

RESOLUTION NO. 17-14

RESOLUTION APPROVING FINANCIALLY SOUND DETERMINATION FOR THE CHARTER SCHOOL FACILITIES PROGRAM APPLICATION FOR FINAL APPORTIONMENT FOR OCEAN CHARTER SCHOOL

May 9, 2017

WHEREAS, the California School Finance Authority (Authority) is authorized by Education Code section 17078.57 to determine whether applicants to the Charter School Facilities Program (Program) are financially sound for purposes of the Program at the time of preliminary, advance, and final apportionment; and

WHEREAS, Ocean Charter School (OCS) was determined by the Authority to be financially sound for purposes of a preliminary apportionment at its April 13, 2011 meeting; and

WHEREAS, the State Allocation Board (Board), through the funding methodology established pursuant to Education Code section 17078.56, awarded OCS a preliminary apportionment of \$20,175,488; and

WHEREAS, was found financially sound by the Authority on January 11, 2012 for purposes of the advance apportionment of \$1,403,548.80 for design and \$6,140,000 for site acquisition; and

WHEREAS, OCS's final total project cost as determined by the Office of Public School Construction is \$51,529,268; and

WHEREAS, Los Angeles Unified School District has pledged a lump sum payment of \$15,464,634 to offset OCS's local matching share; and

WHEREAS, OCS is requesting the release of funds for Final Apportionment in the amount of \$51,529,268 (minus previously advanced funds); and

WHEREAS, OCS will fulfill \$10,300,000 of its local matching share obligation through a 30-year agreement with the State; and

WHEREAS, this determination is in place for twelve months and assumes no financial, operational, or legal material findings within this time period; and

WHEREAS, the Authority is required by section 10155(b)(1) of the Program regulations to conduct a review of OCS's financial status at the time of a Final Apportionment request and determine whether OCS has maintained a financially sound status; and

WHEREAS, this determination of financial soundness is contingent upon OCS meeting the following: (1) receiving an Augmentation Grant from the Los Angeles Unified School District in an amount totaling at least \$32,653,558 towards the total project cost, of which \$15,464,634 will be applied towards the local matching share, (2) successfully raising \$3,000,000 in capital campaign contributions through 2019-20; and (3)

OCS's fulfillment of its remaining local matching share obligation of \$10,300,000 through an annual Program payment to be intercepted by the State Controller's Office.

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

Section 1. OCS has maintained its financial soundness for purposes of the Program, specifically with regard to its request for a Final Apportionment.

Section 2. OCS is fulfilling its local matching share obligation through a lump-sum payment made by the Los Angeles Unified School District on behalf of OCS in the amount of \$15,464,634, and a 30-year CSFP lease obligation in the amount of \$10,300,000 that will be intercepted by the State Controller's Office.

Section 3. This determination as it relates to Final Apportionment is in place for twelve months and assumes no financial, operational, or legal material findings within this time period.

Section 4. The Executive Director of the Authority is hereby authorized, for and on behalf of the Authority, to notify the Board, and provide supporting documentation, that OCS has maintained its financial soundness for purposes of the Program and for its request for a Final Apportionment.

Section 5. The Executive Director of the Authority is hereby authorized, for and on behalf of the Authority, to execute the Program agreements between the State and OCS, and the District as necessary prior to Final release of funds.

Section 6. This resolution shall take effect immediately upon its approval.

PASSED AND ADOPTED by the California School Finance Authority.

Date of Adoption: May 9, 2017