

MINUTES

CALIFORNIA SCHOOL FINANCE AUTHORITY
901 P Street, Conference Room 102
Sacramento, California 95814
March 28, 2024
9:30 a.m.

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

OPEN SESSION

Item #1: Roll Call

Deputy Treasurer Morton called the California School Finance Authority (CSFA or Authority) meeting to order at 9:32 a.m.

Members: Khaim Morton, Deputy Treasurer – Present
Juan Mireles, designee for Tony Thurmond, Superintendent of Public Instruction – Present
Chris Ferguson, designee for Joe Stephenshaw, Director of Finance - Present

Staff Present: Katrina Johantgen, Executive Director (Sacramento)
Mita Parikh, Staff Services Manager I (Sacramento)
Robert Biegler, Program Lead (Via Teams – Los Angeles)
Michael Pack, Program Lead (Sacramento)
Robert Rodriguez, Office Technician (Sacramento)

Attendees: Brian Bauer, President, Granada Hills Charter
Tammy Stanton, Chief Business Officer, Granada Hills Charter
Marc Bauer, Partner, Orrick, Herrington & Sutcliffe
Scott Rolfs, Managing Director, B.C. Ziegler And Company
Dr. Paul Okaiteye, Chief Executive Officer, New Designs Charter School
Michael A. Charlebois, Borrower's Counsel, Ballard Spahr
John Phan, Principal, Campanile Group
Jessica I. Shaham, Partner, Kutak Rock
Jim Blandford, Underwriter, Robert W. Baird & Co
Stacey Leigh, Underwriter, Robert W. Baird & Co
Teresa Hart-Sanchez, Director, Integrity Charter School
Kaiti Wang, Vice President, HJ Sims
John Solarczyk, Executive Vice President, HJ Sims

Deputy Morton welcomed those on the phone line to the Authority Board meeting. Executive Director, Katrina Johantgen, read the prompt regarding the teleconference line and public participation.

Item #2: Approval of the February 29, 2024, Board Meeting Minutes (Action Item)

Deputy Treasurer Morton introduced Item #2: Approval of the February 29, 2024, Board Minutes. Deputy Treasurer Morton asked if there were any public comments. There were no comments on the minutes.

Authority Action

Motion to approve the minutes from the February 29, 2024, meeting.

Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Ferguson

AYES: Mireles, Ferguson, Morton

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Item #3: Executive Director's Report

Charter School Facility Grant Program (SB740): Staff is looking ahead to the 2024/2025 funding round with a webinar scheduled for April 15, 2024. The 2023/2024 funding round is currently active with 450 out of 453 applicants found eligible with second disbursements being sent to accounting this week.

Conduit Bond Program: The Authority is bringing three financings to Board Members today and has two applicants that staff may be presenting at the April 2024 board meeting.

New \$20 million Credit Enhancement Program: The Authority received another turn of our performance agreement from the federal government, and staff will be presenting regulations at its April or May meeting to administer this grant.

Charter School Facilities Program: Program Lead Michael Pack will be presenting two financial soundness reviews before the Board today.

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

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

Katrina Johantgen presented, confirming that while this report is not mandated, the Authority has provided one to the board for the previous six years to provide anecdotal information about the program. Ms. Johantgen presented an overview of the program financings from the previous year and provided demographic information regarding the program applicants. Ms. Johantgen noted that he anticipated an increase in financings in 2024 and opened the floor to questions.

Deputy Treasurer Morton asked if there were any additional questions from Board Members or the public on item #4. There were none.

Items #5 and #6 were presented jointly with voting for each item held until the end.

Item #5: Resolution No. 24 – 04 - Resolution Of The California School Finance Authority Authorizing The Issuance Of School Facility Revenue Bonds In An Amount Not To Exceed \$40,000,000 To Finance And/Or Refinance The Acquisition, Construction, Expansion, Remodeling, Renovation, Improvement, Furnishing And/Or Equipping Of Educational Facilities Located In Los Angeles County, California For Use By Granada Hills Charter, Devonshire Campus (Action Item)

Item #6: Resolution No. 24 – 05 - Approval Of The Charter School Facilities Credit Enhancement Grant Program (CFDA #84.354a) Award In An Amount Not To Exceed \$2,000,000 For The Benefit Of 17081 Devonshire LLC On Behalf Of Granada Hills Charter. (Action Item)

Staff Services Manager, Mita Parikh, presented the items and introduced Brian Bauer, President at Granada Hills Charter, Tammy Stanton, Chief Business Officer at Granada Hills Charter, Marc Bauer, Partner at Orrick, Herrington & Sutcliffe, and Scott Rolfs, Managing Director at B.C. Ziegler And Company. Scott Rolfs presented next and shared Granada Hill’s history of working with the Authority and gave an overview of the bond details. Tammy Stanton presented next and provided insight into the school’s history, the planned construction, and how it would benefit the campus. Brian Bauer presented next and shared Granada Hill’s mission and vision statement, enrollment demographics, and future enrollment projections.

Deputy Treasurer Morton asked if there were any additional questions from Board Members or the public on item #5. There were none.

Authority Action for Item #5

Motion to Approve the Issuance Of School Facility Revenue Bonds In An Amount Not To Exceed \$40,000,000 To Finance And/Or Refinance The Acquisition, Construction, Expansion, Remodeling, Renovation, Improvement, Furnishing And/Or Equipping Of Educational Facilities Located In Los Angeles County, California For Use By Granada Hills Charter, Devonshire Campus.

MOTION: Mireles SECOND: Ferguson

AYES: Mireles, Ferguson, Morton

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Deputy Treasurer Morton asked if there were any additional questions from Board Members or the public on item #6. There were none.

Authority Action for Item #6

Motion to Approve the Charter School Facilities Credit Enhancement Grant Program (CFDA #84.354a) Award In An Amount Not To Exceed \$2,000,000 For The Benefit Of 17081 Devonshire LLC On Behalf Of Granada Hills Charter.

MOTION: Mireles SECOND: Ferguson

AYES: Mireles, Ferguson, Morton

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Items #7 and #8 were presented jointly with voting for each item held until the end.

Item #7: Resolution No. 24 – 06 - Resolution Authorizing the Issuance of Revenue Bonds In An Amount Not To Exceed \$40,000,000 To Finance and/or Refinance The Acquisition, Construction, Expansion, Remodeling, Renovation, Improvement, Furnishing and/or Equipping Of Educational Facilities Located In Los Angeles County, California For Use By New Designs Charter School and New Designs Charter School - Watts. (Action Item)

Item #8: Resolution No. 24 – 07- Approval Of The Charter School Facilities Credit Enhancement Grant Program (CFDA #84.354a) Award In An Amount Not To Exceed \$2,000,000 To University Park And Watts LLC On Behalf Of New Designs Charter School. (Action Item)

Robert Biegler introduced Dr. Paul Okaiteye, Chief Executive Officer at New Designs Charter School, Michael A. Charlebois, Borrower’s Counsel at Ballard Spahr, John Phan, Principal at Campanile Group, Jessica I. Shaham, Partner at Kutak Rock, Jim Blandford, Underwriter at Robert W. Baird & Co and Stacey Leigh, Underwriter at Robert W. Baird & Co.

Jim Blandford presented next and shared some history of the school, working with the Authority on previous bond financings, and gave an overview of what this project would entail. Mr. Blandford then presented the project's financial details and a timeline for the project. Dr. Paul Okaiteye presented next and spoke about the school’s mission and educational philosophy. Dr. Okaiteye also provided details regarding student enrollment, demographics, and campus locations. John Phan presented financial projections next, noting he was anticipating a double B-plus rating.

Board Member Mireles inquired about the cost of the gym construction. The school noted that the same design was being used for both gym projects, hence the identical cost of \$2 million.

Board Member Ferguson asked if the school used any dual enrollment programs with the local area colleges. Dr. Okaiteye confirmed that dual enrollment programs have been offered for the last five years.

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

Authority Action for Item #7

Motion to Approve the Issuance of Revenue Bonds In An Amount Not To Exceed \$40,000,000 To Finance and/or Refinance The Acquisition, Construction, Expansion, Remodeling, Renovation, Improvement, Furnishing and/or Equipping Of Educational Facilities Located In Los Angeles County, California For Use By New Designs Charter School and New Designs Charter School - Watts.

MOTION: Mireles SECOND: Ferguson

AYES: Mireles, Ferguson, Morton

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

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

Authority Action for Item #8

Motion to Approve the Charter School Facilities Credit Enhancement Grant Program (CFDA #84.354a) Award In An Amount Not To Exceed \$2,000,000 To University Park And Watts LLC On Behalf Of New Designs Charter School.

MOTION: Mireles SECOND: Ferguson

AYES: Mireles, Ferguson, Morton

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Items #9 and #10 were presented jointly with voting for each item held until the end.

Item #9: Resolution No. 24 – 08 - Resolution Authorizing the Issuance of Revenue Bonds In An Amount Not To Exceed \$35,500,000 To Finance and/or Refinance The Acquisition, Construction, Expansion, Remodeling, Renovation, Improvement, Furnishing and/or Equipping Of Educational Facilities Located In San Diego County, California For Use By Integrity Charter School. (Action Item)

Item #10: Resolution No. 24 – 09 - Approval Of The Charter School Facilities Credit Enhancement Grant Program (CFDA #84.354a) Award In An Amount Not To Exceed \$2,000,000 To 241 National City Blvd. Fund, LLC On Behalf Of Integrity Charter School. (Action Item)

Robert Biegler presented and introduced Teresa Hart-Sanchez, Director at Integrity Charter School, John Phan, Principal at Campanile Group, Jessica I. Shaham, Partner at Kutak Rock, Kaiti Wang, Vice President at HJ Sims and John Solarczyk, Executive Vice President at HJ Sims. John Solarczyk presented next and provided an overview of the financing and planned construction. Teresa Hart-Sanchez presented information regarding the school's history and current facilities. Mrs. Hart-Sanchez then spoke about the school's educational methods and community involvement efforts. Mrs. Hart-Sanchez also presented projected student enrollment and thanked the board for consideration. John Solarczyk shared details on how the project would impact the school campus and provided insight into the school's current and projected financial information.

Board Member Mireles had a question about the new campus size and how it would affect physical education efforts. Mrs. Sanchez-Hart confirmed the campus multipurpose room was large enough to accommodate the school's physical education classes.

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

Authority Action for Item #9

Motion to Approve the Issuance of Revenue Bonds In An Amount Not To Exceed \$35,500,000 To Finance and/or Refinance The Acquisition, Construction, Expansion, Remodeling, Renovation, Improvement, Furnishing and/or Equipping Of Educational Facilities Located In San Diego County, California For Use By Integrity Charter School.

MOTION: Mireles SECOND: Ferguson

AYES: Mireles, Ferguson, Morton

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

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

Authority Action for Item #10

Motion to Approve the Charter School Facilities Credit Enhancement Grant Program (CFDA #84.354a) Award In An Amount Not To Exceed \$2,000,000 To 241 National City Blvd. Fund, LLC On Behalf Of Integrity Charter School.

MOTION: Mireles SECOND: Ferguson

AYES: Mireles, Ferguson, Morton

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Item #11: Resolution No. 24 – 10 – Approval of Financial Soundness Determination for Advance Apportionment through the Charter School Facilities Program for Magnolia Science Academy 5 located in Los Angeles County. (Action Item)

Michael Pack presented and shared an overview of the program and item. Mr. Pack then provided insight into the school’s enrollment figures and confirmed they met all program eligibility. Mr. Pack provided a financial analysis of the school and noted that while the school originally submitted higher enrollment projections, they analysis had been rerun with the corrected, smaller projections and was subsequently approved by the California Department of Education.

Board Member Mireles noted that he appreciated the Authority being thorough with the small projection analysis.

Deputy Treasurer Morton asked if there were any additional questions from Board Members or the public on item #11. There were none.

Authority Action for Item #11

Motion to Approve the Financial Soundness Determination for Advance Apportionment through the Charter School Facilities Program for Magnolia Science Academy 5 located in Los Angeles County.

MOTION: Mireles SECOND: Ferguson
AYES: Mireles, Ferguson, Morton
NOES: NONE
ABSTAIN: NONE

MOTION APPROVED.

Item #12 was removed from the Board Meeting agenda.

Item #13: Resolution No. 24 – 12 - Approval of Financial Soundness Determination for Advance Apportionment through the Charter School Facilities Program for Education for Change on behalf of Cox Academy located in Alameda County. (Action Item)

Program Lead Michael Pack presented and shared an overview of the financing and presented financial analysis details and student enrollment figures. Mr. Pack also discussed the school’s debt service coverage and confirmed the school met all of the program’s eligibility criteria. Mr. Pack then presented details regarding the school’s financial history and noted that staff was recommending approval for this item.

Deputy Treasurer Morton asked if there were any additional questions from Board Members or the public on item #13. There were none.

Authority Action for Item #13

Motion to Approve the Financial Soundness Determination for Advance Apportionment through the Charter School Facilities Program for Education for Change on behalf of Cox Academy located in Alameda County.

MOTION: Mireles SECOND: Ferguson

AYES: Mireles, Ferguson, Morton

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Item #14: Closed Session item

Item #15: Closed Session item

Item #16: Closed Session item

Item #17: Public Comments

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

Item #18: Adjournment

The Board adjourned the meeting at 12:08 p.m.