

NOVEMBER 2022

News...

from the desk of
California State Treasurer Fiona Ma, CPA



WELCOME LETTER

Dear Friends,

As your State Treasurer, I serve as the agent of sale on all state bonds and the trustee of billions of dollars of state indebtedness. As Californians join together to celebrate Veterans Day this November 11th, I want to call our readers' attention to two recent bond transactions my office oversaw that benefited the California Department of Veterans Affairs. Please turn to page 3 to learn how my office structured this transaction with veteran-owned firms, whose demonstrated experience allowed my administration to adopt a strategy that encourages vets to help other vets.

Another exciting development at the State Treasurer's Office is the State's recent receipt of a \$1.181 billion award from the United States Department of the Treasury as a part of the State Small Business Credit Initiative (SSBCI) 2.0. The California Pollution Control Financing Authority, whose Board of Directors I chair, will be dividing this funding equally with the California Infrastructure and Economic Development Bank to support financial institutions and investors that serve small businesses through loans and equity investments. Please turn to page 5 to learn more about this exciting new program!

In Peace and Friendship,

A stylized, handwritten signature of Fiona Ma.

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.

Past performance does not guarantee future results. Investment return and principal value may fluctuate, so account value in State Treasurer's Office savings programs at the time of the withdrawal may be higher or lower than the amount invested.

This material is not intended to provide, and should not be relied on, for tax, legal or financial advice.

For more information about our programs and upcoming events, please visit:

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

ASK FIONA

Dear Fiona,

I am a senior citizen living on a limited income. I'm worried that I won't be able to make my next property tax payment on time. Is there a way to postpone the payment?

Sincerely,

Joshua

Dear Joshua,

You may be eligible for California's Property Tax Postponement (PTP) Program, which is administered by the State Controller's Office (SCO). The program allows homeowners who are at least 62 years of age, blind, or disabled and who meet income, equity, and other requirements to defer payment of property taxes on their primary residence. The final filing deadline for the current tax year is February 10, 2023. Funding for PTP is limited, and applications are processed in the order received, so don't delay applying.

Applications and additional program details can be found on the [SCO website](#). If you have questions or need assistance, please contact the SCO at (800) 952-5661 or postponement@sco.ca.gov.

Sincerely,

Fiona

Do you need help with property taxes?



If you are a senior, blind, or have a disability, the State Controller's **Property Tax Postponement Program** may be able to help you defer your residential property taxes.

Applications are available now at www.sco.ca.gov.
Questions? Call 1-800-952-5661



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

The Celebration of Homeownership for Veterans Continues

State Treasurer Fiona Ma Announces \$255.5 million Bond Sales for Veterans Homeownership

Two bond sales were recently completed for the California Department of Veterans Affairs (CalVet) to fund home loans for veterans who live in California. The first sale on October 4th was for \$167.1 million of Veterans General Obligation Bonds (Vets GO), and the second sale on October 18th was for \$88.4 million of Veterans Home Purchase Revenue Bonds (Vets Revenue). The CalVet Home Loans Program includes low fees, low rates, low-to-no down payments, flexible guidelines, and other benefits aimed at facilitating the dream and security of homeownership for California veterans. Nearly all veterans purchasing homes in California are eligible for a CalVet Home Loan, including veterans who served during peacetime. A veteran may not need to have a US Department of Veterans Affairs Certificate of Eligibility to qualify for a home loan with CalVet.



Since 1921, the CalVet home loan program has provided more than \$8.5 billion in low-cost home loans to California veterans. The program's guiding principle is to provide the best product for the lowest possible cost, at zero expense to California taxpayers.

The State Treasurer's Office (STO) performs a number of duties on CalVet's bond sales. As agent for sale on all CalVet bond issuances, the STO selects the underwriting firms tasked to sell the bonds and works with CalVet and municipal market participants to achieve the lowest possible borrowing cost. That means lower interest rates to veterans on their CalVet Home Loans. As trustee on CalVet bonds, the STO ensures the timely and accurate payment of debt service on bonds, completion of annual reporting requirements, and fulfillment of disclosure obligations.

The Vets GO and Vets Revenue bonds were sold at an all-in true interest cost of 4.90 and 4.96 percent, respectively. The Vets GO bonds were rated Aa2 by Moody's Investors Services, AA+ by S&P Global Ratings and AA by Fitch Ratings, and will mature on dates from 2023 to 2052. The Vets Revenue bonds were rated Aa3 by Moody's Investor Services, AA by S&P Global Ratings, and AA- by Fitch Ratings, and will mature on dates from 2023 to 2052.

Academy Securities, Inc. and Wells Fargo Bank led the underwriting syndicate on both sales, with Amerivest Securities, Bancroft Capital and Mischler Financial Group, Inc. serving as co-senior managers. Academy Securities is certified by the California Department of General Services as a Disabled-Veteran Business Enterprise and by the federal government as a Service-Disabled Veteran-Owned Small Business (SDVOSB). Academy is the first Post-9/11 disabled veteran-owned and operated investment bank. Forty-nine percent of its employees are military veterans and as of 2022 and over 64 percent of the firm's equity is owned by military veterans. Each of the firms that served as co-senior managers are also certified as a SDVOSB.

For more information about CalVet Home Loans, including eligibility requirements, call 1-866-653-2510 or visit www.calvet.ca.gov/HomeLoans.

For more information about the State's bond sales, visit www.BuyCaliforniaBonds.com.



Operation Dress Code Helps Women Veterans Transition to New Careers

Making the transition from military service to civilian life poses unique challenges for female veterans. One of those challenges is the need for a new wardrobe for civilian work. Operation Dress Code (ODC) helps alleviate some of the anxiety and barriers to returning to work by providing women veterans with the professional clothing and expert advice needed to successfully transition to a new career. ODC provides a safe space to help women veterans recover, recharge, and redefine their post-military lives.

ODC offers a unique experience for women veterans to reimagine themselves, while being inspired to achieve greatness through a boutique experience. Thanks to the powerhouse of #WinLikeAGirl, Courage to Call, and the driving forces of ODC - Founder Marcey Brightwell, veteran RanDee McLain, and military spouse Jennifer Santis - ODC is a professional clothing boutique day for women veterans and service members. ODC is a day of inspiration, aspiration, and invigoration. At ODC boutiques, not only is each woman given a personal shopper to help her decide what looks best on her, but she is also provided opportunities to learn about her federal and state veterans benefits, as well as attend professional workshops and seminars. The workshops and seminars include resume writing, launching a successful LinkedIn account, financial wellness, and much more.



The idea for ODC was sparked in 2014 at a CalVet annual women's veterans conference. It started as Dress Code, which was a small boutique of donated work attire. CalVet Women Veterans Division assessed that women veterans and servicewomen transitioning from the military lacked the attire to help them dress for success. Thus, the vision was born and today it has grown to a full stand-alone ODC.



#WinLikeAGirl took this event to the next level and hosted it annually in San Diego. This event has grown each year since and has served more than 1,700 California women veterans and servicemembers. June 2022 marked the first time the event was held in Northern California. It was a huge success and will be brought back by popular demand with the unwavering support from its valued partners such as Amazon, Wounded Warrior Project, and the California Commission on the Status of Women and Girls. Just like ODC of San Diego, ODC-NorCal 2023 will hold a free personalized shopping experience for women veterans seeking professional clothing.

To learn more about participating, donating, or volunteering, please visit OperationDressCode.org.

The State Treasurer's Office Helps Bring Funding to California Small Businesses



Among the many valuable services the State Treasurer's Office provides are the number of projects and programs that assist everyday Californians. The State Treasurer's Office's California Pollution Control Financing Authority (CPCFA), in partnership with the [California Infrastructure and Economic Development Bank \(IBank\)](#), is excited to bring \$1.181 billion to California to help small businesses through its State Small Business Credit Initiative ([SSBCI 2.0](#)) allocation from the United States Department of the Treasury (U.S. Treasury). The U.S. Treasury has implemented the SSBCI 2.0 program with a goal that for every \$1 in SSBCI 2.0 funds, there will be \$10 in private capital invested in loans to small businesses over the next 10 years.

CPCFA administers programs which incentivize private capital investment in certain economic activities, including loans to small businesses and bond issuances for private projects that serve a public good. CPCFA's [CalCAP for Small Business](#) and [CalCAP Collateral Support](#) programs plan to use SSBCI 2.0 funds to grow their existing programs, providing financial support to participating financial institutions when those institutions make loans to small businesses. These types of credit enhancement allow small businesses to grow their business, build their credit, and build relationships in the lending community.

This fall, CPCFA began SSBCI 2.0 implementation by executing the rulemaking process to update regulations and forms for [CalCAP for Small Business](#) and [CalCAP Collateral Support](#), and engaging with [eligible financial institutions](#) to increase the number of [participating financial institutions](#). CPCFA expects to begin implementing SSBCI 2.0 funds for new loan enrollments on or before December 15, 2022.

In addition to allocation for credit enhancement programs, the U.S. Treasury allocated \$25 million for technical assistance to California small business owners. The California Office of the Small Business Advocate (CalOSBA) has applied to implement the technical assistance allocation for California. The [CalOSBA](#) offers information about starting, managing, and growing small businesses and refers small businesses to [technical support centers](#) for no-cost consultation or low-cost services in over 20 languages. Small businesses can also obtain technical support directly from [Small Business Development Centers](#).

Technical support can help small businesses understand and compare options to determine which program(s) best fit their needs and assist with the preparation for applying to participating financial institution(s) for capital. Once they are prepared to apply, small businesses can participate in CPCFA's SSBCI 2.0 programs through a participating financial institution. The financial institution's underwriting process will determine if the proposed loan should be enrolled in the CalCAP for Small Business or CalCAP Collateral Support programs and may also approve a proposed loan without enrolling in CalCAP.

Financial institutions can begin their participation with this [one-page enrollment form](#). There is no charge for enrolling and all fees are paid on a per-loan basis.

For further information, please visit [CPCFA's SSBCI 2.0](#) webpage and FAQs.

Tax Tip: Year-End Charitable Donations

COLLEGE ACCESS TAX CREDIT FUND

Did you know that you or your business can make a cash contribution to a fund that bolsters financial aid for California's low-income college students in exchange for a tax credit equal to 50% of your contribution?

The California Educational Facilities Authority (CEFA), chaired by Treasurer Fiona Ma, administers the College Access Tax Credit Fund (the Fund). A portion of the contributions made to the Fund goes to the California Student Aid Commission, which administers the state's Cal Grant program. Cal Grants are awarded to students pursuing an undergraduate degree or vocational or career training at a qualifying California college and whose family income and assets are below set minimal levels.



Governor Gavin Newsom recently signed Assembly Bill 2880, authored by Assembly-member Mia Bonta, which extends the Fund by an additional five years, ensuring that low-income students have access to as much financial aid as possible as they navigate the high costs of post-secondary education.

The application period for the 2022 taxable year is open until January 2, 2023. For more information and to apply, please visit the CEFA [website](#) or call (916) 654-5711.

As we approach the holidays, many of us are embracing the spirit of giving by making charitable donations. Below are a few tips to keep in mind when you make year-end donations.



- **Donate before the end of the year:** If you're planning to claim your donations as an itemized deduction on your 2022 taxes, you must make your donation by December 31, 2022.
- **Ensure your donation is directed to a 501(c)(3) organization:** Before making a donation, confirm that the organization has a 501(c)(3) tax exempt status. You can do this by using the [IRS tax exempt organization search tool](#).
- **Obtain receipts for your donations:** Retain receipts for all of your donations. If you make a contribution of \$250 or more, you must also obtain a written acknowledgement from the organization that includes the following: the charity's name, the value of your gift, the date you made your donation and a statement verifying that you did not receive any goods or services in return for your gift.
- **Consider donating stocks and bonds:** If you donate stocks or bonds, you can minimize capital gains tax while also deducting the fair market value of the donation.
- **Consider a qualified charitable distribution (QCD):** If you are 72 years or older and have an IRA, the IRS requires that you take the required minimum deduction (RMD) each year. If you take the RMD as income, it will count as taxable income; however, if you donate your RMD to a charity using a QCD, it is excluded from your taxable income.

Please consult with a qualified tax advisor on your specific circumstances. For more information, refer to [IRS Publication 526, Charitable Contributions](#).

In the Community

September 29 – Treasurer Fiona Ma was the keynote speaker for the three-day Municipal Debt Essentials Conference, hosted by the California Debt and Investment Advisory Commission (CDIAC) in Seaside, California. CDIAC, which is chaired by Treasurer Ma, welcomed finance staff from state and local agencies to learn about municipal debt issuance. Over the course of the conference, attendees learned about debt basics, roles and responsibilities of issuers and their financing teams, mechanics of a bond sale, and ongoing administration. Treasurer Ma shared her professional journey from a small business owner to now leading one of the largest municipal bond issuers in the country.



State Treasurer Fiona Ma joins Robert Berry, CDIAC Executive Director, and Angelica Hernandez, CDIAC Deputy Executive Director, at CDIAC's Municipal Debt Essentials Conference in Seaside, CA. (Photo Credit: External Affairs Division, State Treasurer's Office)

"Despite the challenges of the current economy, municipal debt issuance continues to be one of the most important public finance tools to address funding for critical infrastructure across our state. As the chief fiduciary for the largest municipal issuer in the country, the Treasurer was able to emphasize the importance of the administrative responsibilities surrounding debt issuance. Debt is a powerful public finance tool, but its prudent use comes with great responsibility to investors, regulators, and most of all, constituents."

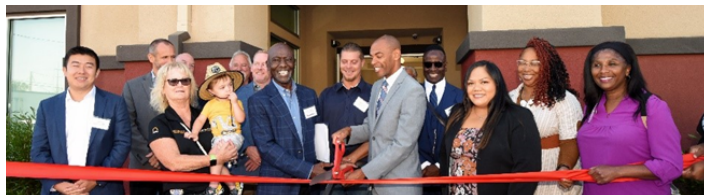
- Robert Berry, Executive Director, CDIAC

October 20 - Treasurer Fiona Ma and staff from the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) toured Newlight Technologies, Inc., in Huntington Beach, CA. Newlight focuses on producing a sustainable air carbon material that can be used to manufacture food ware, fashion wear, and automobile related parts. CAEATFA offers a sales and use tax exclusion for green and advanced manufacturers, wherein these businesses help the state cut greenhouse gas emissions and air pollution by manufacturing products that reduce dependence on fossil fuels, increasing recycling, and implementing more sustainable manufacturing processes.



CAEATFA staff and Treasurer Ma visited Newlight Technologies, Inc. Pictured from left to right: Shela Tobias-Daniel, Executive Director, CAEATFA; Xee Moua, Program Manager, CAEATFA; and Treasurer Fiona Ma. (Photo Credit: CAEATFA, State Treasurer's Office)

October 20 - A ribbon cutting ceremony was held for the grand opening of the Antioch Family and Senior Apartments in Antioch, California. AMCAL Multi-Housing received \$4,339,858 in federal low-income housing tax credits and \$36,875,099 in state low-income housing tax credits to finance the development of 390 units of affordable housing for large families and seniors. DC Navarrette, Program Manager at the California Debt Limit Allocation Committee, attended the ceremony and presented a certificate of recognition to AMCAL for its efforts in affordable housing construction.



Antioch Mayor Lamar Thorpe (center) initiates the ribbon cutting ceremony of the Antioch Family and Senior Apartments in Antioch, CA. He is joined by city leaders, AMCAL company officials, and community stakeholders. (Photo Credit: Reenie Raschke)

"I'm proud that we represent a governing collaboration that has built the largest affordable housing complex in all of eastern Contra Costa County...I am proud of all the work that's been done to continue to make Antioch a place where everybody throughout the Bay Area can find opportunity and can find a home."

- Antioch Mayor Lamar Thorpe

October 21 - Treasurer Fiona Ma and California Health Facilities Finance Authority (CHFFA) staff toured Children's Hospital Los Angeles (CHLA). CHLA received about \$182.3 million from the CHFFA's Children's Hospital Programs of 2004, 2008, and 2018 to help construct the Marion and John E. Anderson Pavilion and the Santa Monica Outpatient Center, as well as fund various patient care equipment. Treasurer Ma presented a resolution to CHLA recognizing the hospital for its efforts to improve the health, welfare, and safety of California's critically ill children.



Pictured from left to right: Luis Ayala, Vice President, Government Relations & External Affairs, CHLA; Carolyn Aboubechara, Executive Director, CHFFA; Chuck Pickering, Vice President, Facilities, CHLA; Lara Khouri, Executive Vice President and Chief Strategy & Transformation Officer, CHLA; Judy Sherif, Manager, Critical Care, CHLA; Scott Lieberenz, Chief Financial Officer, CHLA; State Treasurer Fiona Ma; and Robert Capulong, Executive Director, Finance Strategy & Operation, CHLA. (Photo Credit: External Affairs Division, State Treasurer's Office)