

CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY

Meeting Date: June 17, 2025

**Request to Approve a Contract with Community Capital Alliance, LLC to assist
with the Loan Participation Project for the California Capital Access Program
(CalCAP)**

Prepared by: Lauren Dominguez, CalCAP SSBCI Program Manager

Summary. The California Pollution Control Financing Authority (“CPCFA”) requests to enter into a contract with Community Capital Alliance, LLC under the California Capital Access Program (“CalCAP”) to support the operational capabilities necessary for the development, implementation, administration, and marketing of a Loan Participation Project. This item seeks board approval to approve Contract Number CPCFA02-24 between CPCFA and Community Capital Alliance, LLC in the amount not to exceed \$1,800,000.

Background. The California Pollution Control Financing Authority administers programs which incentivize capital investment in specific economic activities reflecting state and federal policy goals.

Leveraging California’s SSBCI allocation of \$1.18 billion, California requested to modify its original Allocation Agreement, approved by the U.S. Treasury Department on September 16, 2022, to allow for the inclusion of a Loan Participation Program under the State Small Business Credit Initiative Act (SSBCI). The Loan Participation Program enables CPCFA to instrumentally act as a lender, in partnership with private lenders, to provide capital to eligible small businesses by, among other means, purchasing a portion of a loan originated by a lender to a small business borrower. U.S. Treasury approved California’s request to modify its Allocation Agreement on July 25, 2024, that allocated \$150 million to a new Loan Participation Program administered by CPCFA.

This new Loan Participation Project Program will enable an accelerated deployment of SSBCI funding. CPCFA anticipates the partnership with Community Capital Alliance, LLC to be an innovative initiative aimed at expanding access to affordable capital for California's small businesses by focusing on growing existing small businesses while also supporting new market entrants. CPCFA will partner with community state banks that may also hold certification as community development financial institutions and minority depository institutions. CPCFA having the ability to purchase a portion of a loan will enable community banks to offer competitive loan rates and reduced financing costs for California small business owners.

Community Capital Alliance, LLC will provide the operational capacity, skills, relationships, and expertise to manage the Loan Participation Project Program, provide CPCFA with all necessary data and information needed for SSBCI reporting, assist with loan participations and coordination between CPCFA and the participating financial institutions, collaborate and partner with California community banks and other State agencies to market and advertise the Loan Participation Project Program, and create and develop a CPCFA accessible digital database to collect loan requests for screening and pre-qualification.

Staff Recommendation. Staff recommends the adoption of Resolution No. 25-02-03, to approve Agreement No. CPCFA02-24 between CPCFA and Community Capital Alliance, LLC to assist with the Loan Participation Project under the California Capital Access Program (CalCAP) in the amount not to exceed \$1,800,000 over 3 years.

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY AUTHORIZING THE
EXECUTIVE DIRECTOR OR DEPUTY EXECUTIVE DIRECTOR TO EXECUTE
AGREEMENT CPCFA02-24 WITH COMMUNITY CAPITAL ALLIANCE, LLC**

June 17, 2025

WHEREAS, the California Pollution Control Financing Authority (“Authority”) was created under the provisions of the California Pollution Control Financing Authority Act (Division 27 (commencing with 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 the purposes”; and

WHEREAS, Section 44519 of the Health and Safety Code provides that the Authority may employ an Executive Director, and any other persons as are necessary to enable it to properly perform the duties imposed upon the Authority by the California Pollution Control Financing Authority Act, and the Authority may delegate to the Executive Director the power to enter into contracts on its behalf; and

WHEREAS, the California Capital Access Loan Program (“CalCAP”) is administered by the Authority, as established in Article 8 (commencing with Section 44559) of Chapter 1 of Division 27 of the Health and Safety Code, with the Legislature finding and declaring, “Better access to capital will allow small businesses to more easily comply with environmental mandates, and to remediate contamination of properties with a reasonable potential of economically beneficial reuse, and to succeed economically, generating additional revenue to state and local governments that can be used for environmental improvements, all to the benefit of all the residents of the state”; and

WHEREAS, the Authority desires to enter into Agreement CPCFA02-24 with Community Capital Alliance, LLC under the California Capital Access Program CalCAP to assist with the development, implementation, administration, and marketing of a Loan Participation Project.

WHEREAS, pursuant to Agreement CPCFA02-24, Community Capital Alliance, LLC will provide operational capacity, skills, relationships, and expertise to manage the Loan Participation Project Program, provide CPCFA with all necessary data and information needed for SSBCI reporting, assist with loan participations and coordination between CPCFA and the participating financial institutions, collaborate and partner with California community banks and other State agencies to market and advertise the Loan Participation Project Program, and create and develop a CPCFA accessible digital database to collect loan requests for screening and pre-qualification.

NOW, THEREFORE, BE IT RESOLVED, by the California Pollution Control Financing Authority the following:

Section 1. The Executive Director and Deputy Executive Director of the Authority are hereby authorized to negotiate, execute necessary documents, and take whatever steps are necessary to obtain all required approvals to enter into Agreement CPCFA02-24 in the amount not to exceed \$1,800,000.00 with Community Capital Alliance, LLC to assist with the development, implementation, administration, and marketing of a Loan Participation Project for the California Capital Access Program (CalCAP).