



# NEWS...

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



OCTOBER 2019

Dear friends,

I made it a point to tour hospitals funded through financing arranged by the California Health Facilities Financing Authority (CHFFA), a state financing program I oversee as California State Treasurer. Since January 2019, CHFFA has approved more than \$1 billion of conduit bond financing, \$5 million in loans, and \$30 million in grants.

These health care facilities are serving our children and our communities in profoundly beneficial ways. I am fortunate to have met so many wonderful and caring doctors, nurses, hospital staff, and administrators. (For more information, see page 3.)

I personally experienced this care in San Diego at the Rady Children's Hospital, and also at the Mattel Children's Hospital at UCLA, Loma Linda's Children's Hospital, UCSF Children's Hospital, UCSD Children's Hospital, the Children's Hospital of Orange County, the Children's Hospital UC Irvine, and the Earl & Loraine Miller Children's & Women's Hospital in Long Beach.

In the near future I plan to visit the UC Davis Children's Hospital, the Children's Hospital and Research Center Oakland, Children's Hospital Los Angeles, Lucile Packard Children's Hospital Stanford, and the Valley Children's Hospital.

In Peace & Friendship,

Fiona

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*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.*



# Ask Fiona

Dear Fiona,

I am the president of a private nonprofit university in California. We are exploring the idea of remodeling a couple of our buildings and are looking into our options for financing such a project. I'm interested in learning more about your Bond Financing Program for post-secondary institutions. Specifically, what are the benefits of entering into a bond transaction with the Treasurer's Office?

Sincerely,  
Jason

Dear Jason,

The California Educational Facilities Authority (CEFA) Bond Financing Program provides affordable, tax-exempt bonds to qualified nonprofit higher education institutions that wish to buy or refinance property and equipment, or build and improve campus facilities. There are many benefits of doing business with CEFA. Bond transactions can close in less than two months from the application submission. CEFA offers competitive application and issuance fees. And CEFA also requires only a single TEFRA (Tax Equity and Fiscal Responsibility Act) hearing.

For more information regarding the Bond Financing Program, please visit <https://www.treasurer.ca.gov/cefa/bond.asp>. If you have further questions, you may contact CEFA at (916) 653-2872 or send an email to [CEFA@treasurer.ca.gov](mailto:CEFA@treasurer.ca.gov).

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



# ABCs of the BCAs

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

## FEATURED BCA

### California Health Facilities Financing Authority (CHFFA)

The California Health Facilities Financing Authority (CHFFA) provides financial assistance to public and non-profit health care providers through loans, grants and bonds. Facilities funded by CHFFA reflect the range of financial needs experienced by health care facilities throughout the state – from rural community-based organizations to large multi-hospital systems.

CHFFA is chaired by State Treasurer Fiona Ma. Other members include the State Controller, the state's Director of Finance, two members appointed by the Senate Rules Committee (one must be a licensed physician and the other a past or present executive of a health facility), two members appointed by the Speaker of the Assembly (one experienced in investment or finance and one a representative of the general public), and two members appointed by the Governor (each of whom are subject to Senate confirmation). The group meets monthly to review requests for funding, receive informational updates on programs, and provide direction to staff.

Financing programs administered by CHFFA include:

#### Bonds and Notes

- **Bond Financing:** This program provides eligible borrowers with access to low interest rate capital markets through the issuance of tax-exempt revenue bonds. Bond proceeds may be used to fund construction or renovation, land acquisition, acquisition of existing facilities, refinancing, costs of issuance, and other qualified expenses.
- **Tax-Exempt Equipment Financing:** Similar to the bond financing program, CHFFA may issue notes to provide health facilities with access to tax-exempt fixed-rate financing of at least \$500,000 for equipment purchases.

#### Loans

- **HELP II:** Low-interest rate loans to nonprofit small or rural health facilities to purchase or construct new facilities, remodel or renovate existing facilities, purchase equipment or furnishings, and refinance existing debt.

#### Grants

- **Children's Hospital:** Grants available on a non-competitive or competitive basis to construct, expand, remodel, renovate, furnish, equip, finance, or refinance a children's hospital.
- **Investment in Mental Health Wellness:** Grants to support capital improvement, expansion, and limited start-up costs to California counties or to their nonprofit or public agency designees for the purpose of developing mental health crisis support programs, including crisis residential treatment, crisis stabilization, mobile crisis support teams, and peer respite care.
- **Investment in Mental Health Wellness for Children and Youth (Children and Youth):** Grants to support capital improvement, expansion, and limited start-up costs for a continuum of crisis services for children and youth, ages 21 and under, for the purpose of developing mental health crisis support programs, including crisis residential treatment, crisis stabilization, mobile crisis support teams, and family respite care.
- **Community Services Infrastructure (CSI):** Grants to expand access to jail and prison diversion programs and services; create or expand mental health treatment facilities, substance use disorder treatment facilities, and trauma-centered service facilities in local



communities; and reduce the need of mental health treatment, substance use disorder treatment, and trauma-centered services in jails and prisons.

- **Lifeline:** Grants to assist small and rural health facilities, including community-based clinics that may be adversely affected financially by a reduction or elimination of federal government assistance and that may have little to no access to working capital.

Since January 2019, CHFFA has approved more than \$1 billion in conduit bond financing for five borrowers, extended more than \$5 million in HELP II loans for five borrowers, and provided more than \$30 million in grants to 11 counties and one hospital. Of these grants, three were new programs that provided awards for the first time.

In May, the Children and Youth Program provided its first grant awards to four counties -- Marin, Monterey, Sacramento, and Santa Cruz. These counties received

a total of approximately \$2 million (\$730,000 in capital funding and \$1.3 million in personnel funding) to establish mobile crisis support teams.

In July, the first children's hospital, Valley Children's Hospital received a \$9.8 million grant award from the Children's Hospital Program of 2018. Lastly, also in July, the CSI Program provided its first awards to eight counties -- Los Angeles, Plumas, Riverside, San Joaquin, San Luis Obispo, Santa Cruz, Sonoma, and Yolo. The counties were awarded a total of \$18.2 million to expand jail diversion programs and services to serve an additional 2,022 individuals annually.

*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.*

## 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.

Meet Darren Shearer, September's Employee-of-the-Month. He began his state career with his current position as an Office Technician at the California Alternative Energy & Advanced Transportation Financing Authority (CAEATFA) in March 2018.

The selection committee describes Darren as courteous, cooperative and an out-of-the-box thinker. He is an absolute delight to work with, the committee added, noting that his positivity uplifts his office and scores him thunderous roars of laughter.

Darren provides administrative support to CAEATFA programs, from creating and updating program documents and administration procedures to providing technical assistance with Office software and Adobe Acrobat. He also has picked up a little HTML programming along the way.

Darren also was selected because he goes "above and beyond" by seeking out personal self-improvement opportunities and he always performs his job well.

Originally from Scotland, Darren moved to California in April 2007 and met his wife while working at Starbucks. They have a 10-year-old daughter. Another daughter is due in March. Darren loves music. He plays the piano and ukulele, and as a tireless improviser he enjoys creating something new every time he plays.

He is a true asset to the State Treasurer's Office and a valued member of CAEATFA.

Congratulations, Darren!

# Calendar of Upcoming BCA Events

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

## October

### 16 California Tax Credit Allocation Committee

1:45 PM or upon CDLAC adjournment | 915 Capitol Mall, Room 587, Sacramento, CA 95814

Details: Public Call-In: (888) 557-8511 Participant Code: 5651115

<https://www.treasurer.ca.gov/ctcac/meeting/index.asp>

### 31 California Health Facilities Financing Authority

1:30 PM | 915 Capitol Mall, Room 587, Sacramento CA 95814

Details: Public Call-In: (877) 810-9415 Participant Code: 6535126

<https://www.treasurer.ca.gov/chffa/meeting/index.asp>

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/>



**Click to Listen to the Money-Wise Women Podcast With Treasurer Ma**

<https://money-morphosis.com/6334/podcast/financing-change-and-changing-finance-in-california-with-fiona-ma/>

## Long Beach Small Business Workshop



October 17, 2019

from 9:30am to 12:00pm

Studio One Eleven, 245 E. 3rd Street  
Long Beach, CA

### TOPICS INCLUDE

Access to Capital  
Complying with State Law with CalSavers  
Small Business Resources  
Free Consultations  
AND MORE!

Register online at  
<http://bit.ly/LBSmallBiz2019>



#### SPONSORED BY:

State Treasurer Fiona Ma, CPA  
Long Beach Mayor Robert Garcia





# 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/>

Establishes the California Recycling Market Development Act. This bill extends the sunset provision for five years for the Recycling Market Development Zone Program and the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) advanced manufacturing program by five years to 2026. (Awaiting Governor's signature.)

## 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. (Awaiting Governor's signature.)

## 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. Effective April 1, 2019.)

## 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. (Continued to next session.)

## 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 deduct any necessary business expenses similar to other businesses in California for each taxable year beginning on and after January 1, 2020. (Awaiting Governor's signature.)



# The Vault

Calendar of recent and upcoming public finance activities and bond sales

## September 5

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### **Various Purpose General Obligation Bonds and Various Purpose General Obligation Refunding Bonds** (Approx. \$2.4 billion)

The \$2,405,320,000 sale included \$1.741 billion of refunding bonds to refinance previously issued bonds under 24 different bond acts for debt service savings, and converts \$250 million of variable rate bonds to a fixed rate. The refunding will save taxpayers \$690 million over the next 20 years (or \$588 million on a present value basis). Final yields to investors ranged from a low of 1.07% for a 2020 maturity with a 3% coupon to a high of 2.72% and 2.07% for 2049 maturities with 3% and 5% coupons, respectively. The all-in true interest cost was 2.54%.

## September 17

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### **State Public Works Board Lease Revenue Refunding Bonds, 2019 Series B** (\$60.9 million)

There were 11 bids from broker-dealers, with UBS Financial Services Inc. submitting the winning bid at an all-in true interest cost of 1.837%. The refinancing of bonds issued in 2006-2007 will result in a savings of \$15.7 million to taxpayers over the next 14 years (or \$14.4 million on present value basis).

## October 16

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### **Federally Taxable Various Purpose General Obligation Bonds and Various Purpose General Obligation Refunding Bonds** (Approx. \$1.13 billion)

Proceeds will provide funding for projects and programs under various bond acts and refinance previously issued bonds, providing permanent financing for projects funded with commercial paper notes.

## October 29

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### **State Public Works Board Lease Revenue Bonds, 2019 Series C** (Approx. \$335 million)

Proceeds will provide funding for two (2) departments: Department of Forestry and Fire (CalFire) to fund the lone Academy Dormitory project; and Department of Corrections and Rehabilitation (CDCR) to fund: (1) the Riverside County Jail project; (2) the Santa Barbara County Jail project; (3) the Tulare County Jail project; (4) the Sutter County Jail project; and (5) various CDCR Health Care Facility Improvement Program projects.

## November 19

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### **California Health Facilities Financing Authority: No Place Like Home Program Senior Revenue Bonds (Social Bonds - Federally Taxable)**

(Approx. \$500 million)

Proceeds will provide funding to the Department of Housing and Community Development's No Place Like Home Program, which aids in the acquisition, design, construction, rehabilitation, preservation and operation of 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.

## Week of November 11

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### **Various Purpose General Obligation Bonds and Various Purpose General Obligation Refunding Bonds** (Approx. \$800 million)

Proceeds will provide permanent financing for projects funded with commercial paper notes and refinance previously issued bonds at lower interest cost.



## December 5

### **IBank, California State Teachers' Retirement System (CalSTRS) Headquarters Expansion Lease Revenue Bonds, Series 2019 (Green Bonds)**

(Approx. \$300 million)

Proceeds will fund the acquisition, design, construction of an expansion to the CalSTRS headquarters facility in West Sacramento.

*More information about the upcoming fall bond sales can be found at [BuyCaliforniaBonds.com](https://www.buycaliforniabonds.com).*

*The bond issuances described above (including the amounts and timing thereof) are preliminary and subject to change or cancellation based on market conditions or other factors as determined by the State Treasurer.*

## **Treasurer Fiona Ma Encourages Health Facilities to Apply for Lifeline Grants Before Time Runs Out**

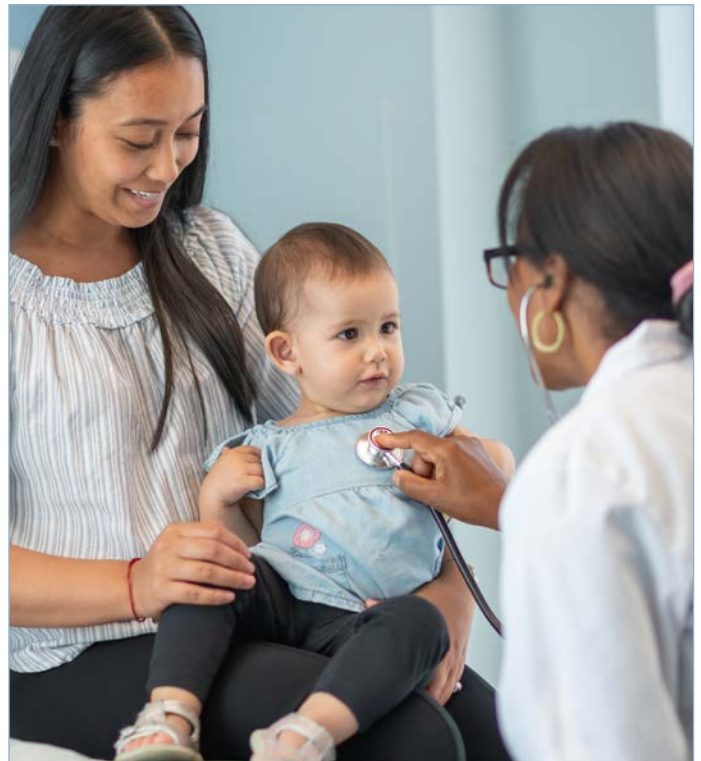
California State Treasurer Fiona Ma is reminding health facilities that the California Health Facilities Financing Authority (CHFFA) Lifeline Grant Program still has millions of dollars in grant money to disburse and the program is coming to an end soon. Lifeline grants are administered by CHFFA, which is chaired by Treasurer Ma.

The program assists small and rural health facilities, including community-based clinics, that may be adversely affected financially by a reduction or elimination of federal government assistance (also known as a federal trigger) and that have little to no access to working capital.

Health facilities are encouraged to apply for an award as soon as possible, but no later than April 25, 2020. Health facilities that were awarded grants before June 30, 2020 have until June 30, 2022 to receive disbursements.

"The lack of access to working capital can threaten the quality, accessibility, and availability of the services provided by health care facilities," said Treasurer Ma.

"This program especially assists those small or rural health facilities that may be adversely financially affected by decisions in Washington, D.C. We are now actively reaching out to communities everywhere that may need this funding before the program goes away."



Since its inception, CHFFA has made 40 Lifeline awards for a total of \$7.8 million. Of these awards, approximately \$3.6 million have been disbursed, leaving approximately \$4.2 million available for disbursement to existing grantees and \$12.2 million available for award to new grantees.



**The list of grantees that have already received grants include:**

Grantee	Federal Trigger	Disbursement
Golden Valley Health Centers	Affordable Care Act Individual Mandate	\$1,240,450
Laguna Beach Community Clinics, Inc.	Medicare Reimbursements	\$219,415
Mountain Health & Community Services, Inc.	Healthcare Infrastructure Investment Program	\$1,250,000
Operation Samahan, Inc.	Title X Family Planning	\$130,201
Planned Parenthood Pasadena and San Gabriel Valley, Inc.	Title X Family Planning	\$218,247
Winter's Healthcare Foundation, Inc.	Healthcare Infrastructure Investment Program	\$250,000
Canby Family Practice	Universal Service Funding	\$250,000
<b>Total</b>		<b>\$3,558,313</b>

The grants may be spent on working capital for core operating support such as maintenance or operating expenses, including salaries, rent, and supplies.

Mountain Health & Community Services Inc. used its Lifeline Grant Program funding to avoid layoffs to staff, particularly to those staff engaged in enrolling patients in Covered California, as well as to continue its initiative to provide medical homes for all its patients. These funds restored Covered California Enrollment Counselors, which provided access to health insurance for patients, allowing them to seek and pay for care as well as improving the coordinated delivery of health care services to its low-income patients through work to obtain Patient-Centered Medical Home accreditation.

Grant writer Steven Plunk called the grant money "essential" aid during a challenging period.

"On behalf of all the low-income families who received essential health care services through Mountain Health,



we thank the California Health Facilities Financing Authority for their support during a challenging time for community health center," he said.

For more information on the Lifeline Grant Program, to apply for grant funding, or learn about other grant funding opportunities, please visit [CHFFA's website](#).



# The Ma Squad

Children's Hospital Tour



**July 19.** At the UCLA Mattel Children's Hospital (Los Angeles) where proceeds from the Children's Hospital Program helped pay for the pediatric-associated costs of a 525-bed replacement hospital, including a neonatal intensive care unit, pediatric intensive care unit, and medical-surgical beds. Additional funds helped construct a 266-bed replacement hospital at the hospital's Santa Monica campus. The Treasurer and her team met with Johnese Spisso, President and Chief Operating Officer; Dr. Sherin Devaskar, Department of Pediatrics; Santiago Munoz, Chief Strategy Officer; Richard Azar, Chief Operating Officer; and Rhonda Curry, Chief Communications Officer.



**August 7.** Visiting the intensive care nursery and infant care program at the Benioff Children's Hospital at Mission Bay. Proceeds from the Children's Hospital Program reimbursed the hospital for eligible proportional costs of constructing the new UCSF Medical Center at Mission Bay, a six-story, 289-bed inpatient hospital and an attached six-story outpatient building. The Treasurer was received by Jamie Phillips, Chief Operating Officer; Robert Fries, Chief Financial Officer; Kimberly Scurr, Vice President, Operations; Dr. Tippi Mackenzie, Professor of Surgery; Dr. Liz Rogers, Associate Professor of Pediatrics; Dr. Tom Shimotake, Professor of Pediatrics; Paul Takayama, Assistant Vice Chancellor, Government Relations; Amiee Alden, Local and State Government Relations Director.



**July 26.** At Loma Linda University Medical Center and Children's Hospital to present the hospital with a check for \$55 million, a disbursement that will defray the cost of building a new tower for the children's hospital. In addition to the new tower, proceeds from the Children's Hospital Program will help pay for equipment and seismic separation between the new and old towers. The Treasurer met with Kerry Heinrich, Chief Executive Officer; Dr. Richard Chinnock, Chair of the Pediatrics Department; Scott Perryman, Senior Vice President; and Steve PonTell and Jeff Burum with National Community Renaissance.



**August 16.** Touring the postpartum rooms, birth center and delivery rooms, and the neonatal intensive care unit at the UCSD Jacobs Medical Center in La Jolla. Proceeds from the Children's Hospital Program reimbursed the hospital for eligible proportional costs of renovating the Thornton Hospital, constructing a 245-bed tower adjacent to Thornton Hospital (Jacobs Medical Center), and constructing a central utility plant. Treasurer Ma met with Marie Webber, Chief Administrative Officer for Women and Infants, and Psychiatric and Ophthalmologic Services; Lori Donaldson, Chief Financial Officer; Whit Robinson, Chief Administrative Officer, Facilities, Capital Management, and Hospital Services; Jandy Smith, Administrative Director for Women and Infants Services; Ala Garza, Director of Nursing for Women and Infants; and Zachary Schlagel, Assistant Director of Government Affairs.





# The Ma Squad

Children's Hospital Tour



**August 16.** At Rady Children's Hospital-San Diego to tour the Rose Pavilion and the Acute Care Pavilion. Proceeds from the Children's Hospital Program reimbursed the hospital for renovating the Rose Pavilion, constructing a new four-story inpatient pediatric tower, construction of an Acute Care Pavilion, an electronic medical record system, and for various equipment. The Treasurer met with Dr. Patrick Frias, President and Chief Administrative Officer; Dr. Nicholas Holmes, Senior Vice President and Chief Operating Officer; Kathy Cain, Senior Vice President and Chief Financial Officer; Dr. Gail Knight, Senior Vice President and Chief Medical Officer; Albert Oriol, Vice President and Chief Information Officer; and Barbara Ryan, Vice President, Government Affairs.



**September 6.** At Children's Hospital UC Irvine where proceeds from the Children's Hospital Program reimbursed the hospital for eligible proportional pediatric costs of constructing a 236-bed replacement hospital with a 30-bed neonatal intensive care unit, a two-story building to operate the Center for Child Health, and an electronic medical record system. The Treasurer met with Chad Lefteris, Chief Operating Officer; Dr. William C. Wilson, Chief Medical Officer; Mary Ann Pack, Interim Director of Administration and Finance; Brian O'Dea, Executive Director, Marketing and Communications; Dr. Khahn-Van Le-Bucklin, Interim Chair, Department of Pediatrics; Christopher Leo, Director, Governmental Affairs; and Meghna Patel, Assistant Director, Strategic Services.



**September 6.** At the Bill Holmes Tower at the Children's Hospital of Orange County to tour the neonatal intensive care unit and the Seacrest Studios (an in-house multimedia broadcast center). Proceeds from the Children's Hospital Program reimbursed the hospital for remodeling and expanding the Ambulatory Care Center, building a new tower, purchasing information systems technology, and for various equipment. The Treasurer met with Kerri Rupert Schiller, Executive Vice President and Chief Financial Officer; Jena Jensen, Chief Government Relations Officer; Melanie Patterson, Vice President, Patient Care Services and Chief Nursing Officer; Kristin Fischer, Clinical Nurse Manager, Neonatal Intensive Care Unit; Jennie Sierra, Director, Neonatal Intensive Care Unit; and Joshua Castaneda, Child Life Specialist.



**September 6.** At the Earl & Loraine Miller Children's & Women's Hospital (Long Beach) Proceeds from the Children's Hospital Program reimbursed the hospital for constructing, equipping and furnishing a new four-story Inpatient Pediatric Tower; purchasing patient care equipment; constructing, equipping and furnishing a neonatal intensive care unit and an inpatient pharmacy; and constructing, equipping and furnishing a four-story Children's Outpatient Medical Office Building. The Treasurer met with John Bishop, Chief Executive Officer; Yair Katz, Chief Financial Officer; Ikenna Mmeje, Chief Operating Officer; Dr. Graham Tse, Chief Medical Officer; Susan Herman, Chief Nursing Officer; Lee I. Alhadeff, Interim Controller and Executive Director of Finance; Mark Shuck, Executive Director of Construction and Management; Kristen Pugh, Vice President, Advocacy and Government Relations.