

# CALIFORNIA SCHOOL FINANCE AUTHORITY

## Meeting of the Board

Wednesday, April 10, 2019  
11:00 a.m.

915 Capitol Mall, Room 587  
Sacramento, California 95814

Deputy State Treasurer Audrey Noda, serving as Chair, called the meeting to order.

### Roll Call

Members Present: Audrey Noda, designee for Fiona Ma, CPA, California State Treasurer  
Nick Schweizer, designee for Tony Thurmond, Superintendent of Public Instruction  
Jeff Bell, designee for Keely Martin Bosler, Director of Finance

### Staff Present:

Robert Biegler, Program Analyst  
Ian Davis, Program Analyst  
Katrina Johantgen, Executive Director  
Laura Martinez, Manager  
Anne Osborne, Program Analyst  
Mark Paxson, General Counsel  
Kristen Schunk, Program Analyst  
Nicolaus Seppi, Office Technician  
Ryan Storey, Program Analyst

Katrina Johantgen welcomed those on the phone line to the Board meeting, after which Deputy Noda declared a quorum present after roll call.

Item 2: Approval of Minutes: The Board reviewed minutes from the March 13, 2019 Authority Board meeting. Ms. Noda, Mr. Schweizer and Mr. Bell voted to approve the Minutes.

Item 3: Executive Director's Report: Ms. Johantgen provided updates related to the Authority's programs. Ms. Johantgen also discussed that the Authority is working on a bill to expand its mandate to finance preschools and housing as well as adding a county level intercept similar to the state level intercept.

Item 4: Resolution No. 19-09 – Resolution Authorizing the Issuance of Charter School Revenue Bonds in an Amount Not to Exceed \$50,000,000 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 Granada Hills Charter School (Action Item)

Ms. Johantgen introduced Mark Bauer from Orrick, Herrington & Sutcliffe, LLP who is bond counsel for the Authority, Erin Lillibridge who is Chief Business Officer for Granada Hills Charter School, Joe Crowley from Ziegler who is the Bond Underwriter and Robert Biegler. Staff recommended the approval of Resolution 19-09.

Mr. Crowley introduced the proposed Series 2019 Revenue Bond financing for Granada Hills Charter. Granada Hills Charter will use the bond proceeds to complete permitting, entitlement, and planning to construct a three-story new facility for TK-8 students. The process will be a three-phase construction process starting this summer. With an interim housing component, demolition, and new construction scheduled for full occupancy for the fall of 2020.

Ms. Noda asked if there was a motion to approve the resolution. Nick Schweizer called for a motion and Jeff Bell seconded the motion. After a call for public comment, the Board approved the resolution unanimously by roll call. The motion was approved.

*Item 5: Resolution No. 19-10 - Approval of Financial Soundness Determination for Lazear Charter Academy, located in Alameda County for a Final Apportionment through Proposition 51 of the Charter School Facilities Program (Action Item)*

Ms. Johantgen called up Ryan Storey to provide an overview of item 5. Mr. Storey discussed the financial soundness determinations for Education for Change the charter management organization that oversees Lazear Charter Academy. There are three projects within this charter school, two rehabilitation and one new construction. The total project cost provided by the Office of Public School Construction is just a little over \$17 million, with a 50% state grant and 50% long-term loan. First year of occupancy is planned to be 2020-2021. Staff recommended the approval of Resolution 19-10.

Ms. Noda asked if there was a motion to approve the resolution. Jeff Bell called for a motion and Nick Schweizer seconded the motion. The Board approved the resolution unanimously by roll call. The motion was approved.

*Item 6: Resolution No. 19-11 – Adoption of Proposed Regulations for the State Charter School Facility Grant Program (Senate Bill 740 Program) (Action Item)*

Ms. Johantgen called Ian Davis and Anne Osborne to discuss the proposed changes to the SB740 regulations. To highlight, one change would require all appraisals be completed in the fiscal year that the application was submitted. Other changes include; the Authority reserving the right to request an additional good standing confirmation during the fiscal year, adds that a Charter School shall not operate as a for-profit corporation, removes the annual COLA Index adjustment on the end of the prior year's monthly rent and allows the Authority to use the Independent Appraisal on file. Additionally, a change describes how the Authority will handle late applications. The last change requires the applicant to submit all requested documentation to the Authority within 60 calendar days. Other changes included corrections and edits for consistency.

Ms. Johantgen introduced Eric Premack from Charter Schools Development Center (CSDC) who expressed his concern regarding the current good standing requirement.

Ms. Noda asked if there was a motion to approve the resolution. Jeff Bell called for a motion and Nick Schweizer seconded the motion. The Board approved the resolution unanimously by roll call. The motion was approved.

Item 7: Consideration of Appeals Related to Ineligibility for the Charter School Facility Grant Program

Ms. Johantgen introduced Item 7, and noted the items will be discussed and voted on separately.

*•Citizens of the World Charter School Mar Vista located in Los Angeles County*

Sarah Kollman, an attorney from Young, Minney & Corr, LLP representing Citizens of the World and Mark Kleger-Heine, Executive Director from Citizens of the World. They appealed the eligibility threshold percentage for Free and Reduced Priced Meals (FRPM) determined by Staff and are asking the Board to appeal staff's determination. A conversation ensued related to the use of FRPM data at other magnet schools throughout the district. Staff and counsel presented that FRPM data must be used, as outlined in regulation that is provided by the California Department of Education, not data that is presented by schools or districts.

Ms. Noda asked if there was a motion to grant the appeal. As no motion was made, the appeal was not granted.

*•Environmental Charter Middle located in Los Angeles County*

Ms. Johantgen introduced Ms. Farnaz Golshani-Flechner, Chief Operating Officer of Environmental Charter School. The school is before the board to appeal their late submission of Other Costs. Ms. Golshani-Flechner stated that the Director of Finance & Operations went on maternity leave much earlier than anticipated, the training of the incoming COO was incomplete and the Manager of Facilities and Sustainability, who was the individual receiving communications from the Authority regarding SB740, failed to submit the request for additional funding.

Ms. Noda asked if there was a motion to grant the appeal. Nick Schweizer called for a motion and Jeff Bell seconded the motion, Jeff Bell and Nick Schweizer voted Yes, with Audrey Noda voted No.

*•Summit Public School: Tamalpais located in Contra Costa County*

Clint Scholl, Facilities Project Manager and Abbie Ridenour, Executive Director from Summit Public Schools – Tamalpais, introduced themselves along with Mr. Premack from CSDC. Summit-Tamalpais stated that their lease agreement should be considered a “New Facility Agreement” due to extenuating circumstances and not subject to a COLA index cap. Mr. Davis stated that the lease reflected no changes in the school site location, the scope of the facilities to which Summit-Tamalpais had access had not changed, and the lease had not expired and therefore does not meet the requirements “New Facility Agreement requirements” as stated in regulations.

Ms. Noda asked if there was a motion to grant the appeal. As no motion was made, the appeal was not granted.

*Item 8: Public Comments*

No Public Comments.

CSFA noted that staff member Laura Martinez will be retiring this month and presented her with a resolution from Treasurer Fiona Ma, CPA.

*Item 9: Adjournment*

There being no public comments, the Board adjourned the meeting.

Respectfully submitted,

Katrina Johantgen