

RESOLUTION NO. 14-09

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK APPROVING THE TRANSFER AND USE OF CERTAIN FUNDS FROM THE CALIFORNIA SMALL BUSINESS EXPANSION FUND AND AUTHORIZING RELATED ACTIONS

WHEREAS, the California Infrastructure and Economic Development Bank (the "IBank") is established pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 et seq.) (the "IBank Act"), for the purpose of providing financial assistance to eligible entities in the State of California (the "State") through a variety of financing mechanisms, which include, among other things, guarantees for loans made to small businesses in the State;

WHEREAS, in connection with the Governor's Reorganization Plan No. 2 ("GRP 2"), the State agency formerly known as the California Business, Transportation and Housing Agency ("BT&H") was dissolved and its various departments, entities and programs were dissolved, reconstituted or moved to other State agencies;

WHEREAS, pursuant to GRP 2, the IBank and the State's Small Business Loan Guarantee Program (the "SBLGP") were moved from BT&H to the Governor's Office of Business and Economic Development ("GO-Biz");

WHEREAS, prior to the implementation of GRP 2, the State, acting through the SBLGP and through the California Pollution Control Finance Authority ("CPCFA") applied for and was awarded federal funds from the U.S. Treasury under the State Small Business Credit Initiative ("SSBCI") to provide funds to support the small business loan guarantee programs administered by the SBLGP and CPCFA;

WHEREAS, legislation enacted subsequent to the implementation of GRP 2, and referred to as the Small Business Financial Assistance Act of 2013, (the "Small Business Act") (i) established the California Small Business Finance Center (the "Center") within the IBank, (ii) transferred administration of the SBLGP from GO-Biz to the Center within the IBank; and (iii) added provisions of the Small Business Act to the IBank Act;

WHEREAS, under SSBCI, federal funds are disbursed in three separate tranches and the State must reach an obligated target of 80% of the current tranche (the "80% Target") as a prerequisite to applying to the U.S. Treasury for subsequent disbursements under the remaining tranches of SSBCI;

WHEREAS, the Small Business Act portion of the IBank Act established the California Small Business Expansion Fund for the support of the activities of the Center, including, but not limited to the SBLGP, within the IBank (the "Expansion Fund");

WHEREAS, the IBank Act provides that funds in the Expansion Fund are continuously appropriated and thus continuously available for expenditure by the IBank for the purposes stated in the IBank Act;

WHEREAS, the IBank Act, among other things, charges the Executive Director of the IBank (the “Executive Director”) with managing and conducting the business and affairs of the IBank and its funds and that such Executive Director authority is subject to any direction that the IBank Board of Directors (“Board”) elects to provide to the Executive Director;

WHEREAS, the IBank Act, in addition to the statutory authority granted directly to the Executive Director, also authorizes the Board to delegate any of its powers and responsibilities to the Executive Director and the Board has, from time to time, elected to provide certain delegations to the Executive Director;

WHEREAS, the Executive Director is requesting that the Board approve the transfer of up to \$15 million of federal SSBCI funds (the “Proposed Transfer”), originally allocated to the IBank’s Small Business Loan Guarantee Program, to the California Pollution Control Finance Authority; and

WHEREAS, the Proposed Transfer is expected to enable California to reach the 80% Target sooner than would otherwise occur if the SBLGP’s allocation is not shared with the other State programs.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California Infrastructure and Economic Development Bank, as follows:

Section 1. The Board hereby finds that the above recitals are true and correct.

Section 2. All actions heretofore taken by the officers and employees of the IBank with respect to the Proposed Transfer are hereby approved, confirmed and ratified.

Section 3. The Board hereby approves the Proposed Transfer and directs the Executive Director to enter into one or more agreements and take all actions necessary or desirable to implement the Proposed Transfer and to further the purposes of this resolution.

Section 4. This resolution shall take effect immediately upon its adoption.

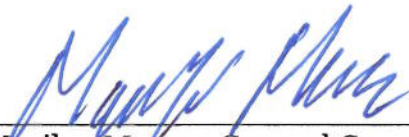
PASSED, APPROVED, AND ADOPTED at a meeting of the California Infrastructure and Economic Development Bank on July 22, 2014, by the following vote:

AYES: LUCHETTI, ANNIS, PAPARIAN, ORTEGA

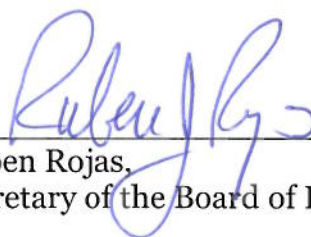
NOES:

ABSENT: ROSSI

ABSTAIN:

By 

Marilyn Munoz, General Counsel
Assignee of the Executive Director

Attest:
By 

Ruben Rojas,
Secretary of the Board of Directors