

RESOLUTION NO. 12-40

**RESOLUTION APPROVING CHARTER SCHOOL FACILITIES CREDIT ENHANCEMENT
GRANT PROGRAM AWARD IN AN AMOUNT NOT TO EXCEED \$1,000,000, TO
CENTRAL CITY VALUE SCHOOL AND DOWNTOWN VALUE SCHOOL
LOS ANGELES, CALIFORNIA**

WHEREAS, on behalf of the State of California, the California School Finance Authority (Authority) applied for and was awarded a \$8,300,000 grant through the United State Department of Education entitled the Charter School Facilities Credit Enhancement Grant Program (Program) (CDFA # 84.354A); and

WHEREAS, the Authority will award and administer Program funds as sub-grants to California charter school awardees in order to fund the primary debt service reserve requirement for debt issued by or through the Authority for an awardee to acquire, renovate, and/or construct school facilities, or refinance existing charter school facility debt to reduce overall borrowing costs; and

WHEREAS, pursuant to the Act and Resolution No. 11-44 of the Authority, adopted on November 9, 2011, the Charter School Facilities Credit Enhancement Grant Program has been established and authorizing the rulemaking process; and

WHEREAS, as of April 27, 2012, the Program regulations had been approved by the State Office of Administrative Law, and in July of 2012, the Authority sent written communication to all interested parties that the open application process for its Charter School Facilities Credit Enhancement Grant Program allocation had begun, and Central City Value School and Downtown Value School applied for and has met the Program parameters for an award of allocation of Credit Enhancement authority; and

WHEREAS, Central City Value School and Downtown Value School are now requesting Credit Enhancement in an amount not to exceed \$1,000,000 that will be used in conjunction with \$12 million in taxable and tax-exempt bonds ratable bonds.

NOW, THEREFORE, BE IT RESOLVED by the California School Finance Authority as follows.

Section 1. Central City Value School and Downtown Value School is hereby awarded Credit Enhancement authority under the Charter School Facilities Credit Enhancement Grant Program in an amount not to exceed \$1,000,000. If Central City Value School and Downtown Value School do not return to the Authority by March 31, 2013 for board approval for issuance of bonds or with certification that the Credit Enhancement allocation has been utilized in conjunction with the issuance, the allocation will revert to the Authority.

Section 2. The Executive Director of the Authority is hereby authorized and directed to do any and all things which she may deem necessary or advisable in order to assist Central City Value School and Downtown Value School with the completion of a transaction, including but not limited to providing assistance and cooperation in the credit rating process and making a request to the Authority for the issuance, sale, and delivery of bonds as may be needed to implement this resolution.

Section 3. The Executive Director of the Authority is further authorized to take the following actions:

- (a) Take all steps necessary with respect to the Subgrantee including notifying the Subgrantee whether its Application has been approved for funding, preparing a Commitment Letter for the Subgrantee, preparing and executing the final form of Grant Agreement and disbursing funds pursuant to the Grant Agreement and the Authority's Regulations;
- (b) Approve changes in the Project when necessary and authorized under the Regulations (provided that the amount of the Grant award may not be increased above the amount approved by the Authority);
- (c) Draw money from the Authority's Fund, not to exceed the amount approved by the Authority for the Subgrantee.
- (d) Execute and deliver to the Subgrantee any and all documents necessary to complete the transfer of funds; and
- (e) Undertake any and all actions and to execute and deliver any and all documents that the Executive Director deems necessary or advisable in order to effectuate the purposes of the Documents Resolution approved by the Authority.

Section 4. Nothing in this resolution constitutes an agreement or commitment on the part of the Authority to issue conduit bonds for the benefit of Central City Value School and Downtown Value School.

Section 5. This resolution shall take effect immediately upon its adoption.

Date of Adoption: _____