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State Treasurer Fiona Ma Announces the Sale of $577 Million of Revenue Bonds for Health Care Provider with 31 Hospitals in California

Sacramento – State Treasurer Fiona Ma announced the sale of $577 million in tax-exempt revenue bonds for CommonSpirit Health system, one of the largest non-profit hospital systems in the United States with 137 hospitals in 21 states, including 31 in California, through the California Health Facilities Financing Authority (CHFFA).

Proceeds of the bonds will be used by CommonSpirit to fund the acquisition and/or reimbursement of expenditures accrued from the construction, expansion, remodeling, renovation, and equipping of multiple California health facilities. It will also be used to refund prior CHFFA debt.

“I look forward to furthering CommonSpirit’s commitment to build healthier communities, advocate for those who are poor and vulnerable, and innovate how and where healing can happen, through this bond sale,” said State Treasurer Fiona Ma, who chairs CHFFA.

The 29-year fixed rate revenue bonds were sold by Senior Underwriters Morgan Stanley, Citigroup Global Markets, Inc., and J.P. Morgan Securities LLC, along with Co-Managing Underwriters Barclays Capital Inc., Goldman Sachs & Company LLC, and SMBC Nikko Securities America, Inc. The bonds are rated Baa1 by Moody’s Investors Service, BBB+ by Fitch Ratings and BBB+ by Standard & Poor’s. The all-in true interest rate on the bonds is 3.30 percent. Yields to investors ranged from 1.86 percent for the 2032 maturity to 2.88 percent for the 2049 maturity.
CommonSpirit was created in 2019 with the alignment of Colorado’s Catholic Health Initiatives and California’s Dignity Health.

CHFFA was established in 1979 as the state's vehicle for providing financial assistance to public and non-profit health care providers through loans funded by the issuance of tax-exempt conduit revenue bonds. From rural community-based organizations to large multi-hospital systems, CHFFA has financed a wide range of providers and programs throughout California.

Conduit revenue bonds issued by CHFFA are special, limited obligations payable solely from payments made by the underlying borrower pursuant to the transaction documents and from funds and accounts established under the transaction documents, and CHFFA shall not be directly or indirectly or contingently or morally obligated to use any moneys or assets of CHFFA for all or any portion of payment to be made pursuant to the bonds.

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 $113.8 billion, $31.9 billion of which are local government funds. She serves as agent of sale for all State bonds, and is trustee on outstanding debt of $94 billion.

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