

STATE OF CALIFORNIA

EDMUND G. BROWN JR.  
Governor

Department of Alcoholic Beverage Control  
Department of Corporations  
Department of Financial Institutions  
California Highway Patrol  
California Housing Finance Agency  
Department of Housing & Community Development  
Department of Motor Vehicles  
Department of Real Estate  
Department of Transportation



BRIAN P. KELLY  
Acting Secretary

Office of Real Estate Appraisers  
Office of Traffic Safety  
New Motor Vehicle Board  
Board of Pilot Commissioners  
California Film Commission  
California Office of Tourism  
Infrastructure and Economic Development Bank  
Small Business Loan Guarantee Program  
Public Infrastructure Advisory Commission

**BUSINESS, TRANSPORTATION AND HOUSING AGENCY**

Testimony

Stanton Hazelroth, Executive Director  
I-Bank

Business, Transportation & Housing Agency

Little Hoover Commission  
Public hearing on Government Reorganization Plan 2012  
April 2012

- The I-Bank is the State of California's only general purpose financing authority and has extremely broad statutory powers to:
  - issue revenue bonds,
  - make loans
  - and provide credit enhancementsfor a wide variety of infrastructure and economic development projects that create a positive environment for jobs and for other government purposes.
- The mission of the I-Bank is to finance public infrastructure and private development that promote economic development, create a positive environment for jobs, revitalize communities and enhance the quality of life for Californians.
- The I-Bank's operations are funded solely from fees, interest earnings and loan repayments.
- The diversity of the I-Bank's programs has also expanded and now includes the following primary programs:
  - *Infrastructure State Revolving Fund (ISRF) Program*—low-cost financing to local agencies for public infrastructure projects.
  - *Industrial Development Revenue Bond (IDB) Program*—tax-exempt conduit revenue bond financing for eligible small- to mid-size manufacturing companies.
  - *501(c)(3) Revenue Bond Program*—tax-exempt conduit revenue bond financing for certain nonprofit public benefit corporations.
  - *State School Fund Apportionment Lease Revenue Bond Program*—tax-exempt conduit revenue bond financing for school districts needing emergency apportionment loans.
  - *Public Agency Revenue Bond Program*—tax-exempt conduit revenue bond financing for governmental entities and revenue bonds issued to leverage the I-Bank's ISRF Program.

The Governor's Proposed Reorganization serves much the same purpose as what I have been advocating for the I-Bank for many years. My previous idea would have moved I-Bank out of an Agency and into the penumbra of the GO. It would also have made the Director of Finance the Chair. Although the reorganization doesn't make the DOF the Chair, the Director of Go-Biz should serve as well since she/he will be focused on infrastructure and economic development and most likely will devote the considerable amount of time necessary to understand what

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I-Bank can do because she/he does not have the same huge variety of departments to oversee. The best part of the Reorganization from I-Bank's standpoint is the moving it out of an Agency and up into the Governor's Office AND in a small group that includes all the key economic development entities in the administration.

Stanton C. Hazelroth, Executive Director, California Infrastructure  
and Economic Development Bank.  
Brian P. Kelly, Acting Secretary  
Business, Transportation & Housing Agency

Little Hoover Commission  
Public hearing on Government Reorganization Plan 2012  
April 23, 2012

Sincerely,



STANTON C. HAZELROTH  
Executive Director