CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY (CEFA)

Delegation of Powers, Resolution No. 2023-01

Bond Financing Program

University of San Francisco, Series 2017 Bonds & Series 2017 Tax-Exempt Loan

December 12, 2024

BACKGROUND: In April 2017, CEFA issued tax-exempt bonds for University of San Francisco (USF) in the par amount of \$75,000,000 (the Bonds). In December 2017, CEFA issued a tax-exempt loan for USF in the par amount of \$31,310,000 (the Tax-Exempt Loan). In November 2024, USF provided notice to CEFA that, for fiscal year 2024, USF was not in compliance with the debt service coverage covenant related to the Tax-Exempt Loan. JP Morgan, as sole owner of the Bonds and the Tax-Exempt Loan, provided USF with a waiver for the non-compliance and, in exchange, requested to increase the liquidity covenant requirement from 0.7x to 1x. To effectuate the change in the liquidity covenant requirement, USF requested CEFA to execute a Second Amendment to Master Loan Agreement related to the Tax-Exempt Loan and a Reissuance Supplemental Tax Exemption Certificate and Agreement related to the Bonds and the Tax-Exempt Loan.

ACTION: In consultation with the Attorney General's Office, who confirmed that the proposed action fell within the Interim Executive Director's delegated authority under Resolution No. 2023-01, the Interim Executive Director executed the Second Amendment to Master Loan Agreement and the Reissuance Supplemental Tax Exemption Certificate and Agreement on November 21, 2024.