OCTOBER 16, 2026

Manual for CPCFA Tax-Exempt Private Activity Bond and Industrial Development Bond Program

I. **TABLE OF CONTENTS** (CTRL + CLICK TO GO TO EACH SECTION)

1. Introduction and Contact Information 4

2. Background and Program Description 5

3. Statute: California and United States 6

4. California Code of Regulations 7

5. Eligibility 8

Eligible Applicant Types 8

Eligible Financing Team Members 8

Eligible Issuance Structures 8

Eligible Project Types 9

Uses of Proceeds from Issuance for PABs and IDBs 9

Limits on Uses of Proceeds from Issuance for PABs and IDBs 9

Limits on Issuance for IDBs Only 10

6. CPCFA DEBT ISSUANCE GUIDELINES 11

7. Green Bond Pledge 14

8. Roles for Bond and Note Issuance 15

CPCFA's Role 15

Roles of Financing Team Members 15

9. Phases of Bond and Note Issuance 17

Phase 1: Application for CPCFA Initial/Inducement Resolution 17

Phase 2: Application for CPCFA Final Resolution and Tax Equity and Fiscal Responsibility Act (TEFRA) 18

Application for CPCFA Final Resolution 18

Interested Party List, and Financing Schedule 20

Tax Equity and Fiscal Responsibility Act (TEFRA) Notice and Hearing 21

Report to California Debt and Investment Advisory Commission (CDIAC) 21
Phase 3: CPCFA Final Resolution Approval and California Debt Limit Allocation Committee (CDLAC) Allocation 22
Phase 4: CPCFA Issuance and Compliance 23
Issuance, and Immediate Compliance 23
On-going Compliance, and Annual Fee (If Applicable) 24
10. Refunding 26
11. Draw-Down Request 27
12. Post-Issuance Request 28
13. Small Business Assistance Fund (SBAF) Policy 29
SBAF Fee Amount (Currently Waived) 29
Accumulated SBAF Fees Remain Available for SBAF Subsidy for Qualifying Small Businesses 29
SBAF Subsidy Formulas 29
Types of Costs Eligible for SBAF Subsidy 30
14. Costs of Issuance and Fees 31
Fees at Phase 1: CPCFA Initial/Inducement Resolution 31
Fees at Phase 2: CPCFA Final Resolution and Tax Equity and Fiscal Responsibility Act (TEFRA) 32
Fees at Phase 3: California Debt Limit Allocation Committee (CDLAC) Allocation and CPCFA Final Resolution Approval (None) 33
Fees at Phase 4: Issuance and Compliance 34
Fees for Refunding at Time of Application 37
Fees for Refunding at Time of Issuance 38
Fees for Withdrawn Application or Cancelled Transaction 40
Fees for Post-Issuance Request 41
Fees for Draw Down Request (None) 42

15. Appeal a Denial of an Application..... 43

1. INTRODUCTION AND CONTACT INFORMATION

Since 1973 CPCFA (California Pollution Control Financing Authority), a financing authority within the State Treasurer's Office (STO), has been assisting privately owned businesses, non-profits, and public-private partnerships (applicants or borrowers) in accessing the tax-exempt bond market. For qualifying projects, the tax-exempt bond market can provide lower interest rates or engagement with investors for projects which are not a fit for commercial lending.

This manual for the CPCFA Tax-Exempt Private Activity Bond and Industrial Development Bond Program (CPCFA Tax-Exempt Bond Program or CPCFA Bond Program) provides information on eligibility, roles, the phases of the issuance process, as well as issuance guidelines and fees. Nothing in this manual should be construed as superseding or contraindicating statute or regulation. For the most current version of this manual and all other documents please visit the website at https://www.treasurer.ca.gov/cpcfa/tax-exempt/index.asp.

CPCFA Bond Program Contact Information

When an applicant or financing team submits an application to the CPCFA Bond Program, they are assigned an analyst to whom they can direct questions. However, they can also use the contact information below.

Email: CPCFAbond@treasurer.ca.gov

Main Phone Number: (916) 654-5610

Mailing Address: P.O. Box 942809, Sacramento, CA 94209

Link to CPCFA Bond Webpage: https://www.treasurer.ca.gov/cpcfa/tax-exempt/index.asp

2. BACKGROUND AND PROGRAM DESCRIPTION

Under federal tax law, private businesses, non-profits, and public-private partnerships are eligible to benefit from tax-exemption like that of municipal bonds, for the financing of certain project categories, but they must have a public entity issue the bonds on their behalf. The public entity issuing the bonds is known as a conduit issuer. The issuances are generally described as tax-exempt private activity bonds (TE PABs) and industrial development bonds (IDBs).

Federal law limits how much tax-exempt debt each state can issue each calendar year; the annual limit is calculated using a population-based formula. In California, the California Debt Limit Allocation Committee (CDLAC) distributes the tax-exempt allocation (allocation). https://www.treasurer.ca.gov/cdlac/

CPCFA is the state-level conduit issuer designated by California statute to issue specific federally defined TE PAB categories including solid waste, wastewater, water furnishing, and carbon dioxide capture. CPCFA is able to issue an IDB when a project meets federal requirements for an IDB and the project overlaps with one of CPCFA's TE PAB categories.

Funds to administer the CPCFA Bond Program are obtained from program fees; there is no other source of funding.

Program Description

The CPCFA Bond Program works with an applicant and their financing team through four phases to ensure each issuance meets all federal and state requirements. The Bond Program also processes refundings, draw-down requests, and post-issuance requests.

3. STATUTE: CALIFORNIA AND UNITED STATES

California Health and Safety Code – HSC DIVISION 27. CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY ACT [44500 - 44563]

CHAPTER 1. California Pollution Control Financing Authority [44500 - 44559.14] ARTICLE 1. General Provisions and Definitions [44500 – 44512], ARTICLE 2. Organization of Authority [44515-44522], ARTICLE 3. Projects [44525 – 44526], ARTICLE 4. General Powers and Duties [44530 – 44539], ARTICLE 5. Bonds and Notes [44540 – 44549], ARTICLE 6. Construction and Leases of Facilities [44550 – 44557]

CHAPTER 2. Supplemental Provisions [44560- 44563]

Link to HSC:
https://leginfo.legislature.ca.gov/faces/codes_displayexpandedbranch.xhtml?tocCode=HSC&division=27.&title=&part=&chapter=&article=&nodetreepath=35

United States Code Title 26, Subtitle A, Chapter 1, Subchapter B, Part IV, Subpart A, Section 142 (a)

Link to virtual main editions of the U.S. Code:
https://www.govinfo.gov/app/collection/uscode

Link to U.S. Code Title 26, Section 142 (a) (Cornell Law School Legal Information Institute): https://www.law.cornell.edu/uscode/text/26/142

4. CALIFORNIA CODE OF REGULATIONS

TITLE 4. BUSINESS REGULATIONS DIVISION 11. CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY SECTIONS 8001 – 8125

- ARTICLE 1. General Provisions
- ARTICLE 2. Definitions
- ARTICLE 3. General Provisions Relating to Authority Actions
- ARTICLE 4. Provisions Relating to Small Business Financings
- ARTICLE 5. California Loans for Environmental Assistance Now
- ARTICLE 6. Environmental Assessment
- ARTICLE 7. Capital Access Program for Small Businesses
- ARTICLE 8. Designation and Disclosure of Confidential Information
- ARTICLE 9. California Recycle Underutilized Sites (CALReUSE) Program
- ARTICLE 10. Sustainable Communities Grant and Loan Program-Grants
- ARTICLE 11. Sustainable Communities Grant and Loan Program-Loans
- ARTICLE 12. Rate Reduction Bonds

Link to Published Text of CPCFA California Code of Regulations (Thomson Reuters Westlaw): https://govt.westlaw.com/calregs/Browse/Home/California/CaliforniaCodeofRegulations?guid=IB536E4C0543B11ECAE2D000D3A7C4BC3&originationContext=documenttoc&transitionType=Default&contextData=(sc.Default)

Link to any proposed Tax-Exempt Bond Program regulations on the CPCFA website: https://www.treasurer.ca.gov/cpcfa/tax-exempt/StatutesRegs.asp

Link to Office of Administrative Law (OAL) including current California Code of Regulations, proposed regulations under review, proposed emergency regulations under review, recent actions taken on proposed emergency regulations, and agency links to recently approved regulations: https://oal.ca.gov/

5. ELIGIBILITY

Eligible Applicant Types

Privately-owned businesses of any size, non-profits, and public-private partnerships are eligible for CPCFA issuance. If a public agency will not be participating in a public-private partnership, they will be referred to the California Infrastructure and Economic Development Bank (IBank).

Eligible Financing Team Members

Bond counsel must be a member of the STO pool and must be engaged by the applicant at the time of application for CPCFA initial resolution. When and if utilized, STO pool membership is also required for underwriter and municipal/financial advisor. Other professional service providers are not subject to pool requirements.

- STO Bond Counsel Pool: https://www.treasurer.ca.gov/bonds/pools/bondcounsel.asp
- STO Underwriter Pool, if applicable: https://www.treasurer.ca.gov/bonds/pools/underwriter.asp
- STO Municipal/Financial Advisor Pool, if applicable: https://www.treasurer.ca.gov/bonds/pools/financialadvisor.asp
- Applications for New Pool Members: https://www.treasurer.ca.gov/publications/forms.asp

Eligible Issuance Structures

Possible issuance structures include bond or note; refunding; all tax-exempt; partially tax-exempt and partially taxable; taxable bond anticipation notes; and green bond designation.

Eligible Project Types

Only bond counsel can determine if a project qualifies for issuance.

A project must qualify for a federal tax code category of solid waste, wastewater, water furnishing, or carbon dioxide capture to be eligible for a tax-exempt private activity bond (TE PAB) issuance by CPCFA.

A project must qualify for the federal tax code definition of an industrial development bond (IDB) AND qualify as one of CPCFA's TE PAB categories to be eligible for issuance by CPCFA. If an IDB project does not qualify for one of CPCFA's TE PAB categories, the applicant will be referred to the California Infrastructure and Economic Development Bank (IBank).

Uses of Proceeds from Issuance for PABs and IDBs

Potentially eligible uses include:

- Buildings and equipment
- Machinery and furnishings
- Land
- Costs of architects, engineers, attorneys and permits
- Costs of bond issuance.

Limits on Uses of Proceeds from Issuance for PABs and IDBs

- 95% of proceeds must be used for the defined project.
- 2% of bond proceeds can be used for costs of issuance.
- 25% of bond proceeds can be used for land costs in certain cases.
- To acquire an existing building, a minimum of 15% of the bond proceeds must be used to renovate the building.
- The average life of the bond issue cannot exceed 120% of the weighted average of the estimated useful life of the assets being financed.
- The date of approval of a CPCFA initial/inducement resolution serves to determine which project costs may be included; only project costs incurred after the date of approval or within 60 days before approval may be included in the issuance.

Limits on Issuance for IDBs Only

- Bond maturity cannot exceed 40 years.
- The maximum face value of an IDB issuance cannot exceed $10 million per applicant, per public jurisdiction.
- Total capital expenditures by the applicant in the public jurisdiction where the project is located cannot exceed $20 million (including the IDB) during the period which runs from three years prior to issuance of the IDB through three years after issuance.
- The total outstanding IDBs by any one applicant cannot exceed $40 million nationwide.

6. CPCFA DEBT ISSUANCE GUIDELINES

These guidelines set forth debt issuance provisions the Authority will require for financing transactions issued through the Authority. In addition to these debt issuance provisions, the Authority will also require each financing to adhere to the Authority's general requirements for debt issuance. Each financing will be reviewed individually and the Authority, in its sole and absolute discretion, may approve exceptions to these guidelines, require additional issuance provisions, or both.

Ratings by rating agencies other than Moody's Investors Service, Inc. (Moody's), S&P Global Ratings (S&P), Fitch Ratings, Inc. (Fitch), or Kroll Bond Rating Agency, LLC (KBRA) will not be considered for purposes of complying with these guidelines. If debt has more than one rating, the lowest rating shall be considered the relevant rating for purposes of the guidelines.

RATING	ISSUANCE PROVISIONS
I. Minimum Requirements for Debt Rated BBB- (by S&P, Fitch, and/or KBRA)/Baa3 (by Moody's) or Higher **(collectively, the "Minimum Public Rating")**	• Bonds may be issued and sold through a public offering, private placement or limited public offering with appropriate disclosure. • Bonds may be issued in $5,000 denominations or such other denominations approved by the Authority. • Bond documents may permit bonds to be converted to other modes without further action by CPCFA.
II. Minimum Requirements for Debt Rated below BBB- (by S&P, Fitch, and/or KBRA)/Baa3 (by Moody's) or Unrated **(collectively, a "Sub-**	• Bonds must be sold in either a limited public offering or a private placement. • Bonds must be initially purchased by either (1) Qualified Institutional Buyers as defined under Rule 144A of the Securities Act of 1933 ("QIBs"); or (2) Institutional Accredited Investors as defined under

Minimum Rating")	Section 501(a) of Regulation D falling under the following paragraphs of such definition: (1), (2), (3), (7), (8), (9), or (12). ("Qualified AIs"). • Bonds must be purchased in minimum denominations of at least $100,000, and $5,000 in excess thereof. • Each Initial bond purchaser will be required to execute and submit a Sophisticated Investor Letter in form and content satisfactory to CPCFA. • Appropriate Bond documents, including the Indenture and the face of each Bond, must contain a provision that prohibits initial sales and subsequent transfers of Bonds unless the initial purchaser or transferee is a QIB or a Qualified AI and in minimum denominations of at least $100,000, and $5,000 in excess thereof. • Initial purchaser restrictions and transfer restrictions must be prominently displayed and described in detail on the cover of any offering materials/disclosure document.

III. Minimum Requirements for all Debt with a Sub-Minimum Rating purchased on behalf of initial investors by a Bondholder Representative	• The Bondholder Representative must be a QIB and a registered investment advisor responsible for managing at least $1 billion in assets. • The Bondholder Representative must identify the number of client accounts ("Represented Account") that it represents will be purchasing the Bonds. • The Bondholder Representative must have complete discretion and authority over the Represented Account to acquire and dispose of investments on behalf of the initial investor(s) it represents.. • Each client who will be the holder of the Bonds must meet the applicable purchase guidelines described in Section II and all restrictions set forth in Section II will apply (except as provided in this III). • The Bondholder Representative must execute a Bondholder Representative Letter substantially similar to the Sophisticated Investor Letter that would otherwise be required by initial investors. The Bondholder Representative Letter must be in form and content satisfactory to CPCFA and represent that, among other things: o The Bondholder Representative satisfies all requirements contained in this Section III. o All initial investors that will purchase Bonds are aware of, and agree to comply with, the restrictions associated with the debt, as outlined above, and are aware of the risks associated with such restrictions.

7. GREEN BOND PLEDGE

The Green Bond Pledge is a joint initiative developed and designed by international climate finance and environmental groups including the California State Treasurer's Office, California Governor's Office, Climate Bonds Initiative, Mission 2020, CDP, Ceres, Citizens Climate Lobby, Global Optimism, National Resources Defense Council, and The Climate Group.

CPCFA was the first statewide financing authority in California to become a signatory to the Green Bond Pledge.

Generally, any project eligible to issue with CPCFA is a possible green bond issuance. The applicant and the financing team determine if the transaction will be formally evaluated to be labeled a green bond.

8. ROLES FOR BOND AND NOTE ISSUANCE

CPCFA's Role

CPCFA Bond Program staff coordinates with all parties including CPCFA's Executive Director (ED), the State Treasurer, State Treasurer's Office legal counsel (STO legal), Attorney General's Office (AGO) or contracted attorney as issuer's counsel, California Debt Limit Allocation Committee (CDLAC), and State Treasurer's Office Public Finance Department (PFD) as agent for sale, as well as the financing team members listed below.

As a conduit issuer, the CPCFA Bond Program does not structure an issuance, underwrite an issuance, rate an issuance, purchase or fund an issuance, pay interest on an issuance, re-pay an issuance, or guarantee an issuance.

Roles of Financing Team Members

- Certain financing team members must be on the pool lists maintained by the State Treasurer's Office (STO) Public Finance Department. Firms not already on the relevant pool list can apply.
    - https://www.treasurer.ca.gov/publications/forms.asp
- Financial/municipal advisor works with an applicant to prepare project information to demonstrate tax-exempt eligibility, appeal to investors, and to structure and obtain a financing stack.
    - An applicant is not required to include a financial/municipal advisor in their financing team.
    - STO Financial/Municipal Advisor Pool list: https://www.treasurer.ca.gov/bonds/pools/financialadvisor.asp.
- Bond counsel determines the eligibility of a project for a TE PAB or IDB and prepares CPCFA resolutions, bond documents, and tax documents on behalf of the issuance.
    - Bond counsel from the STO's pool list is mandatory.
    - Bond counsel's role is separate from that of borrower's or applicant's counsel.
    - STO Bond Counsel Pool list: https://www.treasurer.ca.gov/bonds/pools/bondcounsel.asp.

- Underwriter evaluates the potential issuance and places it with one or more qualified institutional buyers (QIB) for purchase.
    - Alternatively, one or more direct bank purchasers may evaluate and purchase an issuance.
    - STO Underwriter Pool list: https://www.treasurer.ca.gov/bonds/pools/underwriter.asp.
- Trustee conducts the closing and ensures that all parties provide and receive all necessary documents and transfers of funds.
- Trustee may also be engaged by applicant and/or investor(s) and direct bank purchaser(s) to conduct on-going compliance reporting.
- Other financing team members may include borrower's or applicant's counsel, trustee's counsel, and special advisor(s) to the applicant.

9. PHASES OF BOND AND NOTE ISSUANCE

Phase 1: Application for CPCFA Initial/Inducement Resolution

An approved initial resolution is not a commitment to issue bonds or notes but it is an important milestone for the inclusion of eligible project costs for an issuance. CPCFA's Executive Director approves an eligible initial resolution under delegated authority from the CPCFA Board. The action is reported at the next CPCFA Board meeting, and the initial resolution and staff summary report are posted on the CPCFA website.

- The application for CPCFA initial/inducement resolution must be submitted at least 30 calendar days in advance of the requested approval date.
    - https://www.treasurer.ca.gov/cpcfa/tax-exempt/forms.asp
    - The application for initial resolution is completed by the applicant or financing team.
- The application for initial resolution must be accompanied by the CPCFA application fee.
    - The applicant makes the check payable to CPCFA.
- The application for initial resolution must be accompanied by a letter of engagement from bond counsel[1].
- The form of the CPCFA initial resolution must be submitted at least 21 calendar days in advance of the requested approval date.
    - The form of the initial resolution is prepared by bond counsel.
    - The format of the initial resolution document must be Americans with Disabilities Act of 1990 (ADA) accessible[2].
- The date of approval of the CPCFA initial resolution marks which project costs may be included in uses of proceeds from issuance; only project costs incurred after the date of approval or within 60 days before approval may be included.
- The approved initial resolution is in effect for three years and may be renewed.

[1] CPCFA will accept an engagement letter for the initial resolution and a later engagement letter for the remaining portion of the bond issuance process, or an engagement letter which covers the entire process.
[2] The resolution will be posted on the State Treasurer's Office CPCFA website, which must maintain certification as ADA accessible.

Phase 2: Application for CPCFA Final Resolution and Tax Equity and Fiscal Responsibility Act (TEFRA)

The financing team determines which CPCFA Board Meeting date and CDLAC Board Meeting date will best align with the intended transaction closing date. In addition to the application, the financing team submits an interested party list (IPL) and devises the financing schedule. The application for final resolution is reviewed by CPCFA staff and submitted by CPCFA to CDLAC; and California Debt and Investment Advisory Commission (CDIAC) is notified of the proposed issuance. A TEFRA hearing must be conducted prior to the CPCFA Board Meeting.

Application for CPCFA Final Resolution

- The application for final resolution must be submitted to CPCFA at least 60 calendar days prior to the intended CPCFA Board Meeting and with adequate time for CPCFA to review the application before the submission date for the intended CDLAC Board Meeting.
    - Board meeting dates and deadlines for inclusion on CPCFA Board meeting agendas https://www.treasurer.ca.gov/cpcfa/meeting/index.asp
    - Board meeting dates and deadlines for inclusion on CDLAC Board meeting agendas https://www.treasurer.ca.gov/cdlac/meeting/index.asp
- The application for CPCFA final resolution is prepared using CDLAC's exempt facility project application.
    - https://www.treasurer.ca.gov/cpcfa/tax-exempt/forms.asp
    - The application is submitted to CPCFA, NOT to CDLAC.
- The application for final resolution must be completed in consultation with bond counsel.
- The application for final resolution must be accompanied by a placement letter from underwriter or a commitment letter from direct bank purchaser(s).

- The application for final resolution must be accompanied by all required discretionary permits and completed California Environmental Quality Act (CEQA) exemption or approval.
    - The Governor's Office of Business and Economic Development (GO-Biz) provides permit and regulatory assistance to any size of business.
        - https://business.ca.gov/resources/permit-and-regulatory-assistance/
- The application for final resolution must be accompanied by two payments from the applicant.
    - CDLAC performance deposit
        - The applicant makes the check payable to CPCFA.
        - CPCFA holds the deposit in an escrow account.
        - CPCFA prepares and submits the performance deposit certification form to CDLAC.
            - https://www.treasurer.ca.gov/cdlac/forms/allocation-qualified-private-activity-bonds.pdf
    - CDLAC application fee
        - The applicant may make the payment via an electronic payment system and submit proof of payment to CPCFA.
            - https://www.treasurer.ca.gov/cdlac/payment.asp
        - Or, the applicant may make the check payable to CDLAC and submit the check to CPCFA for submittal to CDLAC.
- CPCFA reviews the application for eligibility.
- If the application is eligible, CPCFA submits the application to CDLAC on behalf of the applicant.

Interested Party List, and Financing Schedule

- After initial review of the application, CPCFA requests the financing team to prepare and submit the interested party list to CPCFA within 14 calendar days.
- After initial review of the application, CPCFA requests the financing team to prepare the financing schedule to meet all timeframes and deadlines and submits to CPCFA within 14 calendar days.
    - CPCFA reviews and advises of needed changes.
    - The financing team revises and re-submits the financing schedule.

Tax Equity and Fiscal Responsibility Act (TEFRA) Notice and Hearing

- CPCFA Bond Program staff generally schedules TEFRA hearings for the second Thursday of each month.
    - The applicant and financing team can request an alternate date by requesting it at least 21 calendar days prior.
- Bond counsel prepares the TEFRA notice.
    - The draft TEFRA notice must be submitted to CPCFA at least 14 calendar days prior to the hearing date.
    - The final form of the TEFRA notice must be submitted to CPCFA at least 10 calendar days prior to the hearing date.
        - The form of the TEFRA notice must be Americans with Disabilities Act of 1990 (ADA) accessible[3].
- CPCFA posts the TEFRA notice on the CPCFA Board Meetings and Hearings webpage on the STO CPCFA webpage.
    - https://www.treasurer.ca.gov/cpcfa/meeting/index.asp#tefra-hearings
    - Alternatively, the borrower and financing team can arrange to post in a newspaper which circulates in the project location area.
- CPCFA conducts the TEFRA hearing at its offices and provides a telephone number for remote access via telephone conferencing.
- Any oral or written comments received during the TEFRA hearing are included in the staff summary report for the CPCFA Board meeting.

Report to California Debt and Investment Advisory Commission (CDIAC)

- The financing team files a report of proposed debt issuance and provides a copy to CPCFA.
    - Data portal and instructions https://www.treasurer.ca.gov/cdiac/reporting.asp.

[3] The notice will be posted on the CPCFA website, which must maintain certification as ADA accessible.

Phase 3: CPCFA Final Resolution Approval and California Debt Limit Allocation Committee (CDLAC) Allocation

The CPCFA Board reviews a staff summary report and a final resolution as presented by CPCFA Bond Program staff and votes to approve as-is, approve with changes, or reject. If the transaction is eligible for a Small Business Assistance Fund (SBAF) subsidy, there is a SBAF resolution presented to the CPCFA Board. The CDLAC Board reviews a proposed tax-exempt allocation resolution as presented by CDLAC staff and votes to approve as-is, approve with changes, or reject.

Prior to CPCFA and CDLAC board meetings, CPCFA Bond Program staff and CDLAC staff must post meeting agendas and proposed resolutions and staff summary reports. The CPCFA final resolution includes certain terms of the proposed transaction and references to certain bond documents, therefore all documents for the transaction (bond documents) must be submitted by the financing team in advance of the CPCFA Board meeting.

- The CPCFA final resolution, including term sheet, and SBAF resolution (if applicable) must be submitted at least 30 calendar days in advance of the CPCFA Board meeting date.
    - The resolutions are prepared by bond counsel.
    - The form of each resolution must be Americans with Disabilities Act of 1990 (ADA) accessible.[4]
- The bond documents must be in substantially final form and provided for review at least 12 calendar days in advance of the CPCFA Board meeting date.
    - The bond documents are prepared by bond counsel.
- Typically, the approved CPCFA final resolution authorizes the specified transaction to occur within 180 calendar days.
- Typically, the approved CDLAC allocation authorizes use of allocation to occur within 180 calendar days.

[4] The resolution will be posted on the State Treasurer's Office CPCFA website, which must maintain certification as ADA accessible.

Phase 4: CPCFA Issuance and Compliance

The transaction issuance date (closing) is coordinated between CPCFA and the financing team. The financing team prepares documents required for the transaction closing and for compliance immediately after the closing. The applicant coordinates with the financing team to determine which entity(ies) will be responsible for the on-going compliance actions for the life of the issuance.

Issuance, and Immediate Compliance

- The transaction issuance is typically at least 30 calendar days after the approval of the CPCFA final resolution and the CDLAC resolution in order to allow CPCFA and CDLAC to issue approved and signed resolutions.
- Signature pages must be submitted at least 21 calendar days in advance of the closing date.
    - Signature pages are released by CPCFA only after all bond documents are finalized and approved by all participating parties in the transaction.
- The applicant or their representative coordinates with the trustee to pay all costs of issuances and fees at closing, including:
    - CPCFA Administration Fee
    - Small Business Assistance Fund Fee (currently waived)
    - CDLAC Closing Fee
    - Agent for Sale Fee
    - CDIAC Fee.
- If applicable, CPCFA coordinates with trustee to pay the Small Business Assistance Fund subsidy at closing.
- After closing, the financing team provides CPCFA with certain information for its use in reporting to CDLAC, California Debt and Investment Advisory Commission (CDIAC), State Controller's Office (SCO), and annual report to the California State Legislature including:
    - Initial interest rate
    - Flow of funds
    - Proceeds spent
    - Project highlights and pictures

- Project completion certificate.

- The financing team prepares the following documents for review and signature by CPCFA prior to submission to the relevant agency:
  - CDLAC Report of Action Taken (RAT)
    - https://www.treasurer.ca.gov/cdlac/forms/isssuance-private-activity-bonds.pdf
    - For more information: https://www.treasurer.ca.gov/cdlac/forms.asp
  - Internal Revenue Service (IRS) Form 8038
    - https://www.irs.gov/pub/irs-pdf/f8038.pdf
  - For more information: https://www.irs.gov/forms-pubs/about-form-8038.
- The financing team files CDIAC Report of Final Sale and provides a copy to CPCFA:
  - Data portal and instructions https://www.treasurer.ca.gov/cdiac/reporting.asp.
- After the CDLAC receives the Report of Action Taken (RAT), CDLAC will evaluate the issuance to determine if the performance deposit will be released.
  - Refer to page 2 of www.treasurer.ca.gov/cdlac/forms/allocation-qualified-private-activity-bonds.pdf.
  - Upon CDLAC's written authorization to release the performance deposit, CPCFA will process payment by check.

On-going Compliance, and Annual Fee (If Applicable)

- CPCFA Semi-Annual Trustee Audit
  - Bond documents include CPCFA's trustee audit form.
    - In addition, CPCFA distributes a courtesy copy to the trustee on file.
  - CPCFA utilizes the information in these reports for its use in the following mandatory reports:
    - CDLAC Annual Applicant Compliance Self-Certification
    - Annual debt transparency report to CDIAC
    - Independent auditor's report and conduit issuer financial transaction report to SCO
    - Annual report to the California State Legislature.

- CDLAC Certificate of Compliance I (QRRP and Non-QRRP)
    - Complete and submit to CPCFA
    - CPCFA will submit to CDLAC
    - https://www.treasurer.ca.gov/cdlac/forms/certificate-of-compliance-I.pdf
    - More information: https://www.treasurer.ca.gov/cdlac/forms.asp
- CDLAC Certificate of Compliance II (Non-QRRP)
    - Complete and submit to CPCFA
    - CPCFA will submit to CDLAC
    - https://www.treasurer.ca.gov/cdlac/procedures/rulemaking/2018/cert-compli-ii-non-qrrp.pdf
    - More information: https://www.treasurer.ca.gov/cdlac/forms.asp
- CDLAC Certificate of Completion
    - Complete and submit to CPCFA
    - CPCFA will submit to CDLAC
    - https://www.treasurer.ca.gov/cdlac/forms/certificate-of-completion-nqrrp.pdf
    - More information: https://www.treasurer.ca.gov/cdlac/forms.asp
- CDIAC Annual Debt Transparency Report
    - Submit use of proceeds information to CPCFA
    - CPCFA will submit reports to CDIAC
    - More information: https://www.treasurer.ca.gov/cdiac/reporting.asp
- Annual fee
    - Only issuances which were taxable at original issuance are subject to the CPCFA annual fee.

10. REFUNDING

- The application for final resolution must be submitted to CPCFA at least 60 calendar days prior to the intended CPCFA Board meeting.
    - https://www.treasurer.ca.gov/cpcfa/tax-exempt/forms.asp
    - Board meeting dates and deadlines for inclusion on CPCFA Board meeting agendas
        - https://www.treasurer.ca.gov/cpcfa/meeting/index.asp.
    - The application for final resolution must be completed in consultation with bond counsel.
    - The application for final resolution must be accompanied by a placement letter from underwriter or a commitment letter from direct bank purchaser(s).
- For a proposed issuance which includes both refunding and new money, refer to Phases 1-4 of Bond and Note Issuance.

11. DRAW-DOWN REQUEST

For issuances including a draw-down structure, the draw-down request form (Form of Order of the Authority) will be included in the bond documents.

- The draw-down request (Order of Authority) must be submitted to CPCFA at least 10 calendar days prior to the requested draw date.

12. POST-ISSUANCE REQUEST

Any and all changes or updates to the bond documents are a post-issuance request.

- https://www.treasurer.ca.gov/cpcfa/tax-exempt/forms.asp
- Post-issuance requests take a minimum of 30 calendar days to process; if CPCFA determines that the post-issuance request requires CPCFA Board approval then the timeframe will be a minimum of 60 calendar days.
- The post-issuance request must be submitted by bond counsel.
- The post-issuance request must be accompanied by a letter of engagement from bond counsel.
- The post-issuance request must be accompanied by drafts of all documents necessary for the request to be carried out.
- Fees for post-issuance requests are based on actual staff time spent on the request so these fees are invoiced at completion.

13. SMALL BUSINESS ASSISTANCE FUND (SBAF) POLICY

The SBAF fee is collected from large businesses which issue through the CPCFA Bond Program in order to subsidize a portion of the costs of issuance for small businesses which issue through CPCFA. However, at present time and until December 31, 2026, collection of the SBAF fee is waived.

Small businesses are defined in California Code of Regulations Title 4 Division 11 CCR § 8020; large businesses are those applicants which do not qualify under that definition.

SBAF Fee Amount (Currently Waived)

- The SBAF fee is waived through December 31, 2026.
- Tax-exempt issuance: amount up to .0033 (thirty-three-hundredths of one percent, 33/100 of 1%) of total amount of tax-exempt bonds issued.
- Taxable issuance: amount up to .003 (three-tenths of one percent, 3/10 of 1%) of total amount of taxable bonds issued.
- Conversion of taxable bonds to tax-exempt: amount up to .0036 (thirty-six-hundredths of one percent, 36/100 of 1%) upon conversion of taxable bonds to tax-exempt.

Accumulated SBAF Fees Remain Available for SBAF Subsidy for Qualifying Small Businesses

- The SBAF subsidy is provided at transaction closing.
- The SBAF subsidy is not available for a refunding transaction.

SBAF Subsidy Formulas

- Par value of $5,000,000 or less
    - Maximum subsidy: $130,000 + 1.6% of Par
- Par value of $5,000,001 – $13,750,000
    - Maximum subsidy: $130,000 + 1.6% of Par – [(Par-$5,000,000) x 4%)]
- Par value over $13,750,000
    - No subsidy

Types of Costs Eligible for SBAF Subsidy

A borrower must first apply 2% of bond proceeds toward eligible costs and then SBAF subsidy may be used to offset unfinanced eligible costs at CPCFA's discretion.

- Bond counsel
- Underwriter
- Underwriter counsel
- Trustee
- Trustee counsel
- Rating agency
- Printing
- CPCFA feasibility study
- Bank credit enhancement
- First year letter-of-credit (LOC) fees
- STO agent for sale
- Financial advisor
- Borrower's counsel
- CDLAC and CDIAC fees

14. COSTS OF ISSUANCE AND FEES

- An applicant is responsible for all costs of issuance, including all the fees listed in this section and all charges from financing team members.
- A small business applicant may be eligible to receive a Small Business Assistance Fund (SBAF) subsidy at the time of closing of a transaction (excluding refunding transactions).

Fees at Phase 1: CPCFA Initial/Inducement Resolution

CPCFA Application Fee:

- Amount of .0005 (one twentieth of one percent, 1/20 of 1%) of the amount of financing requested on the application:
    - Minimum of $250 and a maximum of $5,000.
- Non-refundable but if the initial resolution results in a successful transaction closing, the application fee is subtracted from the administrative fee at time of closing.
- No application fee for amendment (including extension) of initial resolution.

Fees at Phase 2: CPCFA Final Resolution and Tax Equity and Fiscal Responsibility Act (TEFRA)

California Debt Limit Allocation Committee (CDLAC) Application Fee via CPCFA:

- For questions on this fee contact CDLAC directly https://www.treasurer.ca.gov/cdlac/index.asp.
- $1,500.
- Non-refundable.

CDLAC Performance Deposit via CPCFA:

- For questions on this fee contact CDLAC directly https://www.treasurer.ca.gov/cdlac/index.asp.
- Amount of .005 (one-half of one percent, 1/2 of 1%) of the amount of financing requested on the application, including refunding and new money portions:
    - Maximum of $100,000.
- The purpose of the performance deposit is to ensure that tax-exempt allocation is used as proposed.
    - The performance deposit is refundable after the closing of a successful transaction which adheres to the terms and conditions of the CDLAC resolution.
    - A portion or all of the performance deposit may be forfeited if the terms and conditions are not met.
    - See page 2 of www.treasurer.ca.gov/cdlac/forms/allocation-qualified-private-activity-bonds.pdf.

Fees at Phase 3: California Debt Limit Allocation Committee (CDLAC) Allocation and CPCFA Final Resolution Approval (None)

- None

Fees at Phase 4: Issuance and Compliance

CPCFA Administration Fee

- CPCFA Administration Fee for a transaction utilizing tax-exempt allocation (including new money transactions and transactions which combine new money and refunding):
    - Amount of .002 (two-tenths of one percent, 2/10 of 1%) of total face value of the issuance.
    - The CPCFA application fee is subtracted from the amount calculated above.
- CPCFA Administration Fee for a project not utilizing tax-exempt allocation (including transactions with non-profit as borrower and transactions issuing taxable bond anticipation notes):
    - Amount of .001 (one-tenth of one percent, 1/10 of 1%) of the total face value of the issuance.
    - The CPCFA application fee is subtracted from the amount calculated above.
    - The administration fee is waived for small businesses as defined in California Code of Regulations Title 4 Division 11 CCR § 8020.

Small Business Assistance Fund (SBAF) Fee for Applicants Which Do Not Qualify as Small Businesses via CPCFA (Currently Waived):

- The proceeds from this fee are used to off-set the costs of issuance for qualifying small businesses as defined in California Code of Regulations Title 4 Division 11 CCR § 8020.
- Currently waived until December 31, 2026.
- Payable only by applicants which do not qualify as small businesses.
- Amount up to .0033 (thirty-three-hundredths of one percent, 33/100 of 1%) of total amount of tax-exempt bonds issued.
- Amount up to .003 (three-tenths of one percent, 3/10 of 1%) of total amount of taxable bonds issued.
- Amount up to .0036 (thirty-six-hundredths of one percent, 36/100 of 1%) upon conversion of taxable bonds to tax-exempt.

CDLAC Closing Fee:

- For questions on this fee contact CDLAC directly https://www.treasurer.ca.gov/cdlac/index.asp.
- Amount of .00035 (thirty-five-thousandths of one percent, 35/1000 of 1%, 3.5 basis points) of the amount issued.

Agent for Sale Fee to State Treasurer's Office Public Finance Department (PFD) via CPCFA:

- For questions on this fee contact PFD directly https://www.treasurer.ca.gov/bonds/index.asp.
- Par value of $5,000,000 or less
    - Direct bank placement: $2,000
    - All other transaction types: $4,000
- Par value of $5,000,001 – $40,000,00
    - Direct bank placement: $3,500
    - All other transaction types: $6,500
- Par value of $40,000,001 – $100,000,000
    - Direct bank placement: $4,500$
    - All other transaction types: $8,500
- Par value over $100,000,000
    - Direct bank placement: $5,500
    - All other transaction types: $10,500

Fee to California Debt and Investment Commission (CDIAC):

- For questions on this fee contact CDIAC directly https://www.treasurer.ca.gov/cdiac/reporting.asp.
- Amount of .00025 (twenty-five-thousandths of 1%, 25/1000 of 1%, 2.5 basis points) of the PAR value
    - Maximum of $5,000

CPCFA Annual Fee (Applies Only to Taxable Transactions)

- No annual fee for a transaction utilizing tax-exempt allocation (including new money transactions and transactions which combine new money and refunding).
- CPCFA Annual Fee for a taxable transaction (including transactions issuing bond anticipation notes):
    - Annual amount of .0005 (five-hundredths of one percent, 5/100 of 1%) of the outstanding balance
        - Minimum of $1,000 and a maximum of $75,000.

Fees for Refunding at Time of Application

CPCFA Refunding Application Fee:

- Amount of .0005 (one twentieth of one percent, 1/20 of 1%) of the amount of financing requested on the application
    - Maximum of $5,000.
- Non-refundable but if the refunding application results in a successful transaction closing, the application fee is subtracted from the refunding administrative fee at time of closing.

Fees for Refunding at Time of Issuance

CPCFA Refunding Administrative Fee for Small Businesses (as defined in California Code of Regulations Title 4 Division 11 CCR § 8020):

- Amount of .001 (one-tenth of one percent, 1/10 of 1%) of the total face value of issuance
    - The CPCFA refunding application fee is subtracted from the amount calculated above.

CPCFA Refunding Administrative Fee for Applicants Which Do Not Qualify as Small Businesses (as defined in California Code of Regulations Title 4 Division 11 CCR § 8020):

- Amount of .002 (two-tenths of one percent, 2/10 of 1%) of the total face value of issuance
    - The CPCFA refunding application fee is subtracted from the amount calculated above.

CPCFA Issuer's Counsel Costs:

- The borrower will reimburse CPCFA for Issuer's Counsel costs upon closing of the refunding transaction.

Agent for Sale Fee to State Treasurer's Office Public Finance Department (PFD) via CPCFA:

- For questions on this fee contact PFD directly https://www.treasurer.ca.gov/bonds/index.asp.
- Par value of $5,000,000 or less
    - Direct bank placement: $2,000
    - All other transaction types: $4,000
- Par value of $5,000,001 – $40,000,00
    - Direct bank placement: $3,500
    - All other transaction types: $6,500
- Par value of $40,000,001 – $100,000,000
    - Direct bank placement: $4,500$
    - All other transaction types: $8,500
- Par value over $100,000,000
    - Direct bank placement: $5,500
    - All other transaction types: $10,500

California Debt and Investment Commission (CDIAC):

- For questions on this fee contact CDIAC directly https://www.treasurer.ca.gov/cdiac/index.asp.
- Amount of .00025 (twenty-five-thousandths of 1%, 25/1000 of 1%, 2.5 basis points) of the PAR value
    - Maximum of $5,000.

Fees for Withdrawn Application or Cancelled Transaction

An applicant which withdraws an application for final resolution or refunding or cancels a transaction is responsible for CPCFA's reasonable expenses including but not limited to:

- CPCFA staff time
- Invoice from issuer's counsel
- Invoice from agent for sale.

Fees for Post-Issuance Request

A borrower on behalf of which a post-issuance request is submitted is responsible for CPCFA's reasonable costs including but not limited to:

- CPCFA staff time
- Invoice from issuer's counsel.

Fees for Draw Down Request (None)

- None

15. APPEAL A DENIAL OF AN APPLICATION

See the California Debt Limit Allocation Committee (CDLAC) regulations for the appeals process or contact the CPCFA staff member assigned to your application or cpcfabond@treasurer.ca.gov.