



# BUILDING A STRONGER CALIFORNIA

Financing Healthcare, Education,  
Better Communities and Jobs



## WHAT THE STATE TREASURER DOES

- The State Treasurer's Office was created in 1849, with the adoption of the State Constitution, as the guardian and cashier of the State's money.
- With the enactment of the California Bank Act of 1907, the Treasurer's powers were expanded to include investment of state revenues.
- Today the Treasurer invests monies on behalf of state government and more than 2,606 cities, counties and local agencies.
- Through the Public Finance Division (PFD), the State Treasurer's Office carries out the issuance and administration of the State's bond programs.
- The Treasurer serves on the boards of the Public Employees' Retirement System (CalPERS) and State Teachers' Retirement System (CalSTRS) the nation's first and second largest public pension funds, with more than \$350 billion in combined assets.
- The Treasurer chairs authorities that finance a wide range of projects, including pollution clean-up, health and education facilities, affordable housing and economic development.
- The Treasurer oversees the ScholarShare Investment Board (SIB), which administers the State's tax-advantaged college tuition savings plan.

## 2006 Balance Sheet

### HEALTHCARE

- \$1.32 Billion
- 146 grants to clinics serving California's neediest
- 16 hospitals constructed or remodeled

### EDUCATION

- \$3 Billion
- 55 charter schools, 12 colleges
- 26,000 student loans

### HOUSING

- \$4.2 Billion
- 32,000 rental units and single family homes
- 500 low-cost loans to teachers

### COMMUNITY DEVELOPMENT

- \$4.7 Million
- 20 smart-growth and brownfield projects

### ECONOMIC DEVELOPMENT

- \$355 Million
- 3,064 jobs
- 28 waste management and recycle projects

### INVESTMENT EARNINGS

- \$2.16 Billion
- State-local portfolio of \$57.1 billion

---

**TOTAL \$11.04 BILLION**

## Healthcare Success Story

In 2006 the Dientes Dental Clinic received a \$174,210 Community Clinic Grant from CHFFA to remodel and expand the existing clinic to accommodate two additional dental chairs. Dientes was founded in 1992 by a group of local dentists concerned about the lack of dental care available to low-income residents of Santa Cruz County. The project made a big difference by allowing 2,000 more patient visits a year. Dientes previously accessed the HELP II loan program to refinance a loan, saving \$110,000 over the life of the loan. Dientes has provided services to more than 40,000 residents, one-third of them children.

For more information on healthcare financing programs in the State Treasurer's Office contact:  
 California Health Facilities  
 Financing Authority (CHFFA) (916) 653-2799  
[www.treasurer.ca.gov/chffa](http://www.treasurer.ca.gov/chffa)

The State Treasurer's Office provides low-cost financing for clinics and hospitals through the California Health Facilities Financing Authority (CHFFA). With grants, tax-exempt bonds and loans, CHFFA helps nonprofit and governmental health facilities pay for capital improvement projects and other needs. CHFFA's accomplishments in 2006:

**COMMUNITY CLINICS** **\$40 Million**  
 146 community clinic grants allowing for 518,000 more patient visits

**CHILDREN'S HOSPITALS** **\$112 Million**  
 Four Children's Hospital grants, serving 424,000 of the State's most seriously ill children

**SMALL AND RURAL CLINICS AND DISTRICT HOSPITALS** **\$1.8 Million**  
 Six low-cost Healthcare Expansion Loans (HELP II) went to small and rural health facilities serving 56,000 patients

**HOSPITAL BOND FINANCING** **\$1.17 Billion**  
 12 hospitals received bond money to remodel, construct or buy new equipment

**TOTAL \$1.32 BILLION**



## Education Success Story

Para Los Niños is a charter elementary school that serves working families in the garment district of downtown Los Angeles. In 2006, CSFA granted the school \$582,000 to expand its facilities to increase the number of children the school could serve. When it opened its doors in 2002, Para Los Niños served 60 kindergartners. Thanks in part to the CSFA grant, Para Los Niños now educates more than 200 children in kindergarten through fourth grade.

For more information on education financing programs in the State Treasurer's Office contact:

California School Finance Authority (CSFA)	(213) 620-4467
California Educational Facilities Authority (CEFA)	(213) 620-2224
California Debt Limit Allocation Committee (CDLAC)	(916) 653-3255
<a href="http://www.treasurer.ca.gov/schools.asp">www.treasurer.ca.gov/schools.asp</a>	

The State Treasurer's Office helps fund education programs through the California School Finance Authority (CSFA), California Educational Facilities Authority (CEFA), California Debt Limit Allocation Committee (CDLAC) and ScholarShare.

**CHARTER SCHOOL CONSTRUCTION OR REMODEL** **\$62 Million**  
55 CSFA approved charter school grants serving 15,500 students

**COLLEGE CONSTRUCTION OR REMODEL** **\$402 Million**  
Twelve CEFA approved bond financings

**ACADEMIC ASSISTANCE FOR STUDENTS IN LOW-PERFORMING SCHOOLS** **\$2 Million**  
Nine CEFA approved Grants for mentoring and outreach to middle and high school students

**STUDENT LOANS** **\$210 Million**  
26,437 CDLAC student loans

**COLLEGE SAVINGS ACCOUNTS** **\$2.3 Billion**  
\$2.3 billion in assets administered through ScholarShare for 177,000 Californians

**TOTAL \$3 BILLION**



## Housing Success Story

The Wilshire/Vermont Station Project is a mixed-use urban village completed in 2006 with both bond financing and tax credits. The community includes 449 residential units, with 20 percent set aside for low-income tenants. In addition it has retail space and a Los Angeles Metropolitan Transportation Authority (MTA) Red Line station. The community is a public/private partnership between the MTA and the developer, Urban Partners, LLC. Urban Partners' equity partner in this project is MacFarlane Partners, the leading minority-owned real estate investment management firm in the country. MacFarlane Partners is investing in the project as part of its joint venture with the California Public Employees' Retirement System (CalPERS) to invest in urban-infill properties.

For more information on housing financing programs in the State Treasurer's Office contact:

California Debt Limit Allocation Committee  
[www.treasurer.ca.gov/CDLAC](http://www.treasurer.ca.gov/CDLAC)

(916) 653-3255

California Tax Credit Allocation Committee  
[www.treasurer.ca.gov/CTCAC](http://www.treasurer.ca.gov/CTCAC)

(916) 654-6340

The State Treasurer's Office helps provide California families affordable housing through the California Debt Limit Allocation Committee (CDLAC) and the California Tax Credit Allocation Committee (CTCAC). CDLAC awards tax-exempt bond financing while CTCAC allocates state and federal low-income housing tax credits that create or preserve affordable apartments.

### HOME PURCHASE AID FOR TEACHERS

**\$110 Million**

500 school employees in low-performing schools purchased their first homes with below-market interest rate mortgages through CDLAC approved bond allocation

### CONSTRUCT/REMODEL

**\$1.6 Billion**

16,220 low-income rental units with CTCAC tax-credits

### AFFORDABLE APARTMENTS/ LOW-INTEREST MORTGAGES

**\$2.49 Billion**

14,000 affordable apartment units, 2,000 low-interest mortgages for first-time or low-income home buyers with CDLAC tax-exempt financing

**TOTAL \$4.2 BILLION**

**HOME  
PURCHASE AID  
FOR TEACHERS**  
\$110 Million

**CONSTRUCT/  
REMODEL**  
\$1.6 Billion

**AFFORDABLE  
APARTMENTS/  
LOW INTEREST  
MORTGAGES**  
\$2.49 Billion

## Community Development Success Story

In its early years, the City of Emeryville in the East Bay area was home to several chemical-intensive manufacturing companies. The firms are long gone, but their legacy remains in the form of soil and groundwater contamination and abandoned buildings. More than 20 percent of Emeryville's non-residential properties are vacant, and another 40% are underutilized. One such site, with suspected chromium contamination, was owned by a retiree who was having a hard time selling it. The eventual buyer received a CALReUSE loan for an environmental investigation that helped clarify the cost of developing the land. The assessment paved the way for the new owner to improve and expand the use of this light industrial site. In 2006, the owner repaid the CALReUSE loan, and one of Emeryville's blighted, vacant properties now is productive again.

For more information on protecting the environment in the State Treasurer's Office contact:  
 California Pollution Control Financing Authority  
[www.treasurer.ca.gov/cpcfa](http://www.treasurer.ca.gov/cpcfa)

(916) 654-5610

The California Pollution Control Financing Authority (CPCFA) administers two programs to improve the quality of life in, and attract investors and businesses to, distressed communities. The Sustainable Communities Grant and Loan (SCGL) Program utilizes smart-growth strategies to prevent blight and urban sprawl. The California Recycle Underutilized Sites Program (CALReUSE) provides loans to ultimately redevelop properties with real or perceived contamination (brownfields).

<b>SMART GROWTH PROJECTS</b>	<b>\$4.16 Million</b>
Fourteen SCGL planning grants to improve communities	
<b>BROWNFIELD CLEANUP ASSESSMENT</b>	<b>\$560,000</b>
Five loans leading to the construction of 412 housing units	
<b>TOTAL \$4.72 MILLION</b>	

**SMART GROWTH PROJECTS**  
 \$4.16 Million

**BROWNFIELD CLEANUP ASSESSMENT**  
 \$560,000



### Economic Development Success Story

The California Industrial Development Financing Advisory Commission helped Culver City Meats of Los Angeles County obtain \$6.6 million in tax-exempt bond financing in 2006 to build a larger manufacturing plant. The new facility will allow the manufacturing part of the business to relocate next door to its distribution center and be closer to customers and suppliers. Both the new location and the larger facility will help the company meet a larger demand for its products and create 140 new jobs within the next two years.

For more information on providing economic development and quality jobs in the State Treasurer's Office contact:  
 The California Industrial Development Financing Advisory Commission  
 The California Pollution Control Financing Authority  
 The California Tax Credit Allocation Committee  
[www.treasurer.ca.gov/economic.asp](http://www.treasurer.ca.gov/economic.asp)

(916) 653-3843  
 (916) 654-5610  
 (916) 654-6340

The State Treasurer's Office stimulates job growth, economic development and environmental improvement throughout the state through four entities:

- California Industrial Development Financing Advisory Commission (CIDFAC)
- California Pollution Control Financing Authority (CPCFA)
- California Tax Credit Allocation Committee (CTCAC)
- California Debt Limit Allocation Committee (CDLAC)

**BUILDING AND EXPANDING MANUFACTURING PLANTS** \$28 Million  
 297 manufacturing jobs through CIDFAC approval of industrial development bonds

**SMALL BUSINESS LOANS** \$67.7 Million  
**BUSINESS ADVISING** \$1.5 Million  
 2,600 jobs created or preserved through CPCFA small business loan guarantees and business advising services

**WASTE MANAGEMENT/RECYCLE FIRM EXPANSION** \$238 Million  
 28 facilities that provide waste management or recycling services received CPCFA approved tax-exempt bonds

**ATTRACT/RETAIN COMPANIES IN URBAN RENEWAL AREAS** \$20 Million  
 167 jobs created with help of CTCAC tax credits

**TOTAL \$355 MILLION**

**SMALL BUSINESS LOANS**  
 \$67.7 Million

**BUILDING AND EXPANDING MANUFACTURING PLANTS**  
 \$28 Million

**WASTE MANAGEMENT**  
 \$238 Million

**JOB'S CREATED/RETAINED**  
 3,064

### Investment Earning Success Story

OneUnited, the largest African-American-owned bank in the country, participates in the State Treasurer's Time Deposit Program. A \$30 million Time Deposit has helped OneUnited meet its mission of serving urban communities in Southern California.

One example of OneUnited's community development lending is the \$6.5 million loan it provided to build a retail shopping center in downtown Compton. The center's 25 businesses employ people from the local community. With help from the Time Deposit Program, OneUnited has helped revitalize Compton, which is part of the Los Angeles Revitalization Zone established to stimulate economic growth, create jobs and rebuild businesses that suffered damage as a result of the 1992 civil disturbances. In addition to financing economic development, OneUnited has provided more than \$350 million in loans to build more than 5,000 affordable housing units in the South Los Angeles area.

In 2006, OneUnited launched a 3.75 percent internet savings account to encourage online banking and savings in urban communities. And for the second year in a row, the bank received the U.S. Department of Treasury's highest award for its community development lending.

For more information on investing taxpayer's money at the State Treasurer's Office contact:  
 Investments Division (916) 653-3147  
[www.treasurer.ca.gov.investing.asp](http://www.treasurer.ca.gov.investing.asp)

The State Treasurer's Office manages the investment of taxpayer money through the Pooled Money Investment Account (PMIA), which includes the Local Agency Investment Fund (LAIF). LAIF offers local governments the opportunity to invest temporarily idle monies efficiently, safely and at competitive yields.

**INVESTING IN COMMUNITY BANKS, CREDIT UNIONS AND SAVINGS BANKS**

99 financial institutions in 50 cities received time deposits

**\$8.5 Billion**

**SECURITIES**

Total portfolio, as of December 31, 2006, including treasuries, agency bonds, CDs, commercial paper, corporate debt and other eligible securities

**\$48.6 Billion**

**EARNINGS \$2.16 BILLION\***

**INVESTING IN COMMUNITY BANKS, CREDIT UNIONS AND SAVINGS BANKS**  
 \$8.5 Billion

**SECURITIES**  
 \$48.6 Billion

**EARNINGS**  
 \$2.16 Billion

\*Earnings for fiscal year ending June 30, 2006



## Boards, Authorities and Commissions the Treasurer Chairs

- California Alternative Energy & Advanced Transportation Financing Authority (CAEATFA)
- California Debt and Investment Advisory Commission (CDIAC)
- California Debt Limit Allocation Committee (CDLAC)
- California School Finance Authority (CSFA)
- California Educational Facilities Authority (CEFA)
- California Health Facilities Financing Authority (CHFFA)
- California Industrial Development Financing Advisory Commission (CIDFAC)
- California Pollution Control Financing Authority (CPCFA)
- California Tax Credit Allocation Committee (CTCAC)
- California Urban Waterfront Area Restoration Financing Authority (CUWARFA)
- Local Investment Advisory Board (LIAB)
- Pooled Money Investment Board (PMIB)
- ScholarShare Investment Board (SIB)

## Selling Bonds to Rebuild California

California voters have approved the issuance of more than \$65 billion of bonds to improve and build new schools, roads, housing, parks, levees and other crucial infrastructure projects. Over the next several years, the state will be selling these bonds – known as general obligation (GO) bonds – to raise the money to build these projects.

By purchasing California bonds, individual investors can do well as taxpayers and as good citizens by adding to the quality of life and the vibrancy of the economy.

State Treasurer Bill Lockyer wants to make it easier for individual Californians to invest in their own future by buying the state's bonds. To learn more about California bonds and how to become an investor go to the website [buycaliforniabonds.com](https://www.buycaliforniabonds.com). The first state-run site of its kind in the nation, [buycaliforniabonds.com](https://www.buycaliforniabonds.com) provides information on how to purchase bonds in a special early order period, and links to brokers who will place investors' orders. The site also contains the prospectus for each bond sale, information to help new investors understand and interpret bond credit ratings, and answers to basic questions about these GO bonds and investing in them.



## HEALTHCARE

\$1.32 Billion

146 grants to clinics serving California's neediest

16 hospitals constructed or remodeled



## EDUCATION

\$3 Billion

55 charter schools, 12 colleges and 26,000 student loans



## HOUSING

\$4.2 Billion

32,000 rental units and single family homes  
500 low-cost loans to teachers



## COMMUNITY DEVELOPMENT

\$4.72 Million

20 smart-growth and brownfield projects



## ECONOMIC DEVELOPMENT

\$355 Million

3,064 jobs  
28 waste management and recycle projects



## INVESTMENT EARNINGS

\$2.16 Billion

State-local portfolio of \$57.1 billion

**Total \$11.04 Billion**



State Treasurer Bill Lockyer  
 915 Capitol Mall, Suite 110  
 Sacramento, CA 95814  
 (916) 653-2995 / Fax (916) 653-3125  
[www.treasurer.ca.gov](http://www.treasurer.ca.gov)  
 Fall 2007

