

0974 California Pollution Control Financing Authority

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

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

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

3-YR EXPENDITURES AND PERSONNEL YEARS

	Personnel Years			Expenditures		
	2010-11	2011-12	2012-13	2010-11*	2011-12*	2012-13*
10 Pollution Control Tax-Exempt Bond Program	15.8	10.0	9.0	\$2,304	\$3,640	\$4,125
20 California Capital Access Program for Small Businesses	1.2	10.4	9.0	34,826	29,323	30,166
30 California Recycle Underutilized Sites Program	2.4	5.5	5.5	8,111	17,420	16,000
40 Sustainable Communities Grant and Loan Program	0.4	0.6	-	544	744	-
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	19.8	26.5	23.5	\$45,785	\$51,127	\$50,291
FUNDING				2010-11*	2011-12*	2012-13*
0001 General Fund				\$6,000	\$-	\$-
0890 Federal Trust Fund				27,823	27,823	28,666
0930 Pollution Control Financing Authority Fund				11,962	23,304	21,625
TOTALS, EXPENDITURES, ALL FUNDS				\$45,785	\$51,127	\$50,291

The California Pollution Control Financing Authority funding is not subject to Budget Act appropriation. This budget display is for informational purposes only. The informational budget presented here reflects the department's best estimate of the budgets for 2011-12 and 2012-13.

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Health and Safety Code Sections 44500-44563.

DETAILED BUDGET ADJUSTMENTS

	2011-12*			2012-13*		
	General Fund	Other Funds	Personnel Years	General Fund	Other Funds	Personnel Years
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Employee Compensation Adjustments	\$-	-\$23	-	\$-	\$7	-
• Retirement Rate Adjustment	-	13	-	-	13	-
• State Small Business Credit Initiative-federal funds	-	27,823	-	-	28,666	-
• Miscellaneous Adjustments	-	1,422	4.0	-	-287	1.0
Totals, Other Workload Budget Adjustments	\$-	\$29,235	4.0	\$-	\$28,399	1.0
Totals, Workload Budget Adjustments	\$-	\$29,235	4.0	\$-	\$28,399	1.0
Totals, Budget Adjustments	\$-	\$29,235	4.0	\$-	\$28,399	1.0

* Dollars in thousands, except in Salary Range.

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PROGRAM DESCRIPTIONS

10 - 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, water furnishing, wastewater treatment, waste recovery facilities, and the acquisition and installation of new equipment. CPCFA financing assists municipalities in complying with waste diversion mandates of the California Integrated Waste Management Act of 1989. As of June 30, 2011, bonds totaling \$13.1 billion have been issued by the CPCFA.

20 - 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. CalCAP for Small Businesses 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. Chapter 731, Statutes of 2010, appropriated \$6 million General Fund to CalCAP to increase lending efforts, especially in high unemployment areas. In addition, CalCAP has been awarded a share of the federal State Small Business Credit Initiative funds allocated by U.S. Treasury to California. It is expected that these new funds will lead to a rapid and significant expansion of the CalCAP program. Additional incentives are provided to lend to businesses located in specified economically depressed areas including Enterprise Zones. CalCAP has partnered with the Air Resources Board to assist diesel truck and equipment owners in meeting new clean air requirements. CalCAP has partnered with the Department of Resources, Recycling and Recovery to assist recycling related businesses.

30 - CALIFORNIA RECYCLE UNDERUTILIZED SITES PROGRAM

This program assists with the reuse and redevelopment of underutilized properties with real or perceived contamination issues (brownfields). CALReUSE addresses a funding and information gap in the development of brownfields to help bring these properties into productive reuse. The CALReUSE Assessment Program provides forgivable loans of up to \$300,000 per brownfield site, or \$500,000 for sites that will ultimately result in housing. The funds assist with 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. Additionally, Proposition 1C, the Housing and Emergency Shelter Trust Fund Act of 2006, included provisions to fund brownfield cleanup that resulted in the expansion of CALReUSE. The CALReUSE Remediation Program received \$60 million in Proposition 1C funds and provides up to \$5 million per project in loans and grants for the purpose of brownfield cleanup that promotes infill residential and mixed-used development, consistent with regional and local land use plans.

40 - 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. This program sunsets effective January 1, 2012.

DETAILED EXPENDITURES BY PROGRAM

		2010-11*	2011-12*	2012-13*
PROGRAM REQUIREMENTS				
10	POLLUTION CONTROL TAX-EXEMPT BOND PROGRAM			
State Operations:				
0930	Pollution Control Financing Authority Fund	\$2,304	\$3,640	\$4,125
	Totals, State Operations	\$2,304	\$3,640	\$4,125
PROGRAM REQUIREMENTS				
20	CALIFORNIA CAPITAL ACCESS PROGRAM FOR SMALL BUSINESSES			
State Operations:				
0930	Pollution Control Financing Authority Fund	\$1,003	\$1,500	\$1,500
	Totals, State Operations	\$1,003	\$1,500	\$1,500
Local Assistance:				
0001	General Fund	\$6,000	\$-	\$-

* Dollars in thousands, except in Salary Range.

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	<u>2010-11*</u>	<u>2011-12*</u>	<u>2012-13*</u>
0890 Federal Trust Fund	\$27,823	\$27,823	\$28,666
Totals, Local Assistance	\$33,823	\$27,823	\$28,666
PROGRAM REQUIREMENTS			
30 CALIFORNIA RECYCLE UNDERUTILIZED SITES PROGRAM			
State Operations:			
0930 Pollution Control Financing Authority Fund	\$8,111	\$17,420	\$16,000
Totals, State Operations	\$8,111	\$17,420	\$16,000
PROGRAM REQUIREMENTS			
40 SUSTAINABLE COMMUNITIES GRANT AND LOAN PROGRAM			
State Operations:			
0930 Pollution Control Financing Authority Fund	\$544	\$744	\$-
Totals, State Operations	\$544	\$744	\$-
TOTALS, EXPENDITURES			
State Operations	\$11,962	\$23,304	\$21,625
Local Assistance	33,823	27,823	28,666
Totals, Expenditures	\$45,785	\$51,127	\$50,291

EXPENDITURES BY CATEGORY

	1 State Operations			Expenditures		
	<u>Positions/Personnel Years</u>			<u>2010-11*</u>	<u>2011-12*</u>	<u>2012-13*</u>
	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>			
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	19.8	26.5	23.5	\$1,064	\$1,314	\$1,341
Net Totals, Salaries and Wages	19.8	26.5	23.5	\$1,064	\$1,314	\$1,341
Staff Benefits	-	-	-	389	527	536
Totals, Personal Services	19.8	26.5	23.5	\$1,453	\$1,841	\$1,877
OPERATING EXPENSES AND EQUIPMENT						
				\$10,509	\$21,463	\$19,748
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$11,962	\$23,304	\$21,625

	2 Local Assistance			Expenditures		
	<u>2010-11*</u>	<u>2011-12*</u>	<u>2012-13*</u>			
Grants and Subventions	\$33,823	\$27,823	\$28,666			
TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)	\$33,823	\$27,823	\$28,666			

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS

1 STATE OPERATIONS	2010-11*	2011-12*	2012-13*
0930 Pollution Control Financing Authority Fund			
APPROPRIATIONS			
Government Code Section 17201	\$10,959	\$21,804	\$20,125
Government Code Section 17201 (California Capital Access Program for Small Business)	1,003	1,500	1,500
TOTALS, EXPENDITURES	\$11,962	\$23,304	\$21,625
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$11,962	\$23,304	\$21,625

* Dollars in thousands, except in Salary Range.

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2 LOCAL ASSISTANCE	2010-11*	2011-12*	2012-13*
0001 General Fund			
APPROPRIATIONS			
Chapter 731, Statutes of 2010	<u>\$6,000</u>	<u>-</u>	<u>-</u>
TOTALS, EXPENDITURES	\$6,000	\$-	\$-
0890 Federal Trust Fund			
APPROPRIATIONS			
Health and Safety Code section 44526	<u>\$27,823</u>	<u>\$27,823</u>	<u>\$28,666</u>
TOTALS, EXPENDITURES	\$27,823	\$27,823	\$28,666
8501 California Capital Access Fund			
APPROPRIATIONS			
Chapter 731, Statutes of 2010 (Transfer from the General Fund)	<u>\$6,000</u>	<u>-</u>	<u>-</u>
TOTALS, EXPENDITURES	\$6,000	\$-	\$-
Less funding provided by the the General Fund	<u>-6,000</u>	<u>-</u>	<u>-</u>
NET TOTALS, EXPENDITURES	\$-	\$-	\$-
TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)	\$33,823	\$27,823	\$28,666
TOTALS, EXPENDITURES, ALL FUNDS (State Operations and Local Assistance)	\$45,785	\$51,127	\$50,291

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