



California State Treasurer Fiona Ma, CPA Press Release

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California's Treasurer Responds to Covid-19 by Accelerating Affordable Housing Bonds and Credits

SACRAMENTO – In the midst of this current global pandemic and uncertainty, two committees chaired by California State Treasurer Fiona Ma acted to 1). Speed up construction of thousands of affordable housing units and 2). Help provide crucial financing for the construction of a privately-owned High-Speed Rail project that will also spur housing, economic development and “spare the air.”

“I will not rest until we have solved this housing shortage in California,” said Treasurer Ma. “We kept our housing divisions open and will not let Covid-19 distract us. Our staff and committee members have been working tirelessly and collaboratively with stakeholders to find workable solutions to ensure housing rebounds quickly after this crisis.”

“We were in an affordable housing crisis before the COVID-19 pandemic, [and COVID 19’s effects on the economy] will further exacerbate the problem,” said Judith Blackwell, Executive Director of CDLAC and TCAC. “Thus, NOW is the time to push out shovel-ready projects with guaranteed financing.”

AFFORDABLE HOUSING:

At the April 14, 2020 California Debt Limit Allocation Committee (CDLAC) meeting, the 3 member Board (made up of the State Treasurer, the State Controller, Governor) voted unanimously to accelerate the amount of bonds awarded for the development of affordable housing in the “new construction” category from \$443 million to \$800 million in this current funding round in the hopes of closing more shovel-ready deals now versus waiting for future allocation rounds. The total amount approved in this round

was \$1.5 billion in tax exempt private activity bonds. (Note: The total 2020 calendar year allocation to California is \$4,148,783,415 billion for tax exempt private activity bonds).

In a similar fashion, at the April 14, 2020 meeting, the 5 member California Tax Credit Allocation Committee (TCAC) (made up of the State Treasurer, the State Controller, the Director of Finance, Executive Director of CalHFA, and Acting Director of HCD) voted unanimously to accelerate its award of state tax credits by \$44 million and awarded \$110 million in annual federal tax credits and \$253 million in state tax credits to help finance 5,954 low-income units.

The projects approved by CDLAC and TCAC are located in every corner in the state. They will provide comfortable, safe homes for thousands of working families, seniors, veterans and those with special needs.

ECONOMIC DEVELOPMENT, JOBS, HOUSING, CLEAN TRANSPORTATION

At the same April 14, 2020 meeting, CDLAC also approved an allocation of \$600 million in tax-exempt bonds for the construction of Virgin Train's privately funded High-Speed Rail project connecting the Victor Valley Region to Las Vegas. The rail line will offer a car-free alternative to the I-15 and an 85-minute train ride that will be twice as fast as driving. According to an Economic Development Plan (prepared by Varshney & Associates) submitted by Virgin Trains USA to CDLAC, the project will:

Creating Economic Impact for California

- Create 10,000 jobs during construction
- Fill 500 "post rail-line construction" jobs
- Create 100 high-skilled maintenance facility jobs with an average annual salary of \$70,000
- Boost \$2.13 billion to the overall state economy
- Generate \$275 million in federal, state and local taxes

Fulfilling California's Green Initiatives

- Remove 3 million cars a year and over 100,000 metric tons of carbon emissions annually
- Use Zero Emission, fully electric train sets with top speeds of 200 MPH

Transforming the Victor Valley Region

- Build a brand new state-of-the-art train station AND vehicle maintenance facility on 80 acres in the Victor Valley Region
- Acquire 225 acres for housing and retail/commercial development near the station in Victor Valley Region.
- Create 1,250 new housing units on 400 acres they own

The list of the projects, with more details is here:

Fiona Ma is California's 34th State Treasurer. She was elected on November 6, 2018 with more votes (7,825,587) than any other candidate for treasurer in the state's history. She is the first woman of color and the first woman Certified Public Accountant (CPA) elected to the position. The State Treasurer's Office was created in the California Constitution in 1849. It provides financing for schools, roads, housing, recycling and waste management, hospitals, public facilities, and other crucial infrastructure projects that better the lives of residents. California is the world's fifth-largest economy and Treasurer Ma is the state's primary banker. Her office processes more than \$2 trillion in transactions within a typical year. She provides transparency and oversight for the government's investment portfolio and accounts, as well as for the state's surplus funds. Treasurer Ma oversees an investment portfolio of about \$98 billion, more than \$28.2 billion of which are local government funds. She serves as agent of sale for all State bonds, and is trustee on outstanding debt of more than \$98.1 billion.