

# CALIFORNIA SCHOOL FINANCE AUTHORITY

## Meeting of the Board

Wednesday, May 8, 2019  
11:00 a.m.

915 Capitol Mall, Room 587  
Sacramento, California 95814

Deputy State Treasurer Audrey Noda, serving as Chair, calls the meeting to order.

### Roll Call

Members Present: Audrey Noda, designee for Fiona Ma, CPA, California State Treasurer  
Nick Schweizer, designee for Tony Thurmond, Superintendent of Public Instruction  
Jeff Bell, designee for Keely Martin Bosler, Director of Finance

Staff Present: Katrina Johantgen, Executive Director  
Thomas Dear, Staff Services Manager II  
Ravinder Kapoor, Legal Counsel  
Anne Osborne, Program Analyst  
Jodie Jones, Program Analyst  
Kristen Schunk, Program Analyst

Katrina Johantgen welcomed those on the phone line to the Board meeting and provided participation instructions, after which Deputy Noda declared a quorum present after roll call.

Item 2: Approval of Minutes: The Board reviewed minutes from the April 10, 2019 Authority Board Meeting. Ms. Noda, Mr. Schweizer, and Mr. Bell voted to approve the minutes.

Item 3: Executive Director's Report: Ms. Johantgen provided updates related to the Authority's programs. Ms. Johantgen noted the SB740 program finalized its 2017-18 funding round and it is working through the 2018-19 funding round. For the Charter School Revolving Loan Fund (RLF) Program, Ms. Johantgen stated there are 30 applications for the 2018-19 funding round and CSFA is looking to create either an open enrollment or a rolling enrollment. For Incentive Grants, Ms. Johantgen reported that the fifteenth funding round has closed; there were 118 applications initiated, with 101 completed applications submitted for a requested amount of nearly \$50 million. Ms. Johantgen stated that the program is oversubscribed.

Item 4: Resolution No. 19-12 – Resolution Authorizing the Issuance of School Facility Revenue Bonds in an Amount Not to Exceed \$65,000,000 to Finance and/or Refinance the Acquisition, Construction, Expansion, Remodeling, Renovation, Improvement, Furnishing, and/or Equipping of Educational Facilities Located in Los Angeles County, California for KIPP SoCal Public Schools. (Action Item)

Ms. Johantgen introduced members of the financing team including: Eugene Clark-Herrera and Marc Bauer from Orrick, Herrington & Sutcliffe, John Buck from Buck Financial, Manny Aceves the Chief External Impact Officer for KIPP, and Brian Colon from Baird who participated by phone.

Manny Aceves noted this would be KIPP SoCal Public Schools' fourth time presenting to this Board and the first time with a school operating in Compton. KIPP SoCal Public Schools anticipates a rating of BBB for this Bond. KLARE Holdings (KLARE) is the actual borrower and KIPP SoCal Public Schools is the sole member of KLARE. KLARE's role is to support KIPP SoCal with real estate matters and construction. It owns, leases, and maintains the school's properties. KLARE is the same borrower for the three previous transactions. KIPP's leases will be structured in concert with SB740 requirements and typically will be a 20-25 year term with options to renew at KIPP's discretion.

Nick Schweizer called for a motion and Jeff Bell seconded the motion. After a call for public comment, the Board approved the resolution unanimously by roll call.

*Item 5: Resolution No. 19-13 - Approval of Financial Soundness Determination for EJE Middle Academy, located in San Diego County, for an Advance Apportionment through the Charter School Facilities Program (Action Item)*

Ms. Johantgen introduced Item 5 regarding the financial soundness of EJE Middle Academy (EJE), located in San Diego County. The proposed project consists of rehabilitation and new construction. The Office of Public School Construction estimates the cost of the project at \$8.7 million, the State grant portion being \$4.3 million with a matching share loan of \$4.3 million. The first year of occupancy will be the 2020-21 school year. Ms. Johantgen noted students at EJE Middle outperformed its comparable local schools. EJE's current charter will not expire until 2023. Mr. Johantgen provided information related to program financial benchmarks met by EJE, and noted that staff recommended the approval of Resolution 19-13.

Ms. Noda asked if there was a motion to approve the resolution. Nick Schweizer called for a motion and Jeff Bell seconded the motion. After a call for public comment, the Board approved the resolution unanimously by roll call.

*Item 6: Resolution No. 19-14 - Approval of Financial Soundness Determination for Rise Kohyang Middle School, located in Los Angeles County, for a Preliminary Apportionment through the Charter School Facilities Program (Action Item)*

Ms. Johantgen introduced Item 6 regarding the financial soundness of Rise Kohyang Middle School, located in Los Angeles County, for a Preliminary apportionment. The proposed project consists of rehabilitation and new construction to be completed prior to occupancy. The school's first year of occupancy is expected to be in the 2021-22 school year. Ms. Johantgen noted the students at Rise Kohyang Middle outperformed comparable local schools and the District in English Language Arts and Math and these students are meeting or exceeding average performance. Ms. Johantgen provided information related to program financial benchmarks met by Rise Kohyang, and noted that staff recommended the approval of Resolution 19-14.

Ms. Noda asked if there was a motion to approve the resolution. Jeff Bell called for a motion and Nick Schweizer seconded the motion. The Board approved the resolution unanimously by roll call.

Item 7: Public Comments

No Public Comments.

Item 8: Adjournment

There being no public comments, the Board adjourned the meeting.

Respectfully submitted,

Katrina Johantgen