



**\$500,000,000**

**California Health  
Facilities Financing  
Authority**

No Place Like Home  
Program Senior Revenue  
Bonds

(Federally Taxable –  
Social Bonds)

Series 2019

**Bookrunning Joint  
Senior Manager**

## BACKGROUND:

On November 19, 2019, Raymond James served as book-running joint senior manager for the \$500 million inaugural sale of taxable revenue bonds issued by the California Health Facilities Financing Authority (CHFFA). This was the first installment of California's \$2 billion No Place Like Home (NPLH) program, which will fund permanent supportive housing for persons experiencing mental illness who are homeless or at risk of homelessness. The bonds were self-designated by the State as social bonds to reflect the use of proceeds.

## RAYMOND JAMES' ROLE:

Raymond James played a lead role in developing the legal structure and credit and collaborated with bond counsel, the State Treasurer's Office, CHFFA, the Department of Housing and Community Development (who administers the NPLH program), and the State Attorney General's Office to create a de novo Indenture. Our team built a resilient bond structure that reflects the underlying mechanics of the Mental Health Services Act and the NPLH legislation. We developed a debt service pre-funding mechanism that results in debt service being fully funded six months in advance of bond payment dates and eliminated the need for a debt service reserve fund. We were responsible for the incredibly complex and extensive financial modeling and ultimately selected to run the books given our intimate knowledge of the credit and the underlying cashflows.

Simultaneous with posting the POS, the State also posted a recorded Net Roadshow that received 230 "hits" from potential investors. Raymond James tracked hits on a daily basis and used that information to enhance our premarketing. We cross referenced hits against known holders of other leading income tax bonds nationwide to help expand the universe of potential investors.

## SUCCESSFUL OUTCOME:

The Bonds were structured as fixed rate, taxable bonds, maturing annually from June 1, 2021 to 2034 with Make Whole Call until a par call kicks in on June 1, 2029.

The bonds were rated Aa3/AA-/AA-; the financing achieved an all-in true interest rate of 2.77%.

The syndicate generated in excess of \$2.3 billion of total orders from over 100 unique investors, of which \$2.1 billion came in through Raymond James.

The social bond designation generated \$596 million in orders from 13 investors with Environmental, Social and Governance (ESG) or Socially Responsible Investing (SRI) objectives, and the transaction also received \$200 million in orders from 18 local government investment funds, including 14 from California.

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