



# NEWS...

## From the Desk of California State Treasurer Fiona Ma, CPA



AUGUST 2019

Dear friends,

Climate change threatens our quality of life, our economy, and poses material risk to our communities. Massive hurricanes, raging wildfires, bomb cyclones, and other weather catastrophes that were previously considered once-in-a-lifetime events are now occurring at an alarming rate.

The devastating effects of climate change on our communities are dramatic. Here in California, we have witnessed the historic devastation and loss of life in the Paradise fire—the intensity of which was enhanced by climate change—less than one year ago.

Apart from slowing or reversing the warming of the planet, communities around the world must upgrade their fixed assets to make them more adaptable to these types of environmental shocks.

A recent article by the Federal Reserve Bank of San Francisco states that climate change poses a real threat to our economy. In a more foreboding vein, another recent report by the Urban Land Institute claims that using insurance as a mitigation strategy against loss of value is simply not sustainable in the long term.

*This newsletter is not intended to be and should not be used for making investment decisions about State of California bonds or notes. Potential investors should always obtain and read the Official Statement published by the State for each issue of bonds or notes.*

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Still other reports identify tens of billions of dollars in infrastructure needs in California and most agree that new infrastructure must be resilient, adaptable, and respond to the threat of climate change.

My office offers a range of financial incentives, tax savings, funding mechanisms, and investments designed to spur energy efficiency, reign in pollution, decrease our reliance on the carbon economy of the past century and create the green infrastructure we need for a sustainable future.

In this newsletter we cover everything from low-cost funding for new energy saving equipment for homeowners to financing that is available to support business owners who want to install electric vehicle charging stations – and much more.

Also in this newsletter you will find updates on the July 1, 2019 launch of a new program that helps employers and workers save for retirement – called CalSavers – and information about developing a statewide master plan for aging. My office has also produced a progress report for our first six months in office. You can find the report [here](#).

In Peace & Friendship,



Fiona

## FEATURED EMPLOYEE OF THE MONTH



# Heart of the Treasury

Meet the people in the State Treasurer's Office whose public service inspires us and is making a difference.

Congratulations Sandra Kent, our July employee of the month!

Sandra is an analyst with the California Debt and Investment Advisory Committee's (CDIAC) Education and Outreach Unit. In addition to acting as a clearinghouse for information, CDIAC provides education and technical assistance on debt issuance and public fund investment to local public agencies and other public finance professionals.

The work Sandra performs in the education unit is unique and requires technical acumen as well as understanding of municipal debt issuance and public investment, marketing and public outreach. Sandra has repeatedly stepped up to help train newly hired specialists and provided guidance

as they worked on time-sensitive projects. She is further credited with singlehandedly making several new CDIAC programs -- Understanding Benchmarking, Understanding Cash Flow and Cash Flow Forecasting, Municipal Debt Essentials, and Fundamentals of Public Funds Investing in Collaboration with CMTA -- successful.

Sandra is the epitome of professionalism, teamwork and leadership. Congratulations Sandra!

(Learn more about CDIAC here: <https://www.treasurer.ca.gov/cdiac/index.asp>)



# ABCs of the BCAs

Financing and Investing for California Families, Businesses and Infrastructure ... Through 26 Boards, Commissions and Authorities (BCAs) Treasurer Ma is a Member of, or Chairs

## FEATURED BCAS CPCFA & CAEATFA

Looking to upgrade and achieve greater energy efficiency for a home or a business? Eager to join in global environmental efforts to reduce greenhouse gas emissions and curb carbon pollution? Well, why not do both?

Here's how you can become part of the effort to help California achieve its goal of drawing 60 percent of its energy from renewable sources by 2030 and 100 percent from zero-emission electric power sources by 2045.

Some of the boards, commissions and authorities overseen by Treasurer Fiona Ma provide financing incentives that can help businesses and homeowners meet these goals. Here is a rundown of a few of the key financing programs offered.



**The Residential Energy Efficiency Loan Assistance Program (REEL)** encourages homeowners and renters to make energy efficient upgrades to help lower utility bills and conserve natural resources. REEL provides Californians with access to lower cost financing for energy efficiency projects by reducing the risk to lenders. Eligible improvements include Energy Star or Title 20 compliant efficient water heaters, clothes washers and dryers, dishwashers, refrigerators, pool heaters, smart thermostats, whole building fans, HVAC systems, and more.

**How it works:** Apply for a loan with a REEL lender, or define a project with a contractor. (Find a REEL contractor through the website that follows.) Tell the lender the contractor selected. Lender, or contractor, verifies project eligibility. Begin your project.

For additional information go to: [www.treasurer.ca.gov/caeatfa/cheef/reel](http://www.treasurer.ca.gov/caeatfa/cheef/reel), or call (916) 651-8157.



**The California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA)** issues tax-exempt bonds to finance green projects that help California meet its energy goals. To date, CAEATFA has issued more than \$212 million in conduit bond financing for 26 green projects. These include solar, hydroelectric, geothermal, biomass and cogeneration projects that help meet federal and state energy goals.

**How it works:** To be considered for conduit bond financing submit the information required at <https://www.treasurer.ca.gov/caeatfa/information.pdf>.

**For additional information:** Send an email to CAEATFA at [caeatfa@treasurer.ca.gov](mailto:caeatfa@treasurer.ca.gov), or call (916) 651-8157.



**The California Pollution Control Financing Authority (CPCFA)** oversees the issuance of private activity tax-exempt bonds by California businesses that wish to expand their pollution control, waste disposal, recycling, water facilities or recovery services through CPCFA's Pollution Control Tax-Exempt Bond Financing Program. CPCFA also issues Green Bonds for projects that meet commonly accepted



standards for climate investments. The program's tax-exemption enables companies to lower their borrowing costs, which allows them to maintain lower customer rates while minimizing the need to increase rates. Also available is a tax exemption for manufacturing equipment used to produce alternative energy. Some examples of recent assistance include the purchase of clean air vehicles by waste companies, the construction of anaerobic digesters, conversion of animal waste to clean burning fuel, and the development of construction and demolition debris recycling programs.

**How it works:** Borrowers contact bond counsel (who must be listed on the State Treasurer's list of approved firms at <https://www.treasurer.ca.gov/bonds/pools/bondcounsel.asp>) to determine if a project qualifies under federal law. Once eligibility is established, contact CPCFA staff to begin the application process. (Also contact staff for more information on tax exemptions for manufacturing equipment used to produce alternative energy.)

**For additional information go to:** <https://www.treasurer.ca.gov/cpcfca/contacts.asp>, or call (916) 654-5610.



**The California Capital Access Program (CalCAP) California Air Resources Board (CARB) On-Road Heavy-Duty Vehicle Air Quality Loan Program**, also administered by CPCFA, is a "loan loss reserve" program that may provide lenders up to 100 percent coverage on losses from certain loan defaults involving the financing of clean-air trucks. It is an important program for truck owners. With CalCAP support a lender may be more comfortable underwriting a small business loan, especially to a small fleet trucking owner. CalCAP has contributed approximately \$113.3 million to lender loan loss accounts since the implementation of the program in 2009, assisting California small business owners with the purchase of 24,246 trucks and the retrofitting of an additional 620. Upgrading 24,000 trucks is the equivalent of removing more than three million polluting cars from state roadways each year.

**How it works:** Find a participating lender here: <https://www.treasurer.ca.gov/cpcfca/calcap/arb/lenders.pdf>. If your financial institution does not currently participate, it can sign up using the form here: <https://www.treasurer.ca.gov/cpcfca/calcap/forms/application.pdf>.

**For additional information go to:** <https://www.treasurer.ca.gov/cpcfca/calcap/arb/index.asp>, or call (916) 654-5610.



**The California Capital Access Program (CalCAP) Electric Vehicle Charging Station (EVCS) Financing Program**

backs loans to small businesses for the design, purchase, and installation of electric vehicle charging stations. This loan loss reserve program may provide up to 100 percent coverage to lenders on loan defaults.

**How it works:** Businesses apply to a participating lender for a loan. Participating lenders can be found at: <https://www.treasurer.ca.gov/cpcfca/calcap/evcs/lenders.pdf>. After a business repays the loan, or after 48 months, the borrower may be eligible for a rebate of up to 15 percent of the loan amount. For example, on a \$10,000 loan for a charging station installation, after the loan is repaid, the borrower may receive a rebate of up to \$1,500.

**For additional information go to:** <https://www.treasurer.ca.gov/cpcfca/calcap/evcs/summary.asp>, or call (916) 654-5610.

*Note: Each month we will be sharing information on one of our BCAs and explain how the programs behind the acronym are enhancing the lives of Californians all across the state -- and how you, your family, or your business can share in, and contribute to, California's prosperity.*



# Ask Fiona

Dear Fiona,

I recently attended one of your small business seminars and heard a presentation about the CalSavers retirement savings program. I operate a nonprofit organization. Are nonprofits required to register for the program?

Sincerely,

Scarlett

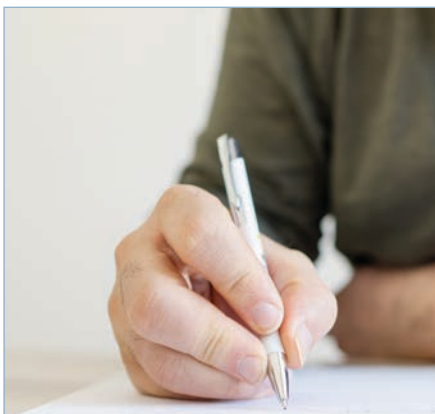
Dear Scarlett,

Yes, nonprofit organizations are required to register for the CalSavers program if they do not already offer their own retirement plan. The registration requirements are the same for non-profit and for-profit employers. Please note that there are deadlines for eligible employers to either begin to offer their own retirement plan or register for CalSavers. The deadlines for registration vary depending on the size of the business:

- For eligible employers with more than 100 employees, June 30, 2020.
- For eligible employers with more than 50 employees, June 30, 2021.
- For eligible employers with five or more employees, June 30, 2022

Sincerely,

Fiona



## Have a Question for the Treasurer?

### Readers:

Send your questions for California State Treasurer Fiona Ma via email to: [AskFiona@treasurer.ca.gov](mailto:AskFiona@treasurer.ca.gov)

### Address letters to:

California State Treasurer Fiona Ma  
Post Office Box 942809, Sacramento, CA 94209-0001



# Top Billing

A monthly update on key legislation for Treasurer Ma

## California Recycling Market Development Act

Assembly Bill 1583, Susan Talamantes Eggman (D-Stockton) <https://a13.asmdc.org/>

Eliminates the sunset date for reauthorization to certificate and bifurcate state Low-Income Housing Tax Credits, and would require the allocation of credits among partners in accordance with the partnership agreement and authorizing the sale of a credit, as described by the bill indefinitely. *(Included in Governor's budget.)*

## Name Translation on Ballot Materials

Assembly Bill 57, Evan Low (D-Silicon Valley) <https://a28.asmdc.org/>

Standardizes the way names are translated into character-based languages on the California ballot. *(Signed into law.)*

## Online Retailers Sales Tax: Expansion to Marketplace Facilitators

Assembly Bill 147, Autumn Burke (D-Marina del Rey) <https://a62.asmdc.org/>

Extends sales tax to online marketplace facilitators/retailers and requires them to collect and remit state and local sales taxes on behalf of third-party sellers. *(Signed into law.)*

## 529 ScholarShare Tax Deduction on State Income Taxes

Assembly Bill 211, Ian Calderon (D-Whittier) <https://a57.asmdc.org/>

Provides a state income tax deduction for those who contribute to a California ScholarShare 529 account, not to exceed \$5,000 for single taxpayers, or \$10,000 for joint filers. *(In Senate Appropriations.)*

## Expand the Low-Income Housing Tax Credit

Assembly Bill 10, David Chiu (D-San Francisco) <https://a17.asmdc.org/>

Increases California's Low-Income Housing Tax Credit (LIHTC) by \$500 million beginning in 2020 and would allocate to farmworker housing projects \$25,000,000 over 5 years of that amount. *(In Senate Appropriations.)*

## Financial Institutions for Cannabis

Senate Bill 51, Robert M. Hertzberg (D-Van Nuys) <https://sd18.senate.ca.gov/>

Creates a limited-purpose state charter for privately funded banks to service licensed cannabis businesses with the goal of providing alternative banking opportunities for the cash-only cannabis industry. *(In Assembly Appropriations.)*

## Tax Deductions on Ordinary Business Expenses for Cannabis Businesses

Assembly Bill 37, Reginald Byron Jones-Sawyer Sr.  
(D-Los Angeles) <https://a59.asmdc.org/>

Allows cannabis businesses to receive the same state income tax deductions as regular businesses on ordinary business expenses for each taxable year beginning on and after January 1, 2019. *(In Senate Appropriations.)*

## Eliminate Sunset Date for Certification and Bifurcation of Low-Income Housing Tax Credits

Senate Bill 9, Jim Beall (D-San Jose)  
<https://sd15.senate.ca.gov/>

Eliminates the sunset date for reauthorization to certificate and bifurcate state Low-Income Housing Tax Credits, and would require the allocation of credits among partners in accordance with the partnership agreement and authorizing the sale of a credit, as described by the bill indefinitely. *(Included in Governor's budget.)*



# A Master Plan for Aging

As adults live longer and more productive lives – and more want to stay in their homes and communities as they age – Treasurer Fiona Ma feels strongly that we must ensure the state is able to meet the demand. To do that, we need a California Master Plan for Aging.

The state's lack of affordable housing and high cost of living is forcing many older adults on fixed incomes into poverty and homelessness. A Master Plan would implement solutions for those who have no family caregiver support, but who still want to remain in their homes as they age, as well as prioritize the development of a well-trained and culturally competent population of care professionals.

Gov. Gavin Newsom recently signed Executive Order N-14-19, which calls for the creation of a statewide Master Plan that ensures our rapidly growing aging population, along with their families and caregivers, will have access to a comprehensive and coordinated system of care.

In addition to supporting the governor's efforts, Treasurer Ma is actively engaged on a package of bills that help address key areas of concern. She is working with the following lawmakers to make aging in place and retiring with dignity a reality:

- Sen. Anna Caballero's SB 611 would develop the Housing Older Persons Effectively (HOPE) Task Force. HOPE would report to the Legislature on housing needs and solutions for older persons who wish to age in place, or who have specific housing/community needs related to aging and long-term care.
- Assemblymember Cecilia Aguiar-Curry's AB 1382 would prepare and support both a paid paraprofessional workforce, as well as an unpaid family caregiver workforce, that together could meet the increasing demands of geriatric health care and home care.
- Assemblymember Adrin Nazarian's AB 1287 would create "No Wrong Door" legislation that will allow older adults and their families to access information and services in a more streamlined, cohesive manner.
- Sen. Richard Pan's SB 512 would create a Long-Term Services and Supports (LTSS) Trust Fund to help alleviate the financial burdens associated with long-term care for older Californians and people with disabilities.





# The Vault

Calendar of recent and upcoming public finance activities and bond sales

**July 11**

## **Trustees of the California State University** (\$646 million)

The sale included \$421.067 million of bonds to fund various new projects for the CSU system, \$107.233 million of bonds to redeem existing commercial paper notes, \$67.7 million to forward refund outstanding bonds, and \$50 million to remarket outstanding mandatory tender bonds.

For more information go to: <https://www.buycaliforniabonds.com>

## Calendar of Upcoming BCA Events

Boards, Commissions and Authorities (BCAs) within the State Treasurer's Office

**AUG**

### **9 City of Chino Hills Small Business Workshop**

9:00 AM (check in) - 12:30 PM

Chino Hills Community Center- Great Oak Hall Room A and B | 14250 Peyton Drive, Chino Hills, CA 91709

#### **Topics Include:**

Types of Capital, Business Loans, Employee Retirement Savings Program, Small Business Resources, and more.

**Limited Space! Register online at:** <http://bit.ly/ChinoHillsSBW2019>

*Sponsored By: State Treasurer Fiona Ma, CPA and San Bernardino County Supervisor Curt Hagman*

*For a full roster of additional meetings, public presentations, deadlines for grants, and more, for ALL boards, commissions and authorities (BCAs) please go to the Treasurer's website: <https://www.treasurer.ca.gov/>*

### **New One-Stop Shopping**

The application process for financing waste and recycling projects is being streamlined. Starting in July, instead of approval from two different agencies under the Treasurer, applicants need only one. The change is the result of collaboration between the [California Debt Limit Allocation Committee](#) (CDLAC) and the [California Pollution Control Financing Authority](#) (CPCFA). The streamlining provides project owners more certainty and reduces the cost of obtaining state approval while also saving the state in labor costs.





# The Ma Squad

Photos of Treasurer Fiona Ma on the Road



Treasurer Ma, Deputy Treasurer Jovan Agee, CTCAC Deputy Executive Director Anthony Zeto, and CDLAC Senior Program Manager Evan Kass in San Jose for the final stop on a 10-city tour featuring public meetings on regulations that govern the Treasurer's housing tax credit programs. The tax credits spur construction of affordable housing.



California Pollution Control Financing Authority Executive Director Renee Webster Hawkins (second from left) visits Tijuana to collaborate with local leaders on investing in recycling and re-use programs that create jobs, improve quality of life and reduce pollution on both sides of the U.S.-Mexico border.



At UCLA Mattel Children's Hospital to present a resolution of appreciation to Johnese Spisso, President of UCLA Health and CEO of UCLA Hospital System. Also pictured are UCLA Health Chief Operating Officer Richard Azar (far left), and (to the right of Treasurer Ma) UCLA Health Chief Strategy Officer Santiago Munoz, California Health Facilities Financing Authority Executive Director Frank Moore, and Deputy Treasurer Audrey Noda.



At the July 1 news conference and launch of CalSavers, the state's new retirement savings program for private-sector workers. With Treasurer Ma are former Senate pro Tempore Kevin de Leon, CalSavers Executive Director Katie Selenski, Communications Director Mark DeSio (right) and Communications Analyst Akilah Jones (left).



Touring Sonoco Products Company Waste Paper and Paper Mill in the City of Industry.