

## MINUTES

**CALIFORNIA SCHOOL FINANCE AUTHORITY**  
**915 Capitol Mall, Conference Room 587**  
**Sacramento, California 95814**

**300 S. Spring St, Suite 8500**  
**(Large Conference Room)**  
**Los Angeles, CA 90013**

**January 27, 2022 - 10:30 a.m.**

Public Participation

Call-In Number: (877) 810-9415 – Participant Code: 6535126

### OPEN SESSION

Treasurer Fiona Ma called the meeting to order at 10:30 a.m.

#### ***Item #1: Roll Call***

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Members Present: Fiona Ma, CPA, Treasurer (Sacramento Office)  
Juan Mireles, designee for Tony Thurmond, Superintendent of Public Instruction (Via Microsoft Teams)  
Chris Ferguson, designee for Keely Martin Bosler, Director of Finance (Via Microsoft Teams)

Staff Present: Audrey Noda, Deputy Treasurer (LA Office)  
Katrina Johantgen, Executive Director (LA Office)  
Ravinder Kapoor, Legal Counsel (Via Microsoft Teams)  
Thomas Dear, Staff Service Manager II (Sacramento Office)  
Shannon McEuen, Staff Services Manager I (Sacramento Office)  
Steven Theuring, Program Lead (Via Microsoft Teams)  
Kristin Schunk, Program Lead (Via Microsoft Teams)  
Robert Rodriguez, Office Technician (Sacramento Office)  
Ryan Storey, Program Lead (LA Office)  
Robert Biegler, Program Lead (Via Microsoft Teams)  
Elizabeth Mendez, Program Lead (Via Microsoft Teams)

Attendees Via Microsoft Teams:

- Mark Kleger-Heine, Executive Director, Citizens of the World Charter School Los Angeles
- Kerrigan Bennett, Shareholder, Stradling, Yocca, Carlson & Rauth
- Michael Charlebois, Associate, Stradling, Yocca, Carlson & Rauth
- Jessica Shaham, Partner, Kutak Rock LLP
- John Kim, Managing Director, Stifel, Nicolaus & Company, Inc.
- Nate Keninitz, Associate, Stifel, Nicolaus & Company, Inc.
- Josh Bauer, Analyst, Stifel, Nicolaus & Company, Inc.

Treasurer Ma welcomed those on the phone line to the California School Finance Authority (CSFA or the Authority) Board (Board) meeting. Executive Director Katrina Johantgen read the prompt regarding the teleconference line and public participation.

**Item #2: Approval of the November 29, 2021 Board Minutes (Action Item)**

Treasurer Ma introduced Item #2: Approval of the November 29, 2021 Board Minutes. Treasurer Ma asked if there were any public comments and there were none.

**Authority Action**

Motion to approve the minutes from the November 29, 2021 meeting. Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Ferguson

AYES: Mireles, Ferguson, Ma  
NOES: NONE  
ABSTAIN: NONE  
RECUSE: NONE

MOTION APPROVED.

**Item #3: Executive Director's Report**

K-14 SAIN and Charter ASAP Program: Both notes closed on December 30, 2021, and staff is currently working with the Authority's accounting division to get interest balances so borrowers can be paid the interest that accrued under both programs.

Charter School Facility Grant Program: The Authority is working with the Department of Finance on a proposed increase to the program of \$39.0 million.

Conduit Financing Program: In 2021, the program issued \$828 million in notes and long-term debt. Our annual bond report will be brought to the board in February or March.

Credit Enhancement Program: The initial Credit Enhancement program has awarded nearly 100% of its funds, additionally, the Authority is currently processing the Project Acceleration Notes and Credit Enhancement Alternatives (PANACEA) Program awards. The Authority is working with the United States Department of Education on the program agreement for the CharterFinE Credit Enhancement award and will bring program regulations to the Board once it is signed.

Charter School Facilities Program: The Authority is looking at a new funding round in 2022 of rescinded funds in the amount of about \$90 million and is working through two projects, for this program, with Los Angeles Unified School District and Inglewood Unified School District.

Revolving Loan Fund: The Authority received one application under funding round B and staff is working on ways to broaden how the program funding is used, as a sizeable balance remains.

State Charter School Facilities Incentive Grants Program: The Authority is presenting a set of regulations before the Board at today's meeting, with the program scheduled to sunset at the end of August 2022.

Treasurer Ma asked if there were any questions from Board Members and the public. There were none.

***Item #4: Resolution No. 22-01 – Resolution of the California School Finance Authority Authorizing the Issuance of Charter School Revenue Bonds in an Amount Not to Exceed \$60,000,000 to Finance Working Capital and 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 Citizens Of The World Charter Schools – Los Angeles (Action Item)***

Robert Biegler presented and introduced members of the Citizens of the World Charter staff and financing team, including Mark Kleger-Heine, Executive Director of Citizens of the World Charter, Bond Counsel Kerrigan Bennett from Stradling, Yocca, Carlson & Rauth, Underwriter's Counsel from Kutak Rock LLP, John Kim, Managing Director at Stifel, Nicolaus & Company, Inc., Nate Keninitz, Associate at Stifel, Nicolaus & Company, Inc., Josh Bauer, Analyst at Stifel, Nicolaus & Company, Inc., and Michael Charlebois, Associate at Stradling, Yocca, Carlson & Rauth.

Mr. Keninitz presented an overview of the transaction, providing details of the project's time frame and financial projections. Mr. Kleger-Heine afforded insight into the school's history and philosophy regarding student enrollment and demographic statistics, he also shared information regarding the school's core values and campus facilities. Mr. Keninitz shared details on the structure of the transaction as well as information regarding construction.

Board Member Mireles asked a question regarding the cost of issuance for the project, noting it seemed higher than normal.

Executive Director Johantgen confirmed that this transaction required a larger number of attorneys, due to the numerous outstanding loans, including market tax credit loans, which require separate counsel, resulting in the increased cost of issuance. Mr. Keninitz also noted the higher transfer tax associated with this transaction. He stated it was related to the project being constructed in an unincorporated section of Los Angeles County. Mr. Kleger-Heine added that his team had determined this higher transfer tax was reasonable given the complexity of the new market tax credit financing and the numerous other lenders they needed to get consents from.

Treasurer Ma asked a question regarding a listed fee related to printer and road show costs and if additional details could be provided. Mr. Kleger-Heine confirmed the cost was associated with the company that prints and prepares the bound marketing materials when they enter the market, as well as hosts their virtual investor presentation as part of their roadshow.

Treasurer Ma had an additional question regarding the two contingencies listed in the project, one listed as Other Legal Fees priced at \$50,000, and another also listed at \$50,000, and inquired what the second contingency fee was. Mr. Kleger-Heine responded, that there were concerns related to the receiving the necessary consents in a timely manner, and the additional contingency fee was to cover any potential professional fees related to any potential delays this issue would have caused. He added that they were being more cautious than normal due to the complexity of this new market tax credit financing, with the goal to not spend the additional contingency fee by completing the transaction in a timely manner.

Board Member Ferguson asked a question regarding any potential staffing challenges that would possibly effect enrollment at the campuses. Mr. Kleger-Heine confirmed the school is opened, fully staffed, and has not had any staffing challenges with teachers and certificated staff. He also confirmed the schools had seen staffing challenges related to paraprofessional positions and have considered potential pay increases to help attract more paraprofessional candidates.

Mr. Keninitz provided additional financial details related to the transaction.

Treasurer Ma asked if there were any additional questions from Board Members and the public. There were none.

**Authority Action**

Motion to Approve the Authorizing the Issuance of Charter School Revenue Bonds in an Amount Not to Exceed \$60,000,000 to Finance Working Capital and 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 Citizens of the World Charter Schools – Los Angeles. Robert Rodriguez called the roll.

MOTION: Ferguson SECOND: Mireles

AYES: Mireles, Ferguson, Ma

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

***Item #5: Resolution No. 22-02 - Adoption of Proposed Emergency Regulations for the State Charter School Facilities Incentive Grants Program (CFDA#84.282D) (Action Item)***

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Staff Services Manager I, Shannon McEuen, presented and provided background information on the State Charter Schools Facilities Incentive Grants Program and confirmed the regulation changes being presented were designed to ensure all program funds may be issued prior to the program's end in August 2022. Ms. McEuen also listed the specific regulation changes for the Board.

Treasurer Ma asked if there were any questions from Board Members and the public. There were none.

**Authority Action**

Motion to Approve the Adoption of Proposed Emergency Regulations for the State Charter School Facilities Incentive Grants Program (CFDA#84.282D). Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Ferguson

AYES: Mireles, Ferguson, Ma

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

**Item #6: Resolution No. 22-03 - Adoption of Proposed Emergency Regulations for the Project Acceleration Notes and Credit Enhancement Alternatives (PANACEA) Program (CFDA #83.354A) (Action Item)**

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Program Lead, Ryan Storey, presented and provided background information on the Project Acceleration Notes And Credit Enhancement Alternatives (PANACEA) Program, and listed the specific regulation changes for the Board. Mr. Storey also confirmed that staff was recommending the approval of this item.

Treasurer Ma asked if there were any questions from Board Members and the public. There were none.

**Authority Action**

Motion to Approve the Adoption of Proposed Emergency Regulations for the Project Acceleration Notes And Credit Enhancement Alternatives (PANACEA) Program (CFDA #83.354A). Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Ferguson

AYES: Mireles, Ferguson, Ma

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

**Item #7: Resolution No. 22-04 - Adoption of Proposed Emergency Regulations for the Charter School Facilities Credit Enhancement Grant Program (CFDA #83.354A) (Action Item)**

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Program Lead, Ryan Storey, presented and provided background information on the Charter School Facilities Credit Enhancement Grant Program and listed the specific regulation changes for the board. Mr. Storey also confirmed that staff was recommending the approval of this item.

Treasurer Ma asked if there were any questions from Board Members and the public. There were none.

**Authority Action**

Motion to Approve the Adoption of Proposed Emergency Regulations for the Charter School Facilities Credit Enhancement Grant Program (CFDA #83.354A). Robert Rodriguez called the roll.

MOTION: Ferguson SECOND: Mireles

AYES: Mireles, Ferguson, Ma

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

***Item #8: Resolution No. 22-05 - Approving the Credit Enhancement Award (CDFA #84.354A) in an Amount Not to Exceed \$600,000 to Citizens of the World Charter School Silver Lake located in Los Angeles County (Action Item)***

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Executive Director Katrina Johantgen presented and confirmed that staff was recommending approval of this item. She also verified that the school met all eligibility requirements and provided information regarding the school's enrollment demographics.

Mr. Kleger-Heine, Executive Director of Citizens of the World Charter, expressed his appreciation to the Authority and the Board for providing this grant program.

Treasurer Ma asked if there were any questions from Board Members and the public. There were none.

***Authority Action***

Motion Approving the Credit Enhancement Award (CDFA #84.354A) in an Amount Not to Exceed \$600,000 to Citizens of the World Charter School Silver Lake located in Los Angeles County. Robert Rodriguez called the roll.

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

MOTION APPROVED.

Executive Director Johantgen noted that Jodie Jones was moving on from the Authority and presented Ms. Jones with a resolution of gratitude for her work. Treasurer Ma also expressed gratitude for Jodie Jones' work and asked Ms. Jones to speak. She shared details of her new position at the Department of Industrial Relations and thanked Executive Director Johantgen and the Authority for the opportunity to work and learn.

***Item #9: Public Comments***

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Treasurer Ma asked if there were any additional questions from the public on items not on the agenda. There were none.

***Item #10: Adjournment***

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There being no public comments, the Board adjourned the meeting at 10:56 a.m.