

## MINUTES

### CALIFORNIA SCHOOL FINANCE AUTHORITY

Held via teleconferencing locations pursuant to  
Government Code section 11133

August 31, 2023 – 10:30 a.m.

Public Participation

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

#### OPEN SESSION

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

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Members: Khaim Morton, Deputy Treasurer – Present  
Juan Mireles, designee for Tony Thurmond, Superintendent of Public Instruction – Present  
Michele Perrault, designee for Joe Stephenshaw, Director of Finance - Present

Staff Present: Katrina Johantgen, Executive Director (Sacramento)  
Ryan Storey, Staff Services Manager I (Sacramento)  
Robert Biegler, Program Lead (remotely)  
Elizabeth Mendez, Program Lead (remotely)  
Linda Doan, Program Analyst (Sacramento)  
Michael Pack, Program Lead (Sacramento)  
Steven Theuring, Program Lead (Sacramento)  
Monica Jimenez, Legal Counsel (Sacramento)  
Spencer Walker, Legal Counsel (Sacramento)  
Theodore Ballmer, Legal Counsel (Sacramento)  
Robert Rodriguez, Office Technician (Sacramento)

Attendees: Lane Carlson, Executive Director, Redding School of the Arts  
Daria O'Brien, Board Member, Redding School of the Arts  
Marc Bauer, Partner, Orrick, Herrington & Sutcliffe  
Sean Yates, Managing Associate, Orrick, Herrington & Sutcliffe  
Scott Rolfs, Managing Director, Ziegler  
Erin Wait, Vice President, Ziegler  
Chip Eady, Of Counsel, Procopio  
Karl Yoder, Managing Partner, Key Charter Advisors  
Trevor Johnson, Director of Business, Harbor Springs Charter School  
Sarah J. Kollman, Partner, Young & Minney & Corr  
Kerrigan Bennett, Shareholder, Stradling, Yocca, Carlson & Rauth  
Jake Ediger, Shareholder, Stradling, Yocca, Carlson & Rauth  
Josh Bauer, Associate, Stifel, Nicolaus & Company  
Guillermo Garcia, Managing Director, Stifel, Nicolaus & Company  
Marla Weston, Deputy Attorney General, Department of Justice  
Dana Hammond, Chief Executive Officer at Academy of Media Arts

Deputy Treasurer Morton 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 July 27, 2023, Board Meeting Minutes (Action Item)**

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Deputy Treasurer Morton introduced Item #2: Approval of the July 27, 2023, Board Minutes. Deputy Treasurer Morton asked if there were any public comments and there were none.

**Authority Action**

Motion to approve the minutes from the July 27, 2023, meeting.

Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Perrault

AYES: Mireles, Perrault, Morton

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

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

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Executive Director Johantgen provided an overview of the Authority's following programs:

Charter School Facility Grant Program (SB740): Staff will be presenting our annual report for the 2022 funding round for the board today, as is currently processing our 2023/2024 funding round with 446 applications received. The 2022/2023 funding round is still active with staff working on the true up process as well as evaluating applications for other costs.

Conduit Bond and Note Program: The Authority is bringing two bond financings before the board today, both of them are coupled with a credit enhancement award. Staff is still working to close our Pathways to College financing and will be bringing an Educational Fund Facility loan to the board for Yu Ming Charter School at the September 2023 board meeting.

Charter School Facilities Program: The Authority will be presenting one financial soundness review for the Board's consideration today, which is a preliminary apportionment for Natomas Pacific Pathways Prep Elementary.

Charter School Revolving Loan Fund Program: The Authority is bringing three Revolving Loan Fund approvals to the Board today with a fourth currently being reviewed by our legal counsel which will likely be presented at the September 2023 board meeting.

Deputy Treasurer Morton asked if there were any additional questions from the Board or from the public. There were none.

***Item #4: Presentation of the Charter School Facility Grant Program (SB740) 2021-22 Funding Round Annual Report (Information Item)***

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Staff Services Manager Ryan Storey presented and introduced program analysts Elizabeth Mendez and Linda Doan and shared an overview of the Charter School Facility Grant Program's 2021-22 Funding Round.

Deputy Treasurer Morton asked if there were any additional questions from Board Members or the public on item #4. There were none.

*Items #5 and #6 were presented jointly with voting for each item held until the end.*

***Item #5: Resolution No. 23 – 37 – Resolution Authorizing the Issuance of Revenue Bonds In An Amount Not To Exceed \$12,000,000 To Finance and/or Refinance The Acquisition, Construction, Expansion, Remodeling, Renovation, Improvement, Furnishing and/or Equipping Of Educational Facilities Located In Shasta County, California For Use By Redding School of the Arts (Action Item)***

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Executive Director Katrina Johantgen presented and introduced Lane Carlson, Executive Director at Redding School of the Arts, Daria O'Brien, Board Member at Redding School of the Arts, Marc Bauer, Partner at Orrick, Herrington & Sutcliffe, Sean Yates, Managing Associate at Orrick, Herrington & Sutcliffe, Scott Rolfs, Managing Director at Ziegler, Erin Wait, Vice President at Ziegler and Chip Eady, Of Counsel at Procopio. Ms. Johantgen presented a brief overview of the item and turned the presentation over to Scott Rolfs. Mr. Rolfs presented the projects financial details, noting that if approved, this bond would save the school approximately \$1.6 million over time. Lane Carlson presented next and shared information regarding the school's history, student demographics and its previous facilities. Daria O'Brien presented next and spoke about the school's use of green energy, noting they were the first school in the United States to earn a Leadership in Energy and Environmental Design Platinum designation.

*There was a brief concern related to technical issues that resulted in a short recess being proposed, but the issues cleared up and the short recess was cancelled.*

Deputy Treasurer Morton asked if there were any additional questions from Board Members or the public on item #5. There were none.

***Item #6: Resolution No. 23 – 38 – Approval of The Charter Access to Bank Loan Enhancement Program (Charter ABLE) (CFDA #84.354A) Award in An Amount Not to Exceed \$1,000,000 To RSA Facilities, LLC, On Behalf of Redding School of the Arts (Action Item)***

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Executive Director Katrina Johantgen presented and noted that the final amount will be finalized at the time the bonds are priced and sold, ensuring the award will match the debt service, and noted that the applicant met all of the eligibility requirements for the program and is in good standing with their authorizer. Ms. Johantgen confirmed that staff was recommending approval of the item and offered to answer questions.

Deputy Treasurer Morton asked if there were any additional questions from Board Members or the public on item #6. There were none. Voting was held for items #5 and #6.

**Authority Action for Item #5**

Motion to Approve the Authorizing the Issuance of Revenue Bonds In An Amount Not To Exceed \$12,000,000 To Finance and/or Refinance The Acquisition, Construction, Expansion, Remodeling, Renovation, Improvement, Furnishing and/or Equipping Of Educational Facilities Located In Shasta County, California For Use By Redding School of the Arts.

Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Perrault

AYES: Mireles, Perrault, Morton

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

**Authority Action for Item #6**

Motion to Approve the Charter Access to Bank Loan Enhancement Program (Charter ABLE) (CFDA #84.354A) Award in An Amount Not to Exceed \$1,000,000 To RSA Facilities, LLC, On Behalf of Redding School of the Arts.

Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Perrault

AYES: Mireles, Perrault, Morton

NOES: NONE

ABSTAIN: NONE

MOTION APPROVED.

*Items #7 and #8 were presented jointly with voting for each item held until the end.*

***Item #7: Resolution No. 23-39 - Resolution Authorizing the Issuance of Revenue Bonds In An Amount Not To Exceed \$20,000,000 To Finance and/or Refinance The Acquisition, Construction, Expansion, Remodeling, Renovation, Improvement, Furnishing and/or Equipping Of Educational Facilities Located In San Diego County, California For Use By Harbor Springs Charter School (Action Item)***

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Program Lead Robert Biegler presented and introduced Karl Yoder, Managing Partner at Key Charter Advisors, Trevor Johnson, Senior Director of Business at Harbor Springs Charter School, Sarah J. Kollman, Partner at Young & Minney & Corr, Kerrigan Bennett, Shareholder at Stradling, Yocca, Carlson & Rauth, Jake Ediger, Shareholder at Stradling, Yocca, Carlson & Rauth, Josh Bauer, Associate at Stifel, Nicolaus & Company and Guillermo Garcia, Managing Director at Stifel, Nicolaus & Company.

Mr. Biegler noted that Pacific Springs Facilities, LLC is the nonprofit borrower, with the sole member of the borrower being Harbor Springs. Mr. Biegler also clarified that item 8 was using California School Finance Authority

the Charter Finance Enhancement (Charter FinE) Program which was still in the process of being established, with regulations currently being processed and the Authority working with the Department of Education on solidifying the agreement.

Guillermo Garcia presented next and presented the key details of the financing and noted that the school was anticipating a bond rating in double B category rating. Mr. Garcia then shared information about the school's history, growth, and various campuses.

Deputy Attorney General Marla Weston asked for clarification regarding the name of the item applicant, asking for confirmation that the information in the item resolution was accurate. Kerrigan Bennet clarified that Harbor Springs was the nonprofit corporation with Pacific Springs Charter School is a part of that nonprofit, noting that the resolution referenced Harbor Springs as it was the nonprofit corporation using the facilities. Ms. Weston confirmed that the resolution information was accurate.

Mr. Garcia then presented information regarding the school's student demographics, the school's mission, and projected student enrollment. Mr. Garcia also shared details regarding the security for the 2023 bonds, the school's financial projections for the next five years and projected covenant compliance.

Board Member Mireles asked for clarification whether the funds would be going to new construction or for renovating existing facilities. Karl Yoder confirmed that it would be renovation only.

Deputy Treasurer Morton asked if there were any additional questions from Board Members or the public on item #7. There were none.

***Item #8: Resolution No. 23 – 40 – Approval of The Charter Finance Enhancement Program (Charter FinE) Award in An Amount Not to Exceed \$1,500,000 To Pacific Springs Facilities LLC, On Behalf of Pacific Springs Charter School (Action Item)***

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Program Lead Robert Biegler presented and provided a brief overview of the item. Mr. Biegler also clarified that item 8 was using the Charter Finance Enhancement (Charter FinE) Program which was still in the process of being established, with regulations currently being processed and the Authority working with the Department of Education on solidifying the agreement.

Deputy Treasurer Morton asked if there were any additional questions from Board Members or the public on item #8. There were none. Voting was held for items #7 and #8.

**Authority Action for Item #7**

Motion to Approve the Resolution Authorizing the Issuance of Revenue Bonds In An Amount Not To Exceed \$20,000,000 To Finance and/or Refinance The Acquisition, Construction, Expansion, Remodeling, Renovation, Improvement, Furnishing and/or Equipping Of Educational Facilities Located In San Diego County, California For Use By Harbor Springs Charter School.

Robert Rodriguez called the roll.

MOTION: Mireles

SECOND: Perrault

AYES: Mireles, Perrault, Morton  
NOES: NONE  
ABSTAIN: NONE

MOTION APPROVED.

**Authority Action for Item #8**

Motion to Approve the Charter Finance Enhancement Program (Charter FinE) Award in An Amount Not to Exceed \$1,500,000 To Pacific Springs Facilities LLC, On Behalf of Pacific Springs Charter School.

Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Perrault

AYES: Mireles, Perrault, Morton  
NOES: NONE  
ABSTAIN: NONE

MOTION APPROVED.

***Item #9: Resolution No. 23 – 41 – Approval of Financial Soundness Determination of Preliminary Apportionment through the Charter School Facilities Program for Natomas Unified on behalf of Natomas Pacific Pathways Prep Elementary located in Sacramento County (Action Item)***

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Program Lead Michael Pack presented and shared an overview of the program structure and item, confirming the project involves both new construction and rehabilitation elements. Mr. Pack also noted that the school has submitted twice under the same program for different parts of their project, with some parts of the project being awarded a grant in 2022. Mr. Pack then presented information regarding the construction costs, enrollment figures and a financial summary for the school. Mr. Pack confirmed that staff was recommending approval of this final apportionment.

Deputy Treasurer Morton asked if there were any additional questions from Board Members or the public on item #9. There were none.

**Authority Action**

Motion to Approve the Financial Soundness Determination of Preliminary Apportionment through the Charter School Facilities Program for Natomas Unified on behalf of Natomas Pacific Pathways Prep Elementary located in Sacramento County.

Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Perrault

AYES: Mireles, Perrault, Morton  
NOES: NONE  
ABSTAIN: NONE

MOTION APPROVED.

***Item #10: Resolution No. 23 – 42 - Approval of Charter School Revolving Loan Fund Program Recommendations and Amounts for the Schools listed in Attachment A (Action Item)***

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Program Lead Steven Theuring presented and provided an overview of the program and the applications that were to be potentially approved today. Mr. Theuring also discussed the Authority’s review process and how it weighs the school’s financial risks versus their projected enrollment figures.

Deputy Treasurer Morton asked if there were any additional questions from Board Members or the public on item #10. There were none.

**Authority Action**

Motion to Approve the Charter School Revolving Loan Fund Program Recommendations and Amounts for the Schools listed in Attachment A.

Robert Rodriguez called the roll.

MOTION: Mireles SECOND: Perrault

AYES: Mireles, Perrault, Morton  
NOES: NONE  
ABSTAIN: NONE

MOTION APPROVED.

***Item #11: Consideration of an Appeal of Ineligibility under the 2022-23 Charter School Facility Grant Program Funding Round for Academy of Media Arts located in Los Angeles County (Action Item)***

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Staff Services Manager Ryan Storey presented and introduced Dana Hammond, Chief Executive Officer at Academy of Media Arts. Mr. Storey provided a timeline for the school's application process and confirmed that the school's authorizer, Los Angeles Unified School District, found the school to not be in good standing. Dana Hammond presented the school's appeal, citing the school's history, achievements and the facility move that triggered the loss of good standing status. Board members provide the appellant with 90 days to resolve the matter of good standing with its authorizer and based on that action would reevaluate the appeal.

Deputy Treasurer Morton asked if there were any additional questions from Board Members or the public on item #11. There were none.

***Item #12 was removed from the August board meeting agenda.***

***Item #13: Pursuant to Government Code section 11126(e)(1), the Board will meet in closed session to confer with, and receive advice from, its legal counsel to discuss pending litigation***

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Minutes for this closed-session item are stored confidentially by the Authority.

***Item #14: Public Comments***

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Deputy Treasurer Morton asked if there were any additional questions from the public on items not on the agenda.

***Item #15: Adjournment***

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The Board adjourned the meeting at 1:02 p.m.