

MINUTES

**CALIFORNIA EDUCATIONAL
FACILITIES AUTHORITY (“CEFA”)
5th Floor Conference Room
915 Capitol Mall, Room 587
Sacramento, California 95814**

Wednesday July 9, 2014

1:30 PM

Deputy Treasurer Michael Paparian, serving as Chairperson, called the CEFA meeting to order at 1:31p.m.

CEFA Roll Call

Members Present: Michael Paparian for Bill Lockyer, State Treasurer, Chairperson
Ruth Holton-Hodson for John Chiang, State Controller, Vice-Chairperson
Eraina L. Ortega for Michael Cohen, Director, Department of Finance
Stacy Lewis Daher
William McGinnis

Staff Present: Ronald L. Washington, Executive Director
Rosalind Brewer, Deputy Executive Director

Chairperson Paparian declared a quorum present.

The minutes from the CEFA April 17, 2014 and April 24, 2014 were approved. Ms. Ortega moved for approval of the minutes; Mr. McGinnis seconded it. Motion adopted 4-0-1 abstention (Ruth Holton-Hodson).

CEFA’s Executive Director’s Report

Mr. Washington presented the Executive Director’s report as of April 30, 2014 and May 31, 2014 that reflected total and outstanding debt and program balances and noted that the top ten borrowers remained relatively unchanged.

Mr. Washington presented the Delegation of Powers regarding Dominican University of California (“Dominican”). He stated that Dominican notified the Authority in April 2014 of its intention to lease certain premises to New Cingular Wireless PCS, LLC (“Cingular”). Dominican requested written consent to execute a Structure Lease Agreement and a Non-Disturbance Agreement between Dominican and Cingular. In consultation with the STO Legal Counsel, the CEFA Executive Director executed a letter of consent to Dominican, authorizing the execution of the Structure Lease Agreement and the Non-Disturbance Agreement.

Mr. Washington presented the Delegation of Powers regarding Saint Mary’s College of California (“Saint Mary’s”). He stated that Saint Mary’s notified the Authority in April 2014 of its intention to appoint Banc of America Public Capital Corp. as the Calculation Agent and re-issue the CEFA Series 2007 bonds. In consultation with Attorney General’s Office and STO Legal Counsel, the CEFA Executive Director executed a First Supplemental Indenture, Certificate of the Authority, Tax Certificate and Agreement, and IRS Form 8038 for Saint Mary’s College of California’s CEFA Series 2007 Bonds.

Item # 4

Tyler Bui reported a correction to the staff report on page four, Section II Guidelines Discussion, first bullet point, replaced “affiliate” with “qualified affiliate”.

Mr. Bui reported Art Center College of Design (“Art Center”) requested the Authority’s approval to issue bonds in an amount not to exceed \$68 million to refund the outstanding CEFA Series 2002A, Series 2002B, Series 2009, and Series 2012 for the purposes of extending repayment of debt payments on the prior bonds in order to maintain a comfortable margin on the debt service coverage. During the initial seven year credit period, a \$135,000 per year savings was expected. Mr. Bui stated bond proceeds would also be used for the acquisition and renovation of new facilities, consistent with Art Center’s master plan of expanded facilities for planned enrollment growth.

Representing Art Center College of Design: Rich Haluschak, Chief Financial Officer, Diane Wittenberg, Controller, Purchaser: Doug Brown, Director, Rick Chisholm, Managing Director, Shay Brunson, Associate, Wells Fargo Bank, N.A., Bond Counsel: Trish Gump, Senior Attorney, Squire Patton Boggs (US) LLP

Staff recommended the Authority approve Resolution No. 297 in an amount not to exceed \$68 million as a direct bank placement.

Ms. Holton-Hodson moved for adoption of the Resolution and Ms. Ortega seconded it. Motion adopted 5-0.

Item # 5

Cal Loan Program - Update

Mr. Washington presented an update of the Cal Loan Student Loan Program (“Cal Loan”) with a summary analysis prepared by Macias Gini & O’Connell LLP (“Macias”), the Authority’s financial analyst, and CEFA staff. Mr. Washington stated the report includes the implementation of Macias’ recommendations by CEFA and the impact and results of those implementations. Mr. Washington noted the Authority was able to negotiate the sale of the outstanding loan portfolio to a third party, GOAL (Turnstile Capital Management, LLC) and also redeemed the outstanding \$5.1 million in Cal Loan bonds in June 2014.

Mr. Washington stated with the close-out of Cal Loan program funds, the Department of Finance intended to transfer the remaining balance of the Student Loan Program Fund to the Student Aid Commission to support its Cal Grant programs.

With no public comment, the CEFA meeting was adjourned at 2:01p.m.

Respectfully submitted,

Ronald L. Washington
Executive Director