

RESOLUTION NO. 22-03

RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK ADOPTING A CLIMATE CATALYST FINANCING PLAN

WHEREAS, the California Infrastructure and Economic Development Bank (“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 projects in the State of California through a variety of financing mechanisms;

WHEREAS, effective June 29, 2020, Article 6.7 of the IBank Act (California Government Code Sections 63048.91 through 63048.100) was added to the IBank Act establishing the Climate Catalyst Revolving Loan Fund and the Climate Catalyst Revolving Loan Fund Program for the purpose of providing financial assistance for eligible projects (a “Climate Catalyst Project”) intended to further California’s climate goals, activities that reduce climate risk, and the implementation of low-carbon technology and infrastructure;

WHEREAS, Government Code Section 63048.93 requires that the IBank Board of Directors (the “Board”) adopt a Climate Catalyst Financing Plan (a “Financing Plan”);

WHEREAS, Government Code Section 63048.92 defines a Financing Plan as a report “identifying potential categories and eligibility criteria of Climate Catalyst Projects that may receive financial assistance under this article;”

WHEREAS, a proposed Financing Plan is attached hereto as Exhibit A;

WHEREAS, Government Code Section 63048.93 further requires that the Financing Plan be based on IBank’s communication with certain “Consulting Agencies” and that the Consulting Agencies submit a letter to the Board discussing areas of support and disagreement for the Financing Plan under consideration;

WHEREAS, pursuant to Government Code Section 63048.93, the relevant Consulting Agency for purposes of the Financing Plan attached hereto as Exhibit A is the California Natural Resources Agency (“CNRA”) and IBank has met and conferred with CNRA as required under Government Code Section 63048.93; and

WHEREAS, attached hereto as Exhibit B is a letter from CNRA satisfying the requirements of Government Code Section 63048.93.

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 IBank with respect to the subject matter of this Resolution are hereby approved, confirmed and ratified.

Section 3. The Board hereby approves and adopts the Financing Plan attached hereto as Exhibit A.

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

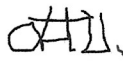
PASSED, APPROVED, AND ADOPTED at a meeting of the California Infrastructure and Economic Development Bank on January 26, 2022, by the following vote:

AYES: Myers, Ma, Miller, Quant, Steinorth

NOES:

ABSENT:

ABSTAIN:

By 
Scott Wu, Executive Director


Attest:
By 
Stefan Spieh
Secretary of the Board of Directors

Exhibit A

Climate Catalyst Financing Plan

Climate Catalyst Fund

Financing Plan January 26th, 2022: Wildfire and Forest Resilience

In administering the Climate Catalyst Revolving Loan Fund (the “Fund”) and the Climate Catalyst Revolving Loan Fund Program (the “Program”), per the requirements of Government Code Section 63048.92, IBank must prepare a Climate Catalyst Financing Plan (the “Financing Plan”) that identifies “potential categories and eligibility criteria of climate catalyst projects that may receive financial assistance” under the Program.

This document serves as the initial Financing Plan for the Fund and Program, which is presently capitalized to provide financial assistance to Climate Catalyst Projects (“Projects”) advancing the state policy priority for wildfire resilience and sustainable forestry practices.

Government Code Section 63048.93(d) requires that IBank engage with specific “consulting agencies” in formulating these financing plans:

“(1) Beginning in the 2021–2022 fiscal year, the bank shall meet and confer with the consulting agencies concerning the specific categories of climate catalyst project corresponding to each agency as provided in subdivision (f). Thereafter, the bank board shall adopt, by majority vote of the bank board, a climate catalyst financing plan. Prior to the bank board meeting in which the bank board will first consider adoption of the financing plan, each consulting agency shall submit a letter to the bank board discussing any areas of support and any areas of disagreement with the financing plan under consideration.

(2) Following bank board approval, the climate catalyst financing plan shall be posted on the bank’s internet website.”

Government Code Section 63048.93(f) identifies as a consulting agency¹:

¹ Government Code Section 63048.93(f) also identifies the California Department of Food and Agriculture (“CDFA”) as a consulting agency for certain agricultural-related Projects. However, the Legislature has not yet provided IBank with funds for this category of Projects. Accordingly, this Financing Plan does not address CDFAs role as a consulting agency. IBank will present to the Board a revised Financing Plan addressing CDFAs role as a consulting agency when funds have become available for these purposes.

“(1) The Natural Resources Agency for climate catalyst projects that relate to sustainable vegetation management, forestry practices, and timber harvesting products. Eligible climate catalyst project categories include, but are not limited to, all of the following:

- (A) Clean energy production, except combustion biomass conversion.
- (B) Advanced construction materials.
- (C) Forestry equipment needed to achieve the state’s goals for forest and vegetation management treatments.”

Government Code Section 63048.93(f)(1) provides three broad Project categories and includes three specific examples of Projects that fit within those categories. However, by its own terms, the list of specific Project categories within Government Code Section 63048.93(f)(1) is not exhaustive. To determine the potential range of allowable Projects, as directed under Government Code Section 63049.93(f)(1), IBank has consulted with the California Natural Resources Agency (“CNRA”). Following these consultations, IBank has determined that the following additional categories of Projects are eligible for financing under the Fund and Program:

- Projects that would revitalize California’s timber industries in ways that support our goals for forest stewardship, including the beneficial use of forest fire salvage, forest thinning for wildfire threat reduction, and the development of industries and related supply chains that utilize forest biomass derived from these processes.

In establishing this Financing Plan, IBank also clarifies the process whereby it will address any potential Project categories that are eligible for financial assistance under the broad categories set forth in Government Code Section 63048.93(f)(1), but are not specifically enumerated therein or otherwise addressed in this Financing Plan:

- IBank may further consult with CNRA for forest biomass utilization projects that seek financing from the Catalyst Fund that are not enumerated specifically under the terms of Government Code 63048.93 and/or included in the relevant Financing Plan (an “Unenumerated Project”), but otherwise meet the underwriting criteria established by IBank.
- Upon presentation to the Board of a potential Unenumerated Project, IBank will provide to the Board CNRA’s analyses of such Unenumerated Project’s eligibility for financing under Government Code Section 63048.93(f)(1).

EXHIBIT B

Letter from California Natural Resources Agency
Regarding Climate Catalyst Financing Plan



GAVIN NEWSOM, Governor
WADE CROWFOOT, Secretary for Natural Resources

December 20, 2021

Sent via electronic mail: IBank@IBank.ca.gov

To the Infrastructure Bank Board:

This letter affirms the support of the California Natural Resources Agency for the "Climate Catalyst Fund Financing Plan Dated January 26, 2022: Wildfire and Forest Resilience", the final version of which is attached as an Appendix to this document. California's wildfire crisis is growing more extreme by the year. The State recently invested \$1.5 billion to increase the pace and scale of wildfire resilience projects from forest thinning to post-fire watershed recovery. One of the major hurdles to achieving wildfire resilience is the abundance of woody material that these thinning projects create. Between post-fire salvage of woody biomass to pre-fire clearing and thinning projects, woody material is piling up on the landscape, potentially exacerbating an already dire wildfire crisis.

The Climate Catalyst Fund can play a critical role in building businesses that can pull this woody material from landscape and put it to use, avoiding emissions from open pile burning and mitigating catastrophic wildfires. The Climate Catalyst Fund will open opportunities for a wide array of needed businesses which will help address California's wildfire crisis.

Sincerely,

Jessica Morse

Jessica Morse

Forest and Wildland Resilience
California Natural Resources Agency

715 P Street, 20th Floor, Sacramento, CA 95814 Ph. 916.653.5656 <http://resources.ca.gov>

