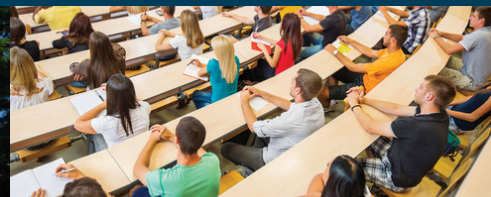




NEWS...

From the Desk of California State Treasurer Fiona Ma



Dear Friends,

OCTOBER 2020

The coronavirus pandemic is raising awareness of just how much more needs to be done to protect our most vulnerable citizens. You'll learn how my office is responding by helping to improve conditions within skilled nursing facilities on page 3.

Supporting better designs, while at the same time improving the protective use and function of interior and exterior spaces, can spare loved ones from the spread of disease and make these facilities more resilient against pandemics.

The California Health Facilities Financing Authority (CHFFA), whose board I chair, is now financing such updates and renovations.

In other news, on October 1 we delivered the statutorily required annual Debt Affordability Report to the California Legislature. As I wrote in my cover letter addressed to lawmakers, while it is true that governmental revenues naturally fall faster than expenditures, the economic stress generated by COVID-19 was significantly less threatening because of the existence and size of the state's rainy day funds. Read the full report [here](#).

In Peace & Friendship,

California State Treasurer Fiona Ma, CPA

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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

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

Dear Fiona,

What are you doing as State Treasurer to promote diversity and equity during these uncertain times?

Sincerely,

Leslie

Dear Leslie,

Throughout my political career, I have always looked for ways to create more diversity and equity in California. In my current role as State Treasurer, there are several ways that my administration is opening up opportunities for minority- and women-owned businesses to work with the state. My Public Finance Division has integrated 15 minority- and women-owned firms, as well as veteran-owned firms, into the state's underwriting pool. My Investment Division has also included 14 minority-, women-, and veteran-owned firms in its broker/dealer pool. My Time Deposit Program, which provides money to community banks at competitive rates, currently utilizes 17 Minority Depository Institutions. By accessing funds through the Time Deposit Program, these financial institutions can re-invest in the communities they serve to boost small businesses, finance home mortgages and auto loans, and invest in other areas of their local economies.

Additionally, my Procurement Office also maintains a list of Certified Small Businesses and Disabled Veteran Business Enterprises that we contract with to purchase goods and services for our office, many of which are minority- and women-owned businesses. I also recently co-hosted a webinar to provide women wishing to serve on corporate boards with necessary resources to help them build their board potential.

I have set up a database of women interested in serving on corporate boards in California. To be included in my Women on Boards Registry List, please complete the registration form found [here](#). I also supported the passage of Assembly Bill 979 (AB 979), which creates more opportunities for minorities to serve on corporate boards. AB 979 will further diversify corporate boardrooms by requiring each publicly held corporation with principal executive offices in California to have a minimum number of directors from underrepresented communities on its board of directors.

In Peace & Friendship,

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



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

CHFFA supports healthy skilled nursing facilities

CHFFA Financing Available for Redesign of Skilled Nursing Facilities

The California Health Facilities Financing Authority ([CHFFA](#)) is in a prime position to finance updates and renovations to skilled nursing facilities to make them more resilient against pandemics and safer for residents and staff.

Skilled nursing facilities serve any senior who needs medical treatment from a registered nurse 24/7 or receives daily therapy services in a skilled care setting. Residents often require significant medical care. They may, for example, need a specialized line for IV medications, a ventilator, respiratory therapy, or have a stage 3-4 pressure ulcer (bed sore).

The design of a skilled nursing facility can be conducive to spreading viruses. They may have long corridors, large central dining areas, and rooms shared by two to four people.

Some facilities are now considering a variety of changes to their design, including dividing up large nursing home populations into smaller, self-sufficient units with kitchens, private rooms, and a dedicated staff person. One of the main advantages to such a change in design would be that such units can be closed off more easily in order to keep out or confine viruses. Other facilities are considering updating their air filters by adding ultraviolet light filters that can kill airborne viruses.

CHFFA, chaired by California State Treasurer Fiona Ma, acting through its HELP II Loan Program, is ready to help finance such renovations. The program provides low-interest rate loans to non-profit, small or rural health facilities in California in an efficient, timely, and cost-effective manner.

HELP II loans may be used to purchase or construct new facilities, remodel or renovate existing facilities, purchase equipment or furnishings, and refinance existing debt. Facilities with gross annual revenues up to a limit of \$30 million are eligible for Help II loans. There are no revenue limitations on district hospitals and rural health facilities seeking their own Help II loans.

The [HELP II Loan](#) Program has supported facilities licensed as skilled nursing facilities in the past. Between 2002 and 2019, for instance, a total of \$2.275 million was loaned to borrowers for construction, renovation, and equipping facilities as well as to refinance existing debt.

Another program that could help skilled nursing facilities is the COVID-19 Emergency HELP Loan Program. In contrast to the HELP II Program, which charges a 2 percent interest rate, this program is interest-free. But all loan proceeds must be used to address COVID-19-related impacts.

Facilities impacted by the COVID-19 pandemic may be eligible for both low-interest HELP II loans of up to \$1.5 million as well as zero-interest COVID-19 Emergency HELP loans of up to \$250,000. If a facility has greater capital needs, it may wish to consider bond financing, instead. To meet large equipment needs, equipment note financing also is available.

For more information about any of these financing opportunities visit treasurer.ca.gov/chffa/. You may also call CHFFA at (916) 653-2799, or send an email to chffa@treasurer.ca.gov.

Calendar of Upcoming BCA Events

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

October

20

California Alternative Energy & Advanced Transportation Financing Authority ([CAEATFA](#))

10:30 AM | 801 Capitol Mall, Room 150, Sacramento, CA

Public Participation Call-In Number* (877) 810-9415 | Participant Code: 6535126

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/>

Additional meetings in October: [LAIF](#) (Oct. 6) | [CHFFA](#) (Oct. 8) | [CDLAC](#) (Oct. 14) | [CTCAC](#) (Oct. 14) | [CalSavers](#) (Oct. 19) | [CAEATFA](#) (Oct. 20) | [CPCFA](#) (Oct. 20) | [CSFA](#) (Oct. 29). Meeting date and times may change; please check the BCA links included here for such notices, as well as for teleconference details.

| [LAIF Webinar Oct. 14 at 10:30 a.m. Register here.](#) |

Note: The State Treasurer's Office provides essential services for the citizens of California. As we work to further protect the health of our community in response to COVID-19, the BCAs are modifying standard committee meeting procedures.*

Participants, interested parties, and non-essential staff are requested to join the meeting via teleconference. Further, social distancing measures will be put in place at the meeting location, which will substantially limit the space available for in-person attendees. Public participation and comment periods will not be impacted.





Meet Derek and Jennifer

Treasurer Ma welcomes newest staff members

Derek Chernow Named Executive Director of CAEATFA

...

Jennifer Baldwin Joins STO Legal Team

The State Treasurer's Office (STO) in September welcomed new staff members Derek Chernow, who was been named Executive Director of the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA), and attorney Jennifer Baldwin, who joined the STO's legal team.

Derek previously served as Acting Director and Chief Deputy Director of the California Department of Conservation and also worked for a number of elected officials, including the chair of the California State Senate Budget Subcommittee on Resources, Environmental Protection, Energy & Transportation. In addition, he worked as Government Affairs Director for an alternative fuel and e-mobility company, helped launch a clean tech venture capital fund, and served as an executive in a public affairs consulting firm specializing in energy and the environment. He also serves on the Board of the Sacramento Tree Foundation.



Jennifer has been an attorney with the state for 15 years. Prior to coming to the State Treasurer's Office, she worked at the Office of Legislative Counsel, most recently focusing on environmental law and education law. She also has served as a committee consultant with the Assembly Local Government Committee. Before entering the legal field, she worked as a journalist, both as a reporter and copy-editor for a variety of newspapers in Northern and Southern California. Jennifer earned her Juris Doctor degree from UC Davis and a master's in journalism from Stanford University.



The Treasurer and STO team welcome you, Jennifer and Derek!



Top Billing

A Monthly Update on Key Legislation for Treasurer Ma

ScholarShare Creditor Protection

Senate Bill 898, Bob Wieckowski (D-Fremont)
<https://sd10.senate.ca.gov>

Would exempt higher education ScholarShare 529 college saving accounts from creditors outside of bankruptcy cases.
-- Governor signed.

Banking Access for Cannabis Business

Assembly Bill 1525, Reginald Jones-Sawyer (D-Los Angeles) <https://a59.asmdc.org>

Would incentivize banks and credit unions to provide banking services to the cannabis industry by facilitating access to licensees' track and trace data.
-- Governor signed.

Corporate Board Diversity

Assembly Bill 979, Chris Holden, (D-Pasadena)
<https://a41.asmdc.org>

Would require that public companies with executive offices in California appoint board members from underrepresented communities.

-- Governor signed.

Local Collection of UUTs

Senate Bill 1441, Mike McGuire, (D-North Coast)
<https://sd02.senate.ca.gov>

Would remove the sunset on local governments' ability to collect Utility User Taxes (UUTs) from retail sales of prepaid wireless telecommunication products and services.
-- Governor signed.



The Vault

Calendar of recent and upcoming public finance activities and bond sales

September 2

State of California Various Purpose General Obligation Bonds and Various Purpose General Obligation Refunding Bonds (September 2020) (Approximately \$2.6 billion)

The \$2,630,950,000 sale included \$983.9 million of bonds which will fund projects under the Kindergarten Through Community College Public Education Facilities Bond Act of 2016 and pay down certain outstanding commercial paper notes and \$1.647 billion of refunding bonds to refinance previously issued bonds under 15 different bond acts for debt service savings and convert \$550 million of variable rate bonds to fixed rate bonds. The refunding is expected to save taxpayers \$567.8 million over the next 20 years (or \$503.8 million on a present value basis). Final yields to investors ranged from a low of 0.15 percent for a 2021 maturity to 2.44 percent for a 2050 maturity. The all-in true interest cost on the bonds was 2.07 percent.

September 10

State of California Department of Veterans Affairs Home Purchase Revenue Bonds Series 2020 A (Approximately \$97.18 million)

Proceeds from the bonds will provide funding for the California Department of Veterans Affairs (CalVets) Farm and Home Purchase Program, which provides home loans to veterans in California. The bonds were initially offered to investors at yields ranging from 0.20 percent in June 2021 to 2.45 percent in December 2024. The all-in true interest cost on the bonds was 2.38 percent.

September 22

State of California Department of Veterans Affairs General Obligation Bonds Series CT (Approximately \$96.68 million)

Proceeds from the bonds will provide funding for CalVets Farm and Home Purchase Program, which provides home loans to veterans in California. The bonds were sold by competitive sale, with an all-in true interest cost of 2.28 percent.

September 30

State Public Works Board of the State of California Lease Revenue Bonds, 2020 Series D and Lease Revenue Refunding Bonds, 2020 Series E (Approximately \$86.3 million)

Proceeds of the Series D bonds (\$55.7 million) will be used to finance two projects for the California Department of Corrections and Rehabilitation (CDCR) and one project for the Department of Forestry and Fire Protection (CalFIRE). Proceeds of the Series E bonds (\$30.7 million) will be used to refund certain outstanding bonds issued by the State Public Works Board. The refunding is expected to save \$11.6 million over the next 11 years (or \$8.8 million on a present value basis). The bonds were sold by competitive sale, with an all-in true interest cost of 1.53 percent.



The Vault

Calendar of recent and upcoming public finance activities and bond sales

October 21

State of California Various Purpose General Obligation Bonds and Various Purpose General Obligation Refunding Bonds (October 2020) - Taxable (Approximately \$520 million) & Tax-Exempt (Approximately \$900 million)

Proceeds of the upcoming sale will provide funding for projects and programs under various bond acts, pay certain outstanding commercial paper notes that were issued to fund projects and programs under various bond acts, and refinance previously issued bonds for debt service savings.

October 28

State Public Works Board of the State of California Lease Revenue Refunding Bonds, 2021 Series A (Forward-delivery (Approximately \$622 million)

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

October 27

California Health Facilities Financing Authority: No Place Like Home Program Senior Revenue Bonds (Social Bonds - Federally Taxable) (Approximately \$400 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.

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.



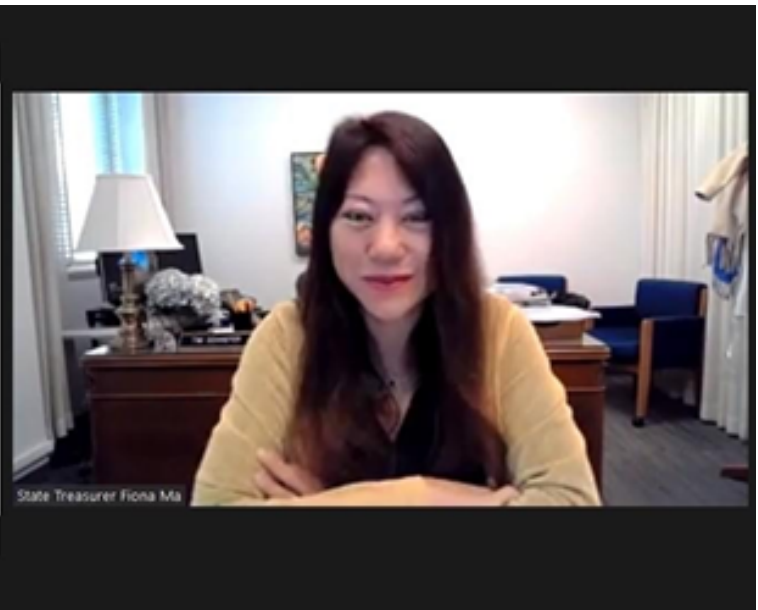
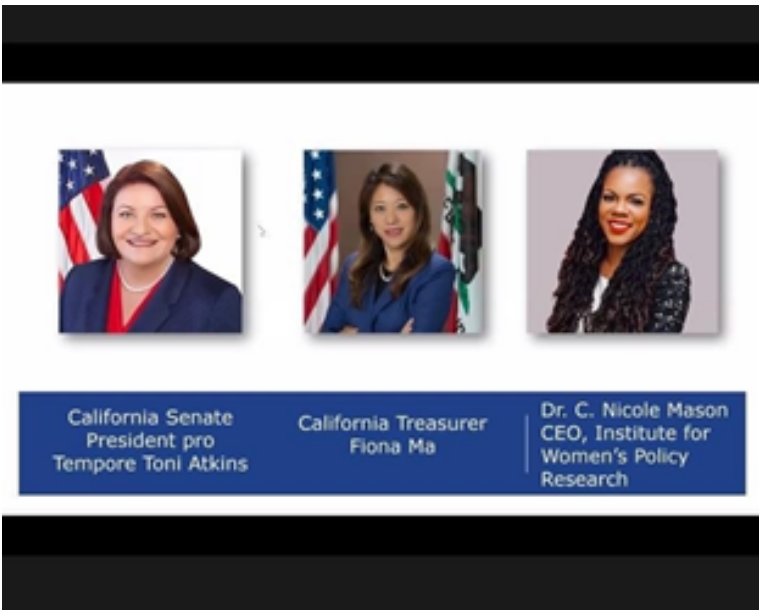
The Ma Squad



Treasurer Ma co-hosting a free webinar with Thirty Percent Coalition Executive Director Charlotte Laurent-Ottoman and guest James White, former CEO of Jamba Juice. Discussion focused on the importance of diversity on corporate boards and how company leaders can accomplish this while considering markets, governance and optimal board composition. A recording of the webinar can be found [here](#).



Hispanas Organized for Political Equality (HOPE) hosted Virtual Latina Empowerment Day via Zoom with Treasurer Ma, who provided an overview of CalSavers. She was joined by Edgar Aguilar (Managing Director, Alma Consulting Services) and Joi Eubanks (Central California Outreach Manager, Small Business Majority).



Joining Senate President Pro Tempore Toni Atkins and Dr. Nicole Mason (CEO, Institute for Women's Policy Research) at the San Diego Chamber of Commerce's "All Our Talent: Women on Boards and Commissions; Women Elected Officials" event. The subject was the importance of diversity and inclusion in public and private organizations.