

## 0974 California Pollution Control Financing Authority

The California Pollution Control Financing Authority (CPCFA) provides California businesses with a reasonable method of financing pollution control facilities and fosters compliance with government imposed environmental standards and requirements. Over the last thirty years CPCFA has evolved to meet California's needs as follows:

- In the solid waste industry through its Pollution Control Tax-Exempt Bond Program.
- For small businesses through the California Capital Access Program.
- With the reuse and redevelopment of brownfields through the California Recycle Underutilized Sites Program.
- With financial assistance to cities and counties in their community planning and development efforts through the Sustainable Communities Grant and Loan Program.

The CPCFA consists of the State Treasurer (Chairperson), the State Controller, and the Director of the Department of Finance.

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### LEGAL CITATIONS AND AUTHORITY

#### DEPARTMENT AUTHORITY

Health and Safety Code Sections 44500-44520 and 44526-44548.

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### PROGRAM DESCRIPTIONS (*Program Objectives Statement*)

#### Pollution Control Tax-Exempt Bond Program:

The objective of this program is to provide bond financing to California businesses, irrespective of company size, for the acquisition, construction, or installation of qualified pollution control, waste disposal, waste recovery facilities, and the acquisition and installation of new equipment. California Pollution Control Financing Authority (CPCFA) financing assists municipalities in complying with waste diversion mandates of the California Integrated Waste Management Act of 1989. As of June 30, 2006, bonds totaling \$11.5 billion have been issued by the CPCFA for pollution control projects.

#### California Capital Access Program for Small Businesses:

The objective of this program is to encourage banks and other financial institutions to make loans to small businesses that fall just outside of conventional underwriting standards. California Capital Access Program for Small Businesses (CalCAP) is a form of loan portfolio insurance that may provide up to 100% coverage on certain loan defaults. By participating in CalCAP, lenders have available to them a proven financing mechanism to meet the financing needs of California's small businesses. The strength of CalCAP rests in its simplicity and its leverage of state funds. The program works through the creation of a loan loss-reserve fund for each participating financial institution. The CPCFA funds this reserve together with the financial institution and the borrower. The reserve serves to reduce loan-loss risk, allowing banks to lend to targeted California small businesses. Additional incentives are provided to lend to businesses located in state-designated Enterprise Zones. The program also provides a small business advisory service that helps small businesses to grow and develop their companies. The small business advisory service provides entrepreneurs with valuable no-cost business development resources by creating access to high-caliber business advisers and developing skills and expertise in sales, marketing, finance, management, and operations.

#### California Recycle Underutilized Sites Program:

This program assists with the reuse and redevelopment of underutilized properties with real or perceived contamination issues (brownfields). California Recycle Underutilized Sites Program (CalReUSE) addresses a funding and information gap in the development of brownfields to help bring these properties into productive reuse. The CPCFA works with selected strategic partners to administer the program and select projects throughout the state. CalReUSE provides forgivable loans of up to \$125,000 to fund brownfield site assessment and characterization, technical assistance, remedial action plans and site access. Eligible projects include sites with potential beneficial reuse not currently redeveloped due to lack of information about real or perceived contamination, uncertainty about clean up costs, or concerns regarding time frames and the regulatory process. Priority is given to projects located in distressed neighborhoods with demonstrated community support.

#### Sustainable Communities Grant and Loan Program:

The objective of this program is to assist cities and counties to develop and implement sustainable development growth policies, programs and projects. Sustainable Communities Grant and Loan Program has funded specific plans, portions of specific plans, alternative transportation studies, finance plans, redevelopment plans, engineering studies, public projects, and other projects that promote sustainable development principles.

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