

MEMORANDUM

Staff Summary No. 5

Date: October 13, 2010

To: Members of the California School Finance Authority

From: Katrina M. Johantgen, Executive Director

Subject: Resolution No. 10-36 Authorizing the Allocation of Qualified School Construction Bond Borrowing Authority to High Tech High – North County, San Marcos, California, in an amount not to exceed \$5,000,000 Under the Charter School QSCB Program Parameters, and Authorizing the Taking of Necessary Actions in Connection Therewith

The American Recovery and Reinvestment Act of 2009 (ARRA) provides funding for the new construction or renovation of school facilities through the use of Qualified School Construction Bonds (QSCBs). Of California's \$773 million in "volume cap" allocation for the issuance of QSCBs, \$73.525 million has been reserved for use by charter schools through the issuance of conduit revenue bonds in 2009 and 2010 by the California School Finance Authority (CSFA) which will be designated as QSCBs.

At its July 14, 2010 board meeting, the Authority board adopted an open application process for the remaining balance of the 2009 QSCB charter school bond allocation. High Tech High – North County Middle School located in San Marcos, California submitted an application for \$5 million in borrowing authority.

The bonds will be used to finance the design and construction of a 27,000 square foot, two story building. The facility will be designed and engineered to meet LEED standards and will replace a temporary campus consisting of leased portable classrooms that have been on site since 2007. Upon completion of the new facility, the temporary campus will be dismantled and the leased portables returned. It is anticipated that the financing will secure a triple-A rating by virtue of a direct pay letter of credit wrapped by Federal Home Loan Bank of San Francisco.

Staff recommends that the Board adopt Resolution 10-36 approving the allocation of \$5 million of the QSCB borrowing authority to High Tech High – North County Middle School located in San Marcos, California.