


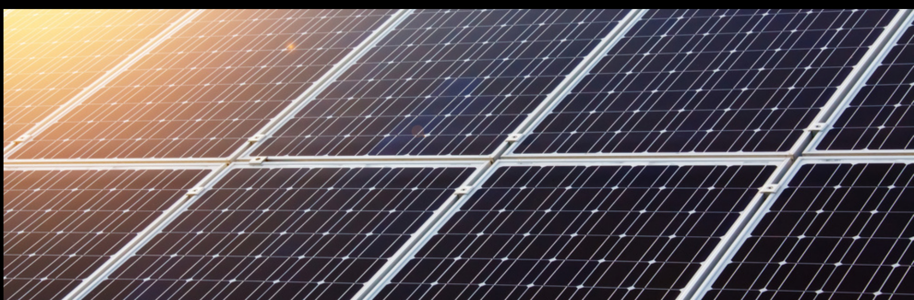


IBANK 2022-2023

Annual Report

IBank

California Infrastructure and Economic Development Bank

State of California
Gavin Newsom, Governor

Governor's Office of Business and Economic Development
Dee Dee Myers, Director

California Infrastructure and Economic Development Bank
Scott Wu, Executive Director

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Letter from IBank Executive Director

Executive Director
Scott Wu

IBank's programs have always served unmet needs in the market, ensuring continued investment and economic development in California, particularly during challenging times. Fiscal year 2022-23 proved no exception. As the Federal Reserve continued its efforts to curb inflation, interest rates rose, companies grappled with layoffs, and a number of regional banks failed. The resulting impact directly or indirectly touched all Californians.

In 2022-23, IBank's programs addressed those unmet financing needs, helping cities, counties, nonprofits, small businesses, climate entrepreneurs, and — for the first time — a venture fund, reaching **$1.5 billion in financing activity** and **creating and preserving 15,912 jobs for Californians.**

IBank also achieved **major milestones,** having issued more than **$1 billion in direct infrastructure loans** benefitting California communities through clean water, organic recycling, safer roads, fire protection, and more. IBank also reached **$2 billion in loans to small businesses enabled** by IBank's small business loan guarantees and reached **$50 billion in conduit bonds.**

Regional bank failures particularly affected the venture capital and climate innovation sectors. Fortunately, IBank was launching or expanding work in these very markets. Our Expanding Venture Capital Access program has the potential to bring relief to underrepresented fund managers in an environment where they face fundraising challenges much greater than in prior years.

In 2022-23, IBank:

- Helped cities and counties with **$86 million in loans for their infrastructure** projects.
- Served California nonprofits and public agencies through **$737 million in bond financing**.
- **Made it possible for small businesses to access more than $301 million** by issuing 938 loan guarantees.
- Took the first steps toward creating a more-inclusive venture capital ecosystem by issuing IBank's **first investment** through our **$200 million** Expanding Venture Capital Access Program.
- Led California's application to bring federal Greenhouse Gas Reduction Fund dollars to the state and expand IBank's services as a multi-purpose "green bank."
- Expanded the **Climate Tech Finance program statewide**, supporting entrepreneurs offering innovative clean-energy solutions.

Inclusivity in how we serve Californians means expanding access to all, including those who are underrepresented. IBank's first VC investment in Unshackled Ventures (page 33), a fund focused on immigrant entrepreneurs, illustrates this effort.

While there is plenty of room to grow, IBank is listening and learning. This year, we solicited input from those we serve, incorporating feedback across all IBank programs to make continuous improvements (see boxes "Californians spoke, IBank took action"). We also took every opportunity to streamline and improve our business processes to provide better service to our customers (see boxes "Improving systems/Maximizing efficiency").

Last, but not least, it bears mentioning that **everything in this report was accomplished by IBank's small but dedicated team working across the state**. From our program improvements to our high level of customer service and support, to our relationship building with external partners, every accomplishment — big and small — is a testament to our team's commitment to public service. I am truly proud of the talent we have acquired and continue to maintain and look forward to sharing more of our accomplishments in the future.

Scott Wu
IBank Executive Director

Changes to this Report

In previous years, by statute, IBank issued three separate annual reports – one for our loans and bonds activity, one for climate financing, and one for small business activity. Senate Bill 1489 (2022) allowed us to begin submitting one, consolidated report and telling the full IBank story.

Icon Key

This year, we designed our new comprehensive report to reflect our three priority areas, adding icons that show how the following priorities are embedded throughout IBank's work:

1. Creating and preserving jobs.

2. Being inclusive in how we serve Californians and expanding access to underserved communities.

3. Addressing climate change and protecting the environment.

About IBank

Our Mission

To provide financial assistance to support infrastructure and economic development in California.

What We Do, Why It Matters

IBank finances important projects that touch our daily lives and supports municipalities, nonprofits, large and small businesses, startups, and climate entrepreneurs throughout California.

We do this by:

- Issuing low-cost loans directly to state and local government entities, including cities and counties, and to nonprofit organizations. These loans help fund **critical projects that affect our daily lives**, including water and wastewater treatment plants, airports, and street repairs.

- Issuing bonds that make funding available for a variety of **projects that enrich our lives**, including museums, performing arts centers, educational facilities, research institutes, manufacturing facilities, and more.

- Helping **small business owners** and other entrepreneurs and innovators who would not otherwise qualify for loans to **access the funding they need** to launch, grow, and thrive.

- **Expanding access to venture capital** to create a more-inclusive venture capital ecosystem, including access for underrepresented fund managers and startups, those located in underserved regions, and to address climate equity.

- Increasing capital access by sharing risk and reducing the cost of capital for priority projects and businesses that are **advancing California's climate-change efforts**.

IBank's Top Priorities

1. Creating and preserving jobs — All IBank programs emphasize creating or retaining jobs for Californians and contribute to economic development throughout the state.

2. Being inclusive in how we serve Californians and expanding access to underserved communities — We strive to expand our program benefits to Californians throughout the state — including underserved populations and communities, such as small business owners who are female or people of color; residents of low-to-moderate income communities or small/rural areas; and other disadvantaged populations.

3. Addressing climate change and protecting the environment — IBank continues to expand its role in environmental/climate financing and embed this priority in all IBank financing programs. We help finance projects that create and sustain a cleaner, healthier, and safer environment for all Californians.

Why IBank?

When you do business with IBank, you get service with a personal touch from our focused team of dedicated experts that reflects California's diverse population.

Both our staff and our senior management team represent the diversity of the state.

We bring you decades of experience, are quick to respond, and are dedicated to helping all Californians.

Meet the IBank team — visit our website: www.ibank.ca.gov. (Click on About \ Our Team)

Our Board

Dee Dee Myers
Director of the Governor's Office of Business and Economic Development (GO-Biz)

Fiona Ma
State Treasurer

Joe Stephenshaw
Director of the Department of Finance

Toks Omishakin
Secretary of the California State Transportation Agency

Marc Steinorth
Retired State Legislator, Governor's Appointee

Programs and Accomplishments

IBank is the state's only general-purpose financing authority, offering an extensive array of programs to serve Californians. IBank's current programs include:

Infrastructure State Revolving Fund Program

Expanding Venture Capital Access

Small Business Finance Center

Bond Financing Program

Climate Financing

- **Infrastructure loans for municipalities** — IBank provides loans to state and local governments and nonprofits for public infrastructure and economic development projects.
  - Infrastructure State Revolving Fund Program (ISRF), including loans for green projects
- **Credit support for small businesses** — IBank offers a number of programs to help small businesses and startups gain access to capital.
  - Small Business Loan Guarantee program
  - Disaster Relief Loan Guarantee program
  - COVID Micro Loan Guarantee initiative
  - Climate Tech loan guarantees
  - Jump Start program
  - Farm Loan program
- **Climate financing** — Flexible debt financing to help meet the state's greenhouse gas reduction goals.
  - Climate Catalyst Revolving Loan Fund
  - Lead entity for state application to the federal Greenhouse Gas Reduction Fund
- **Capital to create a more-inclusive venture capital ecosystem**
  - Expanding Venture Capital Access Program
    - Inclusive managers fund
    - Emerging managers fund
    - Direct co-investment fund
- **Bond financing for nonprofits, public agencies, green bonds, and more** — IBank has broad statutory authority to issue tax-exempt and taxable revenue bonds.
  - Bond Financing Program offerings
    - 501(c)(3) Bonds
    - Industrial Development Bonds
    - Exempt Facility Bonds
    - Public Agency Revenue Bonds

As of Sep. 2023

IBank BY THE NUMBERS

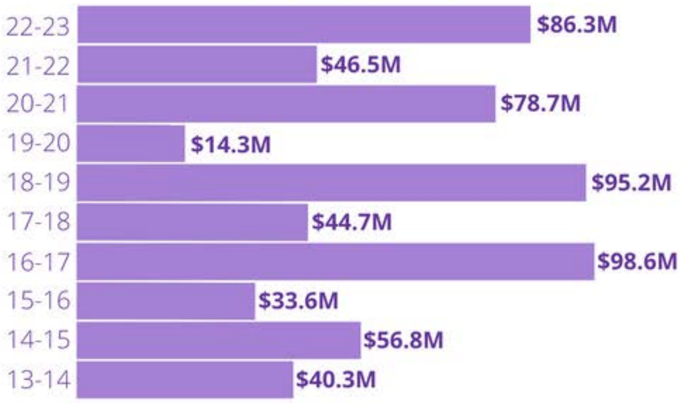
$1B
Total infrastructure **loans** closed

24,746
jobs reported from loan projects

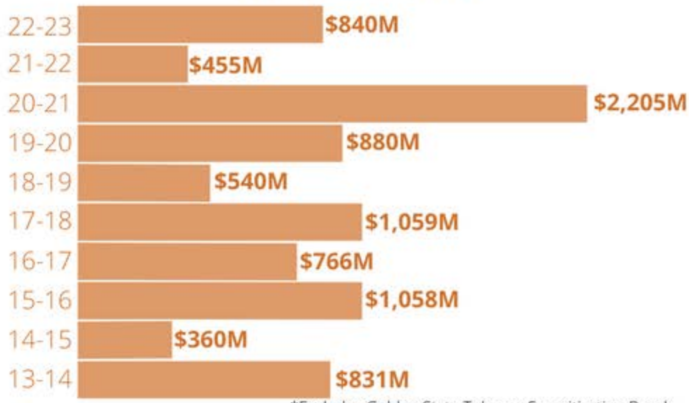
$51B
Total **bond** activity

59,266
jobs reported from bond projects

IBank Loans Closed



IBank Bonds Issued*



*Excludes Golden State Tobacco Securitization Bonds

Green Municipal Loans Closed
$152M

$225M
For **Clean Energy Transmission**

Green and Social Bonds Issued
$2.8B

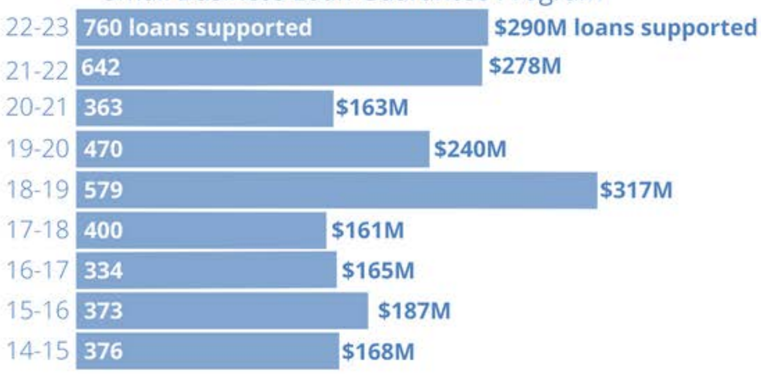
As of Sep. 2023

IBank BY THE NUMBERS

$2B
small business loans supported since FY 13-14*

449K
jobs created or retained since program inception

Small Business Loan Guarantee Program



Covid-19 Microloan Guarantee Initiative

$110M in Covid-19 loan guarantees
2,374 microbusinesses served
86% female-/minority-owned or low- to moderate-income area
< 5 employees on average

Jump Start Loans
1,979
hours of technical assistance provided to **542** startups

Farm Loans
93
number of loans closed

Venture Capital
$200M
new state program for the underrepresented

Climate Tech
$30M
loans supported since FY 20-21

*Includes small business, disaster and Covid loan guarantees

ibank.ca.gov

Infrastructure State Revolving Fund Program

Loan Origination Manager
Lina Benedict

Loan Servicing Manager
John Weir

Highlights:

- Achieved a **major milestone**, having **closed more than $1 billion in loans to cities, counties, and special districts** across the state, including more than $152 million in green loans and creating more than 24,000 jobs for Californians.
- Raised maximum infrastructure loan amount to $65 million.
- Financed more organic-waste facilities, helping municipalities comply with SB 1383 (2016).

The Infrastructure State Revolving Fund (ISRF) program provides low-cost public financing to state and local government entities, including municipalities and publicly sponsored nonprofit organizations for a wide variety of public infrastructure and economic development projects.

ISRF financing is available in amounts ranging from $1,000,000 to $65,000,000 with loan terms for the useful life of the project up to a maximum of 30 years. ISRF-financed projects include water and wastewater treatment plants, solid waste projects related to Senate Bill 1383 (Lara, 2016), police and fire stations, parks, community centers, venues, airports, streetlights, street repair and upgrades, and many other community needs.

Eligible applicants must be located in California and include any subdivision of a state or local government, including departments, agencies, commissions, cities, counties, nonprofit corporations formed on behalf of an applicant, special districts, assessment districts, and joint powers authorities within the state or any combination of these subdivisions. With appropriate sponsorship from a public agency, an eligible applicant may also be a company, nonprofit organization, or other eligible entity engaged in business or operations within the state.

Fiscal Year 2022-23

In 2022-23, IBank closed $86 million in loans to municipalities for infrastructure projects, and leveraged more than $22 million in additional economic activity, creating 1,179 jobs for Californians.

"Infrastructure is all around us, but it's easy to take for granted. You might not think about the importance of updating wastewater treatment facilities until a sewer spill shuts down your family's trip to the beach. IBank is proud to finance critical infrastructure projects that affect our daily lives — from upgrading public safety facilities and airports to repairing streets and enabling organic waste recycling." — ***Scott Wu, IBank Executive Director***

IBank reaches $1 billion in infrastructure loans supporting California communities

IBank also achieved a major milestone, surpassing $1 billion in closed loans to cities, counties, and special districts to finance critical infrastructure for communities around the state. Projects have supported Californians through clean water, organic recycling, safer roads, fire protection, and more, while creating more than 24,000 jobs for Californians. By exceeding $1 billion in loans and counting, including more than $152 million in green loans, IBank continues to demonstrate how a public finance program can generate incredible leverage on just $162 million of original seed capital from the state's General Fund.

Activity Summary
Infrastructure State Revolving Fund Loans
Fiscal year 2022-2023

IBank Program	Financings Approved	Financings Closed	Jobs[1]	Amount Approved	Amount Closed[2]	Leverage[3]
Infastructure State Revolving Fund Loans	4	5	1179	$66,300,000	$86,300,000	$22,054,000
Short-Term Loans	0	0	N/A	$0	$0	$0
Totals	4	5	1179	$66,300,000	$86,300,000	$22,054,000

NOTES: [1]Jobs are the total number of construction, full-time and part-time permanent jobs expected from a project, as reported by borrowers from closed financings. [2]The amount closed for ISRF Loans reflects $20 million for the City of Encinitas that was approved in 2021-2022. [3]Leverage is referring to additional sources of funding, including, but not limited to, the borrower's contribution, as reported by the borrower on closed financings. The Infrastucture State Revolving Fund program is a leveraged loan program, which means IBank issues revenue bonds secured by the repayments received from approved program financings.

Infrastructure State Revolving Fund - Financings Closed Fiscal Year 2022-2023						
Borrower	Location	Interest Rate	Category/Description	Jobs[1]	Amount Closed	Leverage[2]
City of Encinitas	Encinitas, CA	3.30%	**City Streets:** The City of Encinitas's Leucadia Streetscape project to enhance the North Coast Highway 101 corridor.The project is a 2.5-mile stretch of North Coast Highway 101 (from A Street to La Costa Avenue). The Project (Segment C) includes, but is not limited to, improvements to sidewalks, curbs, gutters, enhanced crosswalks, raised medians, roundabouts, buffered bike lanes, increased parking options, drainage improvements and new stormwater infrastructure, and landscaping elements.	217	$20,000,000	$420,000
Sacramento County	North Highlands, CA	4.67%	**Solid Waste Collection and Disposal:** The $35M Project involves the construction of a new commercial waste transfer building within the existing North Area Recovery Station in North Highlands, CA. It will be an enclosed structure transfer building for organic waste and regular municipal solid waste. This facility will receive both residential source-separated organic waste (green waste, food waste, and food-soiled paper) and commercially collected municipal solid waste. Senate Bill 1383 (2016) mandates that food waste be collected and diverted from landfills, and that the combined green and food waste can no longer be appropriately handled outdoors long term.	710	$35,000,000	-
Tiburon Fire Protection District	Tiburon, CA	4.44%	**Public Safety Facilities:** The project is to construct a new 5,455 sq. ft. two-story fire station building at the location of the existing Station 10 building. Station 10 was constructed in 1960 and has reached the end of its useful life and is to be demolished. The new station will be classified as an essential structure, meeting all ADA and other building code requirements, while providing accommodations for additional personnel, larger living quarters for a diverse workforce, and room for a modern fire apparatus. The Project site is owned free and clear by the District.	12	$4,300,000	$1,538,000
City of Watsonville	Watsonville, CA	4.23%	**Solid Waste Collection and Disposal:** The loan proceeds will be used to build a new 7.1-acre landfill site. The scope of work includes but is not limited to (1) Excavating and grading the site ($1.5M), (2) Constructing a green and wood waste processing plant ($3.5M), and (3) Purchasing a compactor ($1M). Senate Bill 1383 (2016) mandates that food waste be collected and diverted from landfills, and that the combined green and food waste can no longer be appropriately handled outdoors long term.	1	$6,000,000	$60,000
City of Pacifica	Pacifica, CA	4.36%	**Sewage Collection and Treatment:** The City has several capital improvement projects that are grouped together under the umbrella of one large project, broken up into two phases. Phase 1, the Project to be financed by ISRF Program funds for $21M, involves the rehabilitation and replacement of the Lower Linda Mar collection systems and replacement of the Ultraviolet Disinfection System.	239	$21,000,000	$20,036,000
TOTALS				**1179**	**$86,300,000**	**$22,054,000**

NOTES: [1]Jobs are the total number of construction, full-time, and part-time permanent jobs expected from a project, as reported by borrowers from closed financings. [2]Leverage is referring to additional sources of funding, including, but not limited to, the borrower's contribution, as reported by the borrower on closed financings. The Infrastructure State Revolving Fund program is a leveraged loan program which means IBank issues revenue bonds secured by the repayments received from approved Infrastructure State Revolving Fund program financings.

Californians spoke, IBank took action

- **Expanding access** — To meet municipalities' evolving needs, IBank increased its loan maximum to $65 million to reflect increasing costs and allow financing for larger capital improvement projects.
- **Increasing transparency** — Began publishing infrastructure loan interest rates for most-recent closed loans on IBank's website.
- **Simplifying guidelines** — Revised interest-rate guidelines to make them more streamlined and easier to understand.

Improving systems/Maximizing efficiency

- IBank and its loan customers benefitted from full implementation of a new loan servicing software that integrates customer service, compliance, and accounting functions into one system, allowing IBank to more quickly deliver notices and invoices and respond faster to borrower inquiries.

- IBank began laying the groundwork to implement an online portal for borrowers to directly access their loan accounts. Once implemented, borrowers will be able to view their loan balances, next payment due, previous billings, and other details of their loans. They will also be able to update their contact information, receive notices, and submit documents online.

Organic Waste Recycling
Cutting Pollution and Creating Jobs

In 2022-23, more municipalities began turning to IBank to finance their solid waste and organic-recycling facilities, to comply with SB 1383 (Lara, 2016) requirements for statewide organic waste recycling and food recovery capacity. In addition to several in process, IBank financed two projects helping local governments reduce GHGs and create green jobs.

*"We embed climate and environmental protection as a prerogative in all IBank financing programs. Helping local governments like Sacramento County comply with laws that reduce greenhouse gases is just one of the ways IBank facilitates a cleaner environment for all Californians." — **IBank Executive Director Scott Wu***

IBank loans $35 million to help Sacramento County reduce greenhouse gases with new organic waste facility

New commercial waste transfer building project will make it easier to manage solid and organic waste and meet the needs of the growing Sacramento region

Additional benefits: Will improve operational efficiency and safety, improve service times, and reduce truck idle times.

*"The much-needed North Area Recovery Station project will improve customer service and the site's operational safety overall. Additionally, this funding mechanism will support compliance with state mandates and our commitment to providing safe, reliable, and high-quality collection services at the lowest possible rates." — **Sacramento County Waste Management and Recycling Interim Director Keith Goodrich***

IBank loans $6 million to city of Watsonville to build new landfill

Project will enable more environmentally sustainable practices, contributing to a cleaner environment

Additional benefits: Will save the city $180,000 each year and reduce the municipality's consumption of petroleum products by diverting waste to this new landfill.

Aerial photo of Landfill Phase IV

*"Helping cities fund infrastructure improvements that contribute to a cleaner environment for residents is one of IBank's top priorities. We're proud to be part of the solution, enabling cities and counties to comply with new laws that help California meet its climate goals." — **IBank Executive Director Scott Wu***

"City staff had a great experience in working through this loan application. The process was efficient, IBank staff was thorough, responsive, and great to work with. Residents of Watsonville are the beneficiaries of this transaction given that the loan helps mitigate the costs of disposing of our local waste in our own landfill."
— Tamara Vides, Assistant City Manager and Interim Public Works Director for the City of Watsonville

"California's critical investments in local organics recycling infrastructure help communities fight the climate crisis that's caused more frequent wildfires and drought in seven of the last ten years. Collaboration with IBank and other state and private sector partners is essential to meeting California's climate goals and creating a renewable, circular economy with less pollution and more green jobs." — ***CalRecycle Director Rachel Machi Wagoner***

Small Business Finance Center

Small Business Finance Center
Program Manager
Megan Hodapp

Highlights:

- Reached milestone of **$2 billion in loans to small businesses enabled** by IBank's small business loan guarantees.
- **Supported 938 loans to small businesses** — including a record-breaking 760 guarantees through IBank's traditional Small Business Loan Guarantee program, 176 through the COVID-19 Micro Loan Guarantee initiative, and 2 through the Disaster Relief Loan Guarantee Program.
- **Created or retained 14,163 jobs** for Californians.
- In partnership with the State Treasurer's Office, began deploying **$1.2 billion from the federal government** to California to help small businesses.

The Small Business Finance Center's Small Business Loan Guarantee Program (SBLGP) received seed money in 1968 to help reduce unemployment by supporting entrepreneurship and small businesses.[*] The Small Business Finance Center promotes statewide economic development by increasing opportunities for entrepreneurs, the self-employed, microbusinesses, and small business owners and to ensure better access to capital and other technical resources.

Partnership with Financial Development Corporations

California's Financial Development Corporations (FDCs) were created in the California Corporations Code to help the Small Business Finance Center administer its programs throughout the state, removing barriers small businesses face accessing capital. Each FDC is a nonprofit corporation with general responsibilities for marketing and administering Small Business Finance Center programs. As mission-based organizations, the FDCs support small businesses and stimulate economic growth in underserved communities.

[*] Businesses with 750 employees or fewer

Similar to IBank, the FDCs' combined workforce of 49 employees represent the diversity of California, comprised of 73% minority staff who speak a wide variety of languages.

After its annual assessment of the effectiveness of the services provided by each FDC, IBank offered contracts to seven FDCs listed below in 2022-23. The FDCs are strategically located throughout the state with satellite offices that reach statewide. (For additional information about the FDCs, see Appendix A.)

California Capital Financial Development Corporation
Founded: 1982
Locations: Sacramento, Stockton, Yuba City, Rocklin

California Coastal Rural Development Corporation
Founded: 1981
Locations: Salinas, Santa Maria, Santa Barbara

California Southern Small Business Development Corporation
Founded: 1989
Location: San Diego

Nor-Cal Financial Development Corporation
Founded: 1978
Location: Oakland

Pacific Coast Regional Small Business Development Corporation
Founded: 1977
Locations: Los Angeles, Compton

Small Business Development Corporation of Orange County
Founded: 2001
Locations: Santa Ana, Redlands

Valley Small Business Development Corporation
Founded: 1981
Locations: Fresno, mobile office covers Central San Joaquin Valley

Fiscal Year 2022-23

In 2022-23, IBank reached a major milestone, having enabled $2 billion in loans to small businesses made possible by IBank's Small Business Loan Guarantee Program. In partnership with the California Pollution Control Financing Authority (part of the California State Treasurer's Office), IBank also began deploying the first of three tranches totaling $1.2 billion to California from the U.S. Department of the Treasury's State Small Business Credit Initiative (SSBCI). IBank's allocation of these funds support small business loan guarantees and its new venture capital program (see Expanding Venture Capital Access, page 32).

Small Business Loan Guarantee Program

IBank's Small Business Finance Center's Loan Guarantee Program helps small businesses that traditionally experience barriers when trying to access funding. By reducing risk to lenders, the Small Business Loan Guarantee Program gives lenders the confidence they need to lend to small businesses that otherwise struggle to access affordable financing. The program helps businesses create and retain jobs and encourages investment in low- to moderate-income communities.

The Small Business Loan Guarantee Program incentivizes lenders to make loans to small businesses by offering guarantees up to 80% of eligible loan amounts. The loans can be up to $20 million, with a maximum guarantee of $5 million. In the event of a default, following a prescribed process, the lender liquidates the collateral, and then, if the loan still has an unpaid balance, files a claim for the percentage in the guarantee agreement for the remaining balance. This process allows lenders to mitigate risk when making small business loans, thereby stimulating the economy with a combination of public/private funds. As a result, participating small businesses can secure financing for the growth and expansion of their business.

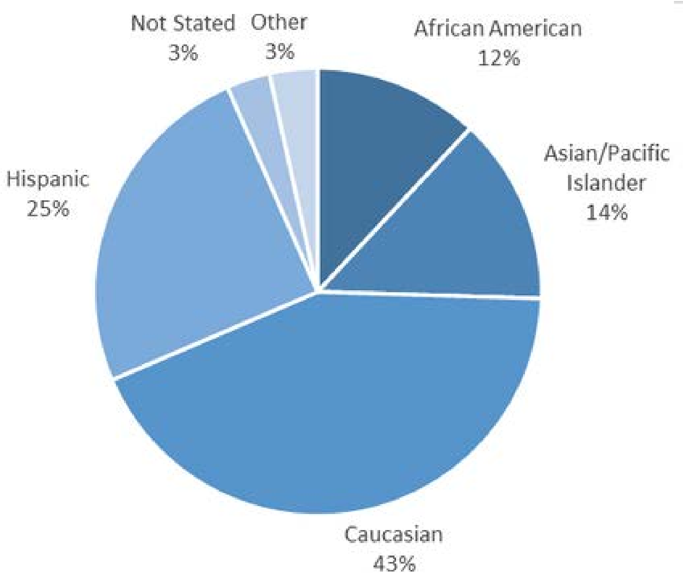
Small Business Loan Guarantee Program (State Funded)

In 2022-23, through its state-funded Small Business Loan Guarantee Program, the Small Business Finance Center guaranteed 318 loans, resulting in $197 million in loans, supported by $146 million in loan guarantees. This guarantee activity contributed to $273 million of overall capital injected into the state's small business community. Small business owners reported 7,167 jobs were created or retained because of these loan guarantees.

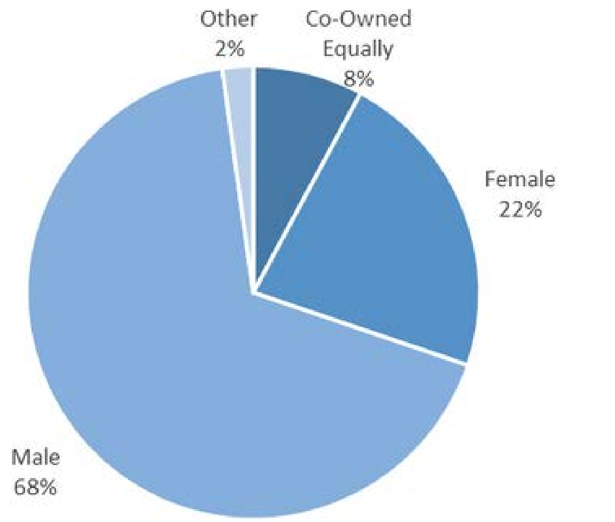
In 2022-23, the Small Business Loan Guarantee Program paid 24 claims totaling $1,733,563. The losses were 1.4% of the reserve account and 0.3% of the loan outstanding principal of $690,824,955.

Year	Net Claims	Average Guaranteee Balance	Annual Net Charge-Off Rate
FY 22/23	$1,583,845	$499,731,935	0.32%

Ethnicity of Loan Guarantee Recipients (State Funded)*



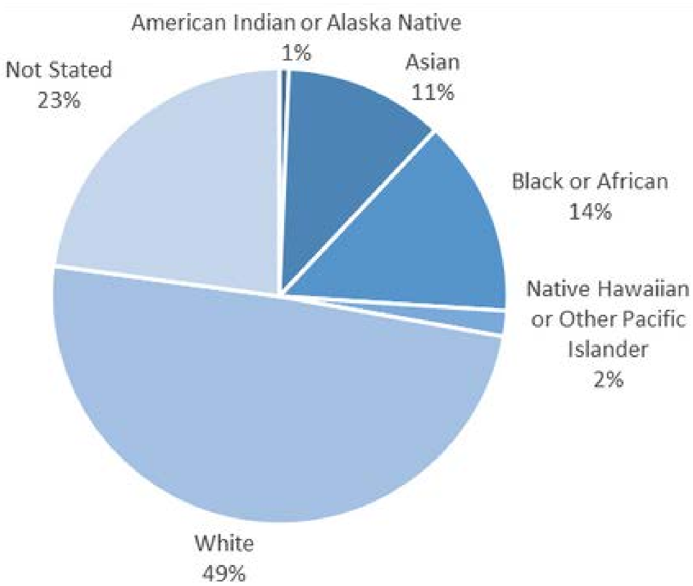
Gender of Loan Guarantee Recipients (State Funded)



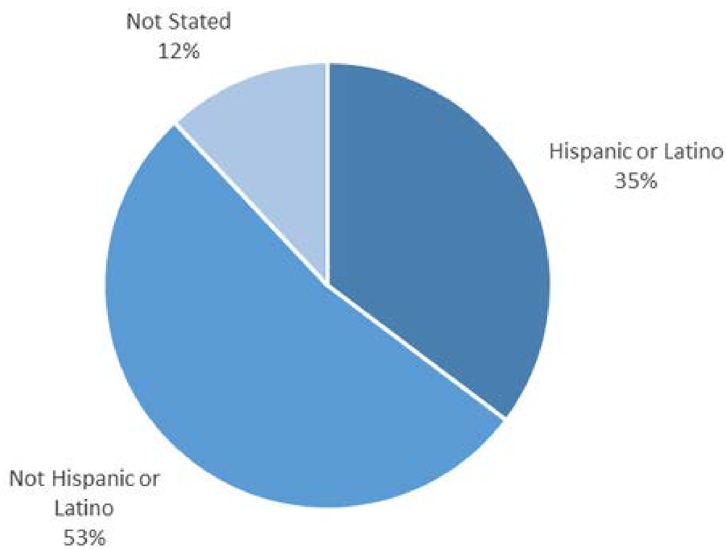
Small Business Loan Guarantee Program (Federally Funded)

Beginning in fall of 2022, through the federal SSBCI funded Small Business Loan Guarantee Program, IBank guaranteed 442 loans ($74 million in loan guarantees), resulting in $93 million in loans to small businesses. This guarantee activity contributed to $125 million of overall capital injected into the state's small business community. Small business owners reported 6,002 jobs were created or retained because of these loan guarantees.

Race of Loan Guarantee Recipients (Federally Funded) *

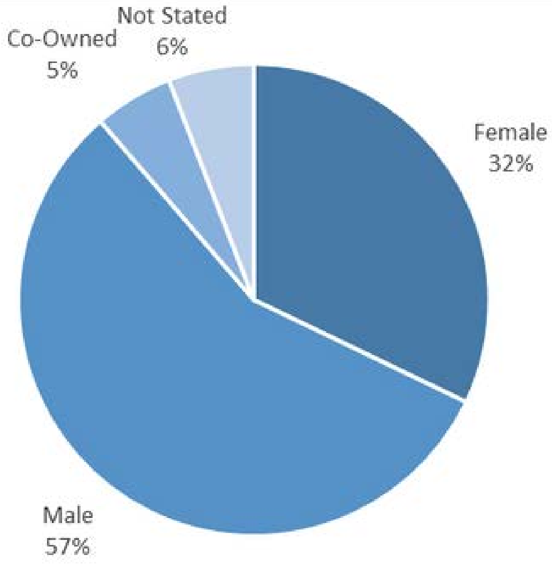


Ethnicity of Loan Guarantee Recipients (Federally Funded)*



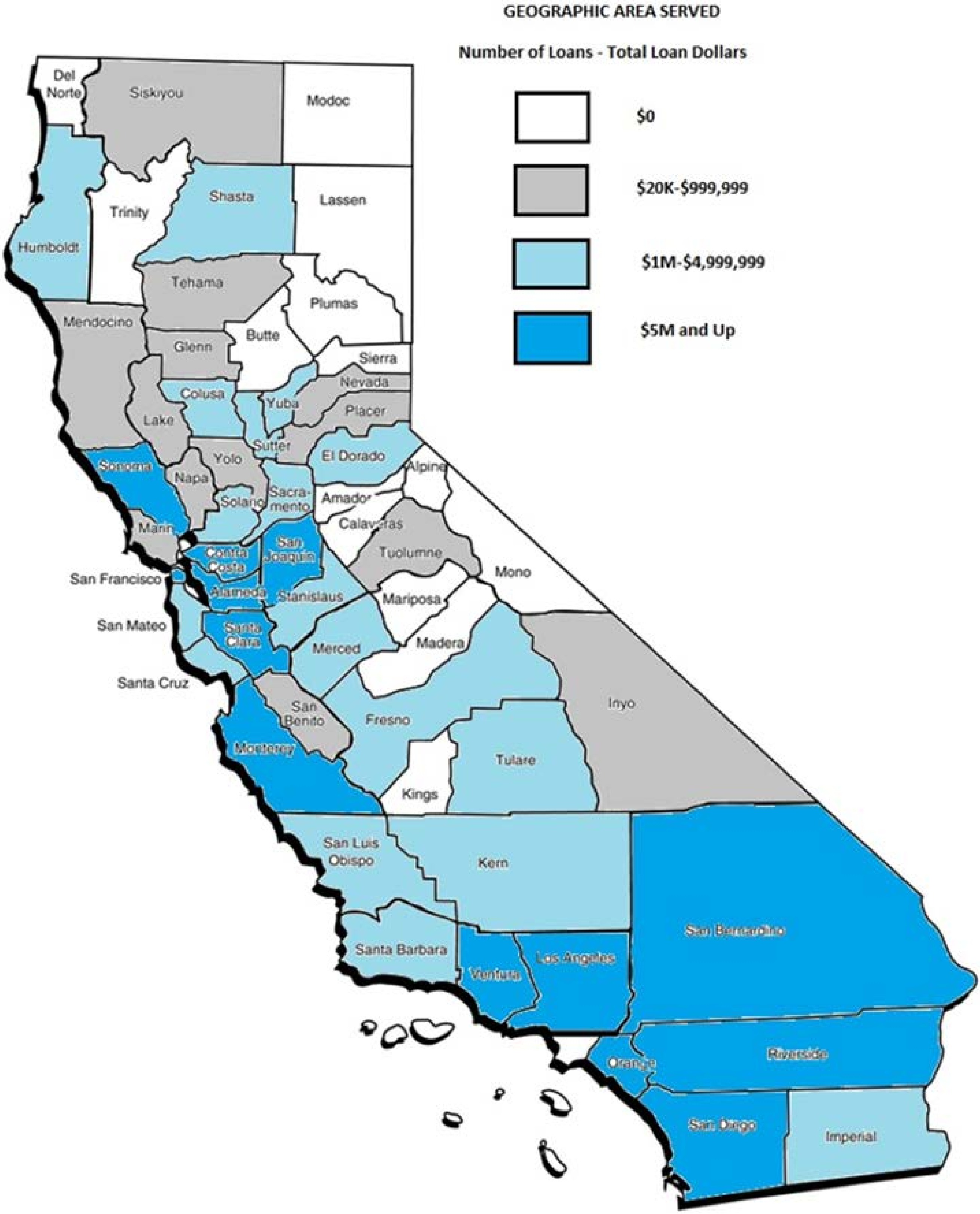
* Federal and state race/ethnicity categories differ due to their respective reporting requirements. Source for race and ethnicity data for federally funded loan guarantee recipients is California Financial Development Corporations (FDCs).

Gender of Loan Guarantee Recipients (Federally Funded)



Geographic Distribution of Loan Guarantee Activity (State and Federally Funded)

County	Total Loan Amount	# of Loans
Los Angeles	$ 65,893,657.97	128
Orange	$ 37,987,429.78	51
San Diego	$ 36,638,039.83	127
Alameda	$ 20,785,299.98	56
Riverside	$ 17,254,845.33	61
Ventura	$ 12,387,000.00	11
Monterey	$ 8,110,500.00	10
San Francisco	$ 8,102,500.00	58
Sonoma	$ 6,585,737.00	18
Contra Costa	$ 6,460,000.00	18
San Bernardino	$ 6,267,490.72	31
Santa Clara	$ 5,275,000.00	18
San Joaquin	$ 5,137,500.00	12
San Mateo	$ 4,845,000.00	14
Tulare	$ 4,781,655.96	4
Shasta	$ 4,400,000.00	1
Santa Barbara	$ 4,137,642.50	9
Kern	$ 4,127,923.00	14
Stanislaus	$ 3,935,000.00	13
Humboldt	$ 3,227,400.00	3
Fresno	$ 2,441,433.00	12
Solano	$ 2,205,706.31	11
Sutter	$ 1,975,000.00	4
Merced	$ 1,962,000.00	4
San Luis Obispo	$ 1,815,730.00	5
Santa Cruz	$ 1,685,000.00	4
Imperial	$ 1,604,479.80	21
Colusa	$ 1,526,000.00	2
Sacramento	$ 1,302,000.00	14
El Dorado	$ 1,050,000.00	2
Yuba	$ 1,040,000.00	2
Placer	$ 964,301.97	2
Glenn	$ 930,000.00	1
Siskiyou	$ 685,000.00	2
Tehama	$ 475,000.00	1
Tuolumne	$ 441,000.00	2
Mendocino	$ 351,633.00	3
Lake	$ 300,000.00	1
Nevada	$ 300,000.00	1
Inyo	$ 275,000.00	2
Yolo	$ 250,000.00	2
Marin	$ 75,000.00	2
Napa	$ 75,000.00	2
San Benito	$ 50,000.00	1
Grand Total	**$ 290,118,906.15**	**760**


GEOGRAPHIC AREA SERVED
Number of Loans - Total Loan Dollars
$0
$20K-$999,999
$1M-$4,999,999
$5M and Up
Del Norte
Siskiyou
Modoc
Humboldt
Trinity
Shasta
Lassen
Tehama
Plumas
Mendocino
Glenn
Butte
Sierra
Nevada
Colusa
Yuba
Placer
Lake
Sutter
El Dorado
Yolo
Alpine
Sonoma
Napa
Sacra-mento
Solano
Amador
Calaveras
Marin
San Joaquin
Contra Costa
Tuolumne
Mono
San Francisco
Alameda
Stanislaus
Mariposa
San Mateo
Santa Clara
Merced
Madera
Santa Cruz
Inyo
San Benito
Fresno
Monterey
Tulare
Kings
San Luis Obispo
Kern
San Bernardino
Santa Barbara
Los Angeles
Ventura
Orange
Riverside
San Diego
Imperial

Small Business Loan Guarantee Program Production by FDC (State and Federally Funded)

FDC Name	Loan Amount	Initial Guarantee Liability	Total Financing Package	Jobs Created and Retained
California Capital	$16,774,202	$13,038,842	$16,774,202	674
California Coastal	$17,052,373	$13,561,898	$17,052,373	343
California Southern	$80,839,484	$57,619,411	$113,527,496	3,610
Nor-Cal	$90,327,405	$68,653,788	$129,391,851	4,137
PCR	$9,661,026	$7,728,820	$13,953,062	659
SBDC OC	$67,770,917	$52,719,547	$92,603,114	3,228
VSBDC	$7,693,500	$6,094,800	$15,242,793	517
Grand Total	**$290,118,906**	**$219,417,107**	**$398,544,891**	**13,168**

2022-23 Top Lenders by Number of Loans

Order	Lender	# of Loans
1	Accessity	172
2	Working Solutions CDFI	86
3	Main Street Launch	59
4	CDC Small Business Finance	38
5	Pacific Community Ventures	25
6	Endeavor Bank	25
7	F&M Bank	18
8	American Business Bank	15
9	TMC Community Capital	13
10	City National Bank	11

2022-23 Top Lenders by Dollars Loaned

Order	Lender	Dollars Loaned
1	Sunwest Bank	$26,934,185
2	Endeavor Bank	$20,411,128
3	City National Bank	$18,642,000
4	United Business Bank	$16,448,000
5	American Business Bank	$15,628,750
6	F&M Bank	$11,926,802
7	RSF Social Finance	$11,750,000
8	Mission Valley Bank	$8,705,000
9	BSD Capital, Inc DBA Lendistry	$8,612,500
10	Citizens Business Bank	$8,090,000

Disaster Relief Loan Guarantee Programs (DRLGP)

Helping businesses survive and recover in difficult times

Traditional DRLGP

The Small Business Finance Center's Disaster Relief Loan Guarantee Program was created to help businesses recover from a declared disaster. The loan guarantees provided by the DRLGP help mitigate barriers to capital for small businesses that have suffered a loss (either physical or economic) due to a disaster. The program helps businesses remain solvent during an extremely difficult time and eventually recover from their losses.

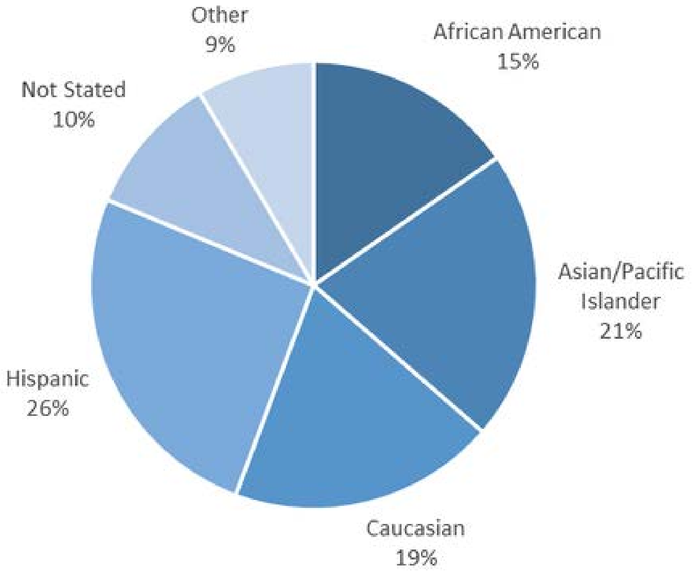
The maximum disaster loan amount is $1.25 million, and they can be guaranteed up to 95% of the loan or $1 million maximum, whichever is less. The maximum guarantee term is seven years. The interest rates are negotiated between the lender and the borrower. In 2022-23, the Small Business Finance Center guaranteed two traditional disaster relief loans, resulting in $1.2 million in disaster relief loan guarantees that supported $1.3 million in small business loans. Small business owners reported 176 jobs were created or retained because of these loan guarantees.

COVID-19 Micro Loan Guarantee Initiative

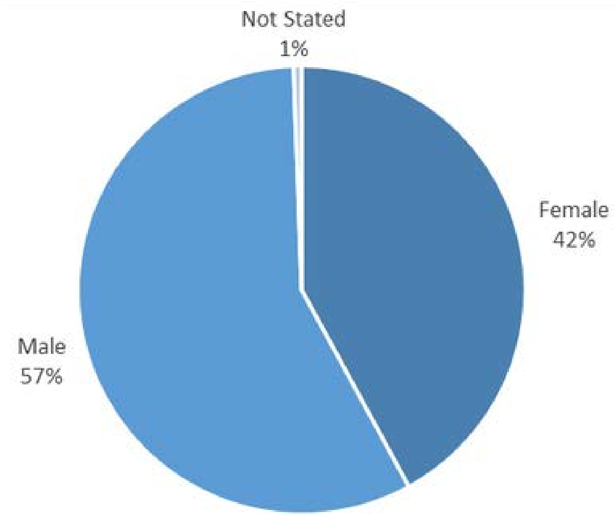
The COVID-19 Micro Loan Guarantee Initiative addresses gaps in available financing to the smallest of small businesses, including those that may not qualify for federal disaster assistance and businesses that are female owned, minority owned, or located in low-wealth communities. Loan proceeds for the COVID-19 Micro Loan Guarantee Initiative must be used for business continuance and to cure a "significant economic injury" as the result of the COVID-19 pandemic. In April 2020, IBank received a $50 million allocation and the Small Business Finance Center quickly launched the COVID-19 Micro Loan Guarantee Initiative within the DRLGP. The $50 million of funds were leveraged to enable more than $109 million in loans to small businesses and the Small Business Finance Center continued to leverage this allocation in 2022-23.

In 2022-23, the Small Business Finance Center guaranteed 176 COVID-19 micro loans. This resulted in $9.8 million in loan guarantees that supported $10.4 million in disaster relief loans. Small business owners reported 818 jobs were created or retained because of these loan guarantees.

Ethnicity of COVID-19 Micro Loan Guarantee Recipients



Gender of COVID-19 Micro Loan Guarantee Recipients



COVID-19 Micro Loan Guarantee Initiative: Program Totals Since Inception

Since its inception in April 2020, the COVID-10 Micro Loan Initiative has approved loan guarantees for 2,362 micro loans totaling $109 million in loans with $103 in guarantee dollars. Of these guarantees, 86% of them have been to businesses that are either woman or minority owned, or located in low-to-moderate income tracts. The average loan amount is less than $50,000 showing that this program has truly helped the smallest of the small on the road to COVID-19 recovery.

Borrowers	Number of Recipients	Percentage
Women, Minority, or Low- to Moderate Income	2,041	86.40%

Losses for this program are beginning to accelerate, which is not unexpected and the reason the established leverage ratio for this program was set at 2-to-1 instead of the 5-to-1 leverage cap used in the SBLGP. In 2022-23, the COVID-19 Micro Loan Guarantee Initiative paid 72 claims totaling $3,024,776. The losses were 7% of the reserve account and 4.6% of the $65,054,236 loan outstanding principal.

Year	Net Claims	Average Guarantee Balance	Annual Net Charge-Off Rate
FY 22/23	$3,021,935	$65,958,198	4.58%

Farm Loan Program: Direct Lending

Helping California small farms

The Small Business Finance Center's Farm Loan Program provides direct loans to small farms in California through corporations that are also approved lenders of the U.S. Department of Agriculture, Farm Services Agency, which guarantees up to 90% of those loans.

The Farm Loan Program was utilized by one FDC in 2022-23.

FDC Name	Number of New Farm Loans	Amount of New Farm Loans	Number of Jobs Created or Retained
Valley	4	$1,057,500	171

Total Pending Disbursements*	Total Outstanding Balance in the Trust Fund	Number of Defaults
$1,068,337	$4,213,272	0

*Pending disbursements are those amounts obligated, but not yet disbursed, of all open farm loans.

Jump Start Loan Program: Direct Lending and Technical Assistance

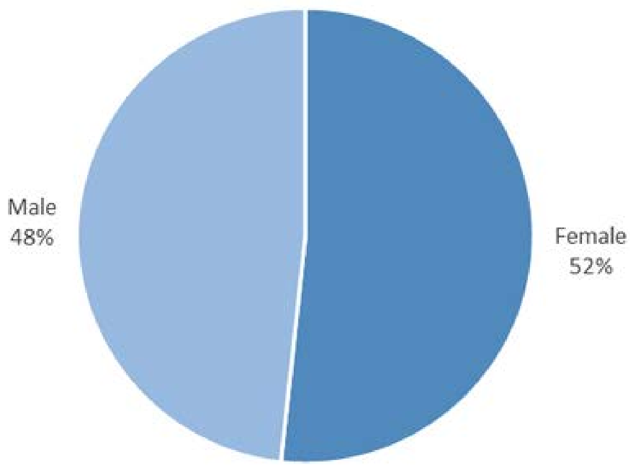
Increasing access to low-wealth entrepreneurs in low-wealth communities

In 2016, the IBank Board of Directors approved the creation of the Jump Start Loan Program, a micro loan and technical assistance program for low-wealth entrepreneurs in low-wealth communities. The Jump Start program offers small business loans to entrepreneurs focusing on underrepresented populations including women, people of color, veterans, people with disabilities, and people who have exited correctional facilities. Small businesses in low-wealth communities typically lack access to capital, technical assistance, and the business training needed to successfully start and operate a business. These businesses would not qualify for traditional bank financing or IBank's Small Business Loan Guarantee Program because they are too new, too small, or do not have technical business training.

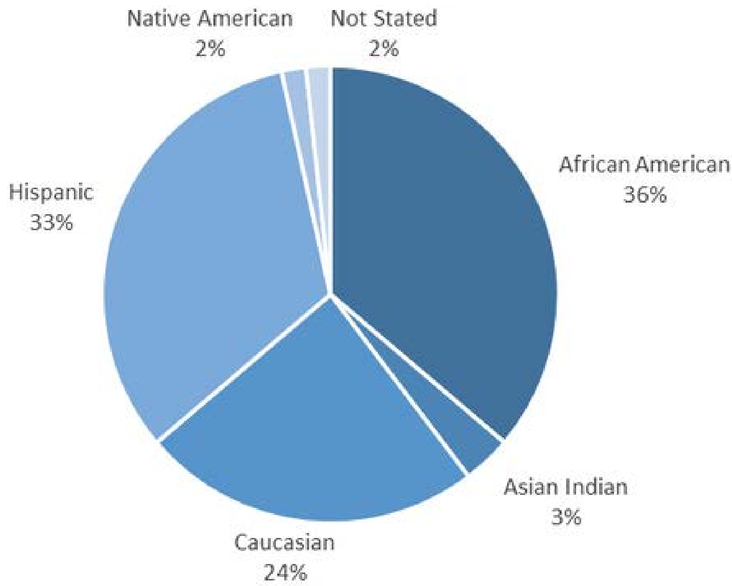
To help remedy the financial disparity suffered by these entrepreneurs, IBank created the Jump Start Loan Program and contracted with five Financial Development Corporations (Jump Start FDCs) that have proven experience with micro-lending in low-wealth communities to provide credit underwriting, loan disbursement, and servicing, as well as technical assistance and financial training to potential small business borrowers. All the services provided by the Jump Start FDCs are essential to creating and sustaining successful small businesses and long-term economic growth.

IBank's Board approved an initial allocation of $2 million for the Jump Start Program with $1 million for direct loans and $1 million for technical assistance and administrative costs. With initial contracts executed in fiscal year 2016-17, the Jump Start FDCs began providing technical assistance to potential Jump Start borrowers. In 2017-18, Jump Start FDCs began making Jump Start Loans and continued providing technical assistance to new and existing businesses.

Gender of Jump Start Recipients



Ethnicity of Jump Start Recipients



Fiscal Year 2022-23

In 2022-23 two FDCs made five new Jump Start Loans totaling $47,000.

FDC Name	Number of New Jump Start Loans	Amount of New Jump Start Loans
California Coastal	1	$10,000
PCR	4	$37,000
Total	5	$47,000

California Rebuilding Fund

Reaching underserved communities with emergency capital

Launched in fall of 2020, the California Rebuilding Fund, a public-private partnership, raised capital from private, philanthropic, and public sector investors -- including IBank -- to support new lending by Community Development Financial Institutions.

The California Rebuilding Fund facilitated the deployment of $82 million in loans to 1,385 small businesses throughout 40 counties in California. IBank contributed a $25 million anchor commitment and $50 million guarantee allocation through two facilities: a "guaranteed" facility that leveraged IBank's loan guarantees and a "blended" facility that leveraged IBank's first loss. The program, which sunset at the end of the pandemic, successfully reached small businesses unable to access traditional bank loans.

For the "guaranteed" facility, during the availability period from December 2020 through June 2022, the facility funded more than $48 million in loans to 797 small businesses, supporting more than 3,500 jobs. The average loan size was $60,336, with 44% of loans made to businesses owned by people of color, 39% of loans made to women-owned small business, 6% made to LGBTQ+ owned businesses, and 39% of loans made to businesses located in low- to moderate-income areas.

For the “blended” facility, during the availability period from July 2021 through November 2022, the facility funded more than $32 million in loans to 588 small businesses across the state, supporting more than 2,500 jobs. The average loan size was $57,343, with 48% of loans made to businesses owned by people of color, 37% of loans made to women-owned small business, 6% made to LGBTQ+ owned businesses, and 35% of loans made to businesses located in low- to moderate-income areas.

Making a Difference: California Rebuilding Fund Has Meaningful Impact on California Small Businesses

- In October 2022, “California Rebuilding Fund Insights” reported impressive results:

- Nearly 7 in 10 small businesses indicated that their employees’ quality of life had improved as a result of receiving a loan from the California Rebuilding Fund.
- 77% said their stress levels related to finances decreased as a result of their loan.
- 67% said their ability to maintain jobs increased because of their loan.
- More than 2 in 3 small businesses indicated they could not have easily found a good alternative to the California Rebuilding Fund loan.
- 21% believe they would have closed permanently if not for accessing the loan.

Climate Tech Financing: Loan Guarantees

Enabling financing for high-impact climate technology ventures

In 2022-23, to help California meet its climate goals, IBank continued its growth in the climate financing space. Originally a pilot program in the Bay Area, the Climate Tech Finance program expanded statewide this year to help climate technology businesses across the state access the capital they need. Through a partnership with the Bay Area Air Quality Management District, the Small Business Finance Center guaranteed three loans, resulting in more than $8 million in loan guarantees that supported more than $10 million in Climate Tech loans.

Since its inception, the Climate Tech Program has provided loan guarantees on 13 loans that total $29 million, with guarantee amounts of nearly $23 million. The projects are unique in addressing the current climate crisis in myriad ways:

> *"These are exciting times for California small businesses looking to expand their sustainable climate solutions. We're taking this successful Bay Area program and offering it statewide so more entrepreneurs can join the growing small business community that is playing a critical and significant role in pushing California toward its greenhouse gas reduction goals."*
> ***— IBank Executive Director Scott Wu***

1. King Solarman — A small business focused on rentals of solar-powered lighting and security trailers. Replaces loud and aging diesel generators used for mobile light towers and surveillance stations (e.g., on construction sites).

2. EV Life — A software as a service (SaaS) licensing and electric vehicle financing company with the goal of accelerating the transition to sustainable energy by making electric vehicles more easily accessible and affordable to everyone to ensure no one is left behind in the clean energy transition. Enables car buyers to apply for a loan and use their qualified tax credits and rebates upfront to lower payments by up to $200 per month, making financing an EV competitive with a gas car.

Improving systems/Maximizing efficiency

- IBank began developing a "batch approval" system for smaller loan guarantees to speed up the approval process for micro loans, resulting in faster access to capital for small businesses in need that is expected to be deployed in December 2024.
- IBank began exploring lender-matching platforms that can take the guess work out of the lender search by connecting small businesses to lenders that use IBank's programs and, therefore, are more likely to qualify small businesses for a loan and/or offer them lower interest rates that is expected to be deployed in Fiscal Year 2023-24.

Californians spoke, IBank took action

- **Expanding access** — IBank raised its loan guarantee limit from $2.5 million to $5 million, allowing small business seeking larger loans (e.g., for real estate purchases) to have their loans enrolled in the program, thereby giving lenders confidence to make those loans.

- **Expanding access** — In response to listening sessions with lenders, IBank worked closely with the U.S. Treasury to adjust guidelines under the new, federally funded State Small Business Credit Initiative, making the program easier to use and allowing the program to reach more small businesses.

Climate Catalyst Revolving Loan Fund

Deputy Director for Climate Finance
Dan Adler

Highlights:

- Led the state's efforts to secure federal funding under U.S. Environmental Protection Agency's Greenhouse Gas Reduction Fund, passed as part of the Inflation Reduction Act, which will expand IBank's services as a multi-sector "green bank."
- Capitalized the Climate Catalyst Revolving Loan Fund's Clean Energy Transmission initiative with an infusion of $225 million in state funding to address a critical bottleneck in the state's decarbonization strategy.
- Initiated the process to become a "State Energy Financing Institution" (SEFI) in partnership with the U.S. Department of Energy (DOE), in order to leverage the significant new infusion of DOE Loan Programs Office capital in support of state climate goals.

The Climate Catalyst Revolving Loan Fund (Climate Catalyst Fund) was created to provide flexible, policy-aligned credit and credit support for both public- and private-sector projects in specific climate sectors. The fund, authorized by the Governor and Legislature, was also designed to be the state's vehicle for partnering with federal programs that seek to capitalize state lending facilities for climate solutions — which has now become a reality under the Inflation Reduction Act.

The Climate Catalyst Fund is designed to:

- Promote clean energy, energy efficiency, low-carbon transportation, and other carbon-reduction technologies, to enable a climate-resilient infrastructure future for California.
- Collaborate with the state's many grant-making and business development programs to advance project concepts to infrastructure readiness.

- Utilize the tools of finance to promote market-based solutions that unlock significant amounts of private capital investment, building from the work of "green banks" across the country and around the world.

- Enable California to prioritize the projects that meet our mandate of climate equity and inclusive sustainability.

Launched in January 2022, the Climate Catalyst Fund had an initial focus on projects that reduce wildfire threats through forest biomass management and utilization and received a net $33 million (see "Budget, Legislative, and Other Activities", page 43) for such activities. The fund was subsequently capitalized with an additional $225 million for the critical task of promoting clean energy transmission infrastructure.

In response to the threat climate change poses to the health of California's communities, economies, and infrastructure, IBank supports the transition to net zero greenhouse gas emissions and strengthening climate resilience across all its programs. In recent years, IBank's aggregate programs have **financed more than $3 billion in green projects**, including, but not limited to, green bonds to replenish the state's Clean Water and Drinking Water Fund, loan guarantees for climate entrepreneurs, and municipal lending for climate-smart wastewater management infrastructure. Climate change requires an "all of government" approach, and we expect ever-greater engagement with our local, state, and federal government partners on climate issues in the years to come.

The Climate Catalyst Fund complements existing programs at IBank that promote climate solutions in other sectors and via other tools:

Green Municipal Loans & Green Bonds for Climate-Smart Infrastructure

- IBank's **Infrastructure State Revolving Loan Fund program** provides low-interest loans to public agencies and nonprofits partnering with public bodies for infrastructure projects.

- IBank's **Bond Financing** issues green conduit bonds, including Industrial Development Bonds, 501(c)(3) bonds, Public Agency Revenue Bonds, and Exempt Facility Bonds.

Credit Enhancements & Venture Capital Investment for Climate Entrepreneurs and Investors

- The **Climate Tech Finance program**, a first-of-its-kind partnership, offers loan guarantees that help climate entrepreneurs secure working capital.

- The **Expanding Venture Capital Access program** aims to create a more inclusive venture capital ecosystem – with one of the program's focuses being climate equity and justice.

Commercial Debt to Scale Proven Climate Solutions

- The **Climate Catalyst Revolving Loan Fund** jumpstarts critical climate solutions through flexible, low-cost credit, with a current focus on clean energy transmission and high-hazard forest biomass management and utilization.

Fiscal Year 2022-23

In 2022-23, IBank's Climate Financing team took the lead on behalf of the Governor's Office and state agencies in California's application to the U.S. Greenhouse Gas Reduction Fund — a transformative $27 billion investment in the country's climate transition, which California plans to leverage to mobilize private investment and support its climate goals for years to come. Due October 12, 2023, progress on the application was underway as the fiscal year closed.

The 2022-23 California state budget allocated capital that IBank will administer to support critical electricity transmission projects, and allows the State Energy Resources Conservation and Development Commission (CEC) to provide IBank $25 million for a federal Department of Energy Loan Program Office (DOE) collaboration. This DOE collaboration is now memorialized in IBank's recognized status as a State Energy Financing Institution (SEFI) under federal guidelines.

The Climate Catalyst Fund also received $25 million in the 2022-23 state budget for climate-smart agriculture; however, due to a projected budget deficit, this initial funding was eliminated.

No loans or financial assistance for the Climate Catalyst Fund were processed in 2022-23, due to budgetary uncertainty over the fiscal Q3-Q4 timeframe. However, with funding restored as of 2023-24, IBank's Climate Financing team is in advanced diligence with several counterparties in the forestry sector, and continues to advance project development of the first, priority clean energy transmission line.

In 2022-23, IBank grew the Climate Financing team, hiring Climate Analyst Taylor Carnevale, and built upon California's reputation as the nation's climate leader through numerous presentations in partnership with the Milken Institute, University College London Institute for Innovation and Public Purpose, U.C. Berkeley, Sierra Club, and more.

Californians spoke, IBank took action

- **Promoting sustainable industries** — California's leadership sent a message: The state needs communities and entrepreneurs engaged in the challenge of reducing the threat of catastrophic wildfires. The Climate Catalyst Fund, in partnership with agency colleagues, is actively seeking projects and companies that can support the state's goals for safe and healthy forests, while promoting economic opportunity in the communities most at risk of wildfire.

- **Leveraging federal investment to offset state budget pressure** — California's climate initiatives provide robust funding across the full range of climate solutions and in every county of the state. But state funding alone can't solve the problem — with federal partners stepping up to the challenge, IBank has helped lead the state's engagement to maximize the benefits of these transformative federal investments as well as leveraging private capital on behalf of California's communities.

Improving systems/Maximizing efficiency

- To better serve customers, the Climate Catalyst Fund developed a streamlined application intake process for potential projects and provided guidance on project eligibility and underwriting criteria through the Climate Catalyst Fund's web presence.
- To help connect potential IBank customers to other aligned state resources, the Climate Financing team supported colleagues at GO-Biz in creating a single point of navigation for all of the state's climate-related grants, tax benefits, and other incentive programs.

Expanding Venture Capital Access

Deputy Director of Venture Capital
Derrick Tang

Highlights:

- Onboarded venture capital team: Deputy Director Derrick Tang and Venture Specialist Shrina Kurani.
- Awarded first investment to Unshackled Ventures, a fund that supports immigrant entrepreneurs.
- Worked toward establishing a state supplement fund, using existing small business expansion capital, to increase program effectiveness and performance.

Launched in September 2022, IBank's new Expanding Venture Capital Access program was designed to create a more inclusive venture capital ecosystem, by:

- Supporting underrepresented venture capital managers
- Investing in underrepresented and underserved entrepreneurs and business owners
- Investing in geographic areas that are socio-economically disadvantaged or that receive very limited venture capital funding
- Promoting climate equity and climate justice

Funded by the U.S. Department of the Treasury's State Small Business Credit Initiative — created through the federal American Rescue Plan Act of 2021 — IBank is investing $200 million in venture capital (VC) funds and businesses in California, with $150 million of the funds to be invested in VC funds and the balance directly to businesses. The program is administered by IBank in partnership with Cambridge Associates.

Need for inclusivity in VC

Though California is home to a large and thriving venture capital community, it remains demographically concentrated and extremely challenging for underrepresented fund managers and entrepreneurs to access capital. California has a unique opportunity to catalyze a more inclusive venture capital ecosystem and overcome market gaps in the industry in order to:

- Accelerate change in the VC community by increasing the diversity of investment managers.
- Grow diverse-owned and managed small businesses.
- Attract additional private capital into overlooked and underserved regions of California and climate equity.

Fiscal Year 2022-23

In June 2023, IBank announced the first investment by the Expanding Venture Capital Access program. The program was designed to create a more inclusive VC ecosystem. Unshackled Ventures received $4.1 million as the state's first investment.

Immigrant founded Unshackled Ventures invests in visionary immigrant entrepreneurs, providing the "friends and family" capital they often lack, while also providing support for the founders' immigration process, including sponsoring visas and offering a community of resources. These investments generate innovation and U.S. jobs.

"We are thrilled to announce this first investment from our new venture capital program. In spite of California's dominance in the VC industry, venture capital remains inaccessible to many entrepreneurs. Increasing inclusion in those who receive VC funding starts with increasing inclusion of managers of VC funds — and both are critically important in the state's push toward equity."

— IBank Executive Director Scott Wu

*"This is a momentous first step for the state of California's venture program. The team at Unshackled belongs perfectly within our mission — to help entrepreneurs gain access to a California dream, and help support an inclusive economy that is prosperous and representative of the people of our state." **— IBank Deputy Director of Venture Capital Derrick Tang***

“We founded Unshackled Ventures nine years ago with a simple mission — to help unrecognized and excluded immigrant entrepreneurs succeed faster. We believe immigrants represent a national advantage, and by partnering with the state of California, the state with the largest immigrant population in the country, we are confident that our efforts to drive more innovation and inclusion will result in more economic prosperity and American job growth.” — ***Manan Mehta, Founding Partner of Unshackled Ventures***

Deputy Director Derrick Tang also presented at numerous industry events, participating in San Francisco’s Climate Week at the Climate Tech Venture Capital Investor Summit and participating in LA’s Tech Week on the Public Partnerships for Fund Managers panel.

Deputy Director Tang was also featured on Enduring Planet sharing how to build rewarding partnerships with state government agencies.

Californians spoke, IBank took action

- **Listening and Learning** — As IBank issued its first investment, it was already holding listening sessions with underrepresented fund managers and the U.S. Department of the Treasury to understand challenges faced by fund managers. IBank responded directly to this feedback by making early improvements to the VC program, most notably by working to establish a state supplement fund to address areas where the program did not meet market demand.

Bond Financing Program

Bond Finance Manager
Fariba Khoie

Highlights:

- Launched a new, convenient online fee payment system for IBank bond financing customers.
- Reached **$50 billion** in conduit bonds.

Government agencies issue bonds to finance a variety of economic or public development projects for private and public entities. When investors purchase bonds, they essentially lend money to the borrower through the issuer. IBank issues bonds on behalf of eligible borrowers and then lends those proceeds to the borrower. The bonds are limited obligations of IBank, payable entirely from payments made by the borrower. The borrower provides security to the bondholder and agrees to repay the bonds. IBank issues four types of bonds and each type of bond can apply for a green bond rating (from an outside third-party).

- **501(c)(3) Bonds**: Tax-exempt and/or taxable conduit revenue bonds provide low-cost financing for capital improvement projects for nonprofit public benefit corporations.
- **Public Agency Revenue Bonds**: Tax-exempt bond financing for government entities for projects that enhance infrastructure, or the economic, social, or cultural quality of life for residents in the community or state.

- **Exempt Facility Bonds**: Tax-exempt and/or taxable conduit revenue bond financing for projects that are government-owned or consist of privately used or leased facilities on public property, such as private airline improvements at publicly owned airports, ports, water facilities, high-speed intercity rail, and other private enterprises that serve the general-public.

- **Industrial Development Bonds**: Tax-exempt and/or taxable conduit revenue bond financing for eligible small to mid-size manufacturing companies up to $10 million for the acquisition, construction, rehabilitation and equipping of manufacturing and processing facilities.

Fiscal Year 2022-23

In 2022-23, IBank issued a total of $737 million in conduit bonds to provide financing for projects throughout the state, leveraging more than $35 million in additional economic activity, and creating 399 jobs for Californians. IBank also issued $117 million in bonds to support its direct infrastructure loans for municipalities (through its Infrastructure State Revolving Fund program). IBank was also the agent for the state for $218 million of bonds issued by the Golden State Tobacco Securitization Corporation.

Improving systems/Maximizing efficiency

- To better serve customers, IBank launched an online payment system, allowing bond financing customers to quickly and easily pay their fees.
- In order to streamline the public notice requirement process for its bond customers, IBank began posting Tax Equity and Fiscal Responsibility Act (1982) hearing notices for private activity bonds on its website.

Activity Summary
Bond Financing
Fiscal year 2022-2023

IBank Program	Financings Approved	Financings Closed	Jobs[1]	Amount Approved	Amount Closed	Leverage[2]
Industrial Development Bonds	0	0	0	$0	$0	$0
501(c)(3) Bonds	7	6	399	$224,050,000	$175,797,500	$22,971,750
Public Agency Revenue Bonds	2	2	0	$669,000,000	$560,960,000	$12,459,699
Exempt Facility Bonds	0	0	0	$0	$0	$0
ISRF Program Bonds	1	1	N/A	$150,000,000	$116,730,140	$0
Totals	10	9	399	$1,043,050,000	$853,487,640	$35,431,449

NOTES: [1]Jobs are the total number of construction, full-time and part-time permanent jobs expected from a project, as reported by borrowers from closed financings.[2]Leverage is referring to additional sources of funding, including, but not limited to, the borrower's contribution, as reported by the borrower on closed financings.

Bonds Issued Fiscal year 2022-2023							
Borrower	**Location**	**Bond Type**	**Interest Rate**	**Description**	**Jobs**[1]	**Amount Issued**	**Leverage**[2]
Equitable School Revolving Fund, Senior National Charter School Revolving Loan Fund Revenue Bonds Series 2022B (Social Bonds)	Sacramento, Stockton, Gardena, Inglewood	501 (c)(3)	4.2768%	**Reimbursememt, Finance, and Refinance the Costs of Loans:** Provide low-cost financing for charter schools. The Borrower expects the Project will result in an average cost savings of approximately $3 million per year per school over the life of each loan.	177	$65,885,000.00	$0
The Presentation School, Series 2022	Sonoma	501 (c)(3)	3.2500%	**Refund Non-IBank Issued Debt:** The Obligations will be fixed rate with level payments and will end letter of credit related to the prior debt.	0	$5,500,000	$143,760
California State Teachers' Retirement System (CalSTRS) Headquarters Expansion, Series 2022 (Green Bonds)	West Sacramento	Public Agency Revenue Bond	3.8629%	**New Construction:** The proceeds of the Bonds will be used to complete the expansion of the existing Headquarters. The projected present value savings of bond financing the project is approximatley $3.2 million compared to funding the project directly from the CalSTRS Trust Fund.	0	$15,640,000	$12,459,699
Clean Water and Drinking Water State Revolving Fund Revenue Bonds, Series 2023 (Green Bonds)	Sacramento	Public Agency Revenue Bond	3.3682%	**Finance the Clean Water Program:** The proceeds will be used to finance the California Clean Water State Revolving Fund Program ("CWSRF Program") Project Obligations to provide low-cost financial assistance for eligible projects.	0	$545,320,000	$0
Options for Learning Revenue Bonds, Series 2023	West Covina	501 (c)(3)	4.1500%	**Finance, Refinance, and/or Reimburse the Costs of Campus Improvement:** The proceeds will be used to acquire a facility, allowing the Borrower's collaboration with additional nonprofit entities, which provide complementary services, leasing spaces from the Borrower. The financing will result in some financial savings.	30	$16,650,000	$8,485,000
Olive Crest, Series 2023	Palm Desert, Garden Grove, Santa Ana, Santa Barbara, Riverside	501 (c)(3)	Variable	**Finance, Refinance, and/or Reimburse for the Costs of Project:** The proceeds will be used to finance and/or reimburse the Borrower for all or a portion of the costs of the acquisition, construction, and improvement of the Borrower's social services facilities. In addition, the financing will refinance a non-IBank issued debt.	40	$12,462,500	$0
Olive Crest, Series 2023 (Taxable)						$8,300,000	
Segerstrom Center for the Arts, Series 2023	Costa Mesa	501 (c)(3)	2.8440%	**Refund Prior IBank Issued Bonds:** The refunding allowed the Borrower to extend the upcoming maturity of the IBank issued Prior Bonds and replacing them with the Bonds with longer maturity date.	0	$42,000,000	$1,435,083
Windward School 2023	Los Angeles	501 (c)(3)	5.2000%	**Finance, Refinance Costs of New Construction:** The proceeds will be used to finance or refinance the costs of construction and equipping of the Borrower's educational facilities. The facilities are expected to achieve Gold-level LEED Certification.	152	$25,000,000	$12,907,907
Infrastructure State Revolving Fund Revenue Bonds (ISRF) Bonds, Series 2022A	Statewide	ISRF	4.1070%	**New Money**: The Proceeds will be used to finance or refinance loans to eligible borrowers, including local governments, state agencies, and certain nonprofit organizations for infrastructure and economic expansion projects pursuant to the Infrastructure State Revolving Fund ("ISRF") Program.	0	$103,785,000	$0
TOTALS					**399**	**$840,542,500**	**$35,431,449**

NOTES: [1]Jobs are the total number of construction, full-time and part-time permanent jobs expected from a project, as reported by borrowers from bonds issued. [2]Leverage is referring to additional sources of funding, including, but not limited to, the borrower's contribution, as reported by the borrower on bonds issued.

Did You Know?

IBank Bond Financing has helped many of California’s most-popular museums/attractions!

Los Angeles
Academy Museum of Motion Pictures

California Science Center

J. Paul Getty Museum

Peterson Automotive Museum Foundation

San Francisco
Asian Art Museum

California Academy of Sciences

The Exploratorium

Sacramento
Museum of Science and Curiosity (MOSAC)

B Street Theatre (Sofia)

San Diego
California Youth Theatre

View more incredible museums, educational facilities, performing arts centers, research institutes, and more — all financed by IBank-issued bonds at: www.ibank.ca.gov (Bonds \ Bond Projects)

Budget, Legislative, and Other Activities

Funding for some of IBank's programs were uncertain during the 2023-24 state budget negotiations, and ultimately resulted in a funding reductions for underserved small businesses, climate smart agriculture, and forest resilience, but included enhancements for clean energy transmission.

Approved trailer bill language (Chapter 53, Statutes of 2023, Senate Bill 124) allows IBank to partner with the state climate agencies to create a broad-based climate finance program that furthers the state's climate goals using the federal Greenhouse Gas Reduction Fund that were allocated in the federal Inflation Reduction Act.

Federal Greenhouse Gas Reduction Funds

Congress allocated $27 billion in the Inflation Reduction Act through the federal Greenhouse Gas Reduction Fund. These funds are intended to further clean energy technology deployment with an emphasis on expanding and establishing green financing programs. There are three competitions as follows:

1. Solar for All — The $7 billion Solar for All competition will award up to 60 grants mainly to states, municipalities, and nonprofits to expand solar energy to disadvantaged communities. This is the only competition where the state could apply directly, and IBank's Climate Financing team led California's application for funds.

2. National Clean Investment Fund —The $14 billion National Clean Investment Fund competition will provide grants to 2–3 national nonprofit clean financing institutions. IBank expects to be a secondary recipient of funds from these institutions and will use the approved trailer bill language and this funding to provide a state financing program that furthers the state's climate goals. The Environmental Protection Agency's program priorities for this competition are distributed energy generation and storage, net-zero emission buildings, and zero-emission transportation.

3. Clean Communities Investment Accelerator — The $6 billion for Clean Communities Investment Accelerator will likely be more focused on seed capital and technical assistance for community lenders to deploy clean technology. IBank is unlikely to be a participant of this program.

The applications for these competitions were due October 12, 2023. It is expected that the Environmental Protection Agency will announce the awards for these programs in March 2024 and provide funds beginning in July 2024.

Other Activities

Collaborating with State Partners

The IBank team worked diligently in 2022-23 to build upon existing relationships with other state departments and agencies to ensure alignment and maximum impact benefitting those we serve, including the:

- Governor's Office of Business and Economic Development / California Office of the Small Business Advocate
- State Treasurer's Office / California Pollution Control Financing Authority
- California Public Utilities Commission
- California Environmental Protection Agency
- California Office of Planning and Research / Strategic Growth Council
- California Energy Commission
- California National Resources Agency and departments under its oversight

Technical Assistance

IBank provides technical assistance to customers and stakeholders related to public finance, economic development, infrastructure-related issues, COVID-19 relief, and disaster recovery.

Outreach

IBank conducted significant outreach throughout the state, speaking at 51 events, educating attendees at 20 conferences, and hosting numerous webinars and listening sessions.

Staying Connected as a Team

The IBank team gathers regularly for in-person, All Team meetings to share ideas, learn new skills, maintain open communication, and ensure strong collaboration.

Recommendations for changes in state and federal law necessary to meet the objectives of the IBank Act

IBank needs going forward will include exploring opportunities to expand the scope of its authorized financings to include projects and project elements that state agencies are currently not authorized to finance.

IBank supports proposed federal changes that would benefit economic development and reduce public finance costs for state, local, and certain private borrowers as well as reinstatement of advance refundings and restoration or creation of new bond types and tax credits.

On the National Stage

IBank's finance and economic development thought-leadership is seen not only in California (e.g., at the Haas School of Business, U.C. Berkeley) but extends far beyond California, with Executive Director Wu a sought-after speaker for national events that in 2022-23 included:

- Presentation in partnership with U.S. Vice President Kamala Harris's office on "Growth Opportunities for Entrepreneurs of Color."
- Presentation to officials from Nepal and Bangladesh about IBank's work on public-private partnership infrastructure (in partnership with the U.S. Department of Commerce and Greater Sacramento Economic Council).
- National media briefing with the U.S. Department of the Treasury and Governor's Office of Business and Economic Development. Announced IBank and the state Treasurer's Office successful application to bring $1.2 billion to California to support California small businesses.
- Participation, in partnership with the U.S. Department of Commerce / Minority Business Development Agency / ASIAN Inc. on the Capital Readiness Program Roundtable.

Statutory Basis for this Report

This Annual Activity Report is submitted in accordance with Government Code Section 63035, which requires that IBank, no later than January 1 of each year, submit to the Governor and the Legislature, pursuant to Section 9795, a report for the preceding fiscal year ending on June 30 containing information on IBank's activities relating to the infrastructure bank fund and programs. The report shall include all of the following:
Information on the infrastructure bank fund, including, but not limited to, its present balance, moneys encumbered, moneys allocated, repayments, and other sources of revenues received during the fiscal year. This information is included in IBank's Comprehensive Annual Financial Report (see "Comprehensive Annual Financial Report" below).

Information on the impact of the activities funded by the infrastructure bank fund moneys, including, but not limited to, the number of jobs created and retained, the environmental impact that resulted, and economic value provided to the state.

A specification of conduit and revenue bonds issued and interest rates thereon, including, but not limited to, the use of the bond proceeds.

The amount of other public and private funds leveraged by the assistance provided (see pages.

A report of revenues and expenditures for the preceding fiscal year, including all of the IBank's costs (see "Comprehensive Annual Financial Report" below). The information provided pursuant to the IBank Act shall include, but is not limited to, the following:
The amount and source of total bank revenues. Revenues shall be shown by main categories of revenues, including the General Fund, special funds, federal funds, interest earnings, fees collected, and bond proceeds, for each IBank program.
The amount and type of total bank expenditures. Expenditures shall be shown by major categories of expenditures, including loans provided, debt service payments, and program support costs, for each IBank program.

A projection of IBank's needs and requirements for the coming year.
Recommendations for changes in state and federal law necessary to meet the objectives of the IBank Act.

Climate Catalyst Revolving Loan Fund

This also report is submitted in accordance with Government Code 63048.94, which requires:

(a) Annually, commencing January 1, 2023, and no later than January 1 of each year, the bank shall prepare and submit to the Governor, the Speaker of the Assembly, the President pro Tempore of the Senate, and the Legislative Analyst's Office a report containing Climate Catalyst Revolving Loan Fund Program activity for the preceding fiscal year ending June 30, and including all of the following:

(1) Information on individual Climate Catalyst Revolving Loan Fund Program financing, specifically all of the following:

(A) Climate catalyst project category.
(B) Climate catalyst project description.
(C) Total climate catalyst project cost.
(D) Financial assistance amount.
(E) Outstanding financial assistance amount due.
(F) Aggregate amount of third-party financing.
(G) The county and city of the funded climate catalyst project.
(H) A description of the expected contribution of the climate catalyst project to the state's climate policy objectives, including both greenhouse gas reduction and climate resilience benefits.

(I) Type and quality of any jobs created as a result of the financial assistance.
(2) Total number and type of financial assistance issued to small businesses.
(3) Total number and type of applications received.
(4) Recommendations on needed Climate Catalyst Revolving Loan Fund Program changes or improvements to meet the objectives of this article. The bank shall meet and confer with the state agencies identified in subdivision (f) of Section 63048.93, and any additional agencies added pursuant to subdivision (g) of Section 63048.93, prior to the annual submission of the report required herein in an effort to develop those recommendations.

Small Business Finance Center

This report has been prepared pursuant to Government Code 63089.98.20, which requires:

(a) Annually, not later than January 1 of each year commencing January 1, 2014, and notwithstanding Section 10231.5, the program manager shall prepare and submit to the Governor and the Legislature, as part of the report required by Section 63035, a report for the preceding fiscal year ending June 30, containing the expansion fund and trust fund financial product activity of each corporation, including all of the following:

(1) Direct loans, guarantees, and other financial products awarded and outstanding balances.
(2) Default and loss statistics.
(3) Employment data.
(4) Ethnicity and gender data of participating contractors and other entities, and experience of surety insurer participants in the bond guarantee program.
(5) Geographic distribution by city and county of the direct loans, guarantees, and other financial products awarded and outstanding at the close of the fiscal year.
(6) Significant events.

Comprehensive Annual Financial Report

IBank's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2023, was not final and available for inclusion in the IBank's Annual Report before it was due to the Legislature on January 1, 2024. IBank is currently awaiting other postemployment benefit, pension liability, and pension loan figures from the State Controller's Office to complete the Comprehensive Annual Financial Report. To obtain copies of this report upon its release, please contact IBank at 916.341.6600.

Upon completion of the Comprehensive Annual Financial Report, an updated version of this Annual Report will be posted to IBank's website at www.ibank.ca.gov.

Appendix A

Financial Development Corporations: Experience and Expertise

Collectively, IBank's Financial Development Corporation partners (FDCs) have 1,352 years of lending expertise on staff and 680 years working with the Small Business Finance Center directly. While each FDC is unique, as a group they utilize a combination of federal, state, local, and private resources; are highly rated by their partners; and provide non-conventional, community-development financing in low- to moderate- income areas including agricultural loans to small tenant farmers in rural areas. Not only are the FDCs experts in their field, many of them are also lenders and administer other programs for governmental and financial partners including:

Certifications and Designations

- Community Development Financial Institution – certified by U.S. Department of the Treasury
- Community Development Financial Institution – certified by California Organized Investment Network
- Women's Business Center
- Procurement Technical Assistance Center
- Community Development Entity – certified by U.S. Department of the Treasury
- Promise Zone Lead Implementation Partner
- Small Business Development Center

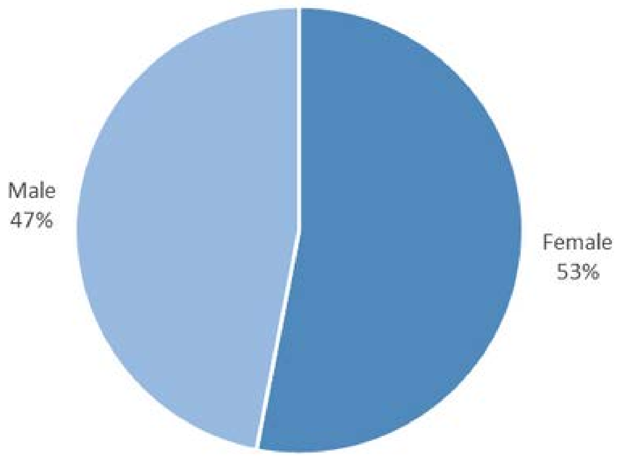
Loan, Grant, and Technical Assistance Programs

- U.S. Department of Commerce Economic Development Administration Revolving Loan Fund – for small business lending
- U.S. Department of Commerce Economic Development Administration Revolving Loan Fund – for disaster recovery and mitigation
- U.S. Small Business Administration Community Advantage (7a) Loan Program
- U.S. Small Business Administration Micro Loan Program
- U.S. Small Business Administration 504 Loan Program
- U.S. Department of Agriculture Intermediary Relending Program
- U.S. Department of Agriculture Farm Service Agency (FSA) Loan Guarantee Program
- U.S. Department of Agriculture Rural Microenterprise Assistance Programs
- Various technical assistance programs
- Various revolving loan funds
- Various microloan programs
- Various grant programs
- DBE Certification
- 8(a) Working Group
- Business Information Center, Sac County
- Layoff Aversion Program
- City of Sac-Business Resource Program

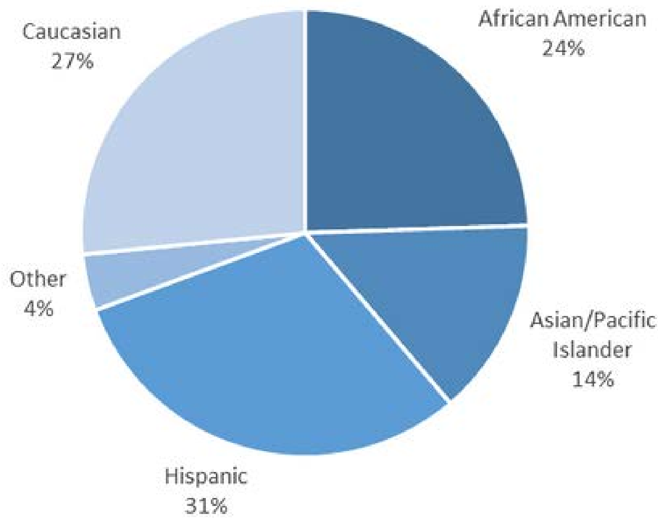
- Bilingual Business Success Forums - 11 languages
- Promise Zone - Capacity Building Programs
- Human Resources Professional 6-Week Certification
- Licensed to Care-Childcare Program
- Afghani Women Entrepreneurs
- Marketplace Events
- Research, Data and Mapping
- Dreambuilders – Online Business Plan
- VITA Community Tax Program

Beyond facilitating loan programs and technical assistance, FDCs leverage local and statewide partnerships to ensure small businesses have access to the resources they need. FDC staff members also are active economic development participants in their communities. They speak a wide variety of languages, and many are small business owners themselves. They donate their time to leadership positions on boards, loan committees, and audit committees for local chambers, community organizations, and economic development groups. Staff members come from a wide range of backgrounds and are representative of the communities in which they are located.

Gender of FDC Staff Members Serving Small Businesses



Ethnicity of FDC Staff Members Serving Small Businesses



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