

**MINUTES OF THE
CALIFORNIA SCHOOL FINANCE AUTHORITY BOARD MEETING
901 P Street, Conference Room #102
Sacramento, California 95814
September 26, 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 9:35 a.m. The meeting began late due to technical difficulties. Once resolved, the meeting began and ran seamlessly.

Members: Khaim Morton, designee for Fiona Ma, State 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)
William “Will” Jarrell, Staff Services Manager II (Sacramento)
Robert Rodriguez, Office Technician (Sacramento)
William “Fritz” Pahland, STO General Counsel (Sacramento)
Robert Biegler, Program Lead (via TEAMS – Los Angeles)

Attendees: Nicholas Hagen, Managing Director, Piper Sandler & Co.
David Lauck, Chief Financial Officer, Alliance for College-Ready Public Schools
Danna Serna, VP of Finance, Alliance for College-Ready Public Schools
Eugene Clark-Herrera, Partner, Orrick Herrington & Sutcliffe
Marc Bauer, Partner, Orrick Herrington & Sutcliffe
Brian Holman, Partner, Musick Peeler
Andrea Jaramillo, Attorney, Department of Justice
Yanira Ledezma, Superintendent, Hayward Twin Oaks Montessori School
Rick McMahon, Treasurer, Hayward Twin Oaks Montessori School
Chris Wienk, Managing Director, First Tryon
Robert Ryan, Vice President, First Tryon
Cameron Canter, Analyst, First Tryon
Jessica Shaham, Partner, Kutak Rock
Akshai Patel, Executive Vice President, HJ Sims
John Solarczyk, Executive Vice President, HJ Sims
Rob Nickell, Executive Vice President, HJ Sims
Kaiti Wang, Vice President, HJ Sims
Jess Ward, Assistant Vice President, HJ Sims

Lisa Lee, Chief Executive Officer, Stockton Collegiate International Schools
Monica Cutno, Director, PNC Capital Markets
Sean Yates, Associate, Orrick, Herrington & Sutcliffe
Marc Wancer, Principal, School Investment, Equitable Facilities Fund
Jared Kane, Investment Associate, Equitable Facilities Fund
Jason Huang, Investment Analyst, Equitable Facilities Fund
Kyle Goss, Chief Financial Officer, Ednovate

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

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

Deputy Treasurer Morton introduced Item #2: Approval of the August 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 August 29, 2024, meeting.

MOTION: Mireles SECOND: Ferguson

Robert Rodriguez called the roll.

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

MOTION APPROVED.

Item #3: Executive Director's Report

Executive Director Katrina Johantgen noted that the Authority received a new \$30 million Federal grant which will be used to implement a fourth State Charter School Facility Incentive Grant program.

Charter School Facility Grant Program (SB740): The Authority is working on getting disbursements out prior to the October 31, 2024 deadline with staff currently completing for-profit and other program criteria reviews. New staff member Fatima Anwar was introduced and will be working on this program.

Conduit Bond Program: Four financings will be presented before the Board today, two of which include Credit Enhancement awards.

Charter School Facilities Program: The Authority is monitoring Proposition 2 and how it's polling to determine what kind of resources will be needed for a new \$600 million funding round. To date, there is little indication on where the measure will end up.

Revolving Loan Fund: Staff is working through submitted applications as well as reaching out to eligible schools that have not applied to expand program participation.

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

Items #4 and #5 were presented jointly with voting for each item held until the end.

Item #4: Resolution No. 24 – 42 – Resolution Of The California School Finance Authority Authorizing The Issuance Of Revenue Bonds In An Amount Not To Exceed \$45,000,000 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 Alliance College-Ready Public Schools. (Action Item)

Item #5: Resolution No. 24 – 43 – Approval Of The Charter School Facilities Credit Enhancement Grant Program (CFDA #84.354A) Award In An Amount Not To Exceed \$2,000,000 To Alliance For College-Ready Public Schools Facilities Corporation For The Benefit Of Alliance College-Ready Public Schools (Action Item)

Program lead Robert Biegler presented and introduced Nicholas Hagen, Managing Director at Piper Sandler & Co., David Lauck, Chief Financial Officer at Alliance for College-Ready Public Schools, Danna Serna, VP of Finance at Alliance for College-Ready Public Schools, Eugene Clark-Herrera, Partner at Orrick Herrington & Sutcliffe, Marc Bauer, Partner at Orrick Herrington & Sutcliffe, Brian Holman, Partner at Musick Peeler and Andrea Jaramillo, Attorney at Department of Justice.

The team from Alliance for College-Ready Public Schools presented their financial details, school information, the nature of the project and scope of the financing.

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

Authority Action for Item #4

Motion to Approve the Issuance Of Revenue Bonds In An Amount Not To Exceed \$45,000,000 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 Alliance College-Ready Public Schools.

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 #5. There were none.

Authority Action for Item #5

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 Alliance For College-Ready Public Schools Facilities Corporation For The Benefit Of Alliance College-Ready Public Schools.

MOTION: Ferguson SECOND: Mireles

AYES: Mireles, Ferguson, Morton

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Items #6 and #7 were presented jointly with voting for each item held until the end.

Item #6: Resolution No. 24 – 44 – Resolution Of The California School Finance Authority Authorizing The Issuance Of Revenue Bonds In An Amount Not To Exceed \$25,500,000 To Finance and/or Refinance The Acquisition, Construction, Expansion, Remodeling, Renovation, Improvement, Furnishing And Equipping Of Educational Facilities Located In Alameda County, California For Use By Hayward Twin Oaks Montessori School. (Action Item)

Item #7: Resolution No. 24 – 45 – Approval Of The Charter School Facilities Credit Enhancement Grant Program (CFDA #84.354A) Award In An Amount Not To Exceed \$1,400,000 To HTOM Facilities LLC For The Benefit Of Hayward Twin Oaks Montessori (Action Item)

CSFA Program Lead Robert Biegler presented and introduced Yanira Ledezma, Superintendent at Hayward Twin Oaks Montessori School, Rick McMahon, Treasurer at Hayward Twin Oaks Montessori School, Chris Wienk, Managing Director at First Tryon, Robert Ryan, Vice President at First Tryon, Cameron Canter, Analyst at First Tryon, Jessica Shaham, Partner at Kutak Rock, Brian Holman, Partner at Musick, Peeler & Garrett, Akshai Patel, Executive Vice President at HJ Sims, John Solarczyk, Executive Vice President at HJ Sims, Rob Nickell, Executive Vice President at HJ Sims, Kaiti Wang, Vice President at HJ Sims and Jess Ward, Assistant Vice President at HJ Sims.

The team from Alliance for College-Ready Public Schools presented their financial details, school information, the nature of the project and financing structure.

Board Member Mireles had a question about a reduction in the school's special education budget and wanted to confirm these services would continue to be provided. Mrs. Ledezma confirmed the budget discrepancy was related to a delay in receiving funds from the Charter School Facility Grant Program (SB740) and confirmed special education services were still offered by the school.

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 Authorizing The Issuance Of Revenue Bonds In An Amount Not To Exceed \$25,500,000 To Finance and/or Refinance The Acquisition, Construction, Expansion, Remodeling, Renovation, Improvement, Furnishing And Equipping Of Educational Facilities Located In Alameda County, California For Use By Hayward Twin Oaks Montessori 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 #7. There were none.

Authority Action for Item #7

Motion to Approve The Charter School Facilities Credit Enhancement Grant Program (CFDA #84.354A) Award In An Amount Not To Exceed \$1,400,000 To HTOM Facilities LLC For The Benefit Of Hayward Twin Oaks Montessori.

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

MOTION APPROVED.

Items #8 and #9 were presented jointly with voting for each item held until the end.

Item #8: Resolution No. 24 – 46 – Resolution Of The California School Finance Authority Authorizing The Issuance Of Revenue Bonds In An Amount Not To Exceed \$7,000,000 To Finance and/or Refinance The Acquisition, Construction, Expansion, Remodeling, Renovation, Improvement, Furnishing and/or Equipping Of Educational Facilities Located In San Joaquin County, California For Use By Stockton Collegiate International Schools (Action Item)

Item #9: Resolution No. 24 – 47 – Approval Of The Charter School Facilities Credit Enhancement Grant Program (CFDA #84.354A) Award In An Amount Not To Exceed

\$1,000,000 To Stockton Collegiate Facilities, LLC For The Benefit Of Stockton Collegiate International Schools (Action Item)

Mita Parikh, Bond Manager, presented and introduced Lisa Lee, Chief Executive Officer at Stockton Collegiate International Schools, Monica Cutno, Director at PNC Capital Markets and Sean Yates, Associate at Orrick, Herrington & Sutcliffe.

The team from Stockton Collegiate International Schools presented their financial details, school information and the nature of the project.

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 Authorizing The Issuance Of Revenue Bonds In An Amount Not To Exceed \$7,000,000 To Finance and/or Refinance The Acquisition, Construction, Expansion, Remodeling, Renovation, Improvement, Furnishing and/or Equipping Of Educational Facilities Located In San Joaquin County, California For Use By Stockton Collegiate International Schools.

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 #9. There were none.

Authority Action for Item #9

Motion to Approve The Charter School Facilities Credit Enhancement Grant Program (CFDA #84.354A) Award In An Amount Not To Exceed \$1,000,000 To Stockton Collegiate Facilities, LLC For The Benefit Of Stockton Collegiate International Schools

MOTION: Ferguson SECOND: Mireles

AYES: Mireles, Ferguson, Morton

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Item #10: Resolution No. 24 – 48 – Resolution Of The California School Finance Authority Authorizing A Loan To The Authority In An Amount Not To Exceed \$24,500,000, The Issuance By The Authority Of A Promissory Note Evidencing The Obligations Of The Authority In Connection With Such Loan, And A Loan From The Authority To PMC Support Corporation, To Finance and/or Refinance The Acquisition, Construction, Expansion, Remodeling, Renovation, Improvement, Furnishing and/or Equipping Of Educational Facilities Located In Los Angeles County and Orange County For Use By Ednovate, Inc, Providing The Terms And Conditions For Such Loans And Promissory Note And Other Matters Relating Thereto, And Authorizing The Execution Of Certain Documents In Connection Therewith (Action Item)

Katrina Johantgen presented this item and introduced Marc Wancer, Principal School Investment at Equitable Facilities Fund, Jared Kane, Investment Associate at Equitable Facilities Fund, Jason Huang, Investment Analyst at Equitable Facilities Fund, Eugene Clark-Herrera, Partner at Orrick, Herrington & Sutcliffe, Sean Yates, Associate at Orrick, Herrington & Sutcliffe and Kyle Goss, Chief Financial Officer at Ednovate. The team from Equitable Facilities Fund presented their financial details, school information the nature of the project, and the financing structure

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 Loan To The Authority In An Amount Not To Exceed \$24,500,000, The Issuance By The Authority Of A Promissory Note Evidencing The Obligations Of The Authority In Connection With Such Loan, And A Loan From The Authority To PMC Support Corporation, To Finance and/or Refinance The Acquisition, Construction, Expansion, Remodeling, Renovation, Improvement, Furnishing and/or Equipping Of Educational Facilities Located In Los Angeles County and Orange County For Use By Ednovate, Inc, Providing The Terms And Conditions For Such Loans And Promissory Note And Other Matters Relating Thereto, And Authorizing The Execution Of Certain Documents In Connection Therewith

MOTION: Mireles SECOND: Ferguson

AYES: Mireles, Ferguson, Morton

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Item #11: Resolution No. 24 – 49 Resolution Of The California School Finance Authority Authorizing The Issuance Of Charter School Revenue Bonds In An Amount Not To Exceed \$80,000,000 To Finance And/Or Refinance The Acquisition, Construction, Expansion, Remodeling, Renovation, Improvement, Furnishing And/Or Equipping Of Educational Facilities Located In Sacramento County, California For Use By Rex And Margaret Fortune School Of Education (Action Item)

Katrina Johantgen, presented this item. This item returned to the board for a new authorization for an increase in par-amount. Ms. Johantgen highlighted the structure and incorporated outstanding debt into the refinancing.

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 Issuance Of Charter School Revenue Bonds In An Amount Not To Exceed \$80,000,000 To Finance And/Or Refinance The Acquisition, Construction, Expansion, Remodeling, Renovation, Improvement, Furnishing And/Or Equipping Of Educational Facilities Located In Sacramento County, California For Use By Rex And Margaret Fortune School Of Education.

MOTION: Mireles SECOND: Ferguson

AYES: Mireles, Ferguson, Morton

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

Item #12: Closed Session

The board entered a closed session period to discuss a legal issue involving the Authority. After the discussion, the open session resumed.

Item #13: Public Comments

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

Item #14: Adjournment

The Board adjourned the meeting at 12:25 p.m.