

# **Santa Cruz County Chamber of Commerce**

**California Treasurer Fiona Ma  
Small Business Webinar  
May 4, 2020**



# Webinar Agenda

- Introduction - Casey Beyer, Chamber CEO
- Program and Guest Participation
- One Hour Webinar - with Q&A
  
- Keynote Statement - Fiona Ma, California Treasurer

## Guest Speakers:

1. California Infrastructure and Economic Development Bank (“IBank”) – Emily Burgos, Small Business Finance Center Manager
2. CalSavers – Jonathan Herrera, Outreach & Marketing Manager
3. California Capital Access Program (“CalCAP”) – Janae Davis, Deputy Executive Director (California Pollution Control Financing Authority)
4. Santa Cruz Small Business Development Center (“SBDC”) - Brandon Napoli, Director

# Thank you for Participating

**Santa Cruz Regional  
COVID-19 Relief  
Small Business Webinar**

SPONSORED BY:  
California State Treasurer Fiona Ma, CPA  
Santa Cruz County Chamber of Commerce

**May 4th, 2020**  
10:30-11:30am

**Speakers Include:**

- CalSavers Retirement Savings Program
- California Capital Access Program ("CalCAP") for Small Businesses
- California Infrastructure & Economic Development Bank ("IBank")
- Santa Cruz Small Business Development Center ("SBDC")

**Details & RSVP:**  
<https://bit.ly/scwebinar2020>  
*Free & Open to the Public*  
Contact: [noah.starr@treasurer.ca.gov](mailto:noah.starr@treasurer.ca.gov) or 415-876-8934

 **IBank**  
California Infrastructure and Economic Development Bank

 **CalSavers**  
RETIREMENT SAVINGS PROGRAM

 **AMERICA'S SBDC**  
SMALL BUSINESS DEVELOPMENT CENTER  
TRUSTED BY NETWORK

 **CALIFORNIA CAPITAL ACCESS PROGRAM**



 **Santa Cruz County**  
CHAMBER OF COMMERCE

<https://ibank.ca.gov/small-business-finance-center/>

## **Getting ready to apply:**

1. One year business and personal tax returns
2. Year end financials
3. Three months bank statements (personal and business).

<https://ibank.ca.gov/small-business-finance-center/>



Santa Cruz Regional Small Business Webinar

## CalSavers Update

May 4, 2020

Jonathan Herrera, Outreach Manager

California Secure Choice Retirement Savings Investment Board







# Why CalSavers

# Why is CalSavers needed?



## CalSavers by the numbers

**50%**

Nearly **50%** of Californians are projected to retire into economic hardship -- at or below two times the federal poverty level.<sup>1</sup>

**7.5 million**

**7.5 million** Californians lack a workplace retirement plan.<sup>2</sup>

**15X**

Workers are **15 times** more likely to save for retirement if they have access to a payroll deduction savings plan at work.<sup>3</sup>



A photograph of a smiling couple, a man and a woman, standing behind a farmers market stall. The man is wearing a blue shirt, a grey cap, and a light-colored apron. The woman is wearing an orange sweater and a green apron. They are surrounded by fresh produce, including tomatoes, cucumbers, and various vegetables in wooden crates. A white banner in the background lists items like 'FRESH PRODUCE', '100% ORGANIC', and 'FARMER'. Price tags for 'RED CABBAGE 50¢ EACH', 'FRESH TOMATO 3.00/LB', and 'ORGANIC POTATO \$4.25/LB' are visible. The scene is set outdoors with green foliage in the background.

# CalSavers: Your Money, Your Future

# Primary Features of CalSavers



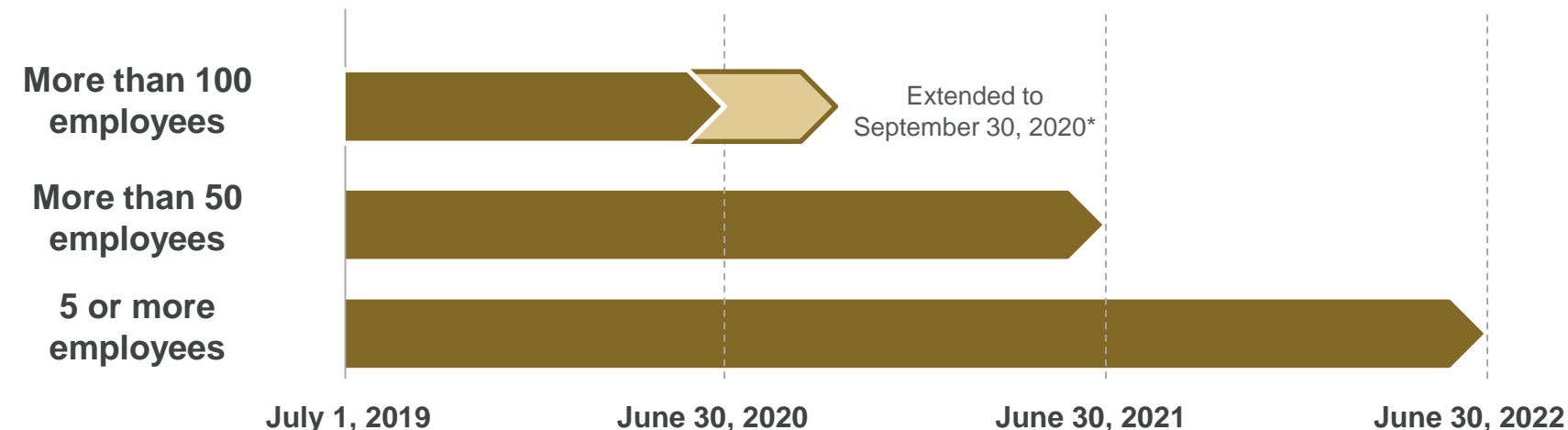
- 1) **Employer Requirement:** All CA employers with at least 5 employees must either:
  - Offer a qualified retirement plan
  - Or
  - Register for CalSavers and facilitate employee access
- 2) **Automatic Enrollment for Employees:** completely voluntary for employees, but automatic enrollment if no opt-out. May opt-out and back in at any time. Self-employed/gig workers/employees of ineligible businesses may participate on a self-enrollment opt-in basis.
- 3) **Public Private Partnership:** Professionally managed & advised by financial services companies with oversight by a public board chaired by State Treasurer.
- 4) **Zero Cost to the State, Taxpayer, Employer:** self-sustaining on saver fees.



# Employer required registration deadlines



Employers can register **AT ANY TIME** but need to register by their enrollment deadline if they do not offer an employer-sponsored retirement plan.



## Employers with <5 employees

Employers with less than five employees are not subject to the mandate, may not participate in automatic enrollment of their employees, and are not required to register for CalSavers. Non-mandated employers may choose, but are not required, to facilitate payroll deductions for employees who opt-in on their own as individual participants and subsequently request that their employer facilitate deductions.



# Facilitating CalSavers Employer's Responsibilities



**Register by state-required deadline**



Employers **will not:**

- Incur any program fees.
- Have any fiduciary responsibility.
- Be allowed to make an employer contribution.



**Set up account**



Employers **must not:**

- Encourage or discourage participation in CalSavers.
- Provide advice about investment options, taxes, or participation in the program.
- Manage investment options.
- Process distributions.
- Manage changes that an employee must make. (Example: change address, add beneficiary)



**Submit and maintain employee roster**



**Submit employee contributions each pay period**



# Saver features



## **Automatic Payroll Deduction IRA**

Contributions are deducted from Saver's paycheck and deposited into IRA account.

## **Completely Voluntary**

Savers may opt out or opt back in at any time.

## **Simple Options**

- Automatic enrollment at work.
- Use standard contribution and investment settings or customize.

## **Portable**

Saver keeps their account even if they change jobs.

## **Low Cost for Savers**

Savers will pay a small fee to cover program administration and investment costs.





# CalSavers and COVID-19



# CalSavers Operations Under COVID-19



## 1) Savers:

- Continue to ensure the safe custody and investment of contributions and timely processing of account requests.
- Designed with market volatility in mind:
  - Roth IRA: allows for tax free, penalty free withdrawals of contributions.
  - Capital Preservation Fund (default for 1<sup>st</sup> \$1000) that helps protect savings; 85% of savers and >75% of all assets are invested here; Board action to ensure no negative returns following Fed rate drop.

## 2) Employers:

- CalSavers is committed to supporting employers through these uncertain times by offering extra support and flexibility, including extending the wave 1 deadline.
- As we move forward into recovery, CalSavers will be here to offer employers our simple way to help your employees save as they return to work – with no employer fees or fiduciary liability.



# Thank you

Jonathan Herrera, Outreach Manager

[jherrera@treasurer.ca.gov](mailto:jherrera@treasurer.ca.gov)



[www.calsavers.com](http://www.calsavers.com)



[www.treasurer.ca.gov/scib](http://www.treasurer.ca.gov/scib)



@CalSavers



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CalSavers



  
**CalSavers**  
RETIREMENT SAVINGS PROGRAM



California Pollution Control Financing Authority

# **Access to Capital for California Small Businesses**

Janae R. Davis, Deputy Executive Director  
May 4, 2020

# 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 through our **Tax-Exempt Bond Program**
  - Create **California Capital Access Program (CalCAP)** 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 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.
- ❖ **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 or when the loan is paid in full.
- ❖ **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.

*\*Fees & Contribution Rates Vary Across Programs*

## CalCAP by the Numbers

*As of December 31, 2019*

CalCAP for Small Business Program enrollment since 1994:  
**22,349** loans for **\$1.88 billion**

CalCAP Collateral Support Program enrollment since 2013:  
**288** loans for **\$79.3 million**

CalCAP CARB Truck Loan Assistance Program enrollment since 2009:  
**26,464** loans for **\$1.7 billion**

CalCAP EV Charging Station Program enrollment since 2015:  
**2** loans for **\$511,124**


CalCAP Seismic Safety Loan Program enrollment since 2015:  
**3** loans for **\$285,000**






# Contacting Participating Lenders

<https://www.treasurer.ca.gov/cpcfca/calcap/lenders.asp>



California State Treasurer  
**Fiona Ma, CPA**



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CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY



California Capital Access Program (CalCAP)



## Participating Lender Contact Lists



- [CalCAP for Small Business Program](#)
- [CalCAP Collateral Support Program](#)
- [CalCAP Air Resources Board Heavy-Duty Vehicle Air Quality Loan Program](#)
- [CalCAP Electric Vehicle Charging Station Financing Program](#)
- [CalCAP Americans with Disabilities Act Financing Program](#)
- [CalCAP Seismic Safety Financing Program](#)

# 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 - Bridge loans for SBA loan guarantees**
  - **Start-up costs - Equipment or inventory purchases**
  - **Working capital for State contractors**
  - **Food trucks**
  - **Construction or renovation of buildings**
- 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 their usual underwriting policies.
- Loans can be short or long-term, have fixed or variable rates and bear any type of amortization schedule.

# Collateral Support

- **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

## Collateral Support (Continued)

- \$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.

## Supplemental Contributions for Direct Impacts from COVID-19

- The credit enhancements offered to **participating lenders** by CPCFA for loans enrolled in CalCAP for Small Business, the Collateral Support Program, the CalCAP/Seismic Safety Program, and CalCAP/ADA are eligible for supplemental contributions for borrowers whose businesses and properties are located in a Severely Affected Community (SAC).
- The Authority's regulations define a Severely Affected Community or an "economically distressed geographic area", as designated by our Executive Director.
- In recognition of the economic impact of COVID-19, as well as designated disasters and public safety power shutoffs to California small businesses, CalCAP will authorize a supplemental contribution for a credit enhancement for the 12 months following the emergency or disaster designation.

# Contact Us!

- Janae Davis, CPCFA Deputy Executive Director  
916-651-8663 [Janae.Davis@treasurer.ca.gov](mailto:Janae.Davis@treasurer.ca.gov)
- Doreen Smith, CalCAP Program Manager  
916-653-3993 [Doreen.Smith@treasurer.ca.gov](mailto:Doreen.Smith@treasurer.ca.gov)
- Deanna Hamelin, Bond Program Manager  
916-653-9717 [Deanna.Hamelin@treasurer.ca.gov](mailto:Deanna.Hamelin@treasurer.ca.gov)



Please follow at @CalCPCFA





**SMALL  
BUSINESS  
DEVELOPMENT  
CENTER**

*Cabrillo College*  
Breakthroughs happen here.™

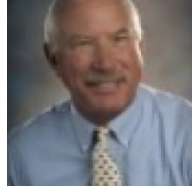
Where Businesses Start, Grow and Prosper!

# What is the SBDC?



Santa Cruz County Small Business Development Center is a premier hub of experts experienced in mainstreet, techstreet, and agriculture business. Business owners and aspiring entrepreneurs receive in-depth advising and training to obtain capital, launch businesses, grow sales, and create jobs.

# Team



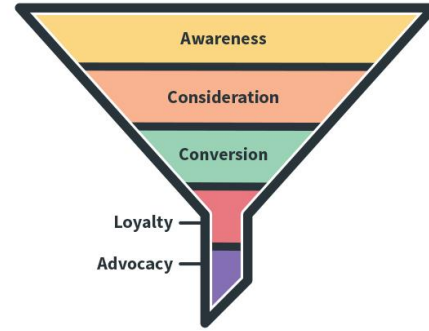
# Small Business Ecosystem



# Services Offered: Trainings



# Services Offered: Advising





# Services Offered: Relationships



# Does Your Business Tell A Compelling Story?



Belong Anywhere

Overview

Opportunity

Problem

Solution

Traction

Customer or  
Market

Competition

Business  
Model

Team

Use of Funds

TOMS

One for One

# Start With Why?

## Apple Outside/In

We make great computers. **(What)**

Beautifully designed and user friendly. **(How)**

Want to buy one? **(Why)**



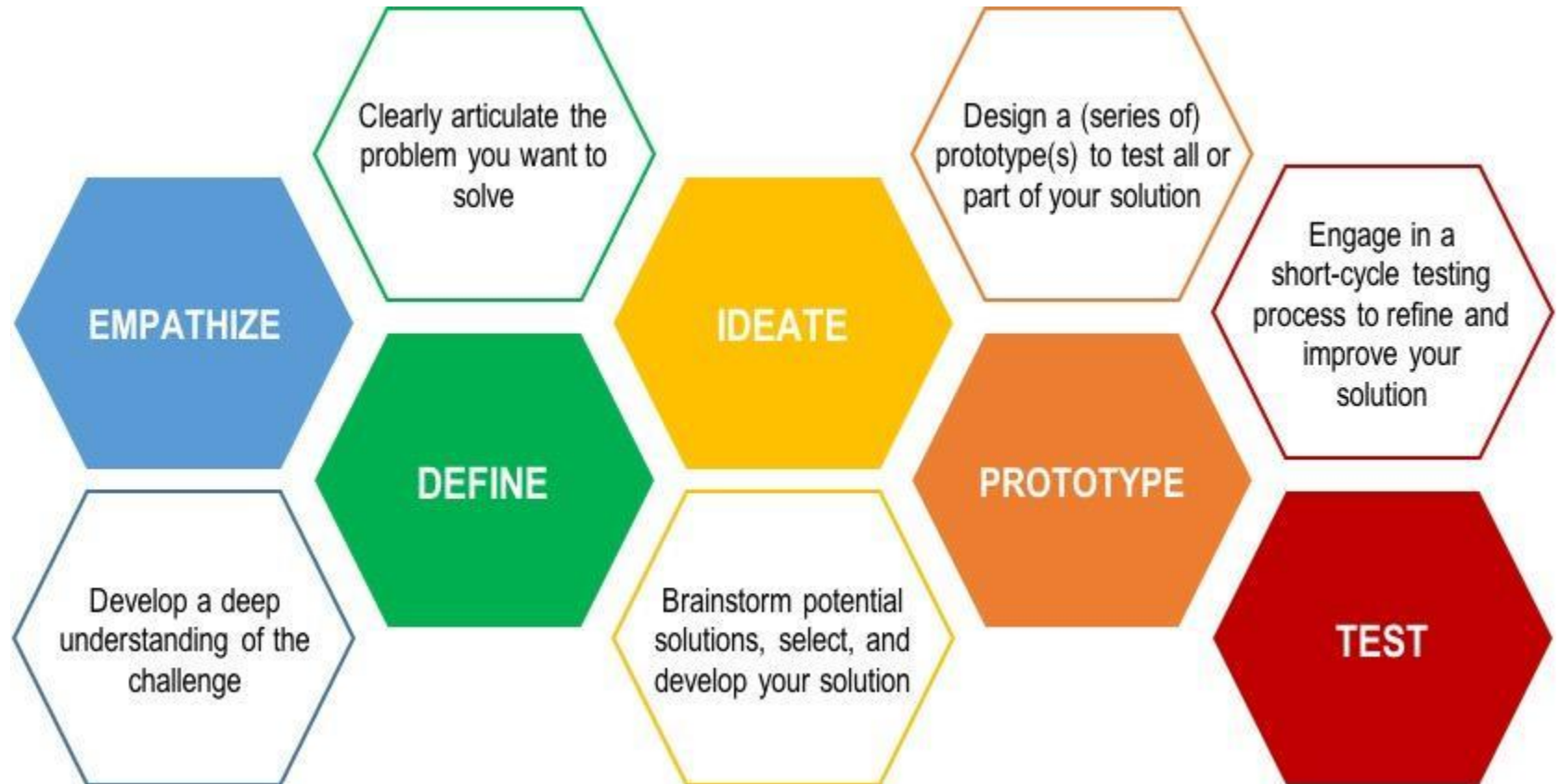
## Apple Inside/Out

Everything we do we believe in challenging the status quo. We believe in thinking differently. **(Why)**

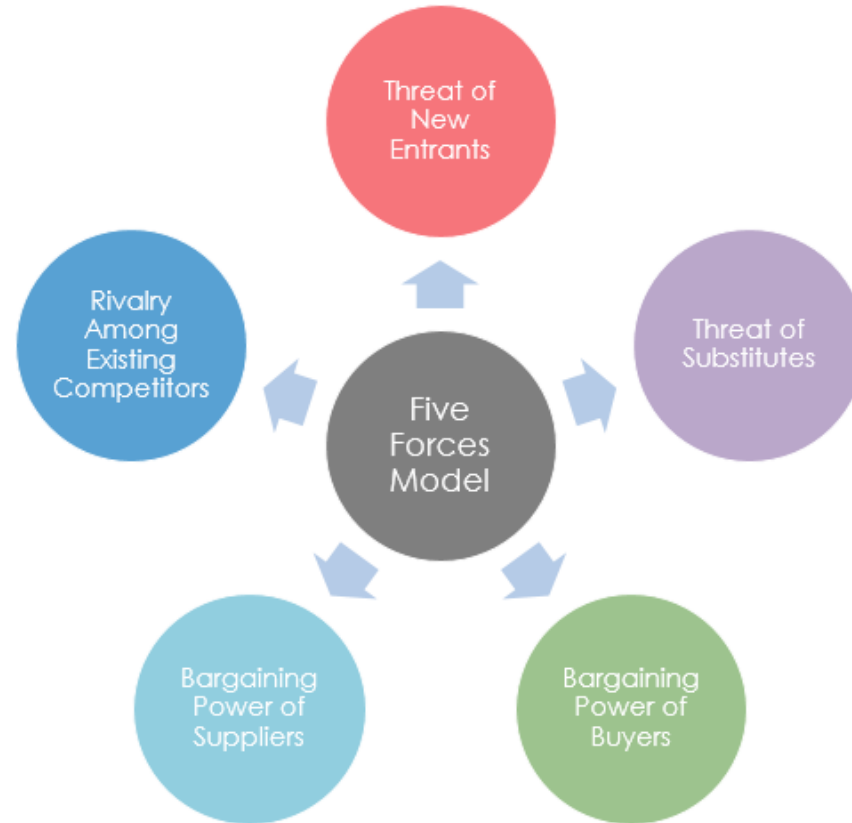
The way we challenge the status quo is making our products beautifully designed, easier to use, and friendly. **(How)**

We just happen to make great computers. Want to buy one? **(What)**

# Design Thinking



# Porters' Five Forces



# Is Your Business Model Agile?

<b>PROBLEM</b> <i>List your top 1-3 problems.</i>	<b>SOLUTION</b> <i>Outline a possible solution for each problem.</i>	<b>UNIQUE VALUE PROPOSITION</b> <i>Single, clear, compelling message that states why you are different and worth paying attention.</i>	<b>UNFAIR ADVANTAGE</b> <i>Something that cannot easily be bought or copied.</i>	<b>CUSTOMER SEGMENTS</b> <i>List your target customers and users.</i>
<b>EXISTING ALTERNATIVES</b> <i>List how these problems are solved today.</i>	<b>KEY METRICS</b> <i>List the key numbers that tell you how your business is doing.</i>		<b>CHANNELS</b> <i>List your path to customers (inbound or outbound).</i>	
	<b>COST STRUCTURE</b> <i>List your fixed and variable costs.</i>		<b>REVENUE STREAMS</b> <i>List your sources of revenue.</i>	

[Company Name]  
12-Month Cash Flow

[illegible]

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