



CALIFORNIA STATE TREASURER BILL LOCKYER

NEWS RELEASE

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Treasurer Lockyer Announces \$1.9 Billion Bond Deal to Help Kaiser Build 6 Hospitals, 1 Medical Office *Record Bond Sale Helps Kaiser Meet Seismic Regulations*

SACRAMENTO – State Treasurer Bill Lockyer announced the California Health Facilities Financing Authority (CHFFA), which he chairs, today approved the sale of \$1.9 billion of bonds to help Kaiser Foundation Hospitals build six new hospitals, expand a current one, and construct a specialty medical office. The transaction is the largest ever approved by CHFFA.

The new construction is needed to help Kaiser meet California's seismic safety regulations.

"We're pleased to help Kaiser finance projects that will help improve the delivery of health care for millions of their patients throughout California," said Lockyer. "This deal will also help residents in underserved communities. Unlike any other issuer in the state, CHFFA uses fee revenues not needed to cover its operational costs to provide low-cost loans and grants to small and rural clinics so they can build facilities, buy equipment and expand access to care."

The tax-exempt bond financing will help Kaiser build new hospitals to replace the following facilities: Oakland Medical Center, Hayward Medical Center, Redwood City Medical Center, South Bay Medical Center, (Harbor City), Fontana Medical Center and Anaheim Medical Center.

Kaiser also will use the bond proceeds to finance expansion of the Los Angeles Medical Center and construct the Antelope Valley Medical Office building.

Thomas Meier, Corporate Treasurer for Kaiser Foundation Health Plan, Inc., applauded the deal.

"We are delighted to work with CHFFA to secure part of the financing for capital improvements needed to meet California's seismic requirements and better serve our patients," he said. "We are also pleased some of the fees associated with this transaction will support programs to help rural and community clinics provide health care to low-income communities."

CHFFA provides low cost financing, including tax-exempt bond financing, to nonprofit and public hospitals to expand access to health care.

In recent years, CHFFA has taken a number of steps to encourage borrowers to use its services, including lowering its tax-exempt bond fees, reducing the application from 35 pages to 2 pages, including attachments, standardizing bond documents and adopting a new, more user-friendly process for evaluating transactions.

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