



NEWS...

From the Desk of California
State Treasurer Fiona Ma



Dear Friends,

SEPTEMBER 2021

In August, California had the chance to host the National Association of State Auditors, Comptrollers, and Treasurers (NASACT) Annual Conference in San Diego. Besides offering our colleagues a taste of San Diego's near perfect climate, we offered them a great opportunity to meet, learn and share information about critical issues. It is a testament to California's bold, progressive approach to government that our State Auditor, Controller, and Treasurer, the "trifecta," all happen to be women.

I was also thrilled to moderate the General Session keynote given by College Code's Founder and CEO, Chelsea Williams. She shared ideas about how state governments can put diversity, equity, and inclusion efforts at the center of an organization, rather than relegating those concepts to an afterthought. For more information about the NASACT, please visit them at: <https://www.nasact.org/>.

In this month's newsletter, we highlight the incredible work done by the [California School Finance Authority \(CSFA\)](#). For years, CSFA has operated a conduit financing program for the financing of facilities and working capital for non-profit charter schools. But now it has expanded its work to help finance housing for community college students. Last month, CSFA financed its first housing project at Santa Rosa Junior College.

This is a great example of the kind of "outside the box" thinking we practice at the State Treasurer's Office. I am so proud to lead an organization where this kind of thinking is the standard, not the exception.

In Peace and Friendship,

Fiona Ma, CPA
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.



[HTTPS://WWW.TREASURER.CA.GOV](https://www.treasurer.ca.gov)



Ask Fiona

If you have a question, please email me at askfiona@treasurer.ca.gov

J

Hello Fiona,

I'm retired and my only source of income is from my Social Security retirement benefits. I don't have any wages. Do I qualify for the second round of the Golden State Stimulus?

Sincerely,
Jack

Dear Jack,

Governor Newsom's California Comeback Plan includes an expansion of the Golden State Stimulus to reach middle class families. This expansion has been dubbed the Golden State Stimulus II (GSS II). It is estimated that two-thirds of Californians will benefit from the GSS II by receiving direct cash payments from the state. Payment amounts depend on the number of dependents you claim and whether you were eligible for the first Golden State Stimulus payment. Eligible Californians just need to file a 2020 state income tax return by October 15, 2021 in order to receive the payment. Payments are expected to begin in September 2021.

The program was expanded to include Californians who earned wages of \$0 to \$75,000 and have an adjusted gross income (AGI) of \$1 to \$75,000 for the 2020 tax year. According to the Franchise Tax Board (FTB), Social Security income is not included in California AGI; however, you may still qualify if you earn interest on a savings account because taxable interest counts towards your AGI. Other types of income included in California AGI are dividends, rental income, pension income, and gains on a sale of property.

For more information, including a complete list of eligibility requirements, please refer to the FTB's [GSS II webpage](#). The FTB also has a helpful [GSS II payment estimator](#) that you may use to estimate your GSS II payment.

Sincerely,
Fiona

FM



Have a Question for the Treasurer?

Send emails to:

AskFiona@treasurer.ca.gov,
with the subject line:
Ask Fiona

Address letters to:

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

California School Financing Authority Extends Services to Finance Community College Housing



The flexibility and creativity of the staff of the California School Finance Authority (CSFA), under the State Treasurer's Office leadership, has led to a new role – providing low-cost financing to build housing for community college students.

Last month, CSFA completed a \$68.31 million bond sale to finance construction of housing for 352 students at Santa Rosa Junior College. It is intended to be the first of many.

This sale represents an expansion of CSFA's existing conduit financing program, which until now has been used almost exclusively to finance facilities and working capital for non-profit charter schools.

In 2019, during her first year in office, Treasurer Fiona Ma held extensive listening tours to hear about housing problems and their solutions. As part of that research effort, Treasurer Ma, Deputy Treasurer Audrey Noda, and CSFA Executive Director Katrina Johantgen learned about the housing shortage affecting community college students. Over the next three years, they held meetings with a wide range of stakeholders, including underwriters, non-profit groups, developers, district trustees, and community activists.

The goal was to lay out a strategy to help solve the problem. A turning point occurred when CSFA staff determined that it had the authority to finance community college housing, even though it had not done so in the past.

"We realized that we could apply CSFA's experience and ability to helping solve a growing problem that is hurting our most economically vulnerable students – the lack of affordable housing for students," said Katrina Johantgen, Executive Director of CSFA. "And at the same time, do our part to implement Treasurer Ma's goal of bridging the resource gap."

The State Treasurer's Office and CSFA also held two roundtable discussions with the Southern California Association of Non-Profit Housing and the Mayor's Housing Office of the City of Los Angeles and other stakeholders. In 2020, the two organizations issued a [report](#) that had some alarming statistics about California Community College students:

- 35 percent experience housing insecurity.
- 14 percent experience homelessness.
- On average 43 percent of a student's income is spent on housing.
- 82 percent of higher education professionals cited housing as the biggest unmet need of community college students.
- Out of 115 community colleges, only 11 offer student housing.



Katrina Johantgen
Executive Director
California School Financing
Authority

California School Financing Authority Extends Services to Finance Community College Housing

(continued)



A model rendition of the Santa Rosa Junior College on-campus student housing.

The financing also required the collaborative efforts of the State Treasurer's Public Finance Division, the Department of Finance, the California Department of Education, the California Attorney General's office, as well as the California Community Colleges' Chancellor's Office. It was a true multi-agency effort!

The Santa Rosa Junior College project represents the first on-campus student housing for the college. It will provide safe, affordable, and accessible housing to the culturally and economically diverse population of 20,000 students. The 95,281-square-foot project will offer 352 total beds and will include living room and common areas; common kitchens with grab and go meal options; public restrooms; activity lounges; game rooms; study areas; quiet study areas; co-ed restrooms; 24-hour security; and a 92-space parking lot.

The project is sorely needed.

"Our service area suffered devastation from wildfires that destroyed thousands of homes and impacted many of our students and their families. Currently, one out of five Santa Rosa Junior College students are experiencing housing insecurity and homelessness," said Dr. Pedro Avila, Assistant Superintendent at Santa Rosa Junior College District. "We are delighted to have access to this financing solution that will allow us to provide affordable on-campus housing for our students."

Treasurer Ma thanked CSFA for thinking outside of the box. "There is an urgent need among community college students for housing," she said. "I am so pleased that CSFA's innovation helped to provide low-cost financing for this much-needed housing project at Santa Rosa Junior College."

California School Financing Authority Extends Services to Finance Community College Housing

(continued)

The Santa Rosa bond sale may be just the beginning of an expanded role for CSFA. In addition to student housing, CSFA is looking into financing workforce housing projects for teachers or school employees. Furthermore, STO and CSFA leaders are closely monitoring the 2021-22 budget signed by Gov. Gavin Newsom in early July. It sets aside \$2 billion for affordable student housing in the University of California, California State University, and Community College segments.

Credit Grants Help High Needs Students

As part of its efforts to close California's equity gap in education, the California School Finance Authority (CSFA) has, in the last decade, secured three federal grants totaling \$36.3 million for charter schools serving high-need students. These grants help lower financing costs for permanent facilities, and working capital needs.

The grant funds are used as debt service reserves that would traditionally be funded through the issuance of bond proceeds. Money saved on borrowing can then be deployed directly into the classroom for educational needs. On average, CSFA's three grants have been leveraged over ten times, creating greater access to low-interest, tax-exempt debt.

In the last year, these are the developments that took place:

- \$10 million in enhancement money was used to create a reserve fund for the Advances on State Aid Payments (ASAP) Program, which issued \$98.5 million in short term notes to help 62 charter schools cover cash shortfalls from budget deferrals.
- \$2 million in awards were approved by the CSFA Board to subsidize debt service reserves for two charter schools in the San Fernando Valley.
- In July, CSFA applied for another \$10 million in credit enhancement funds, the outcome of which will be announced soon.

**To learn more about and keep up with the
California School Financing Authority,
check out their website at:**

<https://www.treasurer.ca.gov/csfa/>



Calendar of Upcoming BCA Events

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

SEPTEMBER



8	<u>CA Debt Limit Allocation Committee (CDLAC)</u> Board Meeting
8	<u>CA Tax Credit Allocation Committee (CTCAC)</u> Board Meeting
13	<u>CA Retirement Savings Program (CalSAVERS)</u> Board Meeting
14	<u>CA Achieving A Better Life Experience (CalABLE)</u> Board Meeting
14	<u>ScholarShare Investment Board (SIB)</u> Board Meeting
15	<u>Pooled Money Investments Board (PMIB)</u> Meeting
21	<u>CA Alternative Energy and Advanced Transportation Financing Authority (CAEATFA)</u> Board Meeting
21	<u>CA Pollution Control Financing Authority (CPCFA)</u> Board Meeting
28	<u>Local Agency Investment Fund (LAIF)</u> Board Meeting
29	<u>CA Debt Limit Allocation Committee (CDLAC)</u> Board Meeting
29	<u>CA Tax Credit Allocation Committee (CTCAC)</u> Board Meeting
30	<u>CA School Financing Authority (CSFA)</u> Board Meeting

Teleconference information, other scheduled BCA meetings, agendas, deadlines for grants, and more, may be accessed as the information is posted or updated on the Treasurer's website:

<https://www.treasurer.ca.gov/>

Meeting date and times may change; please check the BCA links included above for such notices, as well as for teleconference details.

Note: *The State Treasurer's Office provides essential services for the citizens of California. In order to protect the health of our community in response to COVID-19, the BCAs have modified standard committee meeting procedures. Participants, interested parties, and non-essential staff are requested to join meetings via teleconference. Social distancing measures also have been adopted at meeting locations, which will limit the space available for in-person attendees. Public participation and comment periods will not be impacted.*



The Vault

A calendar of recent and upcoming bond sales

August 4, 2021

State of California Department of Veteran Affairs Home Purchase Revenue Bonds Series 2021 A (Federally Taxable) – \$108.6 million

Proceeds of the bond sale will be used to refund previously issued debt to better match the California Department of Veterans Affairs' debt service obligations to anticipated revenues.

The all-in true interest cost was 2.42 percent. The bonds were rated Aa3 by Moody's Investors Services, AA by S&P Global Ratings, and AA- by Fitch Ratings. The bonds will mature on dates from 2022 to 2040, with interest rates initially reoffered to investors from 0.214 percent to 2.622 percent.

Week of September 13th, 2021

State of California Department Various Purpose General Obligation refunding Bonds (September 2021) – Par Size \$2.1 billion

Proceeds of the upcoming sale will provide funding for projects and programs under various bond acts and pay certain outstanding commercial paper notes that were issued to fund projects and programs under various bond acts. Proceeds will also refinance previously issued fixed rate bonds for debt service savings and previously issued variable rate general obligation bonds to effect a favorable reorganization of the debt structure of the State.

Week of September 27th, 2021

California Earthquake Authority Revenue Bonds series 2021A (Federally Taxable) and 2021B (Federally Taxable – Approximately \$700 million

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



More information about the upcoming bond sales can be found at:

[BuyCaliforniaBonds.com](https://www.buycaliforniabonds.com)



Note: The bond issuances described (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 Vault



More information about the upcoming bond sales can be found at:

[BuyCaliforniaBonds.com](https://www.BuyCaliforniaBonds.com)

Note: The bond issuances described (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.

Week of October 4th, 2021

State Public Works Board of the State of California Lease Revenue Refunding Bonds, 2022 Series C – \$372 million

Proceeds of the upcoming bond sale will be used to refund previously issued State Public Works Board bonds for debt service savings. The previously issued bonds financed facilities for the California Department of Corrections and Rehabilitation (CDCR), the Judicial Council (JC), the California Department of Forestry and Fire Protection (CalFire), and the Department of Toxic Substances and Control (DTSC).

Week of November 1st, 2021

State Public Works Board of the State of California Lease Revenue Bonds, 2021 Series C&D – Approximately \$1 billion

Proceeds of the upcoming bond sale will be used to finance certain projects for the State Public Works Board for the following departments: the California Department of Corrections and Rehabilitation (CDCR), the California Department of Forestry and Fire Protection (CalFire), the Department of General Services (DGS), and the Judicial Council of California (JC).





Top Billing

A Monthly Update on Key Legislation for Treasurer Ma

SECURE Act Tax Conformity

Assembly Bill 340, Christopher Ward (D-San Diego)

<https://a78.asmdc.org/>

This bill will conform to federal law to allow Californians with ScholarShare 529 savings accounts to utilize those funds to pay student loan debt and expenses related to qualified apprenticeship programs, in addition to the other qualified education expenses already allowed under state law.

Updated Time Deposit Collateral Requirements and Pooled Money

Senate Bill 239, Senate Committee on Banking and Financial Institutions

<https://sbnk.senate.ca.gov/>

This bill would codify California statute to lower the collateral requirements, from 110% of the amount deposited, to 100% of the amount deposited, the required value of a Federal Home Loan Bank (FHLB) letter of credit that a credit union or a savings and loan association may use as security, matching the collateral requirements banks currently have, for a deposit of state funds made by the State Treasurer. In addition, this bill authorizes the State Treasurer to invest surplus state funds in money market mutual funds that meet certain specifications and requirements.

Office of Racial Equity

Senate Bill 17, Richard Pan (D-Sacramento)

<http://sd06.senate.ca.gov/>

This bill declares racism a public health crisis and establishes the Office of Racial Equity (ORE) and the Racial Equity Advisory and Accountability Council, in order to address systemic and institutional racism that has resulted in poorer health outcomes and disparities in Black, Indigenous, and people of color (BIPOC).

International Bonds

Assembly Bill 869, Richard Bloom (D-Santa Monica)

<http://asmdc.org/members/a50/>

This bill would expand the Treasurer's Office's authorized investment options to include dollar-denominated sovereign debt of countries with strong credit ratings and qualifications of the National Association of Insurance Commissioners.





Top Billing

Hepatitis Screening

Assembly Bill 789, Evan Low (D-Campbell)

<https://a28.asmdc.org/>

This bill will require health facilities and clinics that provide outpatient primary care services in California to offer voluntary screening for hepatitis B and C, and provide persons tested positive with follow-up health care and treatment.

Constitutional Officers Gender Neutrality

Assembly Bill 378, Rebecca Bauer-Kahan (D-Orinda)

<https://a16.asmdc.org/>

This bill will update California law to reflect reality and equality by eliminating gendered pronouns in reference to constitutional officers.

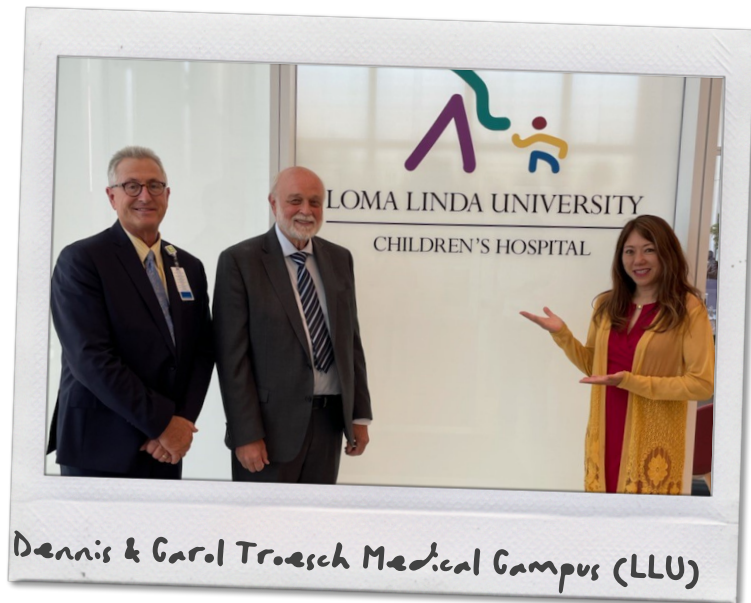




In the Community

August 6 – Treasurer Fiona Ma joined Loma Linda University Health at the virtual Ribbon Cutting Ceremony for the new adult and children's hospital towers on the Dennis and Carol Troesch Medical Campus. Treasurer Ma chairs the California Health Facilities Financing Authority (CHFFA) that awarded \$165 million in grant funding to Loma Linda University Children's Hospital for this project.

Left to right: Kerry Heinrich, CEO of Loma Linda University Health Hospitals, Dr. Richard Hart, President of Loma Linda University Health, and Treasurer Fiona Ma.



August 11 – At the Center of Asian Americans United for Self Empowerment's (CAUSE) "Women in Power" event, attended by the fellows of the CAUSE Leadership Institute (CLI), CAUSE Board Member Tami Bui interviewed California State Treasurer Ma.

August 16 – California State Treasurer Fiona Ma joined Elaine Howell, California State Auditor and current President of the National Association of State Auditors, Comptrollers, and Treasurers (NASACT), California State Controller Betty Yee, and Mexico's Yucatán State Comptroller Liz Basto for welcome remarks at NASACT's annual conference opening ceremony. Treasurer Ma noted that we are in the midst of a significant moment: California's State Auditor, Controller, and Treasurer all happen to be women - a "trifecta."





In the Community



August 17 – California State Treasurer Fiona Ma had the pleasure of closing out the National Association of State Auditors, Comptrollers and Treasurers (NASACT) Annual Conference General Session keynotes by introducing Chelsea C. Williams who spoke to attendees about practical insights and strategies for leaders centering on Diversity, Equity, and Inclusion (DE&I) as an organizational forethought – not an afterthought.



August 18 – California State Treasurer Fiona Ma provided opening remarks to the California Small Business Association's California Small Business Day 2021 event in Sacramento, and joined the CalSavers team, Johnathan Herrera, Director of Outreach, and Carolina Hernandez, Outreach Coordinator, at their exhibitor table.



Glydways R & D



Glydways R & D

Aug 27 – Treasurer Fiona Ma visited Glydways' R&D Facility at the GoMentum Station in Contra Costa County to learn about their personal, driverless, all electric, mass transit solution on dedicated roadways.