MINUTES

CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY ("CEFA")
5th Floor Conference Room
915 Capitol Mall, Room 587
Sacramento, California 95814

Public Participation Call-In Number*
(877) 810-9415
Participant Code: 6435126

Thursday, February 23, 2017

1:30 PM

Deputy Treasurer Vincent P. Brown, serving as Chairperson, called the CEFA meeting to order at 1:31 p.m.

CEFA Roll Call

Members Present: Vincent P. Brown for John Chiang, State Treasurer, Chairperson
Alan LoFaso for Betty T. Yee, State Controller, Vice-Chairperson
Eraina Ortega for Michael Cohen, Director, Department of Finance
Stacy Lewis Daher

Member Absent: William G. McGinnis

Staff Present: Ronald L. Washington, Executive Director

Chairperson Brown declared a quorum present.

Chairperson Brown announced in an effort to promote transparency, a live, interactive, call-in number was available to the public to provide access to Authority meetings. Open meetings would be available live to all who wish to call-in to listen and participate.

Approval of the Minutes from January 26, 2017 California Educational Facilities Authority Board Meeting.

Chairperson Brown asked for public comment. There was none.

Authority Action
Motion to approve the minutes from the January 26, 2017 CEFA meeting

MOTION: Member Ortega SECONDED: Member LoFaso
AYES:.....Members Lewis Daher, Ortega, LoFaso, Brown
NOES:.....None
ABSTAIN:.....None
RECUSE:.....None

MOTION APPROVED

CEFA's Executive Director's Report

Mr. Washington presented the Executive Director's report as of December 31, 2016 and January 31, 2017 that reflected total and outstanding debt and program balances and noted that the top eleven borrowers are unchanged but will change after this meeting.

Mr. Washington presented the Delegation of Powers report regarding Loma Linda University ("Loma Linda"). He reported that at the January 26, 2017 CEFA Meeting, the Authority passed Resolution No. 311 for the benefit of Loma Linda authorizing the issuance of tax-exempt and taxable bonds to finance several campus projects including upgrades and expansion to Loma Linda's Central Utilities Plant. Mr. Washington also reported that Loma Linda notified the Authority that it wished to use a portion of the CEFA Series 2017A Bonds (the "Bonds") to pay capitalized interest in connection with the upgrades and expansion of the Central Utilities Plant project, which was not a part of the original project list and therefore not approved at the CEFA meeting. In consultation with the Attorney General's Office, which confirmed that the action fell within the Executive Director's delegated authority under Resolution No. 2017-01 regarding pre-closing modifications to bond documents, the Executive Director approved the use of the Bonds to pay capitalized interest and related document amendments.

Member Lewis Daher recused herself from the next item due to being an employee of the University of San Francisco, which could pose a potential conflict of interest for Item #4.

University of San Francisco

Item # 4 **Resolution No. 312**

Tyler Bui, staff analyst, reported changes on pages one, two, and four of the staff report. On pages one and two, uses of the proceeds refunding of the bonds was clearly defined. On page four the Limited Permitted Encumbrances was inadvertently left out. Also, on page four, the Continuing Covenant Agreement was defined.

Mr. Bui stated that the University of San Francisco ("USF") was seeking authority approval to refund all of the outstanding CEFA Series 2000, CEFA Series 2003, and CEFA Series 2005B Bonds. Mr. Bui also reported that the bond proceeds would be used to pay cost of issuance for the Series 2017 bonds. The bonds would be privately placed with DNT Asset Trust, a Subsidiary of JP Morgan Chase Bank N.A.

Representing USF: Pete Mayer, Director, Institutional Financing and Real Estate. Also present: Michele Dulik, Senior Counsel, Norton Rose Fulbright US LLP, Bond Counsel; and Sachin Karamchandani, Vice President, Prager & Co., LLC, Financial Advisor

Chairperson Brown asked for public comment. There was none.

Authority Action

Motion to adopt Resolution No. 312 in an amount not to exceed $76,000,000 for the University of San Francisco.

MOTION: Member Ortega SECONDED: Member LoFaso
AYES:.....Members Ortega, LoFaso, Brown
NOES:.....None
ABSTAIN:.....None
RECUSE:.....Member Lewis Daher

MOTION ADOPTED

College Access Tax Credit Program – 2016 Taxable Year Update

Item # 5 **Resolution No. 2017-02**

Mr. Washington reported that the College Access Tax Credit Fund ("CATCF") application period for the 2017 taxable year is currently scheduled to begin on March 2, 2017 and end on December 31, 2017. CEFA administers the CATCF and would be able to allocate and certify tax credits in an amount not to exceed $500 million. Mr. Washington stated that for the 2017 taxable year, CEFA staff is reviewing its processes and forms for the purposes of making the tax credit available to insurance companies for annual tax on gross premiums. Revisions were necessary to the CATCF forms to incorporate required data specific to insurance companies. Mr. Washington also reported that the CATCF Regulations would be amended to update the forms and change the application period to begin on April 3, 2017. CEFA would collaborate with the California Student Aid Commission and the California Department of Insurance to continue to explore marketing avenues.

Chairperson Brown asked for public comment. There was none.

Authority Action

Motion to adopt Resolution No. 2017-02 to amend the College Access Tax Credit Fund regulations and forms to incorporate information for insurers as required by the insurance companies.

MOTION: Member Ortega SECONDED: Member LoFaso
AYES:.....Members Lewis Daher, Ortega, LoFaso, Brown
NOES:.....None
ABSTAIN:.....None
RECUSE:.....None

MOTION ADOPTED

Agenda Items #6, #7, #8 **Other Business/Public Comment/Adjournment**

Chairperson Brown asked for public comment. Hearing none and with no additional business, the meeting was adjourned at 1:58 p.m.

Respectfully submitted,

Ronald L. Washington
Executive Director