

MINUTES

**CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
("CEFA" or "AUTHORITY")
915 Capitol Mall, Room 587
Sacramento, California 95814
August 29, 2019 – 1:30 P.M.**

Alternate Location for CEFA Teleconference Participation:

Butte College Chico Center
2320 Forest Avenue, Room 134
Chico, California 95928

Public Participation

Call-In Number: (877) 810-9415 and Participant Code: 6535126

OPEN SESSION

Deputy Treasurer Audrey Noda, Chair, called the meeting to order at 1:30 P.M.

The Secretary announced that, 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.

Item #1

Roll Call

Members Present: Audrey Noda for Fiona Ma, CPA, State Treasurer, Chair
Jacqueline Wong-Hernandez for Betty T. Yee, State Controller, Vice-Chair
Gayle Miller for Keely Martin Bosler, Director, Department of Finance
William McGinnis – via teleconference

Staff Present: Frank Moore, Acting Executive Director
Carolyn Aboubechara, Deputy Executive Director

Chair Noda declared a quorum present.

Chair Noda reported that Member Stacy Lewis Daher resigned from the Authority.

Item #2

Approval of the Minutes from the February 28, 2019 Meeting

Chair Noda asked if there were any changes, questions or public comment; there were none.

Authority Action

Motion to approve the minutes from the February 28, 2019 meeting.

MOTION: Member Wong-Hernandez SECONDED: Member Miller

AYES: Members McGinnis, Miller, Wong-Hernandez, Noda

NOES: None

ABSTAIN: None

RECUSE: None

MOTION APPROVED.

CEFA Fund Balances and Comprehensive Debt List Summaries

Mr. Moore presented the total and outstanding debt and program balances as of February 28, 2019.

Member McGinnis requested the financial information be sent to the Board members as soon as it’s available.

Tax-Exempt Bond Delegation of Powers Monthly Update

Mr. Moore presented the Delegation of Powers report regarding Charles R. Drew University of Medicine and Science (“CDU”). Mr. Moore reported that in June 2019, CDU informed CEFA and Wells Fargo Bank, as Trustee, of its intent to convert the bonds to a new index rate. CDU requested CEFA execute an Index Rate Agreement for the Series 2014 bonds to establish a new index rate effective August 1, 2019 and ending on November 1, 2026. The CEFA Acting Executive Director executed the Index Rate Agreement for CDU on July 10, 2019.

Contract Delegation of Powers Monthly Update

Mr. Moore reported the Contract Delegation of Powers Monthly Update is a new formal line item in the Executive Director’s Report for the purpose of reporting to the Authority any contracts he, as Acting Executive Director, enters into under Delegation Resolution No. 2018-02.

Chair Noda asked if there were any additional questions or public comment; there were none.

Item #4 **Loyola Marymount University, Resolution No. 324**

Matthew Francis, Staff Analyst, presented. Loyola Marymount University (“LMU”) requested Authority approval to issue tax-exempt bonds in an amount not to exceed \$65,000,000. Mr. Francis reported bond proceeds would be used to refund the outstanding CEFA Series 2010A and Series 2015 Bonds. The refunding of these bonds would provide LMU with a net present value savings of approximately \$12.8 million, or 24.3% under current market conditions.

Attendees: Thomas O. Fleming, Jr., Senior Vice President and Chief Financial Officer. Also present, Thomas Toepfer, Director, PFM Financial Advisors LLC, Borrower’s Municipal Advisor and Marc Bauer, Partner, Orrick, Herrington & Sutcliffe LLP, Bond Counsel.

Mr. Fleming stated that LMU appreciated CEFA staff and the long history they have had together. The bonds would give considerable savings and strengthen LMU.

Member Wong-Hernandez asked about how the project was coming along from the Series 2018 Bonds.

Mr. Fleming gave an update of the 2018 project.

Chair Noda asked if there were any additional questions or public comment; there were none.

Authority Action

Motion to adopt Resolution No. 324 in an amount not to exceed \$65,000,000 for Loyola Marymount University subject to the conditions in the resolution.

MOTION: Member Wong-Hernandez SECONDED: Member: Miller

AYES: Members McGinnis, Miller, Wong-Hernandez, Noda

NOES: None

ABSTAIN: None

RECUSE: None

MOTION APPROVED.

Item #5 **Election of Vice Chairperson**

Ms. Aboubechara stated that the Authority is required by Education Code Section 94120(e) to elect from among its members a Vice Chairperson on or after April 30 of each year.

Member Miller nominated the State Controller for Vice Chairperson.

Chair Noda asked if there were any additional questions or public comment; there were none.

Authority Action

Motion to elect the State Controller as Vice Chairperson of the Authority.

MOTION: Member Miller SECONDED: Member Noda

AYES:..... Members McGinnis, Miller, Wong-Hernandez, Noda

NOES:..... None

ABSTAIN:..... None

RECUSE:..... None

MOTION APPROVED.

Item #6 **College Access Tax Credit Fund – Taxable Years 2017 and 2018 Update**

Mr. Francis reported for the College Access Tax Credit Fund (the “Fund”) Taxable Year (“TY”) 2017, CEFA allocated and certified over \$3.2 million in tax credits for 153 taxpayers. Mr. Francis reported for TY 2018, nearly \$5 million in tax credits were allocated and certified to 153 taxpayers. Mr. Francis noted the total number of contributions to the Fund has decreased over the years from 355 in TY 2014 to 153 in TY 2018.

Member Miller asked what type of marketing is used for this program.

Summer Nishio, Staff Manager, stated that CEFA had used an advertising flyer in the past in an attempt to market the Fund.

Member Miller directed staff to share updates on the marketing of the College Access Tax Credit Fund at the next scheduled board meeting.

Chair Noda asked if there were any additional questions or public comment; there were none.

Item #7 **Bond Financing Program Annual Report**

Mr. Moore presented the Bond Financing Program Annual Report. Mr. Moore reported that CEFA is required by Education Code 94155 to provide the Governor and the Legislature by March 31st of every year, an annual report of its activities of the preceding calendar year as well as the complete operating and financial statements.

Chair Noda asked if there were any questions or public comment; there were none.

Agenda Items #8 and #9 **Public Comment and Adjournment**

Chair Noda asked for public comment. Hearing none, the meeting adjourned at 1:54 P.M.