

MINUTES OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

For the meeting held on
Wednesday, July 26, 2023, at 2:00 p.m.

IBank's meeting had Board members attending in person with meetings accessible and open to the public and with virtual participation via teleconference for borrowers and general public.

Acting Chair Chris Dombrowski, delegate of the Director of the Governor's Office of Business and Economic Development, welcomed everyone to IBank's Board meeting. He started by providing instructions to participants regarding process, participation, recording, and public comment.

1. Call to Order and Roll Call

Acting Chair Dombrowski then called the meeting of the California Infrastructure and Economic Development Bank (IBank) Board to order at approximately 2:00 p.m.

The following Board members attended in person:

Acting Chair Chris Dombrowski, as delegate of the Director of the Governor's Office of Business and Economic Development,
Amy Jarvis for the Director of the Department of Finance,
Carlos Quant for the Secretary of the State Transportation Agency, and
Fiona Ma, the State Treasurer

IBank staff members attended in person:

Clint Kellum, Jaymie Lutz, and Stefan Spich

Information Item

2. Executive Director's Report

Clint Kellum, IBank's Chief Deputy Executive Director, delivered the Executive Director's Report.

Mr. Kellum noted this was his first time presenting and turned directly to budget news. He reported that IBank had felt the shared pain of reduced state revenues. He reported the following funding reductions to IBank's programs:

- o \$50 million for underserved small businesses
- o \$25 million for climate smart agriculture
- o \$25 million for clean energy transmission
- o \$16 million for forest resilience projects

Mr. Kellum also noted there were some bright spots for IBank in the budget and pointed to new or restored funding for other IBank programs:

- o Added \$25 million more for clean energy transmission, bringing the total for that category to \$225 million
- o Retained \$31 million for forest resilience projects
- o Approved trailer bill language to partner the climate agencies to create a broad-based climate finance program that furthers the state's climate goals using the federal

Greenhouse Gas Reduction Funds (GGRF) that were allocated in the federal Inflation Reduction Act.

Mr. Kellum explained to the Board the terms and conditions of the various federal programs that comprised the approximately \$27 billion GGRF. He noted these funds are intended to further clean energy technology deployment with an emphasis on expanding and establishing green financing programs. Mr. Kellum provided an overview of the three main areas of financing.

1. **Solar for All.** The \$7 billion Solar for All competition will award up to 60 grants to mainly states, municipalities, and non-profits to expand solar energy to disadvantaged communities. IBank is working with a group of state agencies to prepare an application for submission by September 26.

2. **National Clean Investment Fund.** The \$14 billion National Clean Investment Fund competition would provide grants to 2–3 national nonprofit clean financing institutions. Mr. Kellum noted 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. He clarified that EPA's program priorities 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 which will likely be more focused on seed capital and technical assistance for community lenders to deploy clean technology. Mr. Kellum noted it was unlikely that IBank would be a direct participant with this program.

Mr. Kellum then discussed IBank's Key Performance Indicators (KPI's) and noted that IBank was currently reviewing the results of the past fiscal year. He noted that KPIs are generally focused on three areas: production, impact, and sustainability.

On that note, Mr. Kellum summarized some of the significant preliminary results from fiscal year 2022-23:

- o The ISRF program closed on \$86.3 million in loans, the highest year since 2018-19. This brought ISRF's total loans since inception above \$1 billion, all leveraged from the original \$162 million in funds provided by the state.

- o IBank issued \$1.1 billion in conduit bonds for state agencies, non-profits, and others. This was more than double the bonds issued in FY 2021-22. IBank expects a significant Q1 in 2023-24 for the conduit bond program, starting with Academy Museum Foundation today.

- o The Small Business Finance Center conditionally approved guarantees for over \$400 million in small business loans, which was the highest total year in the program's history.

- o IBank assets grew to approximately \$1.5 billion in 2022-23 from \$1 billion in 2021-22, mostly due to infusions from SSBCI, our clean transmission financing allocation, and the ISRF bond issued in December of 2022.

- o The launch of IBank's venture capital program and the closing of its first deal in 2022-23.

Mr. Kellum concluded his report by noting there were lots of achievements for IBank to be proud.

Acting Chair Dombrowski thanked Mr. Kellum and asked the Board if they had any comments on the report.

Ms. Ma asked Mr. Kellum whether there would be flexibility for farmer's and ranchers in the use of forestry funds. Mr. Kellum responded it would depend on the details but that the program was not intended to be regulatory or prescriptive in nature. Ms. Ma then asked about the status of the RFP related to the clean energy transmission project in the Salton Sea. Mr. Kellum responded that Imperial Irrigation District was handling the RFP process and they had selected Berkshire Hathaway Energy Renewables for the project. Ms. Ma thanked Mr. Kellum.

Consent Item

3. Approve minutes from the meeting held June 28, 2023

Acting Chair Dombrowski opened the discussion of the previous meeting's minutes. Ms. Ma moved to approve the minutes, and Mr. Quant seconded the motion. The Board unanimously approved the June 28, 2023, meeting Minutes.

Action Item

4. Resolution No. 23-09 approving issuance of revenue bonds in an amount not to exceed \$200,000,000 to refund the outstanding IBank Revenue Bonds (Academy of Motion Picture Arts and Sciences Obligated Group) Series 2015A Bonds, initially issued for the benefit of the Academy Museum Foundation and used to finance an eligible project located in the City of Los Angeles.

Dalibor Zivkovic, Public Finance Analyst, introduced Resolution 23-09. Mr. Zivkovic started by introducing representatives from the Academy Museum Foundation: Andy Horn (CFO), Sean Tierney and Erich Schmitz (Bond Counsel, Hawkins), and Doug Brown (Underwriters, Wells Fargo). He then discussed the financing, noting the project would refinance the IBank's Series 2015A that originally financed facilities in Los Angeles, including the AMPAS museum and related theatre. He noted the project would result in approximately \$1.1m of interest savings annually for a net present value savings of approximately \$14.9m, which savings would be used to support the Foundation's educational and cultural activities.

Acting Chair Dombrowski thanked Mr. Zivkovic, welcomed the representatives from the Academy Museum Foundation, and asked them to comment on the project.

Mr. Horn responded that the Museum had opened in 2021 after a few delays and had done quite well since then. He thanked the IBank for their support over the long years required to bring the project to reality.

Acting Chair Dombrowski thanked Mr. Horn and asked if the Board members had any questions on the matter. Ms. Ma asked Mr. Horn if the AMPAS facility being refinanced included the movie theatre portion. Mr. Horn responded that the Series 2015A Bonds had been used primarily for construction of the AMPAS Museum. Ms. Ma noted that it was a beautiful facility and thanked Mr. Horn.

Acting Chair Dombrowski then asked for any public comment. Hearing none, Ms. Ma moved for approval of the resolution and Ms. Jarvis seconded. The Board voted unanimously to pass Resolution 23-09.

Acting Chair Dombrowski congratulated the Academy Museum Foundation on the approval.

Reporting/Non-Action Business

Public Comment and Adjournment

Acting Chair Dombrowski asked for a final public comment and heard none.

Acting Chair Dombrowski declared the meeting adjourned at approximately 2:13 p.m.