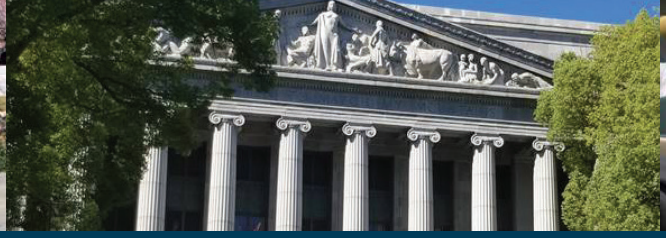

NEWS...

From the Desk of California State Treasurer Fiona Ma, CPA

MARCH 2020

Dear Friends,

Kudos to Governor Newsom for continuing to allocate more funding and incentives for all types of living in California. He underscored his commitment to housing by making it the sole subject of his State of the State address. He is keenly aware of the challenges facing California, including the need for a comprehensive plan dealing with homelessness, the lack of affordable housing for working families, and the urgency to build supportive and adaptive housing for those on fixed incomes, people with disabilities, and seniors so we can age in place.

I am proud to work with Governor Newsom's administration to streamline state processes so that we can accelerate the delivery of an unprecedented $1.75 billion investment in last year's budget to increase housing and $500 million annually for the state's housing tax credit program that is in this year's budget.

In this issue, learn how my office is addressing financial literacy, helping wildfire victims, and how the California Legislative Women's Caucus celebrated the 19th amendment. March is women's history month so let us continue to chart our own course. One way you can begin is by sending in your resume for my registry for women interested in serving on public boards. Women who are interested in being included in the registry are encouraged to contact the State Treasurer's Office (STO) at (916) 652-2995 or WomensRegistry@treasurer.ca.gov.

In Peace & Friendship,

Fiona
California State Treasurer

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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.

Treasurer's Youth Investment Summit a Hit with Students and Parents

Every Saturday in February, the STO held its first-ever "Youth Investment Summit" to teach the basics of money management. Thirteen-year-old Rahquel Harris was among the dozens of teens who attended. "I want to get better at spending," she said. "I don't want to spend my money on useless stuff."

Participants learned how to set goals, use budgets, and spend wisely. The sessions were held at Showers of Blessings church in Sacramento. The STO plans to replicate the program around the state.

The Youth Investment Summit was organized by Deputy State Treasurer Jovan Agee, who grew up in a low-income neighborhood in Fresno. He is Treasurer Ma's deputy of housing and economic development. He wants young people to develop the skills they need to succeed as adults.

Deputy Treasurer Agee wants to show young people how to keep their income once they acquire it.

"So many young people in communities like this have no goals. They don't know what to aspire to because they don't see it," he said.

Treasurer Ma attended the sessions and said they were inspiring. "This is why I love my job," she said. "It's all about changing lives, leveling the playing field, and empowering the next generation."

Parent Carlissa Jones said the Youth Investment Summit taught lessons that she herself learned the hard way."
I had to learn later in life how to save and secure my future," she said.

The interactive course was taught by Wells Fargo bankers, using their "You and Your Money Curriculum."

Note: Please call (916) 653-2995 if you're interested in future Youth Investment Summits.

Treasurer Ma pictured with summit participant Gabby Martinez.

Treasurer Ma and Deputy Treasurer Jovan Agee with summit participants and their certificates of completion.

ABCs of the BCAs

Financing and Investing in California Families, Businesses and Infrastructure ... Through 26 **B**oards, **C**ommissions and **A**uthorities (BCAs) Treasurer Ma is a Member of or Chairs

FEATURED

California Tax Credit Allocation Committee (CTCAC)

$100 Million in Housing Tax Credits for Fire Disasters Now Available Through the California Tax Credit Allocation Committee

The California Tax Credit Allocation Committee (CTCAC), chaired by California State Treasurer Fiona Ma, is clarifying its regulations to make certain that 13 counties hit by fire disasters receive $100 million in new federal tax credits.

U.S. Representative Mike Thompson, D-Napa, authored legislation last year designed to provide additional tax credits to Butte, Lake, Los Angeles, Mendocino, Napa, Nevada, Orange, San Diego, Santa Barbara, Shasta, Sonoma, Ventura, and Yuba counties.

"We want to make it crystal clear that these tax credits are going to help counties that have been devastated by disasters," Treasurer Ma said of the new credits. "I salute the resilience, dedication, and creativity of these communities and I'm glad we can help them rebuild."

Each year CTCAC oversees the award of millions of dollars in federal and state tax credits that help stimulate the development of more affordable housing across the state. That is the committee's primary purpose. In 2019, CTCAC awarded about $357.56 million in federal tax credits and $100.75 million in state tax credits, resulting in 21,311 housing units.

Tubbs Fire, October 9, 2017. Image by NASA - worldview.earthdata.nasa.gov, Public Domain, https://commons.wikimedia.org/w/index.php?curid=65317779

The new, additional tax credits are targeted to jumpstart housing developments in areas that in 2017 and 2018 suffered losses attributable to destructive wildfires, including the Camp Fire, the Tubbs Fire, the Thomas Fire, and the Mendocino Complex Fire.

State Senator Mike McGuire, D-Santa Rosa, thanked the Treasurer for her efforts. "This $100 million in tax credits will be a huge shot in the arm for the rebuilding of our communities and desperately needed affordable housing," he said. "We're incredibly grateful to Treasurer Ma for moving so fast and ensuring the tax credits will be spent as intended – in the 13 counties devastated by these massive wildfires."

Rep. Thompson added, "It is critically important that our communities that have been hit hard by wildfires have all of the resources they need to rebuild and recover, which is why I carried legislation to provide $100 million in new federal tax credits to help create much needed affordable housing in disaster-stricken counties. I greatly appreciate Treasurer Ma's commitment to ensuring that this assistance is allocated as Congress intended so that those displaced by wildfires can have access to affordable housing."

In response to public comments, CTCAC is revising its regulations to give projects in the 13 counties two years to seek credits for housing. Under federal regulations the credits must be used within two years or they are lost. The new regulations allow projects seeking to house the homeless to apply for any unused credits at the end of 2021 to avoid losing them.

The revised regulations also would exempt communities hit by disaster from the typical nine percent tax credit rules, which reward projects located close to amenities such as shopping, libraries, and parks.

CTCAC is working to develop regulations to ensure that the disaster areas in large or more affluent counties are not given an unfair advantage over disaster areas in smaller counties or counties with fewer people.

Santa Rosa's Coffey Park neighborhood following the Tubbs Fire.

Exceeding State Benchmarks

The California Department of General Services (DGS) awarded the STO and two Boards, Commissions and Authorities (BCAs) overseen by Treasurer Fiona Ma certificates recognizing their successful efforts in exceeding or meeting state contracting benchmarks designed to encourage state agencies to do more business with California Small Businesses (SB), Micro Businesses (MB), and Disabled Veteran Business Enterprises (DVBE).

The STO and the California Tax Credit Allocation Committee (CTCAC) achieved a 30 percent or more SB participation and reached five percent or more DVBE

Treasurer Fiona Ma and staff proudly display contracting awards. Seated (left to right): CTCAC Executive Director Judith Blackwell, Chief of Staff Genevieve Jopanda, Treasurer Ma, Deputy Treasurer for Housing and Economic Development Jovan Agee. Standing (left to right): Business Services Manager Moulay Billouche, Senior Attorney Spencer Walker

participation, garnering "Notable Achievement" awards at the 20th Annual State Agency Recognition Awards. The state requires that agencies award at least 25 percent of their annual contracting dollars to SBs and MBs, and three percent to DVBEs.

Meanwhile, the STO, CTCAC, and the California Debt Limit Allocation Committee (CDLAC) made the largest increases in their SB or DVBE contract participation rates, receiving "Most Improved" awards.

Treasurer Ma applauded the awards, saying her mission is to include families and disabled veterans who own small enterprises in California's prosperity.

The STO and BCAs awarded nearly $3 billion to certified small businesses and certified micro businesses through about 291 contracts in Fiscal Year 2018/19. In the same year, the STO and BCAs awarded $847,296 to certified disabled veteran business enterprises via about 163 contracts.

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.

CEFA NEWS

The College Access Tax Credit Fund Application Period for 2020 is Now Open

The College Access Tax Credit Fund application period for the 2020 taxable year opened March 2, 2020. The fund administrator, the California Educational Facilities Authority (CEFA), provides a tax credit to individual taxpayers, businesses and insurance companies that contribute money to a fund that bolsters financial aid for California's low-income college students.

The tax credit can offset or reduce state taxes borne by an individual, business or insurance company and may count as a charitable deduction for federal tax purposes. The amount of the tax credit is 50 percent of the amount of the cash contribution to the fund.

The application period for the 2020 taxable year runs through January 4, 2021 at 5 p.m. Applications are processed on a first come, first served basis. If tax credits are available CEFA will send the applicant a Notice of Allocation Reservation, as well as a Contribution Submittal Form. In order to receive a College Access Tax Credit Certification, an applicant must submit the cash contribution along with the Contribution Submittal Form within the required timeframe.

For assistance with an application or payment, please call (916) 654-5711.

CALSAVERS NEWS

Reminder to Employers with More Than 100 Employees

CalSavers was created by legislation requiring California employers that do not sponsor a retirement plan and have at least five employees to participate in an automatic enrollment individual retirement account (IRA) with no employer fees or fiduciary liability. The first deadline is coming up June 30, 2020 for employers with over 100 employees. Employers can sign up at any time and savers can set up an account online or through the CalSavers mobile app.

https://www.calsavers.com

Employer Assistance: (855) 650 - 6916

Employee Assistance: (855) 650 - 6918

Calendar of Upcoming BCA Events

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

March

3 **California Debt and Investment Advisory Commission (CDIAC)**

Municipal Market Disclosure Seminar | 8 AM | Hilton Irvine, Orange County Airport, Irvine CA

This seminar is open ($150-$250 fee) to all interested partners and will focus on SEC rules and regulations, in addition to California-specific CDIAC reports, for primary and secondary disclosure by public agencies. The seminar includes a preview of influential research CDIAC is conducting on climate change disclosures in municipal offerings. The luncheon speaker is Treasurer Ma.

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/

Heart of the Treasury

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

Meet Rachell Owen-Reinwald, February's STO employee of the month. Rachell has worked for ScholarShare529 as an Associate Program Analyst since 2017. She collaborates with new and existing partners in developing and executing various outreach efforts to bring awareness to and educate California families about the benefits of saving for higher education with ScholarShare529. She has helped bring many new partners into ScholarShare529, including the City of Gardena, which recently collaborated with ScholarShare529 under their workplace savings program.

Rachell also plays an integral role as the lead analyst for the children's savings accounts, helping ScholarShare 529 increase its presence across California. She demonstrates a high level of initiative and her resourcefulness, creativity and positive attitude have earned her the admiration of the entire ScholarShare529 team.

Prior to joining ScholarShare 529, Rachell was involved in educational advocacy at a grass roots level, having formed a 'no cost,' after-school academic enrichment program for young learners.

As the mother of three sons, all of whom are currently attending college, she understands the financial complexities associated with higher learning. She has first-hand experience and knowledge of ScholarShare529, having held 529 accounts for her own children since the inception of the program. In fact, she is currently using these accounts to pay for her sons' academic expenses.

Rachell's oldest son, Trevor, 21, is attending Northern Arizona University on a football scholarship and pursuing a double major in political science and business. Zachary, 20, is attending the University of Nevada Reno and pursuing a double major in accounting and finance, while his twin brother, Gavin is at UC Berkeley on a football scholarship where he is majoring in environmental economics and policy.

Rachell is also celebrating 25 years of marriage this year to Olaf (whom she affectionately refers to as "not the snowman – better").

Congratulations Rachell – on all accounts!

Ask Fiona

Dear Fiona,

I saw on the news that your office sponsored a Youth Investment Summit where teens learned how to be financially successful. What a wonderful and important program! I have two elementary school aged children and worry that they don't appreciate the value of a dollar. I would like to help them understand the importance of money management. Do you have any advice on how I can start to teach them about money?

Sincerely,
Annie

Dear Annie,

Although kids are very technologically savvy these days, many of them are uneducated about money management. Few schools teach financial literacy, so it often falls upon parents to be the teachers of this important topic. Here are a couple of tips to help you get started:

Use everyday opportunities to talk to your children about money. Have conversations with your kids that occur naturally when you encounter real-life situations. Try to use these opportunities to teach your children how to be responsible in spending and saving money.

Make sure you are setting a good example. Kids learn by observing their parents, so it is important that you model good habits when it comes to spending, saving, and investing money.

Getting your kids involved with money doesn't have to be complicated. I'm sure that with your guidance, your children will grow to have financial success early in life.

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

Address letters to: California State Treasurer Fiona Ma
Post Office Box 942809, Sacramento, CA 94209-0001

A Tax Tip: Free Income Tax Assistance

Did you know that you might be eligible to receive free tax preparation assistance? IRS-certified sites offer free and reliable services that can ease the stress of tax filing and help you get the most out of your tax return. If you live in California you can get free tax help from these programs:

- Volunteer Income Tax Assistance (VITA), if you:
  - Make $56,000 or less
  - Have disabilities, or
  - Speak limited English
  - Are active duty or retired military personnel, or a dependent
- Tax Counseling for the Elderly (TCE): Free tax help for all taxpayers, particularly those who are 60 years of age or older.

Need help filing your returns?

Tax help is offered from February 1 through April 15. Find a free tax help location:

IRS VITA/TCE site locator

AARP VITA/TCE site locator

Call 1-800-906-9887

For more information regarding these programs, please visit the IRS website at: https://www.irs.gov/individuals/free-tax-return-preparation-for-you-by-volunteers

Top Billing

A monthly update on key legislation for Treasurer Ma

Temporary Tax Reductions on Cannabis Cultivation and Excise Taxes

Assembly Bill 1948, Rob Bonta (D-Alameda)

AB 1948 would create a short-term tax deduction for cannabis businesses and consumers by temporarily lowering California's cannabis excise tax from 15 percent to 11 percent, and suspending the cultivation tax altogether for the next three years.

The Vault

Calendar of recent and upcoming public finance activities and bond sales

March 4

Regents of the University of California – Medical Center Pooled Revenue Bonds, 2020 Series O (Daily Rate) ($1.5 million)

The bonds will provide funding for various improvements for UC medical centers.

https://www.buycaliforniabonds.com/state-of-california-ca/bonds/bond-offering/i27?offeringId=22716

March 10

State of California Various Purpose General Obligation Bonds & Various Purpose General Obligation Refunding Bonds ($2.1 billion)

The bonds will provide funding to finance or refinance projects for various General Obligation bond acts and to refund certain outstanding General Obligation bonds for debt service savings.

https://www.buycaliforniabonds.com/state-of-california-ca/bonds/bond-offering/i27?offeringId=22716

March 26

State Public Works Board of the State of California Lease Revenue Refunding Bonds, Series 2020A ($1.5 billion)

Proceeds will be used to refund certain bonds issued by the State Public Works Board (SPWB), which were originally issued to finance facilities for the California Department of Corrections and Rehabilitation (CDCR) and Judicial Council.

https://www.buycaliforniabonds.com/state-of-california-ca/bonds/bond-offering/i27?offeringId=22372

April 15

State of California Various Purpose General Obligation Bonds and Various Purpose General Obligation Refunding Bonds ($2.1 billion)

The proceeds of the bonds are being used to finance or refinance projects for various General Obligation bond acts and to refund certain outstanding General Obligation bonds for debt service savings.

https://www.buycaliforniabonds.com/state-of-california-ca/bonds/bond-offering/i27?offeringId=22369

April 21

State Public Works Board of the State of California Lease Revenue and Lease Revenue Refunding Bonds, Series 2020 BC ($135 million)

Proceeds will be used to finance costs of design and construction of various state facilities and to refund certain bonds issued by the SPWB.

https://www.buycaliforniabonds.com/state-of-california-ca/bonds/bond-offering/i27?offeringId=22770

(Date TBD)

California Earthquake Authority: Revenue Bonds, Series 2020A-1 and 2020A-2 ($700 million)

Proceeds will be used to enhance the CEA's claim-paying capacity for damages resulting from earthquake events.

https://www.buycaliforniabonds.com/state-of-california-ca/bonds/bond-offering/i27?offeringId=20779

More information about the upcoming fall bond sales can be found at 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.

The Ma Squad

On February 3, Treasurer Ma and the California Legislative Women's Caucus gathered in the Senate Chambers of the California Capitol to celebrate the centennial of the 19th Amendment to the U.S. Constitution granting women the right to vote.

Treasurer Ma visiting Claremont McKenna College, another college benefitting from bonds issued by CEFA. The school is distinguished by 11 world-class research institutes and features a LEED gold certified building and a "Kube" (aka the all glass living room that floats on a Mesabi black granite reflecting pool that is open 24/7 to the entire campus community.) From left to right: Jim Floyd, Vice President and Chief Investment Officer; Frank Moore, CEFA Executive Director; Treasurer Ma; Hiram Chodosh, President; Carolyn Aboubechara, CEFA Deputy Executive Director; Audrey Noda, Deputy Treasurer for Health and Education; Coreen Rogers, Vice President of Business and Chief Operating Officer; and Erin Watkins, Associate Vice President of Finance and Acting Treasurer.

Meeting with U.S. Representative Maxine Waters of California's 43rd congressional district (center) during the 2020 Legislative Conference of the National Association of State Treasurers in Washington, D.C. Seated: Dante Allen, executive director of the California Achieving a Better Life Experience Act Board (CalABLE). Standing, left to right: STO Deputy Treasurer Timothy Schaefer, Legislative Director Kasey O'Connor, Rep. Watters, Treasurer Ma, and Chief of Staff Genevieve V. Jopanda.

The Ma Squad

San Bernardino County Department of Behavioral Health was awarded six grants from California Health Facilities Financing Authority (CHFFA) chaired by Treasurer Ma for four crisis residential treatment programs (San Bernardino, Victorville, Joshua Tree, and Fontana), two crisis stabilization units (San Bernardino and Fontana) and eight community crisis response teams vehicles. From left to right: Carolyn Aboubechara, CHFFA Deputy Executive Director; Veronica Kelley, Director of Behavioral Health; Tan Suphavarodom, Deputy Director, Administrative Services; Frank Moore, CHFFA Executive Director; Georgina Yoshioka, Deputy Director, 24-Hr and Emergency Services; Audrey Noda, Deputy Treasurer for Health and Education; Larry Lawler, Program Administrator of Crisis Residential Treatment facility; Bryceton Danico, Regional Director; Julie Hale, Senior Program Manager; Treasurer Ma; and Holly Still, Clinical Director.

Treasurer Ma received an invitation from Jim Gallagher, Board Member of the Chino Valley Chamber of Commerce, to give the keynote at the Government Affairs: "Pizza & Politics" luncheon.

Treasurer Ma presenting Pomona College in Claremont with a certificate of appreciation. The California Educational Facilities Authority (CEFA), chaired by Treasurer Ma, has issued bonds that built, among other facilities, the liberal arts college's Bridges Auditorium, Oldenburg Center, and Seeley Mudd Building, as well as the LEED Platinum-certified Sontag and Dialynas Hall. Left to right: CEFA Deputy Director Carolyn Aboubechara, CEFA Executive Director Frank Moore, Pomona College Assistant Vice President of Facilities and Campus Services Bob Robinson, Treasurer Ma, Deputy Treasurer Audrey Noda.

Meeting of the STO Housing, Economic Development, Jobs and Opportunity Zone Ad Hoc Committee. Front row, left to right: Housing and Economic Development Analyst Diana Yang, the Integral Group LLC Western Region Managing Director Dalila Sotelo, Strategic Solutions Group Inc. President and CEO Candace Bon McKeever, Treasurer Ma, Housing and Economic Development Deputy Treasurer Jovan Agee, Office Manager Kim Stevens. Back row, left to right: Backstrom McCarley Berry & Co. Managing Director Brant Smith, California Tax Credit Allocation Committee (CTCAC) Executive Director Judith Blackwell, Kingdom Development Founder William Leach, Loop Capital Chairman and CEO Jim Reynolds, Chan Zuckerberg Initiative Director of Justice and Opportunity Caitlyn Fox, AVM Innovation Consulting LLC Owner Angelov Farooq, Building Industry Association Southern California Baldy View Chapter Executive Director Carlos Rodriguez, former City of Salinas Councilmember Sergio Sanchez, City of Fontana Mayor Acquanetta Warren, Asian Inc. President Michael Chan, Loop Capital Vice President Tarun Anjan, Impact Brands Founder and Principal Veronica Smith, California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) Executive Director Deana Carrillo, Health and Education Deputy Treasurer Audrey Noda.