

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

March 30, 2022 - 10:30 p.m.

Public Participation

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

OPEN SESSION

Deputy Treasurer Audrey Noda called the meeting to order at 10:37 a.m. *At 11:39 a.m., it was determined that a technical issue with the call-in line prevented remote public participation. Although the public had opportunity to comment both at the Sacramento and Los Angeles meeting locations, out of an abundance of caution. CSFA Program attorney Ravinder Kapoor advised the Chair that the meeting should be reconvened after the call in line had been fixed. Deputy Treasurer Noda called for the meeting to reconvene at 1 p.m. The meeting reconvened at 1 p.m. Juan Mireles and Deputy Noda were present and participated. Member Miller was unable to join the meeting at 1 p.m. As a quorum was reached with two members, the meeting was held and ended at 1:36 p.m.*

Item #1: Roll Call

Members: Audrey Noda, Deputy Treasurer (LA Office) - Present
Juan Mireles, designee for Tony Thurmond, Superintendent of Public Instruction (Via Microsoft Teams) – Present
Gayle Miller, designee for Keely Martin Bosler, Director of Finance - Absent

Staff Present: Katrina Johantgen, Executive Director (LA Office)
Ravinder Kapoor, Legal Counsel (Via Microsoft Teams)
Robert Rodriguez, Office Technician (Sacramento Office)
Ryan Storey, Program Lead (LA Office)
Robert Biegler, Program Lead (Via Microsoft Teams)
Elizabeth Mendez, Program Lead (Via Microsoft Teams)

Attendees Via Microsoft Teams:

Michael Wimbish, CFO, Aspire Public Schools
Eugene Clark-Herrera, Partner, Orrick, Herrington & Sutcliffe
Steffi Chan, Senior Associate, Orrick, Herrington & Sutcliffe
Kerrigan Bennett, Shareholder, Stradling, Yocca, Carlson & Rauth
Michael Charlebois, Associate, Stradling, Yocca, Carlson & Rauth
John Kim, Managing Director, Stifel, Nicolaus & Company
Nate Keninitz, Vice President, Stifel, Nicolaus & Company
Josh Bauer, Associate, Stifel, Nicolaus & Company

David DeFrenza, Principal, Los Angeles Academy of Arts and Enterprise
Moctesuma Esparza, Board Chair, Los Angeles Academy of Arts and Enterprise

Deputy Treasurer Audrey Noda 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 February 24, 2022 Board Minutes (Action Item)

Deputy Treasurer Audrey Noda introduced Item #2: Approval of the February 24, 2022 Board Minutes. Deputy Treasurer Noda asked if there were any public comments and there were none.

Authority Action

Motion to approve the minutes from the February 24, 2022 meeting. Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Noda
AYES: Noda, Mireles
NOES: NONE
ABSTAIN: NONE
RECUSE: Miller

MOTION APPROVED.

Item #3: Approval of the March 4, 2022 Board Minutes (Action Item)

Deputy Treasurer Audrey Noda introduced Item #3: Approval of the March 4, 2022 Board Minutes. Executive Director Katrina Johantgen noted that a small update had been applied to the minutes. At the March 4, 2022 board meeting Board Member Chris Ferguson inquired if the John Adams Academy project met all legal requirements of the CSFA Act, and the update clarified Executive Director Johantgen's response confirming that it met the definition of a project under the CSFA action. Deputy Treasurer Noda asked if there were any public comments and there were none.

Authority Action

Motion to approve the minutes from the March 4, 2022 meeting. Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Noda
AYES: Noda, Mireles
NOES: NONE
ABSTAIN: NONE
RECUSE: Miller

MOTION APPROVED.

Item #4: Executive Director's Report

Charter School Facility Grant Program: The Authority continues to work with the Department of Finance and legislators on a proposal to increase program funding, and are currently on standby for hearings and working with stakeholders on the impact of the increased program funding.

Conduit Financing Program: The Authority is bringing one Conduit financing to the board today and anticipates bringing four Conduit financings to the board at the April board meeting. Activity for the Conduit program seems to be driven by the interest rate.

Credit Enhancement Program: The Authority had great success with the Office of Administrative Law on a finding of emergency, allowing the program regulations to remain in effect, and for the funds to be accessible to schools. The Authority has completed the third quarter reporting with the federal government and are currently working on a performance agreement for the Charter Fine program in order to access the available \$10,000,000 funding.

Revolving Loan Fund: The Authority is launching the 2021 funding round B, which will open on April 1, 2022.

Charter School Facilities Program: The state is launching another funding round and the Authority is working with the Office of Public School Construction as well as the Department of Education on that funding round of about \$97,000,000. The Authority is bringing two financial soundness items before the board today, as well as a number of financial soundness reviews coming to the board this Spring.

Deputy Treasurer Noda asked if there were any questions from Board Members and the public. There were none.

Item #5: Presentation of the Annual Bond Report (Information Item)

Ryan Storey presented the item, beginning with background information on the Conduit program and confirming the Authority had coordinated 16 issuances in 2021 for a record total issuance amount of a bit more than \$828,000,000. Referring to the bond report that was provided to board members, Mr. Storey provided detailed figures regarding the issuance of Conduit program funds in 2021, covering both challenges with the program as well as specific successes experienced by schools within the program. Mr. Storey concluded by confirming the Authority awarded nearly \$10,000,000 in federally granted Credit Enhancement Awards to support debt service reserve funds for six bond financings and noted that additional details of were available within the report itself.

Item #6: Resolution No. 22-16 – Authorizing the issuance of revenue bonds in an amount not to exceed \$60,000,000 to finance and/or refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of educational facilities located in San Joaquin, Sacramento, Stanislaus, Alameda, San Mateo and Los Angeles Counties for use by Aspire Public Schools (Action Item)

Executive Director Katrina Johantgen presented and introduced Michael Wimbish, CFO for Aspire Public Schools, Nate Keninitz, Vice President at Stifel, Nicolaus & Company and Steffi Chan, Senior Associate at Orrick, Herrington & Sutcliffe. Nate Keninitz presented an overview of the bond financing, including a breakdown of the funds being issued and how the school planned to use the proceeds. Michael Wimbish spoke next and provided insight into the student population and the various Aspire Public Schools campuses. Mr. Wimbish also provided an overview of the proposed campus expansion, sharing a construction timeline and enrollment projections. Mr. Keninitz then presented information regarding the bond security and the facility leases associated with the project. Mr. Wimbish then presented additional information regarding the financial projections and the impact the pandemic had on student enrollment.

Deputy Treasurer Noda asked if there were any questions from Board Members and the public. There were none.

Authority Action

Motion to Approve the the issuance of revenue bonds in an amount not to exceed \$60,000,000 to finance and/or refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and equipping of educational facilities located in San Joaquin, Sacramento, Stanislaus, Alameda, San Mateo and Los Angeles Counties for use by Aspire Public Schools. Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Noda
AYES: Mireles, Noda
NOES: NONE
ABSTAIN: NONE
RECUSE: Miller

MOTION APPROVED.

Item #7: Resolution No. 22-17 – Approving the Charter School Facilities Credit Enhancement Grant Program (CDFA #84.354A) Award in an Amount Not to Exceed \$2,000,000 to Aspire Public Schools located in San Joaquin County (Action Item)

Executive Director Katrina Johantgen presented and confirmed that staff was recommending approval of this item, and that the school met all eligibility requirements. Executive Director Johantgen also confirmed that the schools are in good standing with the Stockton Unified School District and that the necessary regulations were now in place to award the funds to the school.

Deputy Treasurer Noda asked if there were any questions from Board Members and the public. There were none.

Authority Action

Motion to Approve the Charter School Facilities Credit Enhancement Grant Program (CDFA #84.354A) Award in an Amount Not to Exceed \$2,000,000 to Aspire Public Schools located in San Joaquin County. Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Noda
AYES: Mireles, Noda
NOES: NONE
ABSTAIN: NONE
RECUSE: Miller

MOTION APPROVED.

Item #8: Resolution No. 22-18 – Approving the Charter School Facilities Credit Enhancement Grant Program (CDFA #84.354A) Award in an Amount Not to Exceed \$2,000,000 to Partnerships to Uplift Communities, located Los Angeles County (Action Item)

Ryan Storey presented an overview of the item, providing details regarding the source of funds and confirmed the school meet all eligibility requirements. Mr. Storey also shared student demographic information and confirmed staff was recommending approval of this item.

Deputy Treasurer Noda asked if there were any questions from Board Members and the public. There were none.

Authority Action

Motion to Approve the Charter School Facilities Credit Enhancement Grant Program (CDFA #84.354A) Award in an Amount Not to Exceed \$2,000,000 to Partnerships to Uplift Communities, located Los Angeles County. Robert Rodriguez called the roll.

MOTION: Noda SECOND: Mireles
AYES: Mireles, Noda
NOES: NONE
ABSTAIN: NONE
RECUSE: Miller

MOTION APPROVED.

Item #9 Resolution No. 22-19 – Approval of Financial Soundness Determination for Ednovate – Brio College Prep located in Los Angeles County for Final Apportionment through the Charter School Facilities Program (Action Item)

Executive Director Katrina Johantgen presented, providing an overview of the item including financing terms and statistics regarding student academic performance. Executive Director Johantgen confirmed that the school met all eligibility criteria and that staff was recommending approval of this item. Ms. Johantgen noted that the analysis was conducted on Brio as a stand-alone credit and that Ednovate, Brio's parent organization, is not supporting the CSFP debt obligation. Ms. Johantgen also noted that Ednovate's outstanding debt does not include Brio's revenue in its obligation. Lastly, Ms. Johantgen noted that this review is pursuant to a Los Angeles Unified School District request for proposals to find a successor charter school to assume the CSFP property that is available for use by a successor charter school that is

financially sound and meets LAUSD’s criteria. CSFA will notify LAUSD of the CSFA Board’s determination.

Deputy Treasurer Noda asked if there were any questions from the public. There were none.

Authority Action

Motion to Approve of Financial Soundness Determination for Ednovate – Brio College Prep located in Los Angeles County for Final Apportionment through the Charter School Facilities Program. Robert Rodriguez called the roll.

MOTION: Noda SECOND: Mireles

AYES: Mireles, Noda

NOES: NONE

ABSTAIN: NONE

RECUSE: Miller

MOTION APPROVED.

Item #10: Resolution No. 22-20 – Approval of Financial Soundness Determination for Los Angeles Academy of Arts and Enterprise located in Los Angeles County for Final Apportionment through the Charter School Facilities Program (Action Item)

Ryan Storey presented and provided an overview of the item including project costs and facility details. Mr. Storey also presented information regarding the school’s financial history and enrollment statistics, and introduced Mocesuma Esparza, Board Chair at Los Angeles Academy of Arts and Enterprise and David DeFrenza, Principal at Los Angeles Academy of Arts and Enterprise. Mr. Esparza shared insight into the school’s student population and the efforts by staff to address their sociological and emotional needs. Mr. Esparza also spoke about student academic success and the impact the funds would have on their campus. Mr. DeFrenza presented next and spoke about additional safety benefits the increased campus space would provide to students.

Board Member Mireles had a question regarding the new campus location and how it compared to the previous campus in terms of sharing the space with other schools. Mr. DeFrenza confirmed that while the new location would also share campus space, it included much more exclusive space for their students and would be a significant improvement for the school.

Deputy Treasurer Noda asked if there were any questions from Board Members and the public. There were none.

Authority Action

Motion to Approve the of Financial Soundness Determination for Los Angeles Academy of Arts and Enterprise located in Los Angeles County for Final Apportionment through the Charter School Facilities Program. Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Noda

AYES: Mireles, Noda

NOES: NONE
ABSTAIN: NONE
RECUSE: Miller

MOTION APPROVED.

Item #11: Resolution No. 22-21 – Approval to Amended Interagency Contract Agreement CSFA02-19 Amendment 1 (with the State Treasurer’s Office as Agent for Sale) for the amendment amount of \$351,600.00 (Action Item)

Executive Director Katrina Johantgen presented, providing an overview of the item including projected financial figures owed to the robustness of CSFA’s Conduit Bond program. She noted that CSFA’s current Interagency Agreement with the Public Finance Division (PFD) is capped at \$150,000, and her current contract authority is capped between the projected total of over \$350,000 in fees to PFD. Executive Director Johantgen noted that staff recommends approval of this item.

Executive Director Noda asked if there were any questions from Board Members and the public. There were none.

Authority Action

Motion Approving the Amended Interagency Contract Agreement CSFA02-19 Amendment 1 (with the State Treasurer’s Office as Agent for Sale) for the amendment amount of \$351,600.00. Robert Rodriguez called the roll.

MOTION: Noda SECOND: Mireles
AYES: Mireles, Noda
NOES: NONE
ABSTAIN: NONE
RECUSE: Miller

MOTION APPROVED.

Item #12: Public Comments

Deputy Treasurer Noda asked if there were any additional questions from the public on items not on the agenda. There were none.

Item #13: Adjournment

There being no public comments, the Board adjourned the meeting at 1:35 p.m.