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**CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY  
2019 ANNUAL REPORT**



## CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

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### MEMBERS

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California State Treasurer

BETTY T. YEE  
State Controller

KEELY MARTIN BOSLER  
Director, Department of Finance

WILLIAM G. MCGINNIS

VACANT

**ACTING EXECUTIVE DIRECTOR**  
FRANK MOORE

March 31, 2020

Dear Members:

On behalf of the California Educational Facilities Authority (CEFA) and staff, I am pleased to present to you the 2019 CEFA annual report pursuant to California Education Code Section 94155. Established in 1973, CEFA continues to serve as a conduit issuer of tax-exempt bonds on behalf of California private non-profit colleges and universities. As of December 31, 2019, CEFA has issued \$14,037,383,538 in tax-exempt bonds since its inception, which has enabled our college and university partners to realize their capital and construction financing objectives.

The annual report highlights CEFA's activity for the 2019 calendar year. In total, CEFA processed five Delegation Requests, approved two new bond financing applications, and closed two bond financings, issuing \$493,450,000 in bonds. The College Access Tax Credit Fund closed the 2019 taxable year with contributions totaling \$807,875, which resulted in the certification of \$404,771 in tax credits.

The success of CEFA is made possible by the hard work and dedication of its members and staff. For 47 years, CEFA has continued to serve as a valuable resource by assisting higher educational institutions in expanding educational opportunities for all California students and their families.

If you desire further information or have questions concerning CEFA, please feel free to call me at (916) 653-2872. Additional information concerning CEFA can be found on our website: <http://www.treasurer.ca.gov/cefa>.

Sincerely,

Frank Moore  
Acting Executive Director

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## California Educational Facilities Authority

The California Educational Facilities Authority (CEFA) was established in 1973 and operates pursuant to the California Educational Facilities Authority Act (the CEFA Act), as set forth in Sections 94100-94213 of the California Education Code.

CEFA was created for the purpose of issuing revenue bonds to assist private nonprofit institutions of higher learning in the expansion and construction of educational facilities. Because it is authorized to issue tax-exempt bonds, CEFA may be able to provide financing terms that are more favorable to private institutions than might otherwise be available through commercial lenders or other taxable debt instruments.

The CEFA Act explicitly states that bonds issued by CEFA shall not be a debt, liability, or claim on the full faith and credit or the taxing power of the State of California, or any of its political subdivisions. The full faith and credit of the participating institution is normally pledged to the payment of the bonds.

### Mission Statement

The mission of CEFA is to provide students with better access and broader opportunities in higher education by providing qualified non-profit private higher education institutions with the assistance needed to reduce their capital costs of financing academic related facilities through a tax-exempt revenue bond program.

### Board Members

Fiona Ma, CPA	<i>Chair, California State Treasurer</i>
Betty T. Yee	<i>Vice Chairperson, California State Controller</i>
Keely Martin Bosler	<i>Director, California Department of Finance</i>
William G. McGinnis	<i>Trustee, Butte-Glenn Community College District Board</i>



## Programs

**Bond Financing** – The Bond Financing Program provides borrowers access to low interest rate capital markets through the issuance of tax-exempt bonds. Tax-exempt bonds may be marketed to multiple bondholders in an effort to obtain a better interest rate via either a public offering or a private placement. Given the cost of issuing bonds, this option is most often pursued by borrowers with capital project financing needs in excess of \$5 million. Colleges or universities with more modest financing needs may be grouped or “pooled” by CEFA into a single bond financing, allowing bond issuance costs to be shared by the pool participants.

**College Access Tax Credit Fund** – Senate Bill 798 (De Leon), Senate Bill 81, and Assembly Bill 490 (Quirk-Silva) were enacted in September 2014, June 2015, and October 2017, respectively, authorizing CEFA to allocate and certify tax credits for taxable years beginning on or after January 1, 2014, and before January 1, 2023, based on a percentage of the taxpayer's contribution to the College Access Tax Credit Fund. Currently, the maximum aggregate amount of credit that could be allocated and certified by CEFA is \$500 million. CEFA also is required to provide the Franchise Tax Board and the California Department of Insurance a copy of the certifications by March 1.

## 2019 Legislative Changes

No legislative changes to report in 2019.



Stanford University, Anne T. and Robert M. Bass Biology Research Building

Courtesy of Stanford University, Photo by: Linda A. Cicero / Stanford News Service

## Summary of 2019 Calendar Year Financings

In 2019, CEFA authorized two bond financings for two California universities, which resulted in the issuance of \$493,450,000 in bonds. The following provides a summary of all CEFA bond issues that closed in 2019.

### **\$51,620,000**

#### **Loyola Marymount University, Series 2019**

The proceeds were used to provide tax-exempt financing to refund all or a portion of the outstanding CEFA Series 2010A and CEFA Series 2015 bonds.

### **\$441,830,000**

#### **Stanford University, Series V-1**

The proceeds were used to provide tax-exempt financing for the construction, renovation, equipping and furnishing of educational facilities located on the main campus. Proceeds also were used to refinance commercial paper issued through CEFA as well as other commercial paper and a revolving line of credit.

## Portfolio

As of December 31, 2019, CEFA had 79 outstanding bond issues totaling \$4,693,115,138.



## Staff

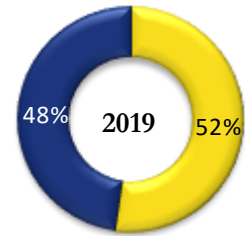
Frank Moore – <i>Acting Executive Director</i>	<a href="mailto:fmoore@treasurer.ca.gov">fmoore@treasurer.ca.gov</a>
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# Projects Financed

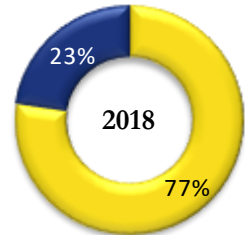
## 2019

<i>Institution</i>	<i>Location</i>	<i>Amount</i>
Stanford University, Series V-1	Stanford	\$ 441,830,000
Loyola Marymount University, Series 2019	Los Angeles	51,620,000
<b>Total</b>		<b>\$ 493,450,000</b>



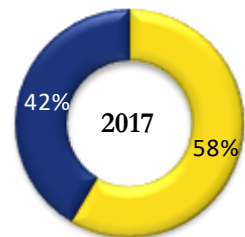
## 2018

<i>Institution</i>	<i>Location</i>	<i>Amount</i>
Art Center College of Design, Series 2018A	Pasadena	\$ 100,000,000
Mount Saint Mary's University, 2018A	Los Angeles	34,940,000
Mount Saint Mary's University, 2018B (taxable)	Los Angeles	5,800,000
Loyola Marymount University, Series 2018A (taxable)	Los Angeles	29,210,000
Loyola Marymount University, Series 2018B	Los Angeles	57,330,000
University of San Francisco, Series 2018A	San Francisco	140,000,000
University of San Francisco, Series 2018B (taxable)	San Francisco	35,880,000
<b>Total</b>		<b>\$ 403,160,000</b>



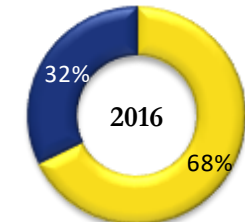
## 2017

<i>Institution</i>	<i>Location</i>	<i>Amount</i>
Loma Linda University, Series A	San Bernardino	\$ 134,945,000
Loma Linda University, Series B	San Bernardino	43,440,000
University of San Francisco	San Francisco	75,000,000
Santa Clara University, Series A	Santa Clara	97,530,000
Santa Clara University, Series B	Santa Clara	25,035,000
Chapman University, Series A	Orange	111,015,000
Chapman University, Series B	Orange	37,650,000
Santa Clara University, Series 2017C	Santa Clara	52,485,000
Pepperdine University, Series 2017	Malibu	20,870,000
University of San Francisco, Tax-Exempt Loan	San Francisco	31,310,000
<b>Total</b>		<b>\$ 629,280,000</b>



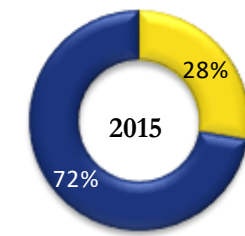
## 2016

<i>Institution</i>	<i>Location</i>	<i>Amount</i>
Occidental College, Series 2015	Los Angeles	\$ 34,270,000
Pepperdine University, Series 2016	Malibu	100,000,000
University of Redlands, Series 2016	Redlands	30,690,000
Claremont Graduate University, Series 2016 A	Claremont	12,500,000
Claremont Graduate University, Series 2016 B	Claremont	40,435,000
Claremont Graduate University, Series 2016 C	Claremont	6,960,000
Stanford University, Series U-7	Stanford	170,350,000
<b>Total</b>		<b>\$ 395,205,000</b>



## 2015

<i>Institution</i>	<i>Location</i>	<i>Amount</i>
University of Redlands, Series 2014	Redlands	\$ 31,595,000
Loyola Marymount University, Series 2015	Los Angeles	30,025,000
University of the Pacific, Series 2015	Stockton	68,005,000
Chapman University, Series 2015	Orange	114,485,000
Pepperdine University, Series 2015	Malibu	76,455,000
University of Southern California, Series 2015	Los Angeles	42,960,000
Santa Clara University, Series 2015	Santa Clara	102,230,000
Claremont McKenna College, Series 2015	Claremont	111,785,000
<b>Total</b>		<b>\$ 577,540,000</b>



■ New Construction  
■ Refinancing



## Appendix A

### **Audited Financial Statements**

Due to unforeseen circumstances, a complete copy of CEFA's June 30, 2019 and 2018 Independent Auditor's Report as prepared by Gilbert Associates, Inc., Certified Public Accountants of Sacramento, CA has not been completed by the March 31 due date pursuant to Section 94155 of the CEFA Act.

Upon its finalization, a copy of the Independent Auditor's Report will be provided separately.