



**CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY
2021 ANNUAL REPORT**



CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY

915 Capitol Mall, Suite 435
Sacramento, CA 95814
p (916) 653-2872
f (916) 653-2179
cefa@treasurer.ca.gov
www.treasurer.ca.gov/cefa

MEMBERS

FIONA MA, CPA, CHAIR
California State Treasurer

BETTY T. YEE
State Controller

KEELY MARTIN BOSLER
Director of Finance

DEBRA MARTIN

KELLY RATLIFF

ACTING EXECUTIVE DIRECTOR

FRANK MOORE

March 31, 2022

Dear Members:

On behalf of the California Educational Facilities Authority (CEFA) and staff, I am pleased to present you the 2021 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, 2021, CEFA has issued \$14,390,778,538 in tax-exempt bonds since its inception, which has enabled our college and university partners to realize their capital and construction financing objectives.

This annual report highlights CEFA's activity for the 2021 calendar year. In total, CEFA processed zero delegation requests and received two bond financing applications. The College Access Tax Credit Fund closed the 2021 taxable year with contributions, totaling \$1,180,916, which resulted in the certification of \$591,708 in tax credits.

The success of CEFA is made possible by the hard work and dedication of its members and staff. For 49 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> |
| Debra Martin | <i>Vice President for Administration & Finance and CFO, Mount Saint Mary's University</i> |
| Kelly Ratliff | <i>Vice Chancellor of Finance, Operations and Administration, University of California, Davis</i> |



California State Treasurer's Office

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 León), Senate Bill 81 (Committee on Budget and Fiscal Review), and Assembly Bill 490 (Quirk-Silva), enacted in 2014, 2015, and 2017, respectively, authorized 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, that percentage is 50 percent and 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 with a copy of the certifications by March 1.

2021 Legislative Changes

No legislative changes to report in 2021.



California State Capitol



Stanford University, Middle Plaza – Residential (rendering-DES & Dahlin Architects)

Summary of 2021 Calendar Year Financings

In 2021, CEFA authorized two bond financings for two California universities, which resulted in the issuance of \$353,395,000 in bonds. The following provides a summary of all CEFA bond issues that closed in 2021.

\$52,995,000

Chapman University, Series 2021A

The proceeds were used to provide tax-exempt financing to refund all or a portion of the outstanding CEFA Series 2011 bonds.

\$300,400,000

Stanford University, Series V-2

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 pay the principal amount of the CEFA Series U-5 bonds.

Portfolio

As of December 31, 2021, CEFA had 64 outstanding bond issues, totaling \$4,318,592,858.



Staff

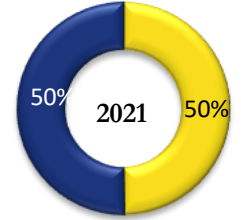
| | |
|---|--|
| Frank Moore – <i>Acting Executive Director</i> | fmoore@treasurer.ca.gov |
| Carolyn Aboubechara – <i>Deputy Executive Director</i> | caboubechara@treasurer.ca.gov |
| Summer Nishio – <i>Staff Services Manager II</i> | snishio@treasurer.ca.gov |
| Brock Lewis – <i>Staff Services Manager I</i> | blewis@treasurer.ca.gov |
| Tyler Bui – <i>Associate Governmental Program Analyst</i> | tbui@treasurer.ca.gov |
| Matthew Francis – <i>Associate Governmental Program Analyst</i> | mfrancis@treasurer.ca.gov |
| Anna Ramirez – <i>Associate Governmental Program Analyst</i> | aramirez@treasurer.ca.gov |
| Christopher Healy – <i>Associate Governmental Program Analyst</i> | chealy@treasurer.ca.gov |
| Tamara McNary – <i>Executive Assistant</i> | tmcnary@treasurer.ca.gov |

The Office of CEFA is located at:
915 Capitol Mall, Suite 435
Sacramento, CA 95814
Telephone: (916) 653-2872
Fax: (916) 653-2179
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Projects Financed

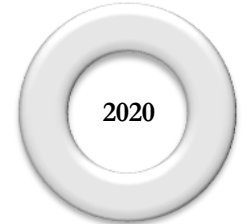
2021

| <i>Institution</i> | <i>Location</i> | <i>Amount</i> |
|----------------------------------|-----------------|-----------------------|
| Chapman University, Series 2021A | Orange | \$ 52,995,000 |
| Stanford University, Series V-2 | Stanford | 300,400,000 |
| Total | | \$ 353,395,000 |



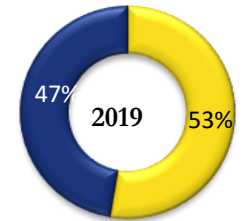
2020

| <i>Institution</i> | <i>Location</i> | <i>Amount</i> |
|--------------------|-----------------|---------------|
| None | | \$ - |



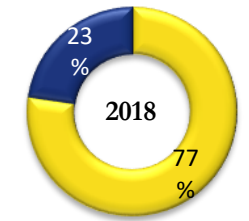
2019

| <i>Institution</i> | <i>Location</i> | <i>Amount</i> |
|--|-----------------|-----------------------|
| Stanford University, Series V-1 | Stanford | \$ 600,000,000 |
| Loyola Marymount University, Series 2019 | Los Angeles | 65,000,000 |
| Total | | \$ 665,000,000 |



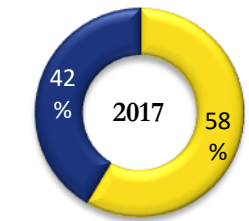
2018

| <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 |
| Total | | \$ 403,160,000 |



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 |
| Total | | \$ 629,280,000 |



■ New Construction
■ Refinancing

Appendix A

Audited Financial Statements

Due to unforeseen circumstances, a complete copy of CEFA's June 30, 2021 and 2020 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.