NEWS RELEASE

CALIFORNIA STATE TREASURER PHILIP ANGELIDES

FOR IMMEDIATE RELEASE
December 20, 1999

Contact: Cathy Calfo
(916) 653-2995

CALIFORNIA ECONOMIC DEVELOPMENT AND INFRASTRUCTURE BANK ADOPTS "SMART INVESTMENT" CRITERIA FOR LOAN AWARDS

Sacramento, CA -- In a major departure from how the State has previously ranked infrastructure projects for funding, the board of the California Economic Development and Infrastructure Bank (CIEDB) today unanimously decided that it will prioritize projects according to "Smart Investment" criteria -- proposed initially by State Treasurer Philip Angelides, one of the bank's three board members.

The new criteria will apply to over $1 billion in State low-interest loans for local infrastructure projects.

"We have succeeded in blending the baseline goal of job creation with the policy goals of directing public resources to communities most in need and to projects that meet sustainable development principles and incorporate sound environmental practices. This new direction will sustain us economically as California grows by 12 million residents over the next 20 years," said Treasurer Angelides.

Under criteria proposed by Treasurer Angelides in August, and largely incorporated into the CIEDB actions, funding priority will be given to local infrastructure projects that create jobs to revitalize economically struggling communities; support sustainable development and sound environmental practices; and make wise use of scarce public resources.

"We can be very proud of the precedent-setting policies adopted today with regard to California infrastructure funding," said Treasurer Angelides. "Making wise use of public dollars requires the kinds of action taken by the CIEDB board -- setting priorities and making the tough policy decisions."

Out of 200 points that project applicants will be able to score in applying for CIEDB loans, more than half can be earned in categories (beyond the traditional measure of job creation) that were laid out in the Treasurer's ***Smart Investments*** report, released in July. Under these categories, points may be scored by projects that provide community amenities; that will help to revitalize economically distressed areas; that incorporate

sound land use practices; and that protect California's environmental quality. While the overall program gives substantial weight to communities in economic distress, over 20 percent of program funding is available only to such communities and neighborhoods.

"I applaud the Governor and the Legislature for providing funding for local infrastructure and for the Administration's support of this new approach," said Treasurer Angelides.

CIEDB will begin accepting preliminary loan applications from local agencies immediately.