

# CALIFORNIA SCHOOL FINANCE AUTHORITY

Fiona Ma, CPA, Chair  
California State Treasurer

## Financing Program Application

FINANCING FOR CHARTER SCHOOLS,  
SCHOOL DISTRICTS, AND  
COMMUNITY COLLEGE DISTRICTS

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## CSFA Conduit Application

Please provide the following information about the applicant. For further information about eligibility and program fees please visit the CSFA at [www.treasurer.ca.gov/csfa](http://www.treasurer.ca.gov/csfa) for further information.

<b>Project Name:</b>	
<b>Applicant/Borrower/Owner:</b>	
<b>Sole Member of Borrower:</b>	
<b>Project Description/Users:</b>	
<b>Project Address:</b>	
<b>County:</b>	
<b>District in which Project is Located:</b>	
<b>Charter Authorizer:</b>	
<b>Total Not-to-Exceed Amount:</b>	
<b>Tax-Exempt Not-to-Exceed Amount:</b>	
<b>Taxable Not-to-Exceed Amount:</b>	
<b>Expected Issuance Date:</b>	
<b>Bond Type:</b>	
<b>Est. Annual Payment:</b>	
<b>Expected Rating Date:</b>	
<b>Structure:</b>	Stand Alone
<b>Sale Method:</b>	Public Offering
<b>Underwriter*:</b>	
<b>Bond Counsel*:</b>	
<b>Trustee*:</b>	

*\*Financing team participants are subject to approval by the Authority and the State Treasurer's Office (STO). The Authority and the STO may require additional participants be added to the financing team.*

**I. Use of Bond Proceeds/Project Information**

*The description should address how the projects are eligible under California Education Code, Section 17180.*

**Project Description**

**Project Breakdown**

#	Site	Landlord	Location	Purpose	Amount
1.					\$ _____
2.					\$ _____
3.					\$ _____
4.					\$ _____
<b>Total Estimated Project Costs</b>					<b>\$ _____ 0.00</b>

**II. Borrower, Sole Member, and School Information**

**III. Financial Structure Information**

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**IV. Security and Sources of Payment Information**

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**V. Preliminary Sources and Uses/Costs of Issuance Information**

**Sources and Uses**

Sources:	Series2018 A (Tax-Exempt)	Series2018 B (Taxable)	Total
<b>Bond Proceeds</b>			
Par Amount:	\$ _____	\$ _____	\$ _____ 0.00
Bond Premium :	\$ _____	\$ _____	\$ _____ 0.00
Equity Contribution:	\$ _____	\$ _____	\$ _____ 0.00
Total:	\$ _____ 0.00	\$ _____ 0.00	\$ _____ 0.00
Uses:	Series 2017A (Tax-Exempt)	Series 2017B (Taxable)	Total
<b>Project Fund Deposits</b>			
Project #1: _____	\$ _____	\$ _____	\$ _____ 0.00
Project #2: _____	\$ _____	\$ _____	\$ _____ 0.00
Project #3: _____	\$ _____	\$ _____	\$ _____ 0.00
Project #4: _____	\$ _____	\$ _____	\$ _____ 0.00
Total:	\$ _____ 0.00	\$ _____ 0.00	\$ _____ 0.00
<b>Other Fund Deposits</b>			
Debt Service Reserve Fund:	\$ _____	\$ _____	\$ _____ 0.00
Capitalized Interest Fund:	\$ _____	\$ _____	\$ _____ 0.00
<b>Delivery Date Expenses</b>			
Cost of Issuance:	\$ _____	\$ _____	\$ _____ 0.00
Underwriter's Discount:	\$ _____	\$ _____	\$ _____ 0.00
Total:	\$ _____ 0.00	\$ _____ 0.00	\$ _____ 0.00
<b>Other Uses of Funds</b>			
Contingency:	\$ _____	\$ _____	\$ _____ 0.00
<b>Total</b>	<b>\$ _____ 0.00</b>	<b>\$ _____ 0.00</b>	<b>\$ _____ 0.00</b>

**Cost of Issuance**

Cost of Issuance	Budgeted Amount
Issuer Fee	\$ _____
Annual Admin Fee	\$ _____
Agent-for-Sale Fee	\$ _____
CDLAC Fee	\$ _____
Issuer's Counsel Fee	\$ _____
Financial Advisor Fee (If Applicable)	\$ _____
Bond Counsel Fee	\$ _____
Borrower's Counsel Fee	\$ _____
Underwriter's/Disclosure Counsel Fee	\$ _____
Rating Agency Fee (If Applicable)	\$ _____
Trustee Fee	\$ _____
Trustee's Counsel Fee	\$ _____
Financial Printer Fee	\$ _____
Underwriter Fee (If Applicable)	\$ _____
Title Insurance Fee	\$ _____
Appraiser Fee	\$ _____
Contingency	\$ _____
Other:	\$ _____
<b>Total COI</b>	\$ 0.00

**VI. Borrower Financial Data**

*Pursuant to Section 17183.5 of the CSFA Act, financing through the Authority is to be provided only to projects demonstrated by the participating party to be financially feasible. In demonstration feasibility, the participating party may take into account all of its funds, and may base future projections upon historical experience or reasonable expectations, or a combination thereof. Nothing in Section 17183.5 shall be construed to imply that any project is required to produce revenue in order to be financed under this chapter.*

- Attach the borrower's consolidated audited financial statements for the three most recent fiscal years
- Attach the borrower's adopted budget for the current fiscal year
- Attach the borrower's 5-year budget projections
- Attach the project schools' 5-year enrollment projections

**VII. Rating Information**

Rated:  Unrated:

If rated, what is the anticipated rating: \_\_\_\_\_

If unrated, describe reasons for not seeking a rating:

### VIII. Bond Sales Restrictions

The following sales restrictions are in place for all financings issued through CSFA. Please review the guidelines and check which guidelines you expect will apply to the financing depending on rating status. <http://treasurer.ca.gov/csfa/financings/guidelines.pdf>.

<p><b>I. Debt Rated A-/A-/A3 or Better</b></p> <p><input type="checkbox"/></p>	<ul style="list-style-type: none"> <li>• Bonds may be publicly offered without transfer restrictions</li> <li>• Bond payments will be made via the intercept mechanism outlined in Section 17199.4 of the Education Code</li> </ul>
<p><b>II. Debt Rated a minimum BBB-/BBB-/Baa3</b></p> <p><input type="checkbox"/></p>	<ul style="list-style-type: none"> <li>• Bonds will be in minimum denominations of \$25,000</li> <li>• Bonds may be publicly offered or privately placed</li> <li>• Bonds will be sold initially only to Qualified Institutional Buyers (QIBs) and Accredited Investors (AIs)</li> <li>• Subsequent transfers of bonds are limited to QIBs and AIs</li> <li>• Sales restrictions conspicuously noted on bond and described in detail in offering materials, if any, as well as in the bond documents</li> <li>• Bond payments will be made via the intercept mechanism outlined in Section 17199.4 of the Education Code</li> </ul>
<p><b>III. Debt Rated less than BBB-/BBB-/Baa3, or unrated</b></p> <p><input type="checkbox"/></p>	<ul style="list-style-type: none"> <li>• Bonds will be in minimum denominations of \$100,000</li> <li>• Bonds will be privately placed or publicly offered initially to QIBs and AIs</li> <li>• Initial bond purchasers will be required to execute an Investor Letter</li> <li>• Subsequent transfers of bonds will be limited to QIBs and AIs</li> <li>• Sales restrictions conspicuously noted on bond and described in detail in offering materials, if any, as well as in the bond documents</li> <li>• One or more of the following will be required depending on the transaction, as requested by the financing team and approved by the Authority:             <ul style="list-style-type: none"> <li><input type="checkbox"/> Traveling Investor Letter; or</li> <li><input type="checkbox"/> Higher minimum denominations of \$250,000; or</li> <li><input type="checkbox"/> Physical Delivery; or</li> <li><input type="checkbox"/> Limited initial sale to QIBs, with subsequent transfers limited to QIBs as well; or</li> <li><input type="checkbox"/> Other investor protection measures</li> </ul> </li> <li>• Bond payments will be made via the intercept mechanism outlined in Section 17199.4 of the Education Code</li> </ul>

**IV. For all Debt purchased on behalf of initial investors by a Bondholder Representative**



- The Bondholder Representative must be a QIB or registered investment advisor responsible for managing at least \$1 billion in assets.
- The Bondholder Representative must have discretionary authority over the investments of its clients who will be the holders of the bonds.
- The clients who will be the holders of the bonds must meet the applicable purchase guidelines, as outlined above, including the required minimum denomination and any limitation to QIBs or AIs.
- Any subsequent transfers by the Bondholder Representative out of the firm's clients or accounts must be limited as required by the sales restrictions applicable to the bonds.
- The Bondholder Representative will be required to execute a Bondholder Representative Letter substantially similar to the Investor Letter that would otherwise be required by initial investors and representing that, among other things:
  - The Bondholder Representative can satisfy all requirements contained in this section (IV).
  - The Bondholder Representative is authorized to act on behalf of the initial investors it represents.
  - All initial investors it represents are aware of, and agree to comply with, the restrictions associated with the debt, as outlined above, and are aware of the risks associated with such restrictions.

**IX. Fees Information**

The Authority has proposed fees that would apply to all participating parties for stand-alone or pooled financings. The Authority's fees are as follows:

Note Financing	
Fee	Amount
Application Fee	\$1,500
Issuance Fee*	0.075% of par amount
Annual Administration Fee	Not Applicable

Bond/Loan Financings	
Fee	Amount
Application Fee*	\$1,500
<i>Initial Issuance Fee**</i>	
<b><i>0.15% of par amount of bonds issued up to \$10,000,000 0.05% on amounts above \$10,000,000 - Maximum Fee of \$75,000 per transaction</i></b>	
Annual Administration Fee	0.015% of outstanding principal, minimum \$500

\* The above-referenced application fee would be payable upon the submission of an application for financing through the Authority. The application fee is nonrefundable.

\*\*New Money and Refunding Debt.

**The applicant also shall reimburse the Authority for all reasonable and necessary out of pocket expenses which the Authority may incur at the applicant's request and all other expenses direct or indirect, properly allocable to the proposed financing. Unless paid out of the proceeds of the bonds issued, all fees for a particular proposed financing shall be paid by the applicant and deposited in the Authority Fund.**

**Application Certification:** Please transfer the following certification language onto letterhead and have the appropriate official sign and date the certification. I, (name of signatory), as (name of position), an authorized officer of (name of applicant), certify that, to the best of my knowledge, the information contained in this application is true and accurate, and I further certify that no Event of Default currently exists under any prior loan agreement between (name of applicant) and the Authority.

By (Print Name)

Signature

Title

Date



**Exhibit A**

**LEGAL STATUS QUESTIONNAIRE**

1. Disclose material information relating to any legal or regulatory proceeding or investigation in which the applicant/borrower/project sponsor is or has been a party and which might have a material impact on the financial viability of the project or the applicant/borrower/project sponsor. Such disclosures should include any parent, subsidiary, or affiliate of the applicant/borrower/project sponsor that is involved in the management, operation, or development of the project.

Response:

2. Disclose any civil, criminal, or regulatory action in which the applicant/borrower/project sponsor, or any current board members (not including volunteer board members of non-profit entities), partners, limited liability corporation members, senior officers, or senior management personnel has been named a defendant in such action in the past ten years involving fraud or corruption, or matters involving health and safety where there are allegations of serious harm to employees, the public, or the environment.

Response:

Disclosures should include civil or criminal cases filed in state or federal court; civil or criminal investigations by local, state, or federal law enforcement authorities; and enforcement proceedings or investigations by local, state or federal regulatory agencies. The information provided must include relevant dates, the nature of the allegation(s), charters, complaint or filing, and the outcome.

Certifications on behalf of (enter school name): \_\_\_\_\_

I/We attest that we have provided full disclosure as indicated in response to the items #1 and #2 above.

Signature of Principal, CEO, or Lead Administrator

Date

Print or Type Name: \_\_\_\_\_

Signature of President or Chair of Governing Board

Date

Print or Type Name: \_\_\_\_\_

## Exhibit B

### APPLICATION DOCUMENTS CHECKLIST

This checklist is provided to assist applicants in ensuring that a complete Application Package is filed with the Authority.

The following items, at a minimum, should be provided to the Authority and counsel no later than the Application Deadline for the board meeting at which the Financing Applicant is seeking board approval. Application deadlines are approximately five weeks prior to each scheduled board meeting and can be found here: [http://www.treasurer.ca.gov/csfa/meeting\\_schedule.asp](http://www.treasurer.ca.gov/csfa/meeting_schedule.asp)

In certain circumstances, upon a showing of urgency, Authority staff may consider Applications that are missing one or more items from this list by the Application Deadline. **All items on this list are Mandatory.**

#### Original

#### Applicable Items

- |                          |  |
|--------------------------|--|
| <input type="checkbox"/> | Completed Application and Fee  |
| <input type="checkbox"/> | Distribution List  |
| <input type="checkbox"/> | Draft TEFRA notice   |
| <input type="checkbox"/> | Preliminary Title Report (and Completed EIR for new construction)  |
| <input type="checkbox"/> | Authority Resolution   |
| <input type="checkbox"/> | Draft Indenture, Loan Agreement, with Lease or Supplement where an intermediary Borrower is involved   |
| <input type="checkbox"/> | Draft Preliminary Official Statement or Preliminary Limited Offering Memorandum  |
| <input type="checkbox"/> | A description and timing of all required local approvals and demonstration that approvals will be in place prior to the bonds pricing.                                 |
| <input type="checkbox"/> | If the Applicant is seeking a rating, evidence that the rating has been applied for, that the rating process has begun, and the anticipated date a rating is expected. |
| <input type="checkbox"/> | Term Sheet from Underwriter/Placement Agent/Direct Purchaser   |
| <input type="checkbox"/> | Borrower's Articles of Incorporation   |
| <input type="checkbox"/> | Historical and Projected Enrollment with Coverage Ratios   |