There being no further business, public comments, or concerns, the meeting adjourned at 11:52 a.m.

**Respectfully submitted,**

*Shela Tobias-Daniel*

Shela Tobias-Daniel  
Executive Director