

MINUTES

CALIFORNIA SCHOOL FINANCE AUTHORITY

Held via teleconferencing locations pursuant to
Government Code section 11133

April 27, 2023 – 10:35 a.m.

Public Participation

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

OPEN SESSION

Item #1: Roll Call

Members: Patrick Henning, Chief Deputy Treasurer, designee for Fiona Ma, Treasurer – Present
Juan Mireles, designee for Tony Thurmond, Superintendent of Public Instruction – Present
Michele Perrault, designee for Joe Stephenshaw, Director of Finance - Present

Staff Present: Katrina Johantgen, Executive Director (Los Angeles)
Mita Parikh, Staff Services Manager (Sacramento)
Spencer Walker, Legal Counsel (Sacramento)
Robert Rodriguez, Office Technician (Sacramento)
Michael Pack, Program Lead (Sacramento)
Robert Biegler, Program Lead (Los Angeles)

Attendees

Via Microsoft Teams: Jackie Elliot, Co-Founder, President & CEO, Partnerships to Uplift Communities
Lisa Tovar, Chief Financial Officer, Partnerships to Uplift Communities
John Buck, Founder & Principal Member, Buck Financial Advisors
Akshai Patel, Director, RBC Capital Markets
Marc Bauer, Partner, Orrick, Herrington & Sutcliffe
Cathy Taylor, Executive Director, California Heritage YouthBuild Academy

Chief Deputy Treasurer Patrick Henning 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 March 30, 2023, Board Meeting Minutes (Action Item)

Chief Deputy Treasurer Henning introduced Item #2: Approval of the March 30, 2023, Board Minutes. Chief Deputy Treasurer Henning asked if there were any public comments and there were none.

Authority Action

Motion to approve the minutes from the March 30, 2023, meeting. Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Henning

AYES: Mireles, Perrault, Henning

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Item #3: Executive Director's Report

Charter School Facility Grant Program (SB740): Staff is currently working with the legislature and the Department of Finance on funding recommendations for the 2023/2024 funding round, as well as working on the True Up report for the 2022/2023 funding round. This will be the third apportionment and staff anticipate completing this process in the next couple of weeks. The Authority is closing the 2021/2022 funding round and have provided information to stakeholders on those final awards.

Conduit Financing Program: Staff will be presenting our annual Conduit Bond report to the board today as well as recommending approval of a bond financing.

Credit Enhancement: The Authority priced a financing last week for Camino Nuevo Charter School and priced a financing for STEM Preparatory School this week and are working on closing both soon. Staff is looking at consolidating the four sets of regulations that guide those programs as each time there's a change to one grant, the Authority must make the change on all four sets of regulations.

Charter School Facilities Program: Staff will be presenting four items for the board to vote on today. The Authority is tracking and evaluating an Assembly bill and Senate bill related to a Kindergarten University Bond Act and what the allocation for charter schools might look like.

Revolving Loan Fund: The Authority has received two applications for this program for this funding round, and has added additional staff who are being trained on evaluating program applicants and program administration.

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

Item #4: Presentation of the Annual Bond Report (Information Item)

Program lead Robert Biegler presented and noted that even with choppy market interest rates of 2022, the Authority issued 14 bonds, notes and loans that equaled just under \$500,000,000. Mr. Biegler added that staff anticipated an active program in 2023 but projected that the program would be slightly less busy when compared to the higher-than-average activity of 2022. Mr. Biegler also noted that the program issued its first ever sustainability bond which combines a designated bond with sustainability elements, and confirmed it was the first ever sustainability bond issued to a charter school. Mr. Biegler suggested the board review the provided report materials and offered to answer any questions.

Executive Director Katrina Johantgen thanked the Board for their help, insight and leadership and thanked Treasurer Ma specifically for her direction.

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

Items #5 and #6 were presented together, given both items involved the same school, and each item would be subject to a separate motion and vote.

Item #5: Resolution No. 23 - 17 – Authorizing the issuance of revenue bonds in an amount not to exceed \$27,000,000 to refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of educational facilities located in Los Angeles County for use by Partnerships to Uplift Communities Los Angeles and Partnerships to Uplift Communities Lake View Terrace (Action Item)

Item #6: Resolution No. 23 – 18 – Approving the Charter School Facilities Credit Enhancement Grant Program (CDFA #84.354A) Award in an Amount Not to Exceed \$21,500,000 to Partnerships to Uplift Communities, located Los Angeles County (Action Item)

Staff Services Manager Mita Parikh presented and introduced Jacqueline Elliot, Co-Founder, President & CEO at Partnerships to Uplift Communities, Lisa Tovar, Chief Financial Officer at Partnerships to Uplift Communities, John Buck, Founder & Principal Member at Buck Financial Advisors, Akshai Patel, Director at RBC Capital Markets and Marc Bauer, Partner, Orrick at Herrington & Sutcliffe. Jacqueline Elliot presented next and shared information regarding the school's founding, goals, and history. John Buck presented next and offered insight into the level of savings the school would get by utilizing this financing now, discussing market conditions and how they impact the school's budget. Executive Director Johantgen clarified that the initial agenda item listed a \$2 million grant, but after consulting with the Attorney General, it was determined the actual award cannot exceed \$1.5 million, which is reflected in the updated board item.

Chief Deputy Treasurer Henning asked if there were any additional questions from Board Members or the public on items #5 or #6. There were none.

Authority Action

Motion to Approve the Authorizing the issuance of revenue bonds in an amount not to exceed \$27,000,000 to refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of educational facilities located in Los Angeles County for use by Partnerships to Uplift Communities Los Angeles and Partnerships to Uplift Communities Lake View Terrace.

Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Henning
AYES: Mireles, Perrault, Henning
NOES: NONE
ABSTAIN: NONE

MOTION APPROVED.

Authority Action

Motion to Approve Credit Enhancement Grant (CDFA #84.354A) Award in an Amount Not to Exceed \$1,500,000 to Partnerships to Uplift Communities, located Los Angeles County.

Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Henning
AYES: Mireles, Perrault, Henning
NOES: NONE
ABSTAIN: NONE

MOTION APPROVED.

Item #7: Resolution No. 23 – 19 - Approval of Financial Soundness Determination of Preliminary Apportionment through the Charter School Facilities Program for California Heritage YouthBuild Academy II located in Trinity County (Action Item)

Program Lead Michael Pack presented and introduced Cathy Taylor, Executive Director at California Heritage YouthBuild Academy II. Mr. Pack provided details regarding the school’s student demographic, the proposed construction site and their debt service coverage. Mr. Pack also discussed the school’s operational revenues, their net working capital, and confirmed that staff was recommending approval for this project. Cathy Taylor spoke next and shared insight into how the project would benefit both the student population and the local community. Board Member Mireles noted that he hoped the new building size and location would help draw additional students.

Chief Deputy Treasurer Henning asked if there were any additional questions from Board Members or the public on item #7. There were none.

Authority Action

Motion to Approve the Financial Soundness Determination of Preliminary Apportionment through the Charter School Facilities Program for California Heritage YouthBuild Academy II located in Trinity County.

Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Henning

AYES: Mireles, Perrault, Henning

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Item #8: Resolution No. 23 – 20 - Approval of Financial Soundness Determination of Final Apportionment through the Charter School Facilities Program for Tree of Life International Charter located in Shasta County (Action Item)

Program Lead Michael Pack presented and shared an overview of the project and confirmed it was projected to be completed by 2024/2025. Mr. Pack offered details on the school's cash flow, debt service coverage and confirmed that staff was recommending approval of this item.

Chief Deputy Treasurer Henning asked if there were any additional questions from Board Members or the public on item #8. There were none.

Authority Action

Motion to Approve the Financial Soundness Determination of Final Apportionment through the Charter School Facilities Program for Tree of Life International Charter located in Shasta County.

Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Henning

AYES: Mireles, Perrault, Henning

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Item #9: Resolution No. 23 – 21 - Approval of Financial Soundness Determination of Final Apportionment through the Charter School Facilities Program for San Diego Unified on behalf of Albert Einstein Academies located in San Diego County (Action Item)

Program Lead Michael Pack presented and shared an overview of the project, offered details on the funding the school will be receiving and noted it was scheduled to be completed 2026/2027. Mr. Pack also noted that the school met all program eligibility requirements and had a strong cash flow before recommending approval of the item to the board.

Chief Deputy Treasurer Henning asked if there were any additional questions from Board Members or the public on item #9. There were none.

Authority Action

Motion to Approve the Financial Soundness Determination of Final Apportionment through the Charter School Facilities Program for San Diego Unified on behalf of Albert Einstein Academies located in San Diego County.

Robert Rodriguez called the roll.

MOTION: Perrault SECOND: Mireles

AYES: Mireles, Perrault, Henning

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Item #10: Resolution No. 23 – 22 - Approval of Financial Soundness Determination of Final Apportionment through the Charter School Facilities Program for San Diego Unified on behalf of The O'Farrell Charter located in San Diego County (Action Item)

Program Lead Michael Pack presented and shared an overview of the project including funding sources and working capital. Mr. Pack confirmed the school met all of the program's required metrics and noted the project was already in motion with an estimated completion of 2023/2024. Mr. Pack noted that staff was recommending approval of this item and asked if there were any questions.

Chief Deputy Treasurer Henning asked if there were any additional questions from Board Members or the public on item #10. There were none.

Authority Action

Motion to Approve the Financial Soundness Determination of Final Apportionment through the Charter School Facilities Program for San Diego Unified on behalf of The O'Farrell Charter located in San Diego County.

Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Henning

AYES: Mireles, Perrault, Henning

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Executive Director Katrina Johantgen thanked Michael Pack for his work on the Charter School Facilities Program as well as his contributions to the Bond report.

Item #11: Public Comments

Chief Deputy Treasurer Henning asked if there were any additional questions from the public on items not on the agenda.

Item #12: Adjournment

The Board adjourned the meeting at 11:16 a.m.