

MEMORANDUM

Staff Summary No. 6

Date: April 16, 2013

To: Members of the California School Finance Authority

From: Katrina M. Johantgen, Executive Director

Subject: Approving the Allocation of Qualified School Construction Bond (“QSCB”) Borrowing Authority to Alliance College-Ready Public Schools in an Amount Not to Exceed \$10,750,000 Under the Charter School QSCB Program and Authorizing the Taking of Necessary Actions in Connection Therewith Located in Los Angeles County, California

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”).

Since 2009, California received more than \$1.42 billion in “volume cap” allocation (not including direct allocations to large local educational agencies) for the issuance of QSCBs. Of this amount, approximately \$141 million has been reserved for use by charter schools through the issuance of conduit revenue bonds by the California School Finance Authority (“Authority”) which will be designated as QSCBs.

At its July 14, 2010 board meeting, the Authority board adopted an open application process for its QSCB charter school bond allocation. At its May 30, 2012 board meeting, the Authority board approved the allocation of QSCB borrowing authority for Alliance College-Ready Middle Academy #8 in the amount of \$10,500,000. Due to legal obstacles regarding the title of the property, Alliance requested to transfer its \$10,500,000 QSCB allocation to a different project located at 7907 Santa Fe, Los Angeles, CA 90255, and provided all required information to establish eligibility for a QSCB allocation for the new location. The High School will be a 30,000 square foot facility built on 0.94 acres of land. Alliance expects that the project will be constructed in time to open for the 2013-14 school year. This allocation expired on March 31, 2013. In the meantime, additional QSCB allocation became available in the amount of \$250,000. At this time, Alliance is now seeking an allocation in QSCB borrowing authority in the amount of \$10,750,000.

Staff recommends that the Board adopt Resolution 13-09 approving the allocation of \$10,750,000 of the QSCB borrowing authority to Alliance College-Ready High School #18, located in Los Angeles, California.