

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

A. GENERAL INFORMATION

1. Date

2019-06-25

2. Department

Governor's Office of Business and Economic Development (GO-Biz)

3. Organizational Placement (Division/Branch/Office Name)

Credit/California Infrastructure and Economic Development Bank (IBank)

4. CEA Position Title

Deputy Director of Credit, Chief Credit Officer

5. Summary of proposed position description and how it relates to the program's mission or purpose. (2-3 sentences)

IBank (a GO-Biz Program) provides loans, bonds, and credit enhancements to state and local governmental entities, conduit borrowers, and small businesses. The Deputy Director of Credit, Chief Credit Officer (CEA, Level B) is responsible for managing all aspects of bond, credit underwriting, loan origination, and loan servicing activity for IBank. Managing the financial risk of program funds is critical to IBank's existence.

6. Reports to: (Class Title/Level)

Executive Director/Governor Appointee

7. Relationship with Department Director (Select one)

- Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain):

The position reports to the California Infrastructure and Economic Development Bank (IBank) Executive Director, but also provides consultation and recommendations to the IBank Chief Deputy Executive Director, the IBank Executive Committee, the IBank Investment Committee, and the IBank Board. IBank is a program within GO-Biz.

8. Organizational Level (Select one)

- 1st 2nd 3rd 4th 5th (mega departments only - 17,001+ allocated positions)

B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

The Deputy Director of Credit, Chief Credit Officer (CEA, Level B) is responsible for managing all aspects of credit underwriting and loan servicing for the Infrastructure State Revolving Fund (ISRF) Program, the California Lending for Energy and Environmental Needs (CLEEN) Program, the Bond Unit Program (Bonds), and all new IBank programs (New) that have a credit component. The ISRF, CLEEN, Bonds, and New (collectively, Credit Programs) provides loans, bonds, and credit enhancements to state and local governmental entities, conduit borrowers, et al. IBank's Deputy Director of Credit, Chief Credit Officer is primarily responsible for the rendering of policy advice to the Executive Director and Board of Directors. The Deputy Director of Credit, Chief Credit Officer has broad responsibility for policy implementation and extensive participation in policy involvement. The position is one of the most critical positions that have continuous, direct interface with department directors and constitute the executive management team.

The Deputy Director of Credit, Chief Credit Officer organizes and directs all aspects of the Credit Programs, including responsibility for loans, bonds and guarantees, underwriting and origination, loan documentation, loan amendments, loan servicing, and portfolio administration.

Listed below are the duties and responsibilities of the Deputy Director of Credit, Chief Credit Officer:

- Debt issuance and administration of the ISRF Program revenue bonds, which were issued in the public capital markets, and standard underwriting criteria;
- Lead and provide guidance to Executive Management in the assembling of bond financing teams to underwrite and sell bonds;
- Perform financial analysis related functions through bond trustees, maintain bond holder registries, covenants, and arbitrage;
- Develop and maintain a high level of expertise of municipal, conduit bonds, and business financings;
- Supervise and direct all aspects of the review, financial analysis, underwriting, and processing of each loan, bond and guarantee requests;
- Manage a group of professional (lending) staff in Credit underwriting and review, including Credit origination;
- Preparation and execution of loan agreements, facility and site lease agreements, and installment sale agreements, including amendments thereto;
- Processing and approval of loan disbursements for complex loan requests for multi-million dollar public infrastructure and economic expansion projects;
- Provide direction and oversight for the preparation of credit memorandums and staff reports presented to the IBank Board of Directors with respect to all Credit Programs;
- Direct the IBank's technical assistance efforts with respect to all credit matters;
- Supervise and direct all aspects of more complex transactions that typically have multiple funding sources and numerous construction contracts;
- Supervise and direct all aspects of amendments to existing loans, including the preparation of staff reports/credit memorandums;
- Supervise and direct all aspects of the annual surveillance activities of ISRF and CLEEN Program borrowers, including the analysis of annual financial statements to determine if there has been a change in financial condition and to determine compliance with loan covenants;
- Provide direction and oversight for the preparation of annual surveillance staff reports;
- Coordinate with the Fiscal Manager to manage the IBank's relationship with the ISRF Program revenue bonds trustee, including the approval of Officer Certificates directing the trustee to make payments and disbursements, transfer funds or take other actions authorized by the bond indenture;
- Oversee the preparation of all loan and bond repayment data contained in both Official Statements and annual continuing disclosure reports for the ISRF Bonds required by Securities and Exchange Commission rule 15c2-12;
- Supervise the development and utilization of a "tickler" system for all key dates relating to loan servicing, bond administration, and accounting operations, and
- Respond to the most sensitive of difficult inquiries from local officials, ISRF and CLEEN Program borrowers, and public finance professionals regarding the policy and procedures of the ISRF Program and the loan servicing issues.

Further, the Deputy Director of Credit, Chief Credit Officer recommends policy, procedures, guidelines, and documents to the Executive Director relating to the Credit Programs and the functions of the Credit Programs. Supervises, monitors, and evaluates the work product and performance of the staff in the Credit Programs; coordinates and manages work flow; develops duty statements; conducts hiring procedures and written periodic evaluations; serves on interview and examination panels; ensures adequate and appropriate documentation and record keeping of staff; and develops and implements training as needed, including the preparation of individual development plans.

The Deputy Director of Credit, Chief Credit Officer serves on the IBank's internal executive committee and investment advisory committee to ensure appropriate annual reporting to management, the rating agencies and the Legislature are prepared and forwarded in a timely and accurate manner. The position analyzes legislation impacting the IBank and its Credit Programs, prepares Budget Change Proposals, Finance Letters and other management reports, management activities, and special projects as assigned.

B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- Program is directly related to department's primary mission and is critical to achieving the department's goals.
- Program is indirectly related to department's primary mission.
- Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: IBank's Mission is to provide financial assistance to support infrastructure and economic development in California. The Legislature's vision in creating IBank was to promote economic revitalization, future development, a healthy climate for jobs in California, and to support the efforts of businesses attempting to expand, businesses seeking to locate in California, and local economic development organizations, public agencies, and new entrepreneurs by dedicating public fiscal resources to confront obstacles and barriers that impede economic growth. The Deputy Director of Credit, Chief Credit Officer serves as a member of the IBank Executive Committee and provides overall direction, policy formulation, and leadership to all IBank Credit Programs, including supervision of managers from the Loan Origination Unit, Loan Servicing Unit, and the Bond Unit. The Deputy Director of Credit, Chief Credit Officer identifies opportunities to secure funding of underfunded Credit Programs and plans, schedules, assigns and reviews credit memorandums, clearing financing conditions prior to disbursements, reconciles issuer certificates, including financial and credit underwriting, monitors and reviews/approves work products and provide staff performance appraisals, mentoring, and career ladder progression, and other required personnel duties. Further, the Deputy Director of Credit, Chief Credit Officer directs all activities of bond financing programs and provides expertise to ensure compliance with applicable laws and regulations. Without a Deputy Director of Credit, Chief Credit Officer there is risk that IBank's credit rating administered by the Rating Agencies will be downgraded which would be detrimental to the reputation of IBank and could hinder the issuance of revenue bonds and IBank's ability to raise capital for its programs. Further, the position is critical, as management plans for growth in loan and bond production as expanded requirements are integrated into current business processes, which include administrative and fiscal reporting, risk mitigation, compliance audits and governance. The Deputy Director of Credit, Chief Credit Officer is also responsible for oversight duties and responsibilities of the Credit Programs, which may be severely impacted, as new or revised policies, procedures, directives, and requirements are continually being updated, based on State and Federal statutory or regulatory requirement changes.

B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

The Deputy Director of Credit, Chief Credit Officer position was previously filled from June 16, 2014 to October 31, 2017 with a Governor appointee position, borrowed from another agency, under the previous Administration. When the appointee retired in October 2017, the position was no longer available to IBank. For the Fiscal Year (FY) 2019-20, Governor's Budget through the Budget Change Proposal (BCP) process, IBank received approval to increase its budget authority and add one CEA, Level B position to accommodate workload increases for IBank Credit Programs and the support area of credit, including loan servicing.

All Credit Programs duties and responsibilities are under the Deputy Director of Credit, Chief Credit Officer's oversight and management. The Deputy Director of Credit, Chief Credit Officer will provide the strategic leadership and guidance to the Credit Programs and be responsible for oversight of all bond, loan, and financing programs offered to stakeholders. The Deputy Director of Credit, Chief Credit Officer will lead the Credit Programs in updating and establishing new policies and procedures, develop and maintain databases, and other documentation necessary for the transparency and accountability of the various Credit Program requirements. Further, the position provides leadership in the review, issuance, and structuring of highly complex multi-million dollar bond financings requests for public, private, and governmental agencies and provides management and direction over IBank's efforts to complete bond sales in the market.

The position will work closely with key stakeholders, governmental agencies, and financial institutions to deliver information about IBank's funding programs by identifying funding needs of eligible and competitive projects that meet the State's and the Governor's larger goals and objectives of economic development in California.

The position is tasked with developing and maintaining effective Credit Programs, by identifying, developing and implementing solutions related to complex financing issues. The position serves as a member of the IBank Executive Committee and Investment Committee, and will provide overall direction, policy formulation, leadership and direction to the IBank Credit Programs. The position also identifies opportunities to secure funding of underfunded Credit Programs as well as develops and formulates plans to reactive dormant Credit Programs. The Deputy Director of Credit, Chief Credit Officer position researches, refines, and reviews interest rate methodologies to ensure IBank is competitive in the financing community which provides Credit Programs that benefit private and public stakeholders.

These financing programs (under the guidance and responsibility of the Deputy Director of Credit, Chief Credit Officer) are critical to the IBank's mission to finance public infrastructure and private development that promote a healthy climate for jobs, contribute to a strong economy, and improve the quality of life in California communities. Further, IBank is the State of California's only general purpose financing authority who works closely with local representatives, key stakeholders, and others on the development and implementation of often high-profile and complex infrastructure projects, by issuing tax-exempt and taxable revenue bonds, providing loans to state and local governments for public infrastructure and economic expansion projects and loan guarantees to help small businesses.

C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

The Deputy Director of Credit, Chief Credit Officer serves as a member of IBank's Executive Team and will be responsible for development of department-wide credit policy for program areas to support and facilitate accomplishment of IBank's primary mission and strategic goals. The Deputy Director of Credit, Chief Credit Officer will consult with and provide expert credit and bond management consultation and technical advice to the IBank Executive Director, Chief Deputy Executive Director, executive staff, staff, IBank Investment Committee, and the IBank Board. The position will be responsible to plan, direct, evaluate, manage, and establish priorities for the department.

The Deputy Director of Credit, Chief Credit Officer will develop, update, and maintain all policies and procedures for all Credit Programs on a regular basis as new requirements and standards are set forth through revisions and updates to the State Administrative Manual, legislation, control agency directives (Budget Letters and Management memos), et al.

The Deputy Director of Credit, Chief Credit Officer will act as the principal policy-maker over IBank's Credit Programs. Specific policy roles include the following:

The Deputy Director of Credit, Chief Credit Officer develops strategies and recommendations for training Credit Program staff, other IBank staff, and external stakeholders on IBank financial products. The training program enables IBank's workforce to promote career ladder progression and achieve the mission, vision, and goals of IBank's strategic plan and to strengthen ties with IBank partners and stakeholders.

The Deputy Director of Credit, Chief Credit Officer establishes standardized policies and procedures which ensures uniform compliance with government code, statutes, rules, regulations, standards, and business processes. Without comprehensive and standardized policies and procedures, IBank's ability to make sound operational and financial decisions and its ability to ensure fiscal integrity is at risk.

The Deputy Director of Credit, Chief Credit Officer provides input to strategic decisions that affect the functional area and recommends and implements policy changes regarding the administration of all IBank financing (Credit and Bond) programs.

The Deputy Director of Credit, Chief Credit Officer, consults with and provides recommendations to the Executive Director and Chief Deputy Executive Director on sensitive and time-critical policy and procedural issues, which assists in the development of policy recommendations for approval consideration by IBank Executive leadership and the IBank Board.

The Deputy Director of Credit, Chief Credit Officer directs the implementation and improvement of new and existing policy, procedures, and processes while ensuring the adherence to IBank's mission, vision, and strategic goals, including legislative mandates and performance objectives. The development and implementation of current and new policies and procedures, allows IBank to maintain effective systems of internal control, evaluates and monitors the effectiveness of these controls and make adjustments accordingly if weakness are discovered.

C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position's scope and nature of decision-making authority?

The Deputy Director of Credit, Chief Credit Officer is the key advisor to the IBank Executive Director, Chief Deputy Executive Director, Executive Committee, Investment Committee, the Board, staff, et al, relating to IBank's credit policy and provides overall direction, policy formulation, and leadership to all IBank Credit Programs, including supervision of managers from the Loan Origination Unit, Loan Servicing Unit, and the Bond Unit. The Deputy Director of Credit, Chief Credit Officer position identifies opportunities to secure funding of underfunded Credit Programs. The Deputy Director of Credit, Chief Credit Officer plans, schedules, assigns, and reviews credit memorandums, clearing financing conditions prior to disbursements, reconciles issuer certificates, including financial and credit underwriting, monitors and reviews/approves work products and provide staff performance appraisals, mentoring, and career ladder progression, and other required personnel duties. In addition, the position is required to ensure accuracy, proper record keeping, and conformance to bond regulations and to stay apprised of market conditions and provide input to strategic decisions that affect the functional area of IBank's Credit Programs. Further, the Deputy Director of Credit, Chief Credit Officer requires a high level of independent judgment and decision making, as the incumbent will lead the development of Credit Program policy for the entire organization. The incumbent will plan, organize, manage, and evaluate the work of the Credit Programs. As sensitive policy issues, proposals, and/or special projects arise through federal and/or state regulations, proposed legislation, and/or mandates, the Deputy Director of Credit, Chief Credit Officer will be responsible for assessing them, determining the impact on other program areas, collaborating with all IBank program areas, the Governor's Office, Governor's Office of Business and Economic Development (GO-Biz), and external stakeholders to ensure their needs are addressed and presenting recommendations for action. The incumbent will lead intra and inter-agency work efforts and strategically partner with subject matter experts, government agencies, and other external stakeholders. The Deputy Director of Credit, Chief Credit Officer may also represent IBank on credit and bond matters with other state and federal agencies, including the Department of Finance, Legislative Analyst's Office, Legislature, State Controller's Office, and the State Treasurer's Office.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

The Deputy Director of Credit, Chief Credit Officer will be responsible for developing, recommending, and guiding Credit Programs in implementing new policy as well as modifying and implementing existing policy. New policy will be developed as required to meet the operational needs of IBank, in response to state and federal law/regulation changes impacting economic, credit, and financial policy and practices, legislative or court mandates, governance, audit or compliance findings, and corrective action plans. Existing policy will be reviewed and updated as required, commensurate with existing and new program changes within IBank, and external changes impacting financial and/or credit practices. The Deputy Director of Credit, Chief Credit Officer will provide overarching guidance to programs in implementing and revising policies and processes to ensure best utilization of resources and successful practices.