

MEMORANDUM

Staff Summary No. 5

Date: October 9, 2013

To: Members of the California School Finance Authority

From: Katrina M. Johantgen, Executive Director

Subject: Approving the Charter School Facilities Credit Enhancement Grant Program (CDFA #84.354A) Award in an Amount Not to Exceed \$1,500,000 to Partnerships to Uplift Communities Valley LLC for the benefit of Lakeview Charter High School, Triumph Charter Academy, Nueva Esperanza Charter Academy and Triumph Charter High School Located in Los Angeles County, California (Action Item) and Authorizing the Taking of Necessary Actions in Connection Therewith

The California School Finance Authority received a grant award in 2010 under the U.S. Department of Education's Credit Enhancement for Charter Schools Facilities Program (CFDA # 84.354), which, for purposes of the Authority's implementation has been entitled the "Charter School Facilities Enhancement Grant Program" (Program). This federal grant, authorized under Title V, Part B, Subpart 2 of the Elementary and Secondary Education Act, as amended by the No Child Left Behind Act of 2001, provides \$8,300,000 for the purpose of funding primary debt service reserves for the financing of acquisition, renovation, or construction of charter school facilities, or the refinancing of existing charter school facility debt utilized for such purposes.

Partnerships to Uplift Communities Valley LLC (PUC) for the benefit of Lakeview Charter High School, Triumph Charter Academy, Nueva Esperanza Charter Academy and Triumph Charter High School, is requesting a Credit Enhancement grant in the amount of \$1,500,000 to fund a debt service reserve fund. Staff has evaluated the application, and has determined that all program eligibility and evaluation criteria have been met. At its October 9, 2013 board meeting, the board will be asked to consider Resolution 13-41, which will authorize the issuance of School Facility Revenue Bonds in an amount not to exceed \$30,000,000 to finance the acquisition of real property, and the construction, remodeling, demolition, renovation, improvement, furnishing and equipping of educational facilities (the "Facilities") for the benefit of Triumph Charter Academy, Triumph Charter High School and Lakeview Charter High School operated by PUC Valley, and pay certain costs of issuance of the Bonds. .

Staff recommends that the Board adopt Resolution No. 13-40 approving a Credit Enhancement grant of \$1,500,000 to PUC for the benefit of Lakeview Charter High School, Triumph Charter Academy, Nueva Esperanza Charter Academy and Triumph Charter High School located in Los Angeles County, California, and to direct staff to continue working with the applicant and their financing team to finalize the structure of the transaction for issuance.