

MEMORANDUM

Staff Summary No. 9

Date: December 11, 2018

To: Members of the California School Finance Authority

From: Katrina M. Johantgen, Executive Director

Subject: Resolution 18-31 – Approval of the Revolving Loan Fund Program Priority Two Recommendations and Amounts (Action Item)

Background: In December 2017, the California School Finance Authority (Authority) opened the Revolving Loan Fund Program (Program) application period for the 2017-18 funding round. By the February 28, 2018 deadline, 65 applications were received, totaling funding requests of \$16.25 million. Approximately \$10 million was available for funding this year. Since February, CSFA staff has assessed Priority One and Priority Two, following the framework established by statute and regulation, and the review process and methodology attached in Exhibit A. Of the timely applications, fifty-two priority one schools that opened in 2018-19 were reviewed, and 33 were approved for loans totaling funds of \$8.175 million. Nineteen Priority One schools were deemed ineligible or withdrew their application. Fourteen Priority Two schools were reviewed, and eight were deemed ineligible for Program funds. Six are being recommended for board approval for loans totaling \$1.395 million. These six Priority Two schools are listed in Exhibit B of Resolution 18-31.

Recommendation: Staff recommends that the board adopt Resolution No. 18-31, approving revolving loan fund recommendations and amounts to priority two schools listed in the attached Exhibit B – RLF Board Matrix. Once approved, Staff will notify schools of the conditional loan approval, confirm schools meet all funding criteria before releasing funds, distribute and execute loan agreements, and carry out all other necessary steps to disburse funds to schools.