

## MINUTES

### CALIFORNIA SCHOOL FINANCE AUTHORITY

Held via teleconferencing locations pursuant to  
Government Code section 11133

September 29, 2022 – 10:35 a.m.

Public Participation

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

#### OPEN SESSION

##### ***Item #1: Roll Call***

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Members: Audrey Noda, Deputy Treasurer (Via Microsoft Teams) - Present  
Juan Mireles, designee for Tony Thurmond, Superintendent of Public Instruction (Via Microsoft Teams) – Present  
Gayle Miller, designee for Joe Stephenshaw, Director of Finance - (Via Microsoft Teams) Present

Staff Present: Katrina Johantgen, Executive Director (Los Angeles Office)  
Mita Parikh, Staff Services Manager I (Sacramento Office)  
Theodore Ballmer, Legal Counsel (Via Microsoft Teams)  
Daniel Madrid, Office Technician (Los Angeles)  
Michael Pack, Program Lead (Via Microsoft Teams)  
Ryan Storey, Program Lead (Los Angeles)  
Robert Biegler, Program Lead (Los Angeles)

##### Attendees

Via Microsoft Teams: Sabrina M. Ayala, Project Consultant, Delta Financial Associates  
Michael Lopez, Project Consultant, Delta Financial Associates  
John Buck, Founder, Buck Financial  
Mark Bauer, Partner, Orrick  
Brian Colon, Managing Director, Robert W. Baird & Co.  
Connor Sullivan, Managing Director, Robert W. Baird & Co.  
Stepan A. Haytayan, Senior Counsel, Norton Rose Fulbright

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 August 19, 2022 Board Minutes (Action Item)***

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Deputy Treasurer Audrey Noda introduced Item #2: Approval of the August 19, 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 August 19, 2022 meeting. Robert Rodriguez called the roll.

MOTION: Miller SECOND: Mireles

AYES: Miller, Mireles, Noda

NOES: NONE

ABSTAIN: NONE

RECUSE: NONE

MOTION APPROVED.

***Item #3: Executive Director's Report***

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Charter School Facility Grant Program: This program is in the process of closing out the 2021/2022 funding round, as well as disbursing initial apportionments for the 2022/2023, with staff currently in the process of vetting eligibility. Good standing forms have been sent out to authorizers, with 426 schools having submitted applications.

Conduit Financing Program: Staff has two financings that have been put on hold, John Adams Academy and Partnership to Uplift Communities, given current interest rates. The Authority will be bringing Green Dot Public Schools before the board today and anticipate bringing Almond Acres Charter Academy to the October board meeting.

Credit Enhancement: The Authority is presenting one item for an award today for the Green Dot Public School financing under the Charter ABLE program and we are bringing regulations to the board today to start the Charter Fine grant program of \$10 million.

Charter School Facilities Program: The Authority is currently working on a \$94 million supplemental funding round and expect to bring financial soundness reviews to the Board this Fall, which staff will work closely with the Office of Public School Construction project costs and applicants with high preference points.

Revolving Loan Fund Program: The Authority has presented some legislative changes to the Department of Finance that would expand the program's eligibility, which will hopefully result in more applications being submitted to this program moving forward.

The Authority is currently working with the California State Auditor on the Joint Legislative Audit Committee audit of the Charter School Facility Grant program and the Conduit Bond program, with roughly 5-6 months left in the process.

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

Item #4 was removed from the meeting agenda.

***Item #5: Resolution No. 22-46 – Resolution of The California School Finance Authority Authorizing the Issuance of Revenue Bonds in An Amount Not to Exceed \$310,000,000 To Finance And/or Refinance the Acquisition, Construction, Expansion, Remodeling, Renovation, Improvement, Furnishing and Equipping of Educational Facilities Located in Los Angeles County for Use by Delta Properties, Inc. on Behalf of Green Dot Public Schools California (Action Item)***

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Program Lead Robert Biegler presented and introduced Sabrina Ayala, Project Consultant at Delta Financial Associates, Michael Lopez, Project Consultant at Delta Financial Associates, John Buck, Founder of Buck Financial, Mark Bauer, Partner at Orrick, Brian Colon, Managing Director at Robert W. Baird & Co., Connor Sullivan, Managing Director at Robert W. Baird & Co. and Stepan A. Haytayan, Senior Counsel at Norton Rose Fulbright.

Sabrina Ayala presented and provided an overview of the project. Board Member Mireles asked for a clarification on the funding amount, and Ms. Ayala confirmed it would be for \$4 million. Ms. Ayala then presented the project’s financial details and shared details regarding the bond security. Ms. Ayala continued her presentation, moving on to the school’s history, student enrollment data and the organization’s core values.

John Buck presented next and shared details regarding the project’s interest rate, and the cost savings related to it, with Sabrina Ayala offering additional insight regarding the loan’s interest rate. Executive Director Katrina Johantgen brought up the flexibility of the financing, with Sabrina Ayala offering additional details regarding the flexibility of the financing. Deputy Treasurer Noda asked if there were any additional questions from Board Members or the public on this item. There were none.

**Authority Action**

Motion to Approve the Authorizing the Issuance of Revenue Bonds in An Amount Not to Exceed \$310,000,000 To Finance And/or Refinance the Acquisition, Construction, Expansion, Remodeling, Renovation, Improvement, Furnishing and Equipping of Educational Facilities Located in Los Angeles County for Use by Delta Properties, Inc. on Behalf of Green Dot Public Schools California.

Robert Rodriguez called the roll.

MOTION: Miller SECOND: Mireles

AYES: Miller, Mireles, Noda

NOES: NONE

ABSTAIN: NONE

RECUSE: NONE

MOTION APPROVED

***Item #6: Resolution No. 22-47 – Approval of The Charter Access to Bank Loan Enhancement Program (Charter ABLE) (CFDA #84.354A) Award in An Amount Not to Exceed \$2,000,000 To Delta Properties Inc., On Behalf of Green Dot Public Schools California (Action Item)***

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Program Lead Robert Biegler presented an overview of the item and introduced Sabrina Ayala, Project Consultant at Delta Financial Associates. Sabrina Ayala presented next and shared information regarding the savings related to the school not having to repeat the reserve fund process, noting the current market landscape allowed for the Inglewood location to be included in this project, as it would not have been possible last year.

Deputy Treasurer Noda asked if there were any additional questions from Board Members or the public on this item. There were none.

**Authority Action**

Motion to Approve the Charter Access to Bank Loan Enhancement Program (Charter ABLE) (CFDA #84.354A) Award in An Amount Not to Exceed \$2,000,000 To Delta Properties Inc., On Behalf of Green Dot Public Schools California

Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Miller

AYES: Miller, Mireles, Noda

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED

***Item #7: Resolution No. 22-48 - Adoption of Proposed Regulations for the Charter Finance Enhancement Program (Charter FINE) pursuant to the federal Expanding Quality Charter Schools Program – Grants for Credit Enhancement for Charter School Facilities (CFDA #84.354A) (Action Item)***

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Program lead, Ryan Storey, presented and provided the board with an overview of the item. Mr. Storey then detailed each of the proposed regulation changes and explained how the emergency rulemaking timeline and process would differ from the formal process, allowing staff to meet the program’s established timelines.

Board Member Mireles had a question regarding the application and if it would be part of the regulations. Mr. Storey confirmed that the application will be part of the regulation packet.

Deputy Treasurer Noda asked for clarification if this would be an amendment to existing regulations, or establishing new regulations. Executive Director Katrina Johantgen confirmed it would be new regulations as it is a new grant and therefore a new grant program which necessitates new regulations. Deputy Treasurer Noda requested a modification be made to the second line of the second section of the regulations to reflect “including, making or causing to be made such technical and non-substantive changes.” Legal Counsel Ted Ballmer confirmed this change was okay to make and Executive Director Johantgen agreed to apply the update.

Deputy Treasurer Noda asked if there were any additional questions from Board Members or the public on this item. There were none.

**Authority Action**

Motion to Approve the Adoption of Proposed Regulations for the Charter Finance Enhancement Program (Charter FINE) pursuant to the federal Expanding Quality Charter Schools Program – Grants for Credit Enhancement for Charter School Facilities (CFDA #84.354A)

Robert Rodriguez called the roll.

MOTION: Miller SECOND: Mireles

AYES: Miller, Mireles, Noda

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED

***Item #8: Public Comments***

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

***Item #9: Adjournment***

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There being no public comments, the Board adjourned the meeting at 11:15 a.m.