

MINUTES

CALIFORNIA SCHOOL FINANCE AUTHORITY
915 Capitol Mall, Conference Room 587
Sacramento, California 95814

300 S. Spring St, Suite 8500
(Large Conference Room)
Los Angeles, CA 90013

August 26, 2021 - 10:30 a.m.

Public Participation

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

In March 2020, the Governor declared a State of Emergency and enacted Executive Order N-29-20. In an effort to slow the rate at which COVID-19 is spreading, the Executive Order waived certain provisions of the Bagley-Keene Act and Brown Act, which required the physical presence of members, personnel of the board, or the public at meetings of state and local bodies. Pursuant to the order, the meeting of the California School Finance Authority (CSFA or Authority) Board Meeting was held telephonically, and the meeting was noticed accordingly.

OPEN SESSION

Treasurer Fiona Ma, called the meeting to order at 10:32 a.m.

Item #1: Roll Call

Members Present: Fiona Ma, CPA, Treasurer (Sacramento Office)
Juan Mireles, designee for Tony Thurmond, Superintendent of Public Instruction (Via Microsoft Teams)
Gayle Miller, designee for Keely Martin Bosler, Director of Finance (Via Microsoft Teams)

Staff Present: Audrey Noda, Deputy Treasurer (LA Office)
Katrina Johantgen, Executive Director (LA Office)
Ravinder Kapoor, Legal Counsel (Via Microsoft Teams)
Thomas Dear, Staff Service Manager II (Sacramento Office)
Jodie Jones, Program Lead (Sacramento Office)
Jeffery Martin, Program Lead (Sacramento Office)
Robert Biegler, Program Lead (Via Microsoft Teams)
Robert Rodriguez, Office Technician (Sacramento Office)

Attendees Via Microsoft Teams:

- Guillermo Garcia, Managing Director for Stifel, Nicolaus & Company, Incorporated
- Josh Bauer, Analyst for Stifel, Nicolaus & Company, Incorporated
- Carrie Wagner, Founder & Executive Director, Girls Athletic Leadership School Los Angeles
- John Phan, Principal/Financial Advisor, Campanile Group
- Jessica Shaham, Partner, Kutak Rock LLP

Treasurer Ma welcomed those on the phone line to the California School Finance Authority (CSFA or the Authority) Board (Board) meeting. Executive Director Katrina Johantgen read the prompt regarding the teleconference line and public participation.

Item #2: Approval of the July 29, 2021 Board Minutes (Action Item)

Treasurer Ma introduced Item #2: Approval of the July 29, 2021 Board Minutes. Treasurer Ma asked if there were any public comments and there were none.

Authority Action

Motion to approve the minutes from the July 29, 2021 meeting. Robert Rodriguez called the roll.

MOTION: Miller SECOND: Mireles

AYES: Mireles, Miller, Ma

NOES: NONE

ABSTAIN: NONE

RECUSE: NONE

MOTION APPROVED.

Item #3: Executive Director's Report

Executive Director Katrina Johantgen expressed gratitude towards California Debt and Investment Advisory Commission that prepared a new logo for the Authority, noting it was displayed on the board meeting materials. The new logo captures CSFA's housing efforts and modified the silhouette of the schoolhouse to include a flag.

Student Housing: Executive Director Johantgen referred to a recent Bond Buyer article regarding the recent Santa Rosa transaction. Ms. Johantgen thanked Board Members for their support of the student housing financing that was approved in September 2020. Executive Director Johantgen noted the Authority is planning a Central Valley student housing roundtable in October or November 2021.

K-14 SAIN and Charter ASAP Program: CSFA was able to access Surplus Money Investment Fund (SMIF) that is held by the State Treasurer as its interest yields is higher than a traditional money market funds. The Authority is working with the letter of credit banks on the final wrap up of our monitoring, given that the notes' principal and interest are sitting with the trustee on behalf of investors. We are adapting to the accelerated repayment timeline, principle and interest for the notes will be held in the State controlled SMIF until the notes mature in December 2021.

Charter School Facility Grant Program: The Authority is actively reviewing 437 applications received for the 2021 - 2022 funding round. All applicants are considered timely, given the change in the application deadline. It appears the program is oversubscribed, approximately the funds will cover 96% of the rent and lease costs submitted.

Conduit Financing Program: The Authority has one financing before the Board today, the Girls Athletic Leadership School (GALS) and is also in receipt of an application from Russell Westbrook Why Not? Academy, which is part of the LA Promise Fund network. The RWWNA financing will come before the Board within the next few months. Executive Director Johantgen noted that the Authority is looking at an Equitable Facilities Fund loan for Fortune Schools in September or October 2021.

Credit Enhancement Program: The Authority is making a recommendation for another award today to GALS. The Authority did award Granada Hills about \$900,000 for their debt service reserve on their financing that just closed, and are pleased to couple another Authority Bond Financing with a Credit Enhancement grant. The Authority is making a grant award under PANACEA program.

Charter ABLE: The Authority has used \$10 million of its \$20 million grant to enhance the ASAP notes that mature in December 2021.

Charter School Facilities Program: The Authority is finalizing an inventory of all program agreements, ensuring all digital and hard copies, including all signatures that are needed, with a few financial soundness reviews to be analyzed. Executive Director Johantgen noted that two facilities are no longer being used by the original awardees and the Authority has resolution on the transfer of these two facilities.

Revolving Loan Fund: The Authority is preparing to open the 2021 Funding Round A on September 1, 2021. The Authority is looking to bring awards to the Board in November 2021 through January 2022.

Incentive Grants Program: The Authority was notified by the U.S. Department of Education there will not be an additional funding round for this program in 2021. The U.S. Department of Education is making changes to the established regulations and hopefully there will be an award or application opportunity in 2022. The Authority is working diligently to ensure no surplus funds will remain by the time the grant program closes on August 31, 2022.

Treasurer Ma asked if there were any questions from Board Members and public comments, and there were none.

Item #4 - Resolution No. 21 – 22 - Authorizing the Issuance of Revenue Bonds in an amount not to exceed \$16,000,000 to finance and/or refinance the acquisition, construction, improvement, installation, furnishing and/or equipping of educational facilities located in Los Angeles County for use by Girls Athletic Leadership School Los Angeles (Action Item)

Robert Biegler presented and introduced the financing team consisting of Guillermo Garcia, Managing Director for Stifel, Nicolaus & Company, Incorporated, Josh Bauer, an analyst for Stifel, Nicolaus & Company, Incorporated, Jessica Shaham, a Partner at Kutak Rock LLP, John Phan, Financial Advisor from Campanile Group, and finally, Carrie Wagner, Founder & Executive Director of GALS. Mr. Garcia provided a project outline, highlighting the financial terms and how the funds would be utilized. He also spoke to the student enrollment and how the financing would help benefit the school facilities. Ms. Wagner provided information on the school's history, the philosophy of the administration, and the sense of community among the student body, staff, and families of students. She also shared details regarding the school's

Board of Directors, the affordability of their services and how the school has historically adapted to their facilities.

Board Member Mireles asked a question regarding the projected enrollment increase for the potential new facility, inquiring how the school generated this number.

Ms. Wagner responded noting that a combination of the appeal of the new facility location, the positive reputation of the school, and the recommendation of former students/parents allowed them to project the increased enrollment figures, which Board Members appreciated.

Treasurer Ma inquired about the GALS the use of cargo shipping containers as school rooms, asking for additional details on them.

Mr. Garcia confirmed these rooms are fabricated off site and installed, adding that the low cost for them and success other schools have had using them made them a good fit. He explained that the school will be paying prevailing wage on the sitework component but the fabrication of the buildings is not subject to prevailing wage as it is considered an acquisition since it is worked on off site.

Treasurer Ma asked if all of the school's facilities would be using the shipping container rooms. Ms. Wagner confirmed they would be, including the multi-purpose room.

Mr. Garcia presented additional project details regarding an overview of bond security, financial projections and covenant compliance.

Treasurer Ma asked if there were any additional questions from Board Members or the public. There were none.

Authority Action

Motion to Authorize the Issuance of Revenue Bonds in an amount not to exceed \$16,000,000 to finance and/or refinance the acquisition, construction, improvement, installation, furnishing and/or equipping of educational facilities located in Los Angeles County for use by Girls Athletic Leadership School Los Angeles.

MOTION: Miller SECOND: Mireles

AYES: Mireles, Miller, Ma

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Item #5 - Resolution No. 21 – 23 - Approving the Charter School Facilities Credit Enhancement Grant Program (CDFA #84.354A) Award in an Amount Not to Exceed \$1,000,000 to Girls Athletic Leadership School Los Angeles located in Los Angeles County (Action Item)

Executive Director Johantgen presented and confirmed the Authority found the school to be in good standing and eligible for the award and she also provided additional school details confirming that the Authority recommended approval of this item. Carrie Wagner, Founder &

Executive Director of GALS, spoke to the benefits this additional funding would have on the student body at GALS in terms of hiring more experienced teachers and learning specialists. Guillermo Garcia, Managing Director for Stifel, Nicolaus & Company, Incorporated provided details regarding marketing bonds to investors and the impact these additional funds would have on school resources.

Treasurer Ma asked if there were any additional questions from Board Members or the public, and there were none.

Authority Action

Motion to Approve the Authorizing of the Charter School Facilities Credit Enhancement Grant Program (CDFA #84.354A) Award in an Amount Not to Exceed \$1,000,000 to Girls Athletic Leadership School Los Angeles located in Los Angeles County.

MOTION: Miller SECOND: Mireles

AYES: Mireles, Miller, Ma

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Item #6: Public Comments

No public comments.

Item #7: Adjournment

There being no public comments, the Board adjourned the meeting at 10:56 a.m.