



**California State Treasurer Fiona Ma, CPA**

# **News Release**

**IMMEDIATE RELEASE**

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## **State Treasurer Fiona Ma Announces \$450 Million to Provide Stable Funding for more Homeless Housing**

**SACRAMENTO** – California State Treasurer Fiona Ma announced the sale of \$450 million in revenue bonds by the California Health Facilities Financing Authority for the State’s No Place Like Home (NPLH) program, which was approved by voters in 2018 to provide housing and assistance to the State’s homeless population.

According to the Treasurer, proceeds from the bond sale will be used by the California Department of Housing and Community Development (HCD) to assist in the production of permanent supportive housing for people who are experiencing homelessness, chronic homelessness or who are at risk of chronic homelessness, and who are in need of mental health services.

HCD will award funds from the NPLH program through at least four annual funding rounds. Through the first two funding rounds, a total of \$1.1 billion has been awarded to counties throughout the State. HCD estimates that 4,500 NPLH housing units will be produced through these awards.

This is the second bond sale for the NPLH program. In all, the No Place Like Home program gives the state \$2 billion in bond authority to provide funding to cities and counties to develop permanent supportive housing.

“The No Place Like Home awards are meant to take urgent, meaningful action to address California’s homelessness crisis,” said Treasurer Ma.

The bonds will be repaid from a portion of a 1-percent state tax on income in excess of \$1 million, which was approved by California voters as part of the Mental Health Services Act (Proposition 63, Assemblymember Steinberg) in 2004.

The 15-year fixed rate revenue bonds were sold by an underwriting syndicate of 14 banks led by Citigroup Global Markets Inc. and Raymond James & Associates, Inc. The bonds are rated Aa3 by Moody’s Investors Service, AA- by Standard & Poor’s and AA- by Fitch Ratings and are designated as “Social Bonds” because they follow the Social Bond Principles adopted by the International Capital Markets Association. The all-in true interest rate on the bonds, which are subject to federal income tax, is 1.86 percent. Yields to investors ranged from 0.417 percent for the 2022 maturity to 2.529 percent for the 2035 maturity.

### **No Place Like Home Background Information**

On July 1, 2016, Governor Edmund G. Brown, Jr. signed landmark legislation enacting the No Place Like Home program to dedicate up to \$2 billion in bond

proceeds to invest in the development of permanent supportive housing for persons who are in need of mental health services and are experiencing homelessness, chronic homelessness, or who are at risk of chronic homelessness. The bonds are repaid by funding from the Mental Health Services Act (MHSA). In November 2018 voters approved Proposition 2, authorizing the sale of up to \$2 billion of revenue bonds and the use of a portion of Proposition 63 taxes for the NPLH program.

Key features of the program include:

- Counties will be eligible applicants (either solely or with a housing development sponsor).
- Funding for permanent supportive housing must utilize low barrier tenant selection practices that prioritize vulnerable populations and offer flexible, voluntary, and individualized supportive services.
- Counties must commit to provide mental health services and help coordinate access to other community-based supportive services.

## **Purpose**

To acquire, design, construct, rehabilitate, or preserve permanent supportive housing for persons who are experiencing homelessness, chronic homelessness or who are at risk of chronic homelessness, and who are in need of mental health services.

## Population Served

Adults with serious mental illness, or children with severe emotional disorders and their families and persons who require or are at risk of requiring acute psychiatric inpatient care, residential treatment, or outpatient crisis intervention because of a mental disorder with symptoms of psychosis, suicidality or violence and who are homeless, chronically homeless, or at risk of chronic homelessness.

At risk of chronic homelessness includes persons who are at high risk of long-term or intermittent homelessness, including persons with mental illness exiting institutionalized settings with a history of homelessness prior to institutionalization, and transition age youth experiencing homelessness or with significant barriers to housing stability.

Information on upcoming state bond sales is available at

[BuyCaliforniaBonds.com](http://BuyCaliforniaBonds.com).

*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 \$109.2 billion, \$32.4 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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