FOR IMMEDIATE RELEASE

State Treasurer Fiona Ma Announces Sale of $1.03 Billion of Bonds for Cedars-Sinai Health System
Finances Construction of Sustainable, Seismically-Compliant Hospital in Marina del Rey

SACRAMENTO – California State Treasurer Fiona Ma announced the successful sale of $1.03 billion in tax-exempt conduit revenue bonds for Cedars-Sinai Health System (CSHS). The sale was approved by the California Health Facilities Financing Authority (CHFFA), chaired by Treasurer Ma.

Proceeds of the bonds will be used by CSHS to finance the construction of the Cedars-Sinai Marina del Rey replacement hospital, which will be a state-of-the-art nine-story, 258,500 square-foot seismically-compliant facility that will provide 160 patient beds, feature new or enhanced services, and be LEED Gold certified. This facility will be a critical healthcare resource for the surrounding coastal and westside communities. Some of the new or enhanced services include cardiac catheterization and gastroenterology labs and interventional procedure suites for complex procedures.

“Funding from this bond sale will build a new hospital that will provide the highest-quality healthcare to the citizens of Marina del Rey and the surrounding communities and will feature a sustainable design,” said Treasurer Ma.

CSHS also will use the bonds to refinance outstanding debt, including certain debt from Huntington Memorial Hospital in Pasadena as well as the debt of Torrance Memorial Medical Center, both of which are recent affiliations for CSHS. Bond proceeds also may be used for improvements to the Cedars-Sinai Medical Center.

The bonds priced on Wednesday, November 17, 2021 and were issued on December 1, 2021. The bonds are rated Aa3 by Moody’s Investors Service, AA- by S&P Global Ratings, and AA- by Fitch Ratings. Barclays Capital, Inc. was the lead-underwriter on the sale with BofA
Securities Inc. and Citigroup Global Markets Inc. serving as co-managing underwriters. With an all-in true interest cost of 3.06%, the bonds consisted of 4% and 5% serial bonds maturing from 2037 through 2041, yielding 1.69% to 1.71%, a 4% term bond in 2048 yielding 2.05%, a 3% term bond in 2051 yielding 2.52%, and a 5% term bond in 2051 yielding 1.91%. The bonds were priced to the August 15, 2031 optional call date.

CSHS is a California nonprofit academic healthcare organization with over 400 locations. CSHS serves over one million patients each year with a team of more than 4,500 physicians and nurses, and also shows its commitment to biomedical research and medical education with 1,500 active research projects.

CHFFA was established in 1979 as the State's vehicle for providing financial assistance to public and non-profit health care providers through loans, grants and tax-exempt bonds. Since inception, CHFFA has completed 637 bond and note issues for more than $45 billion to California health facilities.

The CHFFA Bond Financing Program provides eligible health facilities with access to low interest rate capital markets through the issuance of tax-exempt and taxable revenue bonds. Bond proceeds fund construction or renovation projects, land or existing building acquisition for future projects, refinancing of existing debt, working capital for start-up facilities, and costs of bond issuance.

For more information on CHFFA's Bond Financing Program, to apply for bond financing through CHFFA, or to learn about other funding opportunities, please visit CHFFA’s website.

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.

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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 that has averaged well over $100 billion during her administration—a significant portion of which is beneficially owned by more than 2,200 local governments in California. She serves as agent of sale for all State bonds and is trustee of billions of dollars of state indebtedness.

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