

## MINUTES

**CALIFORNIA SCHOOL FINANCE AUTHORITY  
("CSFA" OR "AUTHORITY")  
915 Capitol Mall, Room 587  
Sacramento, California 95814  
June 12, 2019 - 11:00 a.m.**

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

### OPEN SESSION

Deputy State Treasurer Audrey Noda, serving as Chair, calls the meeting to order at 11:00 A.M.

#### **Item #1**

#### **Roll Call**

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

Staff Present: Thomas Dear, Staff Services Manager II  
Ravinder Kapoor, Legal Counsel  
Anne Osborne, Program Analyst  
Jodie Jones, Program Analyst  
Kristen Schunk, Program Analyst  
Ryan Storey, Program Analyst  
Robert Biegler, Staff Analyst

Thomas Dear welcomes those on the phone line to the Board meeting.

#### **Item #2**

#### **Approval of the Minutes from the June 12, 2019 Meeting**

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

#### **Authority Action**

Motion to approve the minutes from the June 12, 2019 meeting.

MOTION: Member Mireles

SECOND: Member Miller

AYES: Members: Miller, Mireles, Noda  
NOES: NONE  
ABSTAIN: NONE  
RECUSE: NONE

MOTION APPROVED.

**Charter School Facility Grant Program (SB 740)**

Mr. Dear reported that the 2019-20 application period had closed on Monday, June 3. The Authority received 445 applications, and a webinar was held prior to that and had 79 attendees, it was deemed successful.

**Charter School Revolving Loan Fund**

Mr. Dear reported that Kristen Schunk will be presenting an item to the Board and will update the Board.

**State Charter School Facilities Incentive Grants Program (CFDA 84.282D)**

Mr. Dear reported that the Authority had Funding Round 15; the Funding Round opened on March 18, 2019 and closed on April 29, 2019. The Authority received 101 completed applications for a total funding request of nearly \$49,700,000.

**Credit Enhancement Program**

Mr. Dear reported, as of June 4, 2019, the United States Department of Education announced a new credit enhancement-funding round for 2019. CSFA intends to apply for 100% of the 45 million in available funds. The application submission date is July 19 and that CSFA is currently working on the application.

**Charter School Facilities Program**

Mr. Dear reported the 2014 and Proposition 51 funding rounds are still alive. Of the 69 projects between the two funding rounds, 13 had converted to final apportionment leaving 56 projects working towards final apportionment.

**Conduit Bond and Note Program**

Mr. Dear reported that there are several bonds that are still waiting for the pricing and closing.

Member Noda asked if there were additional questions; there were none.

**Item #4 Resolution No. 19-15 - Authorizing the Issuance of Revenue Notes in an Amount Not to Exceed \$50,000,000 to Finance Working Capital for 1) Heartland Charter School located in Kern County, 2) Inspire Charter School – Kern located in Kern County, 3) Pacific Coast Academy Formerly d/b/a Learning Latitudes Charter School Located in San Diego County, and 4) Inspire Charter Schools – Winship – Central located in Fresno County. (Action Item)**

Robert Biegler, Staff Analyst, presented. Mr. Biegler introduced the Bond Financing team: Nick Hagen with Piper Jaffray as the Underwriter, Spencer Styles, CEO of Charter Impact as the Financial Advisor, Shari Erlendson, Chief of Staff at Inspire Charter Schools, and Marc Bauer from Orrick serving as Bond Counsel.

Mr. Hagen reported that Piper Jaffray will be offering \$45,765,000 of revenue notes and is expecting to close on, or about, July 24 and the pricing date is set to be July 10. There will be two series of bonds, a 2019B Bonds, which will be tax exempt and 2019C Bonds will be taxable and state tax exempt. Both series are expected to have a final maturity of July 15, 2020 and all interest is paid at maturity with no optional redemption or rating on the bonds.

**Authority Action**

Motion to approve Resolution 19-15 Authorizing the Issuance of Revenue notes in an amount not to exceed \$50,000,000.

MOTION: Member Miller

SECOND: Member Mireles

AYES: Members: Miller, Mireles, Noda  
NOES: NONE  
ABSTAIN: NONE  
RECUSE: NONE

MOTION APPROVED.

**Item #5 Resolution No. 19-16 – Approval of Financial Soundness Determination for Innovative Horizons Charter School at Nan Sanders, located in Riverside County for a Preliminary/Advanced Apportionment through the Charter School Facilities Program (Action Item)**

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Ryan Storey, Program Analyst, presented. Mr. Storey reported Innovated Horizons Charter School has come to the Board for its preliminary/advanced apportionment financial soundness approval. The obligor for this project will be Perris Elementary School District in Riverside County and is also the authorizing and home district. The project will be both a rehabilitation and new construction project. The Office of Public School Construction (OPSC) estimates the cost to be \$22 million, with half the costs covered by a state grant and the other half a lump sum contribution. The first year of occupancy is estimated to be the 2020-21 school year.

Member Noda wanted to know if staff received the official confirmation regarding the matching share contribution from Perris Elementary School District. Mr. Storey was able to confirm that staff received a letter of confirmation from Perris Elementary Chief Financial Officer.

**Authority Action**

Motion to approve Resolution 19-16 Approving the Financial Soundness for Innovative Horizons Charter School.

MOTION: Member Mireles

SECOND: Member Miller

AYES: Members: Miller, Mireles, Noda  
NOES: NONE  
ABSTAIN: NONE  
RECUSE: NONE

MOTION APPROVED.

**Item #6 Resolution No. 19-18 - Approval of Revolving Loan Fund Program Recommendations and Amounts for the Schools listed in Attachment A (Action Item)**

Kristen Schunk, Program Analyst, presented. Ms. Schunk reported on the 2018-19 funding round and noted the Authority received 30 timely applications in February requesting a total of \$7.35 million while there is approximately \$8 million available for this funding round. Ms. Schunk noted Staff reviewed two tiers of applications: 23 schools opening in 2018-19, considered Priority One applications. Schools that have already opened and are classified as Priority Two applications. Staff brought 19 Priority One Schools loans for Board approval. Ms. Schunk also stated staff is still reviewing the remaining applications and staff anticipates bringing the Priority Two recommendations to the Authority's August meeting.

**Authority Action**

Resolution No. 19-17 - Approval of Revolving Loan Fund Program Recommendations and Amounts.

Motion to approve

MOTION: Member Miller

SECOND: Member Mireles

AYES: Members: Miller, Mireles, Noda  
NOES: NONE  
ABSTAIN: NONE  
RECUSE: NONE

MOTION APPROVED.

**Items #7, #8**

**Public Comment, Adjournment**

Deputy Noda asked for public comment. Hearing none and with no additional business the meeting adjourned.