



IBANK 2023-2024

# Annual Report



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

IBank had a lot to celebrate in fiscal year 2023-24, as we again **surpassed previous years' records** in serving small businesses, grew our green loan portfolio, issued our largest infrastructure loan ever, and approved our first Climate Catalyst transaction, which will help reduce the risk of catastrophic wildfires.

We also celebrated exciting launch events for IBank-financed projects, including the groundbreaking for Brightline West's eco-friendly high-speed rail and attended the inaugural voyage of SWITCH Maritime's Sea Change hydrogen-powered ferry.



Executive Director  
Scott Wu

Our fiscal year accomplishments remained tightly aligned with IBank's three priorities – creating and preserving jobs, expanding access to underserved communities, and addressing climate change.

In 2023-24, we:

- **Supported a record-breaking amount of capital to small businesses**, supporting more than \$367 million in loans to small businesses.
- **Issued our largest infrastructure loan** – a \$40 million loan to the City of San Diego for an organic waste processing facility, which will reduce methane emissions and bring the city into compliance with SB 1383 (Lara, Chapter 395, Statutes of 2016).
- Built upon our \$1 billion in infrastructure loans, **reaching more than \$190 million in green loans**.
- Launched the **California Small Business Loan Match** website, connecting small businesses to trusted, mission-driven lenders across the state.
- **Supported innovative climate tech entrepreneurs** in accessing more than \$35 million for a variety of climate solutions.
- **Approved the first transaction of the Climate Catalyst Revolving Loan Fund**, committing up to \$25 million into the California Wildlife Innovation Fund.
- Closed **\$10 million in commitments to venture funds supporting underrepresented entrepreneurs** and approved an additional \$30 million in commitments.
- **Issued more than \$1.3 billion in bonds** – including green and sustainability bonds – to finance facilities supporting general healthcare and reproductive health, schools, clean water, and energy efficiency, and museums, performing arts centers, and more.
- **Secured \$250 million for California** from U.S. EPA's Greenhouse Gas Reduction Fund for Solar for All program.
- **Created and preserved nearly 16,000 jobs** for Californians.

But that wasn't all. We also celebrated IBank's 30th anniversary serving Californians and communities through infrastructure loans, small business support, and bond financing, while standing up our new climate fund and venture capital programs.



As California state government's only general-purpose financing authority, IBank exists to serve a wide variety of customer types, including municipalities, nonprofits, small businesses, climate entrepreneurs, and project developers, among others. IBank's 30th anniversary provided a unique and rare, targeted opportunity to solidify existing business relationships across a variety of sectors, while increasing awareness and acknowledging IBank's **cumulative** and remarkable **far-reaching impact**, including:

- 543,000 jobs created or supported.
- Over \$1 billion in direct infrastructure loans for municipal projects.
- Over \$2 billion in small business loans supported by IBank's loan guarantee program.
- Over \$3.5 billion of green bonds and loans issued.
- Over \$52 billion of bond financing.
- Climate Tech loan guarantees and Climate Catalyst loans securing state and federal funds to address critical climate solutions.
- \$250 million to expand venture capital access for underrepresented entrepreneurs.

IBank exceeded its objectives and fully showcased many of the state's biggest and most-innovative infrastructure and economic development projects and the outsized impact IBank had helping small businesses and climate entrepreneurs access critical capital.

With 30 successful years behind us, IBank is now extremely well-positioned to serve its mission and our team is excited for what we can accomplish moving forward, building upon our strengths and the pride we feel in our role as public servants, the diversity we bring to our work, and our commitment to creating a California for All.

A handwritten signature in black ink, appearing to read 'Scott Wu', with a stylized, cursive script.

Scott Wu  
IBank Executive Director

## Icon Key

Our comprehensive report is designed around IBank's three priority areas. 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, social-services-related facilities, high-speed rail, 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 startup entrepreneurs, 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 climate-change solutions**.





# 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](http://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**



**Expanding Venture  
Capital Access**



**Small Business  
Finance Center**



**Bond Financing  
Program**



**Climate  
Catalyst**

- **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-19 Micro Loan Guarantees (ended December 2023)
  - Climate Tech loan guarantees
  - Jump Start entrepreneurship 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 implementation of National Clean Investment Fund under 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 projects, 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



# IBank BY THE NUMBERS

## \$1B

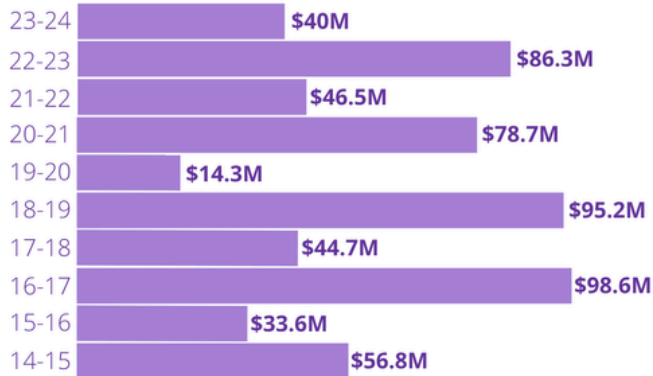
Total infrastructure  
loans closed



## 24,757

jobs reported from  
loan projects

IBank Loans Closed



## \$52.5B

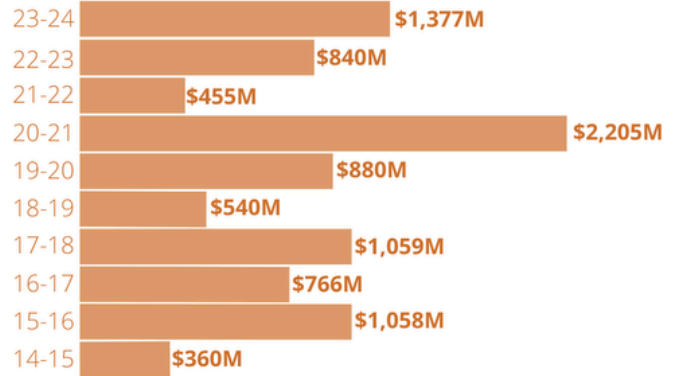
Total bond  
activity



## 59,327

jobs reported from  
bond projects

IBank Bonds Issued\*



\*Excludes Golden State Tobacco Securitization Bonds



Green Municipal  
Loans Closed  
**\$192M**



3 New Climate  
Financing  
Products

Coming Soon



Green and Social  
Bonds Issued  
**\$3.4B**

# IBank BY THE NUMBERS

## \$2.3B

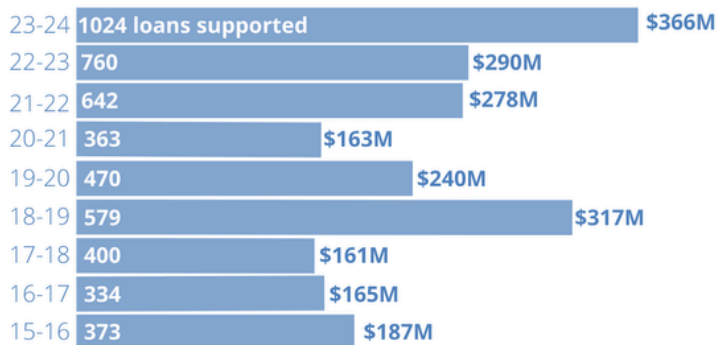
small business  
loans supported  
since FY 13-14\*



## 462,816

jobs created or retained  
since program inception

Small Business Loan Guarantee Program



Covid-19 Microloan Guarantee Initiative

**\$110M** in Covid-19 loan guarantees

**2,381** microbusinesses served

**86%** female-/minority-owned  
or low- to moderate-income area

**< 5** employees on average



Jump Start Loans



## 2,033

hours of technical assistance  
provided to **546** startups

Farm Loans



## 104

number of  
loans closed

Venture Capital



## \$250M

new state program for the  
underrepresented

Climate Tech

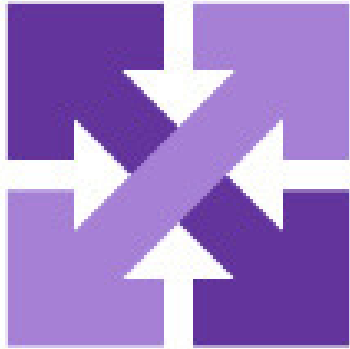


## \$35M

loans supported  
since FY 20-21

\*Includes small business, disaster and Covid loan guarantees

# Infrastructure State Revolving Fund Program



Lina Benedict  
Loan Origination Manager



John Weir  
Loan Servicing Manager

## Highlights:

- Issued IBank's largest infrastructure loan ever: \$40 million to combat climate change and bring one of California's largest cities into compliance with SB 1383 (Lara, Chapter 395, Statutes of 2016) requirements for organic-waste recycling.
- Grew IBank's green infrastructure loans portfolio to more than \$190 million, furthering IBank's role in financing climate solutions.
- Improved customer service and created efficiencies by implementing new loan servicing and accounting software and launching full suite of online account access for borrowers.

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 million to \$65 million 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, Chapter 395, Statutes of 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 2023-24

In 2023-24, IBank issued its largest infrastructure loan in the history of the program – a \$40 million loan to the City of San Diego to create the Miramar Greenery organic waste processing facility and bring the city into compliance with SB 1383 (Lara, Chapter 395, Statutes of 2016).

Landfills are the third largest contributor of methane in California, emitting 20 percent of California's methane – a climate pollutant 84 times more potent than carbon dioxide.

"Organic waste recycling is the single fastest and easiest thing a person can do to fight climate change," said city of San Diego Environmental Services Director Renee Robertson. "The new organic waste processing facility will enable us to divert a higher volume of material from the landfill and convert it into compost, and to do so more efficiently and more cost-effectively."

*"From Sacramento to the Central Coast and now in San Diego, we are contributing to a cleaner environment and look forward to helping municipalities throughout the state finance similar projects."*

**— IBank Executive Director Scott Wu**

The Miramar Greenery organic waste processing facility will also help the City of San Diego move one step closer to its Zero Waste Plan – which lays out strategies to divert 90 percent of all trash from landfills by 2035 with a goal of zero waste by 2040.

### **IBank builds upon \$1 billion in infrastructure loans supporting California communities, reaching more than \$190 million in green loans**

Building upon IBank's \$1 billion in loans and counting, IBank's \$40 million loan to San Diego raised IBank's green loan portfolio to more than \$190 million, while leveraging more than \$40 million in additional economic activity, and creating another 200 new jobs for Californians.

In 2024, IBank improved customer service for ISRF borrowers by completing the transfer to a new loan-servicing and accounting software. Billing statements were standardized and now include more information for borrowers. Billing and loan servicing can now be completed with access to real-time account and contact information, leading to more timely and accurate correspondence. The upgrade allows IBank's Loan Servicing and Fiscal units seamless access to borrowers' account information that was previously separated between different data platforms.



IBank also activated its new WebLoans application, providing ISRF borrowers the convenience of online account services. Borrowers can view their outstanding balance, next payment due, current interest rate, transaction history, previous statements, and pending compliance reports due for all of their IBank loans. Thanks to feedback from customers, IBank completed additional upgrades that allow borrowers to download annual current compliance documents and submit them via their WebLoans account. These features provide borrowers the convenience of modern online banking and customer service on par with the banking industry.

Activity Summary Infrastructure State Revolving Fund Loans						
IBank Program	Financings Approved	Financings Closed	Jobs <sup>1</sup>	Amount Approved	Amount Closed <sup>2</sup>	Leverage <sup>3</sup>
ISRF Loans	2	1	201	\$48,500,000	\$40,000,000	\$40,133,000
Short-Term Loans	0	0	N/A	\$0	\$0	\$0
<b>FISCAL YEAR TOTALS</b>	<b>2</b>	<b>1</b>	<b>201</b>	<b>\$48,500,000</b>	<b>\$40,000,000</b>	<b>\$40,133,000</b>
<b>NOTES:</b> <sup>1</sup> 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. <sup>2</sup> An approved loan of \$8.5M loan for the Sunset Sanitary District was later withdrawn by Borrower. <sup>3</sup> 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 program financings.						

Infrastructure State Revolving Fund - Financings Closed Fiscal Year 2023-2024						
Borrower	Location	All-In Interest Rate	Category/Description	Jobs <sup>1</sup>	Amount Closed	Leverage <sup>2</sup>
City of San Diego	San Diego, CA	4.04%	<b>Public Development (Solid Waste Collection and Disposal)</b> Organics processing facility at the Miramar Landfill. The project is a 25,000 square-foot intake facility, including processing equipment, a conveyor system, stormwater and wastewater controls, and ancillary systems.  The project will bring the city into compliance with SB 1383, which is intended to reduce statewide landfill disposal of organic waste, and will increase the city's capacity to process compostable organic waste via Covered Aerated Static Pile (CASP) system from approximately 40,000 tons per year to over 251,000 tons per year.	201	\$40,000,000	\$40,133,000
<b>TOTALS</b>				<b>201</b>	<b>\$40,000,000</b>	<b>\$40,133,000</b>
<b>NOTES:</b> <sup>1</sup> 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. <sup>2</sup> 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.						

## IBank allocated \$25 million in 2024-25 state budget

California's 2024-25 state budget included \$25 million General Fund allocation for ISRF. IBank requested the one-time appropriation to continue funding projects at affordable interest rates for California cities, counties, and special districts. This is the first state investment in the program since fiscal year 1999-2000. Since then, IBank applied the net \$162 million initially provided by the state and leveraged these dollars into over \$1 billion in municipal loans.

This allocation recognizes IBank's strong performance history and continued ability to administer the ISRF program and serve municipalities' critical infrastructure needs.

## Californians spoke, IBank took action

- **Convenience / Ease-of Use** – IBank responded to feedback from customers by completing software upgrades that allow borrowers to download annual current compliance documents and submit them to via an online account.

## Improving systems/Maximizing efficiency

- Completed implementation of online portal for borrowers to directly access their loan accounts. Borrowers now have full, online banking capabilities and can view their loan balance, next payment due, previous billings, and other details of their loans.





# IBank Turns 30!

In 2024, IBank celebrated its 30th anniversary with key partners at the Academy Museum of Motion Pictures – a venue IBank helped finance through its conduit bond financing.

This unique stakeholder event allowed IBank to fully showcase the broad, far-reaching impact of its programs – including some of the state’s biggest and most-innovative infrastructure and economic development projects and the outsized impact IBank has in helping small businesses and climate entrepreneurs access critical capital.



Former IBank Executive Director Teveia Barnes addresses the crowd next to Executive Director Scott Wu



Former IBank Executive Directors, Stan Hazelroth (center) and Teveia Barnes (right) joined by Kevin Civale



# Celebrating Three Decades Serving Californians



IBank Executive Director Scott Wu introduces IBank  
Board Member Asm. Marc Steinorth



Brightline West President Sarah Watterson delivers video address

Former Senator Stephen Peace – co-author of the IBank Act – addressed the attendees, followed by past IBank executive directors, IBank Board Member and former Assemblymember Marc Steinorth, a myriad of IBank customers expressing gratitude for IBank's programs, and others – including a special video by GO-Biz Director and IBank Board Chair Dee Dee Myers, congratulating IBank for its 30 years serving Californians.

The IBank team now looks forward to building upon its past successes and doing even more to increase the quality of life for Californians.



Senator Steve Peace, co-author of the IBank Act

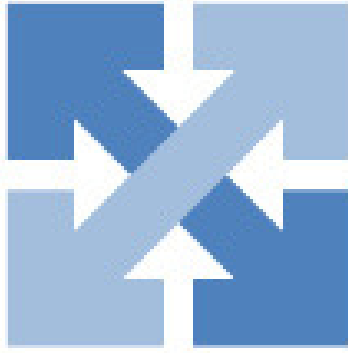


Pace Ralli, Founder/CEO, SWITCH Maritime



Stan Hazelroth, former IBank Executive Director

# Small Business Finance Center



Megan Hodapp  
Small Business Finance Center  
Program Manager

## Highlights:

- **Supported a record-breaking amount of capital to small businesses** – IBank's loan guarantees made it possible for California small businesses to access more than \$367 million in loans to sustain and grow their businesses.
- In partnership with the California State Treasurer's Office, **encumbered 80% of California's first tranche of SSBCI dollars** sufficient to qualify for the second tranche and exceeded the state's goals for Socially and Economically Disadvantaged Individuals (SEDI) and Very Small Businesses.
- **Launched the California Small Business Loan Match website**, connecting small businesses to trusted, mission-driven lenders across the state.

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 ensuring 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.

Similar to IBank, the FDCs' combined workforce of 57 employees represent the diversity of California, comprised of 70% 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 2023-24. The FDCs are strategically located throughout the state with satellite offices that reach statewide.



**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 2023-24

In partnership with the California Pollution Control Financing Authority (part of the California State Treasurer's Office), IBank continued 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 supports small business loan guarantees and IBank's venture capital program (see Expanding Venture Capital Access, page 37).

Together with the California Pollution Control Financing Authority (CPCFA), IBank successfully encumbered 80% of California's first tranche of SSBCI dollars, thereby becoming eligible to unlock the second tranche of SSBCI funding. IBank and CPCFA also successfully met the state's goals for Socially and Economically Disadvantaged Individual (SEDI) borrowers and Very Small Businesses. IBank and CPCFA applied for the second tranche of California's allocation in the third quarter of 2024.

### 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 guaranteed percentage of 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.

SBLGP	\$ Loans Supported	\$ Capital received by small businesses	\$ Loans Guaranteed	# Loans Guaranteed	Jobs Created or Retained
FEDERAL (SSBCI) Small Business Loan Guarantee Program	\$212 million	\$229 million	\$154 million	708	8,114
STATE Small Business Loan Guarantee Program	\$155 million	\$251 million	\$104 million	316	4,963
<b>TOTAL</b>	<b>\$367 million</b>	<b>\$480 million</b>	<b>\$258 million</b>	<b>1,024</b>	<b>13,077</b>



## Small Business Loan Guarantee Program (Federally Funded – SSBCI)

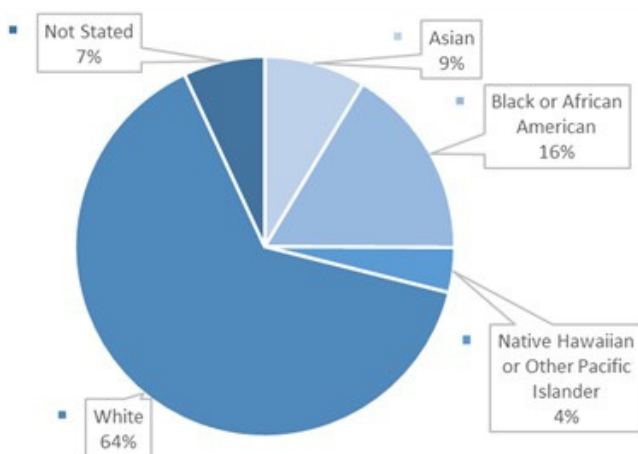
Through the federal SSBCI funded Small Business Loan Guarantee Program, IBank guaranteed 708 loans, resulting in more than \$211.5 million in loans to small businesses supported by more than \$153.9 million on loan guarantees. This guarantee activity contributed to more than \$229.3 million of overall capital injected into the state's small business community. Small business owners reported 8,114 jobs were created or retained because of these loan guarantees.

For the fiscal year 2023-24, the federally (SSBCI) funded Small Business Loan Guarantee Program paid 6 claims totaling \$1,407,986. The losses were 0.8% of the average reserves outstanding (\$171,281,270) and and 0.9% of the average loans outstanding (\$155,443,674). The annual net charge-off rate was 1.2%.

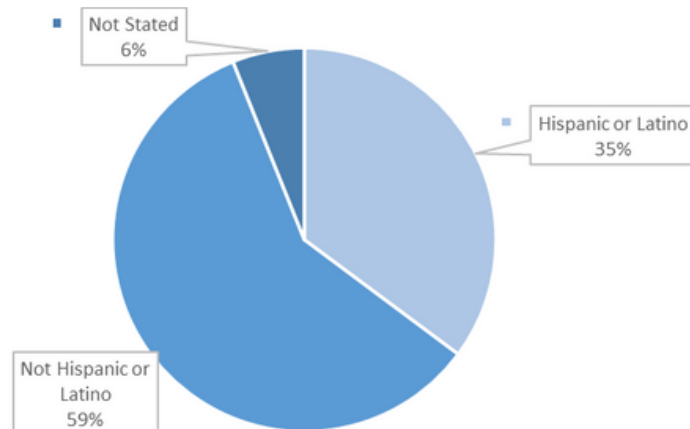
# Default Payments	\$ Default Payments	\$ Default Recoveries	Average Reserves Outstanding	Net Loss on Reserves	Average Loans Outstanding	Net Loss on Principal
6	\$1,407,986	\$0	\$171,281,270	0.8%	\$155,443,674	0.9%

Year	Net Claims	Average Guarantee Balance	Annual Net Charge-Off Rate
FY 2023-24	\$1,407,986	\$116,265,874	1.2%

**Race of Loan Guarantee Recipients  
(Federally Funded – SSBCI)\***

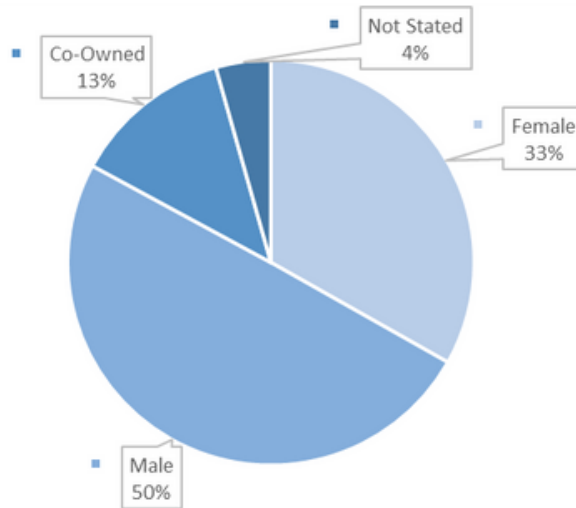


**Ethnicity of Loan Guarantee Recipients  
(Federally Funded – SSBCI)\***





**Gender of Loan Guarantee Recipients  
(Federally Funded – SSBCI)**



\*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).

### Small Business Loan Guarantee Program (State Funded)

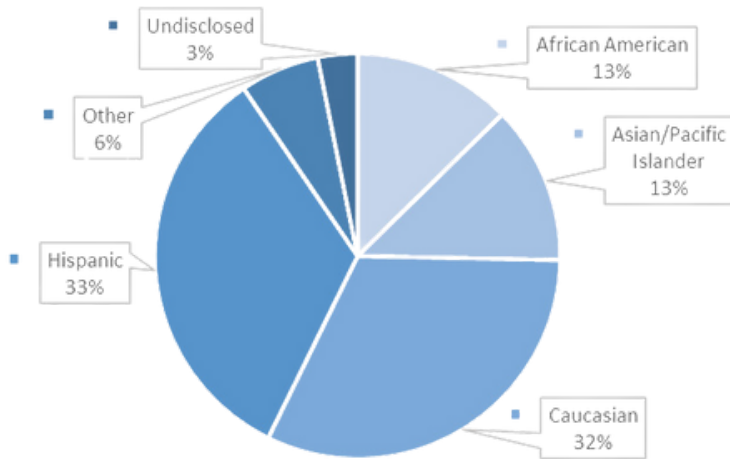
In 2023-24, through its state-funded Small Business Loan Guarantee Program, the Small Business Finance Center guaranteed 316 loans, resulting in \$155 million in loans, supported by \$104 million in loan guarantees. This guarantee activity contributed to \$251.1 million of overall capital injected into the state's small business community. Small business owners reported 4,963 jobs were created or retained because of these loan guarantees.

In 2023-24, the Small Business Loan Guarantee Program paid 60 claims totaling \$7,360,576. The losses were 6% of the average reserves outstanding (\$122,284,548) and 1.1% of the average loans outstanding (\$679,841,145). The annual net charge-off rate was 1.5%.

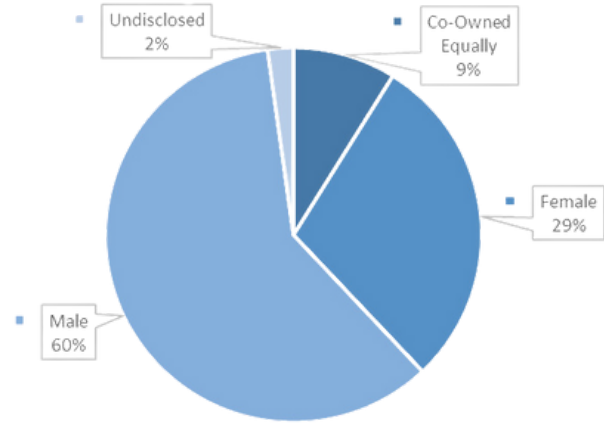
# Default Payments	\$ Default Payments	\$ Default Recoveries	Average Reserves Outstanding	Net Loss on Reserves	Average Loans Outstanding	Net Loss on Principal
60	\$7,360,576	\$315,667	\$122,284,548	6%	\$679,841,145	1.1%

Year	Net Claims	Average Guarantee Balance	Annual Net Charge-Off Rate
FY 2023-24	\$7,044,908	\$480,292,530	1.5%

**Ethnicity of Loan Guarantee Recipients  
(State Funded)**



**Gender of Loan Guarantee Recipients  
(State Funded)**

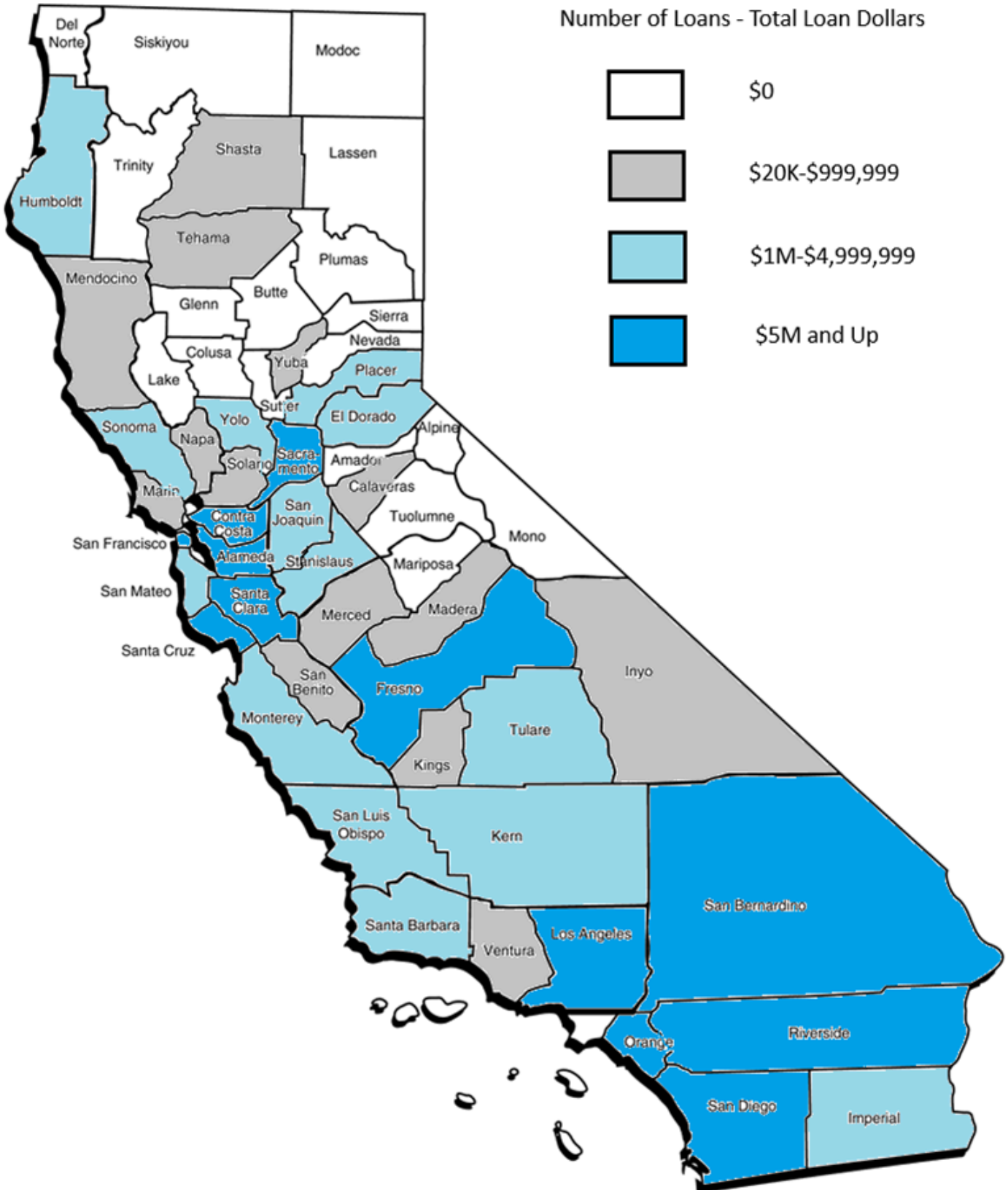
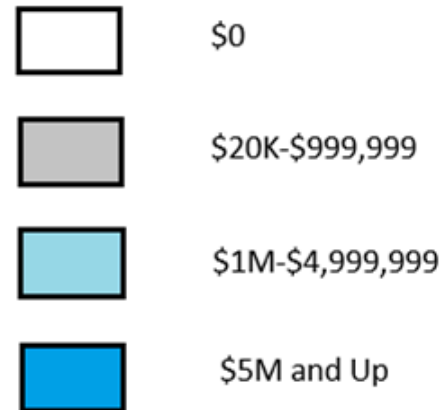


**Geographic Distribution of Loan Guarantee Activity (State and Federally Funded)**

County	Total Loan Amount	Number of Loans
Los Angeles	\$ 88,901,498.35	223
Orange	\$ 53,505,259.00	81
San Diego	\$ 38,991,359.00	177
San Bernardino	\$ 32,768,949.73	65
Riverside	\$ 30,880,899.27	72
Sacramento	\$ 28,925,827.60	26
Fresno	\$ 11,837,207.91	39
Santa Clara	\$ 8,627,500.00	23
Santa Cruz	\$ 8,495,000.00	7
San Francisco	\$ 7,628,000.00	56
Alameda	\$ 6,561,240.00	45
Contra Costa	\$ 5,076,125.00	26
Tulare	\$ 4,938,200.00	6
San Joaquin	\$ 4,056,200.00	8
Monterey	\$ 3,986,875.00	5
San Mateo	\$ 3,707,500.00	17
Stanislaus	\$ 3,210,000.00	7
Sonoma	\$ 3,038,423.92	27
San Luis Obispo	\$ 3,010,000.00	12
Santa Barbara	\$ 2,478,000.00	11
Kern	\$ 2,337,647.66	10
Imperial	\$ 1,968,800.00	19
Yolo	\$ 1,893,000.00	2
Placer	\$ 1,305,000.00	6
Humboldt	\$ 1,200,000.00	4
El Dorado	\$ 1,198,481.92	4
Merced	\$ 925,614.46	4
Ventura	\$ 821,000.00	6
Yuba	\$ 790,000.00	1
Marin	\$ 755,000.00	8
Shasta	\$ 720,000.00	3
Solano	\$ 510,000.00	9
Napa	\$ 405,000.00	4
Mendocino	\$ 311,750.00	2
Inyo	\$ 250,000.00	1
Calaveras	\$ 200,000.00	1
San Benito	\$ 175,000.00	1
Kings	\$ 85,000.00	2
Madera	\$ 74,000.00	3
Tehama	\$ 43,050.00	1

# GEOGRAPHIC AREA SERVED

Number of Loans - Total Loan Dollars



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

FDC	Loan Amount	Initial Guarantee Liability	Total Financing Package	Jobs Created or Retained
California Capital	\$15,665,000	\$12,462,000	\$15,665,000	474
California Coastal	\$15,851,875	\$12,681,500	\$15,851,875	424
California Southern	\$131,402,957	\$94,985,045	\$185,174,875	5,438
Nor-Cal	\$69,421,603	\$46,177,964	\$80,970,200	3,164
PCR	\$7,605,944	\$5,904,755	\$17,292,837	345
SBDC OC	\$110,517,893	\$72,598,971	\$142,585,465	3,060
VSBD	\$16,127,136	\$12,881,709	\$16,449,450	172
<b>Grand Total</b>	<b>\$366,592,409</b>	<b>\$257,691,943</b>	<b>\$473,989,702</b>	<b>13,077</b>

**2023-24 Top Lenders by Number of Loans**

Order	Lender	Number of Loans
1	<u>Accessity</u>	330
2	Working Solutions	114
3	Pacific Community Ventures	64
4	CDC Small Business Finance	57
5	Main Street Launch	30
6	Fresno Area Hispanic Foundation	26
7	<u>AltCap</u> California	21
8	MDF Fund I, LP	21
9	TMC Community Capital	19
10	Beach Cities Commercial Bank	17

**2023-24 Top Lenders by Dollars Loaned**

Order	Lender	Dollars Loaned
1	<u>Sunwest</u> Bank	\$52,947,406
2	Neighborhood National Bank	\$18,063,477
3	<u>WaFd</u> Bank	\$15,000,000
4	Western Alliance Bank	\$14,700,000
5	Pacific Premier Bank	\$14,050,000
6	F&M Bank	\$13,998,000
7	Beach Cities Commercial Bank	\$12,388,000
8	MDF Fund I, LP	\$12,111,000
9	Local Initiatives Support Corporation	\$11,655,000
10	<u>Accessity</u>	\$11,283,625

# 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 2023-24, the Small Business Finance Center did not guarantee any new traditional disaster relief loans.

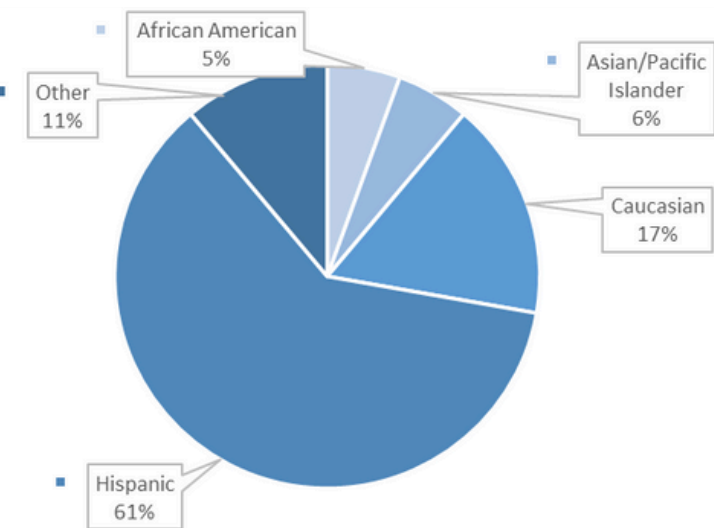
## COVID-19 Micro Loan Guarantees

COVID-19 Micro Loan Guarantees were designed to address gaps in available financing to the smallest of small businesses, including those who 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 Guarantees were to be used for business continuance and to cure a "significant economic injury" as the result of the COVID-19 pandemic. In 2023-24, the Small Business Finance Center continued to leverage the \$50 million allocated in April 2020 for COVID-19 Micro Loan Guarantees until December 2023, when the program was ended.

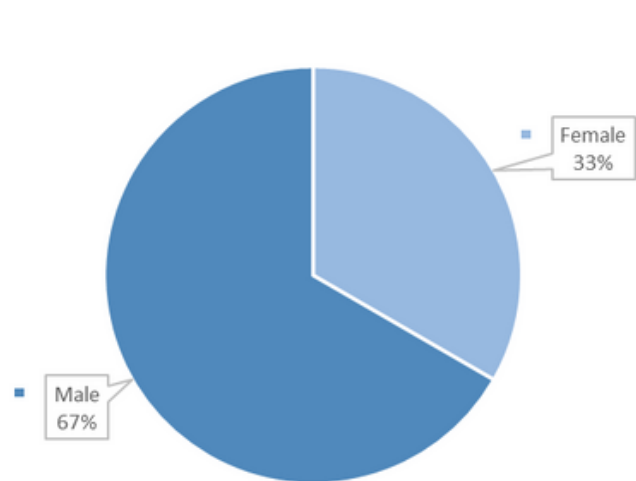
In 2023-24, the Small Business Finance Center guaranteed 18 COVID-19 micro loans that enabled \$700,000 in disaster relief loans, supported by \$665,000 in loan guarantees. Small business owners reported 87 jobs were created or retained because of these loan guarantees.



Ethnicity of COVID-19 Micro Loan Guarantee Recipients



Gender of COVID-19 Micro Loan Guarantee Recipients



COVID-19 Micro Loan Guarantees: Program Totals Since Inception

From its inception in April 2020 until December 2023, loan guarantees for 2,381 micro loans totaling \$110 million in loans with \$104 million in guarantee dollars were approved. Of these guarantees, 87% of them were to businesses that were either woman or minority-owned, or located in low-to-moderate income tracts. The average loan amount was less than \$50,000, showing that this program 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	2,060	86.5%

In 2023-24, COVID-19 Micro Loan Guarantees paid 115 claims totaling \$4,090,933. The losses were 10% of the average reserves outstanding (\$41,123,768) and 7.6% of the average loans outstanding (\$54,139,928). The annual net charge-off rate was 8.0%

# Default Payments	\$ Default Payments	\$ Default Recoveries	Average Reserves Outstanding	Net Loss on Reserves	Average Loans Outstanding	Net Loss on Principal
115	\$4,090,993	\$0	\$41,123,768	10%	\$54,139,928	7.6%

Year	Net Claims	Average Guarantee Balance	Annual Net Charge-Off Rate
FY 2023-24	\$4,090,993	\$51,312,191	8.0%

## 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 Service Agency, which guarantees up to 90% of those loans.

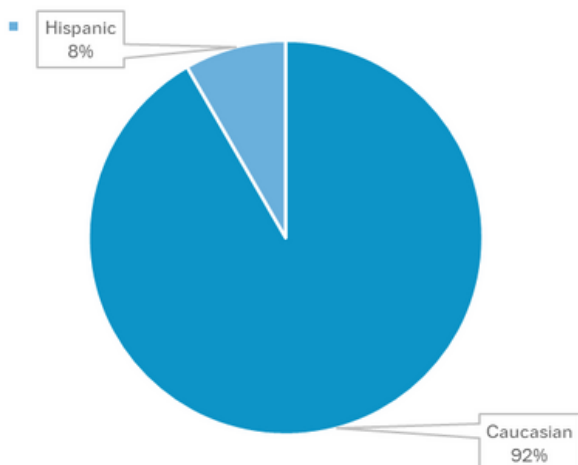
The Farm Loan Program was utilized by one FDC in 2023-24 to originate 12 new farm loans totaling \$6,280,000.

FDC	# New Farm Loans	\$ New Farm Loans	Jobs Created or Retained
Valley	12	\$6,280,000	519

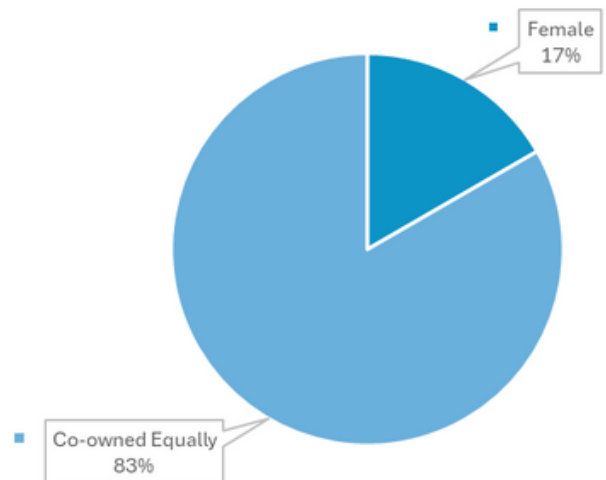
Outstanding Disbursements*	Outstanding Trust Balance	Defaults
\$1,915,504.50	\$4,886,239.94	0

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

**Ethnicity of Farm Loan Recipients**



**Gender of Farm Loan Recipients**



## 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 in 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.

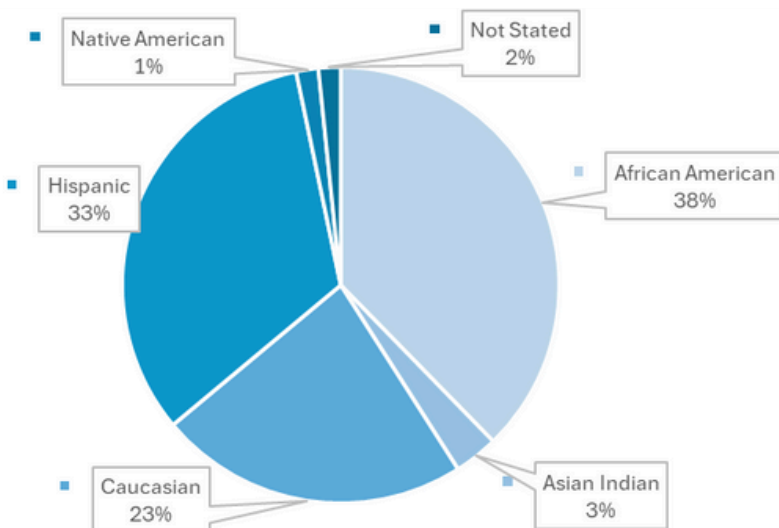
To help remedy the financial disparity suffered by these entrepreneurs, IBank created the Jump Start Loan Program and contracted with five Financial Development Corporations (Jump Start FDCs) that have proven experience with micro-lending in low-wealth communities to provide credit underwriting, loan 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.

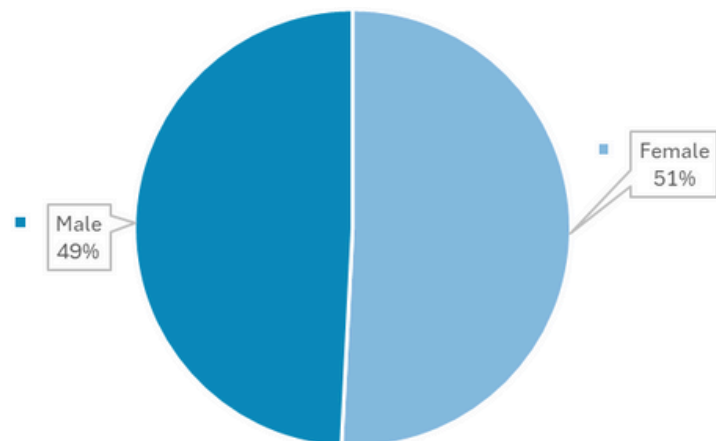
\$ Jump Start Loans	# Jump Start Loans
\$553,500	61

Hours of TA Provided	Businesses That Received TA
2,032	546

**Ethnicity of Jump Start Recipients**



**Gender of Jump Start Recipients**



## Fiscal Year 2023-24

In 2023-24 two FDCs made three new Jump Start Loans totaling \$25,000.

FDC	# New Loans	\$ New Loans
PCR	2	\$15,000
Cal Coastal	1	\$10,000
<b>Total</b>	<b>3</b>	<b>\$25,000</b>

## Climate Tech Financing: Loan Guarantees



***Enabling financing for high-impact climate technology ventures***

In 2023-24, to help California meet its climate goals, IBank continued its growth in the climate financing space. The Climate Tech Finance program was expanded statewide in 2022 to help climate technology businesses access the capital they need. Through a partnership with the Bay Area Air Quality Management District, the Small Business Finance Center guaranteed three loans to climate tech entrepreneurs for \$5.9 million, supported by \$4.7 million in loan guarantees.

Since its inception, the Climate Tech Finance program has provided loan guarantees on 16 loans that total \$35 million, with total guarantees of \$28 million. These businesses are addressing the climate crisis in a variety of ways:

- A small business in the pavement preservation industry reduces greenhouse gas emissions and gets the most life out of roads.
- A company that is the only manufacturer of a self-charging float with patented technology that harvests energy from temperature differences in ocean water, then uses the ocean thermal energy to power subsea robots.
- An electric vehicle solutions management company that focuses on making electric vehicles easier to use.

## Improving systems/Maximizing efficiency

- IBank launched a new website for small business owners seeking loans. California Small Business Loan Match takes the guess work out of the lender search by connecting small businesses to trusted, mission-driven lenders that use IBank's loan guarantee program and, therefore, are more likely to qualify small businesses for a loan and/or offer them lower interest rates than traditional lenders.

## Californians spoke, IBank took action

- **Expanding access** – In response to listening sessions, IBank worked closely with the U.S. Treasury to remove prepayment penalty rules as requested by CDFIs for the Small Business Loan Guarantee program under the federally funded State Small Business Credit Initiative, making the program easier to use and allowing the program to reach more small businesses.





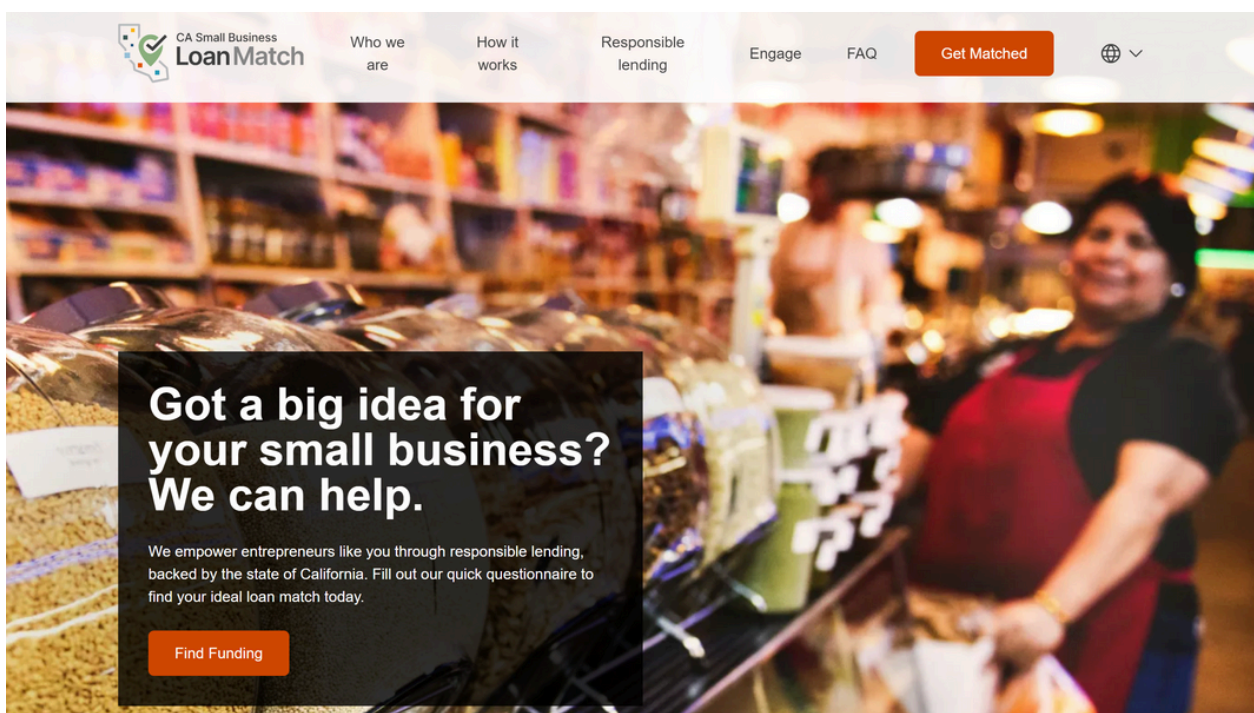
# IBank Launches Website for Small Businesses Seeking Loans

California Small Business Loan Match helps entrepreneurs find loans from responsible lenders

Finding a small business loan from trusted reputable lenders got easier in April 2024, when IBank launched its new website California Small Business Loan Match — [caloanmatch.org](https://caloanmatch.org).

This one-stop solution is free and easy to navigate, bringing together lenders across the state that are considered responsible and non-predatory. The goal is to empower entrepreneurs, particularly those who are socially and economically disadvantaged, through responsible lending that is backed by the State of California.

*“We are thrilled to connect California small business owners with pre-vetted lenders and loans they can trust. All of these lenders use IBank’s Small Business Loan Guarantee Program which reduces lenders’ risk in loaning to small businesses that may struggle to access capital. The program has successfully supported more than \$2 billion in loans to small businesses across the state since 2013.” — IBank Executive Director Scott Wu*



*“Our lenders on California Small Business Loan Match are ideal for business owners who have been turned away from traditional banks or who faced hardships that they’re still recovering from.” — **IBank Small Business Finance Center Manager Megan Hodapp***



California Small Business Loan Match is supported by Vice President Kamala Harris’ federal Initiative for Inclusive Entrepreneurship (IIE) in partnership with Next Street and Community Reinvestment Fund, USA (CRF).

*“We are proud to support the design and development of a go-to-market solution to support California Small Business Loan Match and look forward to connecting underserved small businesses with the right resources to help them sustain and grow.”*  
— **Samantha Berg, Co-CEO at Next Street**

IIE brings together public, private, and philanthropic entities to maximize and build upon the U.S. Department of Treasury’s \$10 billion State Small Business Credit Initiative (SSBCI) by expanding innovative products for small business owners of color, breaking down systemic barriers, and ultimately unlocking billions of dollars in federal investments aimed at underserved small businesses.



IBank’s Small Business Finance Center Team



# On the National Stage

## IBank Joins U.S. Department of Treasury to Share Best Practices in Reaching Underserved Small Businesses

The successful launch of IBank's new website for small businesses, California Small Business Loan Match, was made possible through partnership with Next Street and Community Reinvestment Fund, USA, and generous donations to Vice President Kamala Harris's Initiative for Inclusive Entrepreneurship (IIE).

In December 2023, IBank's Small Business Finance Center Manager Megan Hodapp joined White House and U.S. Treasury staff along with Next Street; the Milken Institute; Hyphen; and representatives from New York, Kansas, Illinois, Ohio, and tribes to share lessons and best practices in ensuring the benefits of SSBCI reach underserved small businesses.



Together, participants discussed future opportunities to leverage the knowledge shared and ways in which the program could continue the successes of the first 18 months. The Vice President's Office also held an open discussion with IIE funders about the successes of the program and how to continue improving access to capital for underserved Black-, Indigenous-, and people of color-owned small businesses in the country.



# Climate Catalyst Revolving Loan Fund



## Highlights:

- Approved first transaction of Climate Catalyst Revolving Loan Fund – Up to \$25 million for the California Wildfire Innovation Fund.
- Supported the successful application of IBank’s national partner – the Coalition for Green Capital – to the U.S. Environmental Protection Agency’s Greenhouse Gas Reduction Fund, resulting in a preliminary allocation to the Climate Catalyst Revolving Loan Fund of \$446 million.
- Initiated a public request for information to solicit input from market stakeholders regarding needs and strategies for the deployment of these new funds.
- Increased capacity to serve the state’s climate needs, onboarding two analysts to the Climate Financing Team.

The Climate Catalyst Revolving Loan Fund (Climate Catalyst) 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.

Climate Catalyst 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.

Climate Catalyst 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 scaling commercialized technologies that are eligible under the US EPA’s National Clean Investment Fund. This includes distributed generation and storage, zero-emission vehicles and infrastructure, building decarbonization solutions, and other technologies that advance California’s environmental and social objectives in the climate transition.

## Fiscal Year 2023-24

In November 2023, IBank's Board of Directors approved the first transaction of Climate Catalyst – a commitment of up to \$25 million into the California Wildfire Innovation Fund, to promote a diverse set of strategies that will reduce the risk of catastrophic wildfire by promoting the economic use of high-hazard forest waste. Developed by Blue Forest and to be financed in partnership with CSAA Insurance Group, this innovative financing will directly address the state's mandate for Climate Catalyst to support the forestry sector, advancing policy goals for climate resiliency while also promoting job growth and economic development in underserved communities. The Blue Forest transaction closed on August 28, 2024.

*“Catastrophic wildfires are one of the most devastating manifestations of climate change in California. We are excited to announce this Climate Catalyst commitment, providing the public investment needed to accelerate projects and promote innovation in wildfire threat reduction, while building key partnerships with private capital to promote the state's goals.” —*  
**IBank Executive Director**  
**Scott Wu**

Additionally in fiscal year 2023-24, IBank was authorized by the state Legislature and directed by Governor Gavin Newsom to pursue new capital for state “Green Banks” under the federal Inflation Reduction Act of 2022. Working jointly with the California State Treasurer's Office, IBank led the state's effort to apply for resources under the U.S. Environmental Protection Agency's Greenhouse Gas Reduction Fund (GGRF), convening an interagency working group to identify priorities and coordinate strategy.

In April of 2024 California was awarded \$250 million for the Solar for All program under GGRF, the maximum award available, which will be distributed as grant capital by partner agencies.

Also in April 2024, IBank received preliminary indication of an additional award of approximately \$446 million from the National Clean Investment Fund, also under GGRF, to be deployed as financing solutions for critical climate infrastructure. IBank intends to deploy this award via a revolving fund model, with the intention of leveraging and growing this capital base – as it has successfully done with the Infrastructure State Revolving Fund – to the benefit of California for decades to come. These funds represent an historic opportunity for the state to expand its Green Bank offerings in support of projects that are key to California’s equitable climate transition.

Lastly, in anticipation of this new influx of federal capital and to better support the state’s efforts to expand financing for climate infrastructure, IBank grew its Climate Financing team to include two new Climate Finance Analysts. This expansion reflects the central role that climate solutions play across all of IBank’s programs, as IBank looks to integrate the full range of financing products it offers in a coherent framework that market actors can engage efficiently.

## Californians spoke, IBank took action

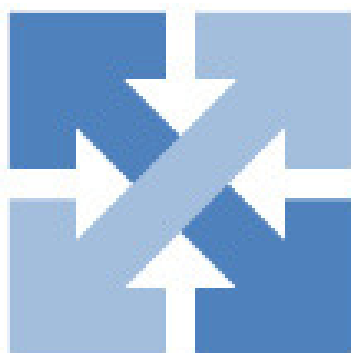
- **Promoting sustainable industries** – Climate Catalyst, in partnership with California’s home-grown entrepreneurs and critical industry allies, initiated a groundbreaking commitment to fund new businesses turning hazardous forest wastes into valuable products, and promoting technologies to decrease the risks of catastrophic wildfire.
- **Leveraging federal investment to offset state budget pressure** – During a challenging budget year for the state, IBank supported the effort to access federal capital for climate solutions made possible by the Inflation Reduction Act. These efforts resulted in \$250 million for community-scale solar and up to \$446 million in new, permanent revolving capital to support the state for decades to come.

## Improving systems/Maximizing efficiency

- To better shape IBank's climate financing strategies, the Climate Team created an open request for information to solicit input on the financial products and partnerships market partners need in order to thrive. IBank received more than 50 responses identifying specific capital needs and partnership structures not being offered in the marketplace. This input continues to shape IBank's strategies for financial product design and market engagement, in ways that will result in durable program growth over time.
- To promote integration across IBank's internal teams, and the retention of essential market information for IBank staff over time, the Climate Team deepened its engagement with Salesforce and integrated its robust pipeline of potential climate transactions. This effort helped the team find efficiencies in diligence, and promoted a superior customer experience by reducing redundant efforts and enabling borrowers to find the best financing options to meet their needs.



# Expanding Venture Capital Access



Derrick Tang  
Deputy Director of Venture Capital

## Highlights:

- Established \$50 million state supplement fund to increase program effectiveness and performance.
- Closed \$10 million in commitments to two new venture funds supporting underrepresented entrepreneurs; approved up to \$30 million in additional commitments.

Launched in late 2022, IBank's 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 \$250 million in venture capital (VC) funds and businesses in California, with \$200 million of the funds to be invested in VC funds and the balance directly to businesses.

## 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 2023-24

In December 2023, IBank announced a new state supplement fund designed to increase effectiveness of its Expanding Venture Capital Access program. This new supplement adds up to \$50 million from the state's Small Business Expansion Fund, to bring the total commitment to \$250 million for the program.

The state supplement will enable the VC program to make investments in venture funds under the same economic terms as other market investors, which reduces the burden on the fund manager and encourages catalytic private investment.

*"With any new program, the early days are often the most important. Now that we have been in the market and started deploying funds, we've been able to gather real-world feedback from emerging investors and entrepreneurs the program was designed to support."*

**— IBank Deputy Director of Venture Capital Derrick Tang**

*"By creating this state supplement fund, we are directly addressing market feedback to improve our VC program and better meet our mission. We understand that restrictions built into the federal SSBCI funding can create challenges for some emerging investors, especially those starting their first funds. The state supplement helps fund managers to overcome those challenges and contribute more effectively to an inclusive VC industry."* — **IBank Executive Director Scott Wu**

By the end of the fiscal year, the VC program committed a total of \$14 million to three venture funds supporting underrepresented entrepreneurs building companies in software, hardware, healthcare, life sciences, climate, and other sectors.

Adding to IBank’s \$4.1 million investment in Unshackled Ventures from the previous fiscal year, in 2023-24 IBank expanded access to venture capital by investing in the two additional funds:

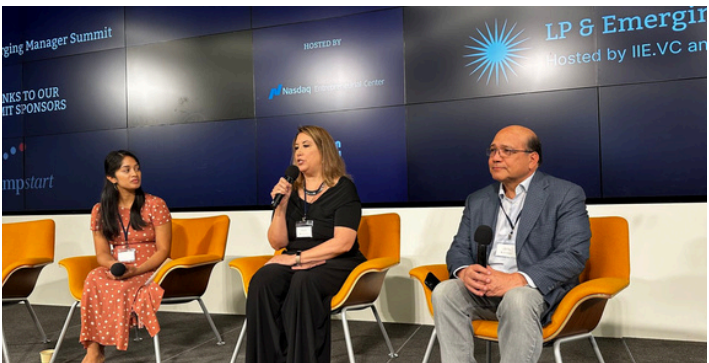
- Seae Ventures (\$5 million)** -- Managed by a diverse team, Seae Ventures is emerging as a leader in investing in healthcare technology and services. Seae is focusing on some of the sector’s highest-growth areas, such as women’s health, mental health, and digital payments.
- Indie Fund (\$5 million)** -- Indie’s strategy intentionally seeks founders who are not raising traditional VC funding due to the nature of their business or lack of network, which leads Indie to deals where there is less competition. The fund has made past Indie-style investments in diverse founders; according to the manager, approximately 50% of portfolio companies have a female founder and approximately 20% of founders are Black. Indie positions itself as an alternative to traditional venture capital funding.



Venture Capital for the State of California with Derrick Tang of IBank California



DERRICK TANG  
Deputy Director of Venture Capital,  
IBank California





# IBank Joins Maiden Voyage on World's First Hydrogen Ferry

Financing made possible by IBank Small Business Loan Guarantee Program

In fiscal year 2023-24, IBank Executive Director Scott Wu and Deputy Director of Venture Capital Derrick Tang proudly joined the maiden voyage of the world's first hydrogen powered ferry as it cruised around the San Francisco Bay.



Made possible through an IBank loan guarantee, the company SWITCH and the hydrogen ferry named “Sea Change” represent a momentous achievement in advancing toward a future of clean transportation. The loan guarantee was also made possible by a number of key IBank partners, including the Bay Area Air Quality Management District, Norcal Financial Development Corporation, California Energy Commission, Key Bank, and California State Transportation Agency.



SWITCH's Sea Change ferry demonstrates the importance of IBank's climate solutions priority, and the enormous impact IBank contributes toward improving the quality of life for Californians and beyond.



# Bond Financing Program



Fariba Khoie  
Bond Finance Manager

## Highlights:

- Issued more than \$1.3 billion in bonds – including green and sustainability bonds – to finance facilities supporting general healthcare and reproductive health, clean water, and energy efficiency, as well as museums, performing arts centers, and more.
- Adjusted fee schedule to fully cover the program's expenses and adjust to market feedback for small- to medium-sized projects.

Government agencies issue bonds to finance a variety of economic or public development facilities projects for private and public entities. When investors purchase bonds, they essentially lend money to the borrower. In its role as a conduit 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 qualified projects under each bond type can be issued as green, sustainability, or social bonds. Borrowers may seek certification by an outside third-party verifier.

- **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.

- **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.

As a general-purpose issuer, IBank can issue bonds with public-private partnership (P3) structures for medium- to large-scale public and economic development facilities for various infrastructure projects, including but not limited to airports, railroads, bridges, water and wastewater facilities, facilities for local furnishing of electric energy or gas, and energy efficiency projects

## Fiscal Year 2023-24

In 2023-24, IBank issued a total of \$1.3 billion in conduit bonds to provide financing for projects throughout the state, leveraging more than \$22.4 million in additional economic activity, and creating 2011 jobs for Californians.



## Improving systems/Maximizing efficiency

- To improve customer service, IBank kicked off development of a web-based application for conduit bond clients.
- To create more program efficiencies, IBank began migrating data tracking to Salesforce.

<b>Activity Summary</b> <b>Bond Financing</b> <b>Fiscal year 2023-2024</b>						
<b>IBank Program</b>	<b>Financings Approved</b>	<b>Financings Closed</b>	<b>Jobs<sup>1</sup></b>	<b>Amount Approved</b>	<b>Amount Closed</b>	<b>Leverage<sup>2</sup></b>
Industrial Development Bonds	0	0	0	\$0	\$0	\$0
501(c)(3) Bonds	7	8	2011	\$1,499,200,000	\$1,100,947,770	\$22,484,643
Public Agency Revenue Bonds	1	1	0	\$350,000,000	\$272,950,000	\$0
Exempt Facility Bonds <sup>3</sup>	1	0	0	\$3,000,000,000	\$0	\$0
ISRF Program Bonds	0	0	0	\$0	\$0	\$0
<b>FISCAL YEAR TOTALS</b>	<b>9</b>	<b>9</b>	<b>2011</b>	<b>\$4,849,200,000</b>	<b>\$1,373,897,770</b>	<b>\$22,484,643</b>
<b>NOTES:</b> <sup>1</sup> 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. <sup>2</sup> 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. <sup>3</sup> The IBank Board of Directors approved \$3 billion bonds for Brightline West Intercity High-speed Rail project; however, the bonds were not issued during the FY 2023-24.						

**Bonds Issued**  
**Fiscal year 2023-2024**

Borrower	Location	Bond Type	Interest Rate	Description	Jobs <sup>1</sup>	Amount Issued	Leverage <sup>2</sup>
Children's Day School Project	San Francisco, CA	501(c)(3)	4.8900%	<b>Acquisition of a Facility, New Construction and Refunding Non-IBank Issued Prior Debt:</b> Finance, and refinance the costs of acquiring new facility and construction and refunding non-IBank issued prior debt and paying off related swap, pay interest on the obligations, and pay certain costs of issuance. The refunding component will reduce debt service and risk exposure and will replace variable rate with fixed rate financing. There are no anticipated cost savings for the project.	50	\$25,000,000.00	\$7,615,517
Academy of Motion Picture Arts and Sciences Obligated Group, Series 2023A	Los Angeles, CA	501(c)(3)	3.9484%	<b>Refund Prior IBank Issued Bonds:</b> Refund prior bonds and pay costs of issuance. The cost savings will free up funds for the Academy's annual budgeting purposes.	0	\$126,665,000	\$2,384,550
Planned Parenthood Pasadena and San Gabriel Valley	Pasadena, CA	501(c)(3)	Variable	<b>Acquisition of a Facility and New Construction:</b> Finance costs of the acquisition, construction, and improvement of the borrower's health center facilities, and pay costs of issuance. The project will provide larger laboratory and administration office spaces to expand the public health and education services.	47	\$6,225,000	\$2,262,087
The J. Paul Getty Trust, Series 2023A	Los Angeles, CA	501(c)(3)	3.4445%	<b>Refunding IBank Issued Prior Debt:</b> Refund IBank issued prior bonds, pay suspension payments on interest rate swap agreements, and pay termination payments on interest rate swap agreements. The prior bonds were subject to maturity and mandatory tender. Refunding, replaced the prior bonds with fixed rate and new mandatory tender date for the Series 2023B bonds.	0	\$175,860,000	\$4,578,798
The J. Paul Getty Trust, Series 2023B			4.8223%			\$146,455,000	\$3,035,867
California Academy of Sciences, San Francisco, California, Series 2024 (Sustainability Bonds)	San Francisco, CA	501(c)(3)	3.3155%	<b>Refunding Prior IBank Issued Bonds:</b> Refund prior bonds, and pay certain costs of issuance. The prior bonds had mandatory tender date and needed to be remarketed prior to the scheduled date.	0	\$281,450,000	\$1,407,824
Olive Crest 2024	Bellflower, CA	501(c)(3)	Variable	<b>Acquisition of a Facility:</b> Finance costs of the acquisition, construction, and improvement of a certain commercial property and an adjoining parking lot, pay interest on the obligations, and pay certain costs of issuance. The new facility will allow the borrower to expand its services in Los Angeles County.	0	\$2,106,810	\$1,200,000
Olive Crest 2024 (Taxable)			Variable			\$930,960	
Clean Water and Drinking Water State Revolving Fund Revenue Bonds, Series 2024 (Green Bonds)	Statewide	Public Agency Revenue Bond	3.3684%	<b>New Money Financing:</b> Finance the California Clean Water State Revolving Fund Program (CWSRF) project obligations to assist the State Water Board in providing low-cost financial assistance to local governments and other eligible applicants in the State under the CWSRF Program and pay costs of issuance.	0	\$272,950,000	\$0
Adventist Health Energy Projects, Series 2024A	Statewide <sup>3</sup>	501(c)(3)	4.6595%	<b>New Construction:</b> Finance the costs of the acquisition, development, construction, improvement, and equipping of certain energy related improvements, including but not limited to, upgrading and replacing central utility plant assets, installing solar arrays, replacing air handling units, upgrading building automation systems, implementing battery storage solutions, and making other infrastructure improvements at certain hospitals and related facilities, fund interest to accrue on the bonds, and pay certain costs issuance of the bonds. The project will support Adventist Health in providing certain healthcare services.	1,914	\$288,070,000	\$0
Adventist Health Energy Projects, Series 2024B (Taxable)			5.9485%			\$48,185,000	\$0
<b>TOTALS</b>					<b>2011</b>	<b>\$1,373,897,770</b>	<b>\$22,484,643</b>

**NOTES:** <sup>1</sup>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. <sup>2</sup>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. <sup>3</sup>Counties of Kern, Lake, Los Angeles, Kings, Mendocino, San Joaquin, Fresno, Yuba, San Luis Obispo, Ventura, Tuolumne, Napa, Solano, and Sutter.



# IBank's Bond Financing for Adventist Advances All Three IBank Priorities

IBank financing enabling sustainable energy upgrades in underserved communities, while creating jobs

Financed by IBank, the Adventist energy-upgrade project is just one of many advancing all three of IBank's priorities – creating jobs, reaching underserved communities, and addressing climate change. Approved by the IBank Board of Directors in 2024, IBank's bond financing is supporting the modernization, optimization, and energy-related infrastructure improvements at hospitals and facilities owned and operated by Adventist. Financed as a public-private partnership, the project involves Roseville Sustainable Energy Partner LLC, as the borrower with Bernhard MCC, LLC, as the operator, along with Adventist.



Using the Energy-as-a-Service model, the project serves a variety of energy-related purposes, including the installation of solar arrays, upgrade of building automation systems, implementation of battery storage solutions, and more at various Adventist hospitals and medical centers – from Mendocino County to Los Angeles County, including facilities in underserved communities. It is expected that a portion of the bond debt service payment will be offset by savings from the energy system improvements.

Without many of these energy-related projects addressing critical infrastructure in need of replacements and upgrades, certain delivery of healthcare services by Adventist Health would not be possible. But the benefits do not end there. The Adventist project is also expected to create 1,900 construction jobs and 14 full-time permanent jobs for Californians.

# Budget, Legislative, and Other Activities

IBank received a \$25 million General Fund allocation in the 2024-25 state budget for IBank's Infrastructure State Revolving Fund (ISRF). IBank requested the one-time appropriation to continue funding projects at affordable interest rates for California cities, counties, and special districts. This is the first state investment in the program since fiscal year 1999-2000. Over that period, IBank applied the net \$162 million initially provided by the state and leveraged it into over \$1 billion in municipal loans.

This allocation recognizes IBank's strong performance history and continued ability to administer the ISRF program and serve municipalities' critical infrastructure needs.

IBank also supported the state's 2024-25 budget solutions by returning \$225 million for clean energy transmission and \$6 million for forest resilience projects from Climate Catalyst. That leaves only \$25 million of state funds for Climate Catalyst, which was invested in the California Wildfire Innovation Fund project described on page 34. We look forward to obtaining \$446 million of federal funds from NCIF to recapitalize Climate Catalyst and increase the program's climate financing activity.

## Other Activities

### Collaborating with State and Federal Partners

In 2023-24, the IBank team strengthened its existing relationships with other state and federal departments and agencies to ensure alignment and maximum impact benefitting those we serve, including the:

- Office of the Vice President Kamala Harris, through the Initiative for Inclusive Entrepreneurship, including:
  - JumpStart Inc.
  - Next Street
- U.S. Department of the Treasury
- 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

## **Technical Assistance**

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

## **Outreach**

IBank conducted significant outreach throughout the state, speaking at 49 events, and educating attendees at dozens of conferences, webinars, roundtables, and listening sessions.

## **Staying Connected as a Team**

The IBank team gathers regularly for in-person, All Team meetings to learn from guest speakers, 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.

# Statutory Basis for this Report

This Annual Report meets IBank's reporting requirements under Government Code Sections 63035, 63048.94, and 63089.98.

## Comprehensive Annual Financial Report

IBank's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024, was not final and available for inclusion in the IBank's Annual Report before it was due to the Legislature on January 1, 2025. IBank is currently awaiting other postemployment benefit, pension liability, and pension loan figures from the State Controller's Office to complete the Annual Comprehensive Financial Report. To obtain copies of this report upon its release, please contact IBank at 916.341.6600.

Upon completion of the Annual Comprehensive Financial Report, an updated version of this Annual Report will be posted to IBank's website at [www.ibank.ca.gov](http://www.ibank.ca.gov).



# Appendix A

## Financial Development Corporations: Experience and Expertise

Collectively, IBank's Financial Development Corporation partners (FDCs) have 1,438 years of lending expertise on staff and 691 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

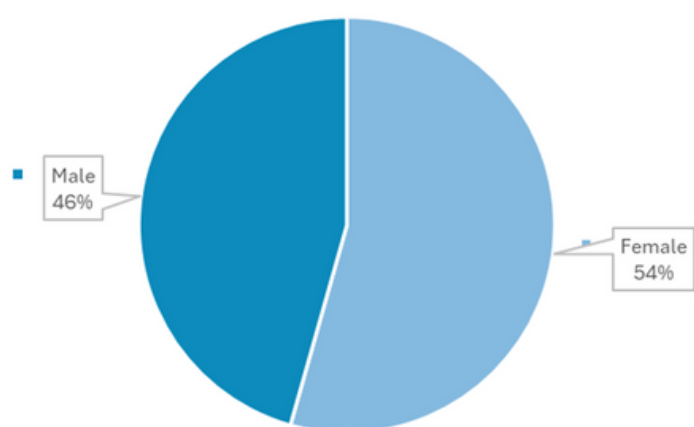
### Loan, Grant, and Technical Assistance Programs

- 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

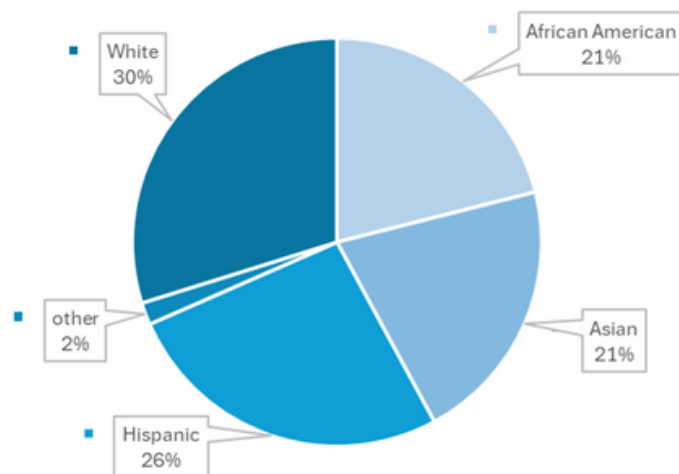
- Bilingual Business Success Forums - 11 languages
- Promise Zone - Capacity Building Programs
- Human Resources Professional 6-Week Certification
- Licensed to Care-Childcare Program
- Afghani Women Entrepreneurs
- Marketplace Events
- Research, Data and Mapping
- Dreambuilders – Online Business Plan
- 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. The FDC's 57 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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