



California Pollution Control Financing Authority

California Capital Access Program (CalCAP)

Bay Area Veterans Resource Seminar San Francisco, California

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Executive Director



Why the California Pollution Control Financing Authority (CPCFA) is in the Business of Small Business

- **California Pollution Control Financing Authority (CPCFA)** is a financing authority within the State Treasurer's Office with a core mission of stimulating environmental cleanup, economic development and job growth throughout the State via tax-exempt bonds, credit enhancements and grants
- CPCFA originated as a conduit issuer of tax-exempt pollution control bonds
- CPCFA has used fees assessed on bond issuances to large businesses to fund the Small Business Assistance Fund (SBAF) to:
 - Provide incentives to small businesses, frequently waste and recycling companies, to off-set the cost of issuance for pollution control projects
 - Create **California Capital Access Program (CalCAP)** created in 1994 to establish loan loss reserve accounts for participating lenders; and
 - Create **CALReUSE Program** providing grant and loan funding for assessment and remediation of brownfield and infill sites

CalCAP Program List

- ❖ **CalCAP for Small Business:** Perfect for working capital, start-up costs, and other typical credit needs including construction or renovation of buildings.
- ❖ **Collateral Support Program:** Provides a different kind of credit enhancement for borrowers with strong business plans who lack sufficient collateral.
- ❖ **CalCAP Americans with Disabilities Act Financing Program:** For mom-and-pop businesses to make accessibility retrofits.
- ❖ **CalCAP Seismic Safety Loan Program:** For small businesses and building owners to upgrade the seismic safety of their residential and commercial real estate.
- ❖ **CalCAP Electric Vehicle Charging Station Financing Program:** For businesses wanting to install EV chargers for their employees or customers. Borrowers may be eligible for a rebate after 48 months.
- ❖ **CalCAP Air Resources Board (CARB) On-Road Heavy-Duty Vehicle Air Quality Loan Program:** For owners of small fleets to finance the purchase or retrofit of heavy-duty diesel trucks driven primarily in California to comply with the State's engine emission standards.



****Fees & Contribution Rates Vary Across Programs***
California Pollution Control Financing Authority



CalCAP by the Numbers

As of December 31, 2018

Total CalCAP enrollment since 1994:

41,763 loans for \$3.4 billion

CalCAP Small Business Program enrollment since 1994:

20,559 loans for \$1.84 billion

CalCAP Collateral Support Program Loan Enrollment since 2013:

210 loans for \$227.79 million

CalCAP CARB On-Road Heavy Duty Vehicle Air Loan Program
enrollment since 2009:

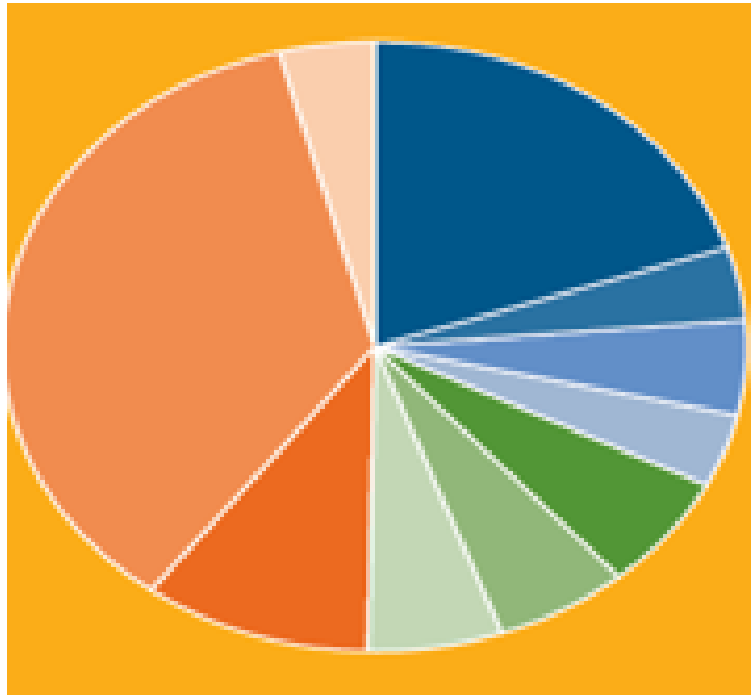
20,992 loans for \$1.4 billion

CalCAP Electric Vehicle Charging Station Program enrollment since 2015:

2 loans for \$511,124

Who Turns to CalCAP?

Top 10 Industries



CalCAP for Small Business

- CalCAP for Small Business supports loans made to small businesses, including start-ups and non-profits, by facilitating private loans for start-up, expansion or working capital, including :
 - Land acquisition
 - Start-up costs
 - Working capital for State contractors
 - Construction or renovation of buildings
 - Bridge loans for SBA loan guarantees
 - Equipment or inventory purchases
 - Food trucks
- The maximum loan amount is \$5 million and the maximum enrolled amount is \$2.5 million.
- Lenders set the terms and conditions of the loans pursuant to the their usual underwriting policies.
- Loans can be short or long-term, have fixed or variable rates and bear any type of amortization schedule.

CalCAP for Small Business Resources

<https://www.treasurer.ca.gov/cpcfa/calcap/sb/index.asp>

CalCAP for Small Business

The California Capital Access Program for Small Business (CalCAP SB or Program) encourages banks and other financial institutions to make loans to small businesses that have difficulty obtaining financing. CalCAP is a form of loan portfolio insurance which may provide up to 100% coverage on certain loan defaults. By participating in CalCAP, lenders have available to them a proven financing mechanism to help to meet the financing needs of California's small businesses.

- The program administered by the California Pollution Control Financing Authority (CPCFA) which was established in 1973 and is chaired by the California State Treasurer.

Who Qualifies?

Qualified borrowers meet following criteria:

- The business is classified as a **small business** under U.S. Small Business Administration guidelines.
- Employs **fewer than 500 full-time** equivalent employees.
- The business purpose is one of the industries listed in the North American Industry Classification System (NAICS) codes list.
- The primary business and **at least 51% of the employees or its income, sales or payroll comes from business in California**. Business activity resulting from the bank's loan must be created and retained in California.

Eligible Uses of Loan Proceeds

- The Program insures loans made to small businesses for the following:
 - Land acquisition;
 - Construction or renovation of buildings;
 - Start-up costs;
 - Equipment or inventory purchases;
 - Capital projects; and
 - Working capital.

How it Works

- Small businesses reach out to **participating lenders** for financing based on the lender's own underwriting standards. The **maximum loan amount is \$5 million** and the **maximum enrolled amount is \$2.5 million**. Individual borrowers are limited to a **maximum of \$2.5 million enrolled over a 3 year period**.
- Loans can be short- or long-term, have fixed or variable rates, be secured or unsecured, and bear any type of amortization schedule.
- Lenders and borrowers each contribute between **2% and 3.5%** of the total loan amount to the lender's CalCAP SB loan loss reserve account.
- CPCFA contributes an amount equal to the lender's fee to the CalCAP SB reserve account and an **additional amount** for businesses located in Severely Affected Communities (SAC).

To learn more, please contact CalCAP Program Managers at (916) 654-5610 or CalCAP@treasurer.ca.gov.

Also, please visit <http://www.treasurer.ca.gov/cpcfa/calcap/sb/index.asp>

updated 2/16/2018

CalCAP Small Business Lender Contact List

As of August 29, 2019

Lenders Currently Enrolling Loans in the Small Business Program

	Participating Financial Institution	Contact Name	Phone Number	Address
1	Accion San Diego	Robert Lopez	(619) 765-7250	404 Euclid Ave., Suite 271 San Diego, CA 92114
2	AmPac Tri-State CDC, Inc.	Hilda Kennedy	(909) 915-1706	22365 Barton Rd., Suite 304 Grand Terrace, CA 92313
3	Bankers Small Business CDC of California	Susan Lamping	(800) 611-5170	2448 Historic Decatur Rd., Suite 200 San Diego, CA 92106
4	CDC Small Business Finance	Susan Lamping	(800) 611-5170	2448 Historic Decatur Rd., Suite 200 San Diego, CA 92106
5	Community Business Bank	Dianne Bryant	(209) 334-7415	1640 West Kettleman Lane, Suite A Lodi, CA 95242
6	Economic Development & Financing Corp.	Diann Simmons	(707) 234-5705	175 E Church Street Ukiah, CA 95482
7	First Choice Bank	Alex Rodriguez John Murillo	(619) 651-9444 (213) 787-2834	530 Broadway Chula Vista, CA 91910
8	Fresno CDFI	Ana Medina	(559) 283-1368	1620 Mariposa Mall, Suite 330 Fresno, CA 93721
9	Gain Federal Credit Union	Greg Marcella	(818) 946-1710 x328	1600 Magnolia Blvd Burbank, CA 91506
10	Lendistry, LLC	Leeann Lynch	(562) 242-2909	830 E. Lambert Road, #275 Brea, CA 92821
11	Main Street Launch	Jacob Singer	(510) 830-3205	2101 Webster Street, Suite 1200 Oakland, CA 94612
12	Murphy Bank	Jose Herrera Jessie Tientcheu	(559) 225-0318 (916) 492-2591	5180 N. Palm, Suite 101 Fresno, CA 93704
13	Opening Doors	Mohammed Al Salloom	(916) 492-2591	1111 Howe Ave., Suite 125 Sacramento, CA 95825
14	Opportunity Fund	(Main Line)	(866) 266-8173	111 West St. John Street, Suite 800 San Jose, CA 95113
15	PACE Finance Corporation	Namoch Sokhom	(213) 699-3265	1055 Wilshire Blvd., Suite 900B Los Angeles, CA 90017
16	Pacific Alliance Bank	Charles Cho	(626) 773-8887	6400 E. Valley Blvd Rosemead, CA 91770
17	Pacific Premier Bank	Gabe Rios	(949) 705-5001	17901 Von Karman Avenue, Suite 1200 Irvine, CA 92614
18	Snider Leasing Corp.	Matt Caplinger	(916) 332-8812	5301 Madison Ave., Suite 101 Sacramento, CA 95841
19	Sunwest Bank	Thomas Chavez	(714) 730-4459	2050 Main Street, Suite 300 Irvine, CA 92614
20	TMC Development Working Solutions	Sara Razavi Russell J. Smith	(415) 655-5433 (949) 623-7593	630 Montgomery Street, Suite 400 San Francisco, CA 94133
21	ZeBridge Capital	Laura Pinkerton	(949) 623-7604	17748 Skyway Circle, Suite 100 Irvine, CA 92614

Ongoing contact list updates are available at:

<http://www.treasurer.ca.gov/cpcfa/calcap/sb/institutions.pdf>

We welcome new lenders. For information on becoming a participating lender visit:

<http://www.treasurer.ca.gov/cpcfa/calcap/sb/index.asp>

<https://www.treasurer.ca.gov/cpcfa/calcap/sb/brochure.pdf>

Collateral Support Program

- CalCAP Collateral Support encourages banks and other financial institutions to make loans to small businesses by pledging cash to cover the collateral shortfall of a loan in order to enable financing that otherwise might not be available to a small business to finance:
 - **Start-up costs**
 - **Working capital**
 - **Franchise fees**
 - **Equipment or inventory purchases**
 - **Construction, renovation or improvements at your place of business**
 - **Bridge loans before permanent financing kicks in**
- \$50,000 minimum and \$20,000,000 maximum for under collateralized loans.
- Extra cash support is available to support “green” and manufacturing loans, loans between \$50,000 and \$250,000 and loans to businesses in Severely Affected Communities.
- \$2.5 million maximum collateral support per loan and borrower.

CalCAP/ADA

CalCAP's **Americans with Disabilities Act (ADA) Financing Program** helps businesses with 30 or fewer FTEs **OR** those with total annual gross income of less than \$5 million receive loans for improvements to their existing facilities with 10,000 square feet or less for compliance with the federal Americans with Disabilities Act of 1990. Loan proceeds may be used for:

- **Surveying facilities, including the Certified Access Specialist (CASp) report**
 - **Estimating and planning eligible alterations**
 - **Other related expenses but do not include business expansion**
- The maximum enrolled loan amount is \$50,000. While a loan can exceed the cost of items identified in the cost estimate, the amount enrolled in the Program is limited to eligible costs for ADA improvements.
- Borrowers may be eligible for reimbursement, of up to 5% of the CalCAP/ADA enrolled loan amount, toward the cost of the Certified Access Specialist (CASp) Report.

CalCAP/Seismic Safety

CalCAP's Seismic Safety Program aids residential property and small business owners with less than 500 employees with financing seismic safety retrofits to protect their property from damage of future earthquakes, by offering loss reserve protection to lenders that underwrite the costs of the property improvements for:

- **Commercial buildings**
- **Single-family residences**
- **Manufactured homes**
- **Multi-unit housing buildings**
- **Registered mobile homes**
- **Multifamily manufactured homes.**

- Eligible costs include those related to seismic retrofit construction performed on or after January 1, 2017.
- For this program, the maximum enrolled loan amount is \$250,000 that can be enrolled for up to 10 years.

CalCAP/EVCS

- CalCAP's Electric Vehicle Charging Station (EVCS) Program provides California small businesses and lenders incentives for financing electric vehicle equipment acquisition and installation to expand the number of electric vehicle charging stations at their place of business. Eligible loans may include:
 - **Costs of installation and acquisition of EV infrastructure**
 - **Design and development costs**
 - **Operation and maintenance costs**
 - **Hardware and software costs necessary to operate chargers**
- Almost any corporation, partnership, cooperative or other entity with 1,000 or less employees is eligible
- Loans of up to \$500,000 per borrower and can be enrolled for up to 48 months.
- Borrowers maybe eligible for a rebate equal to 10-15% of the enrolled amount.

CalCAP/CARB

- CalCAP's California Air Resources Board (CARB) On-Road Heavy-Duty Vehicle Air Quality Loan Program can be used by small fleet owners with no more than 100 employees, 10 vehicles in their fleet, and \$10 million in average annual revenue to finance heavy-duty truck and bus purchases to meet the State's mandate to reduce emissions. Loans may include the following:
 - **2010 or new (engine year) heavy duty trucks – engines can use diesel fuel, compressed natural gas, liquefied natural gas or other fuels including zero-emissions technology**
 - **Trailers when purchased with an eligible tractor**
 - **Equipment warranties with the purchase of an eligible tractor**
- No minimum loan amount
- No fee from borrower or lender
- Maximum 20% APR
- Term of loan determined by the participating lender

Additional Questions or Comments?

❖ Visit CalCAP's webpage at:

- <https://www.treasurer.ca.gov/cpcf/calcap/index.asp>

❖ Please send all questions to CalCAP Inbox at:

- CalCAP@treasurer.ca.gov

❖ CalCAP Contacts:

- Doreen Smith, CalCAP Program Manager
916.653.3993 Doreen.Smith@treasurer.ca.gov
- Jason L. Bradley, CalCAP/EVCS Program Manager
916.653.3376 Jason.Bradley@treasurer.ca.gov

❖ CalCAP Outreach Contact

- Janae Davis, Program Manager
916.651.8663 Janae.Davis@treasurer.ca.gov

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