



# California State Treasurer Fiona Ma, CPA Press Release

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## **San Fernando Valley Schools Benefit From \$13.6 Million Bond Sale**

**SACRAMENTO** – California State Treasurer Fiona Ma announced the sale of \$13.6 million in bonds that will be used by Granada Hills Charter School (GHC) to refinance existing debt and renovate facilities at the school’s Devonshire and Zelzah campuses located in the San Fernando Valley. The bonds were issued on behalf of GHC by the California School Finance Authority (CSFA), which is chaired by State Treasurer Ma.

The bonds priced on July 21, 2021, and closed on August 4, 2021. The financing achieved an investment grade rating of BBB- by S&P Global Ratings and sold at an all-in True Interest Cost of 2.64 percent. The tax-exempt Series 2021A bonds consisted of 4 percent term bonds maturing in 2029, 2038, and 2048 with yields initially reoffered to investors at 1.21 percent, 1.66 percent, and 1.99 percent, respectively. The taxable Series 2021B bonds consisted of a single 2 percent bond maturing in 2024 and was initially reoffered to investors at a 1.48 yield. B.C. Ziegler and Company served as the underwriter for this offering, which was restricted to qualified institutional buyers and accredited investors.

“This sale, by refinancing past debt at lower rates, helps Granada Hills Charter save money that will allow it to improve support for students in the classroom and make long overdue facility improvements,” said Treasurer Ma. “These investments will help generations of students.”

In addition to the bond issuance approval, GHC also received a grant of \$837,500 from CSFA to fund a debt service reserve which enhances the above-referenced bond financing. The grant is administered through CSFA’s federally-funded Credit Enhancement Grant Program

(CFDA #84.354A). CSFA administers three federal credit enhancement grants. These have allowed CSFA to develop programs that award high-quality charter schools with cost-savings tools to secure permanent facilities to serve students with high needs.

This financing marks CSFA's fourth bond issuance on behalf of GHC, which is one of the largest charter schools in the country with a 2021-2022 enrollment of more than 5,700 students. GHC is the only TK-12 International Baccalaureate School within the Los Angeles Unified School District (LAUSD). The public high school first opened in 1960 and in 2003 converted to a charter school. In 2018, given GHC's demonstrated track record of academic success, the LAUSD Board voted to expand GHC's mandate to serve students in grades TK through 12<sup>th</sup> grade. GHC serves high-need communities, which aligns with Treasurer Ma's commitment to bridging California's resource and equity gaps.

"CSFA provided a trifecta of cost-saving opportunities for Granada Hills Charter School by refunding our 2017 Bonds and enhancing the new bond financing, we achieved annual cash flow savings of more than \$92,000 over a 27-year period. Additionally, we were able to add a new money component to fund additional construction on our campuses. The awarding of a credit enhancement grant of \$837,500 funded a debt service reserve fund, further lowering our borrowing costs," said Brian Bauer, the Executive Director of GHC. "We appreciate the significant efforts of the Treasurer's team to help our organization save money on financing so we can devote more resources to educating our students."

For more information about CSFA's conduit financing, credit enhancement, and other programs, please visit CSFA's webpage at:

<https://www.treasurer.ca.gov/csfa/financings/index.asp>.

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*Conduit revenue bonds issued by CSFA 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 CSFA shall not be directly or indirectly or contingently or morally obligated to use any moneys or assets of CSFA 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 \$181.8 billion, more than \$35.1 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.*

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