

RESOLUTION NO. 20-26

**APPROVAL OF CHARTER SCHOOL REVOLVING LOAN FUND PROGRAM LOAN
MODIFICATION FOR BAYPOINT PREPARATORY ACADEMY- SAN DIEGO,
LOCATED IN SAN DIEGO COUNTY**

July 30, 2020

WHEREAS, in August 10, 2016, the California School Finance Authority (Authority) Board approved the loan for Baypoint Preparatory Academy (BPA) (CDS: 33-376943-0132522), as part of the 2014-15 Funding Round of the Charter School Revolving Loan Fund Program (Program), for an amount of \$250,000, and

WHEREAS, in August 28, 2019, the Authority Board approved a loan for Baypoint Preparatory Academy –San Diego (BPA-SD) (CDS: 37-77172-0138099), as part of the 2018-19 Funding Round of the Program, for an amount of \$150,000; and

WHEREAS, on May 5, 2020, the Authority Board approved a second loan for BPA-SD, as part of the 2019-20 Funding Round of the Program, for an amount of \$100,000; and

WHEREAS, on June 26, 2020, Authority staff was informed that BPA would be closing, effective June 30, 2020; and

WHEREAS, the charter management organization (CMO) of BPA and BPA-SD requested the transfer of BPA's RLF remaining balance to BPA-SD. Both schools fall under the same CMO, and when BPA closed, its board moved any assets and liabilities to the remaining entity to BPA-SD; and

WHEREAS, pursuant to California Education Code Section 41365(d), and California Code of Regulations 10170.22 (g) Loan Agreements, RLF program regulations stipulate, "In the event the Charter School is unable to repay the loan and the Charter School is operated by an Affiliated Organization or Chartering Authority, in the case of a dependent charter, the Authority shall require the Affiliated Organization or Chartering Authority to make annual payments or repay the total outstanding loan amount on behalf of the Charter School." Additionally, pursuant to the Loan Agreement, Article VIII – Default and Remedies, Section 8.3 – Remedies, "In an Event of Default, the Authority may pursue any remedy available to it in law or in equity, including, but not limited to, forfeiture and return of all Program funds and any accrued interests"; and

WHEREAS, this approval will allow the Authority to modify of the RLF loan and repayment schedule for BPA by transferring the loan to BPA-SD, and allowing the Authority to offset the BPA loan amount from the BPA-SD monthly state apportionment determined by the California Department to Education.

NOW, THEREFORE, BE IT RESOLVED that

Section 1. The Authority approves loan modification for Baypoint Preparatory Academy –San Diego.

Section 2. The Executive Director of the Authority is hereby authorized and directed to authorize the Authority staff to notify the CMO, require a loan agreement addendum between the CMO, BPA-SD, and the Authority clarifying the transfer of the loan obligation, and revise the loan repayment schedule reflecting the new balance for the three outstanding loan amounts.

Section 3. This resolution shall take effect immediately upon its approval.

Date of Adoption: July 30, 2020

CERTIFICATE OF THE EXECUTIVE DIRECTOR
(Attesting to Action of the Authority)
Sacramento, California

I, Katrina Johantgen, Executive Director of the California School Finance Authority, hereby certify that the foregoing is a full, true and correct copy of Resolution No. 20-26 of the California School Finance Authority, adopted at a meeting of the California School Finance Authority held at 915 Capitol Mall, Conference Room 110 (Large), Sacramento, California, 95814 on July 30, 2020, for which meeting all of the members of said Authority had due notice; and that at the meeting such Resolution was adopted by the following votes:

AYES: Fiona Ma, CPA, State Treasurer
 Juan Mireles, designee for Superintendent of Public Instruction
 Tony Thurmond
 Jeff Bell, designee for Director of Finance Keely Martin Bosler

NOES:

ABSTAINS:

ABSENT:

I further certify that the original minutes of said meeting and a copy of the original Resolution adopted at said meeting are on file in the California School Finance Authority office; and that the Resolution has not been amended, modified, or rescinded in any manner since the date of its adoption, and the same is now in full force and effect.

IN WITNESS WHEREOF, I have executed this certificate and affixed the seal of the California School Finance Authority hereto.

(seal)

July 30, 2020

Katrina Johantgen, Executive Director