

## MEMORANDUM

## Staff Summary No. 11

**Date:** October 28, 2021

**To:** Members of the California School Finance Authority

**From:** Katrina M. Johantgen, Executive Director

**Subject:** Resolution 21-33, Approving the Credit Enhancement (CDFA #84.354A) Award in an Amount Not to Exceed \$1,000,000 to Ivy Academia.

---

**Background:** The California School Finance Authority (Authority) received a grant award in 2017 under the U.S. Department of Education's (DOE) Expanding Quality Charter Schools Program – Credit Enhancement (CE) for Charter Schools Facilities (CFDA # 84.354A), which, for purposes of the Authority's implementation, has been entitled the Program Acceleration Notes and Credit Enhancement Alternatives (PANACEA) 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 \$8,000,000 to support financing to charter schools that have received a reservation of funds through the Charter School Facilities Program or for long-term debt through the Authority's Conduit Bond and Note Financing Program.

**Application:** At their October 28, 2021 meeting, the Authority Board will be presented a bond financing for Ivy Academia (IA), in a not-to-exceed amount of \$30,000,000. The financing will fund the refinancing and improvement of the current IA campus. The IA campus is located in Woodland Hills, in the San Fernando Valley in greater Los Angeles. According to information provided by IA, by helping to finance a debt service reserve fund that would otherwise be paid for by the school, the CE Grant allows IA to return that money, approximately \$1,000,000 (at the time of this staff summary), directly to the classroom, while maintaining the credit stabilization a reserve fund surplus provides.

**Eligibility Requirements:** meets all eligibility requirements of the Program, specifically:

- Good Standing – The Authority has confirmed with the Los Angeles Unified School District (LAUSD) that IA is in good standing and that confirmation is on file.
- Ability to secure private placement of its debt with an investor(s), secure an investment grade credit rating from a national credit rating agency in conjunction with a public sale, or other evidence, satisfactory to the authority that the transaction will be completed – while this is an unrated credit Ivy Academia has the ongoing support of LAUSD, a newly approved seven-year charter term, a responsible plan of finance, and a competent financing team, as such the Authority has every expectation this transaction will be completed.
- At Least 50% of Students Eligible for Free and Reduced Priced Meals (FRPM) – 68% of students currently attending IAE qualify for FRPM, well over the 50% threshold.

**Recommendation:** Staff recommends the Board adopt Resolution No. 21-33, awarding Ivy Academia Entrepreneurial Charter School PANACEA (credit enhancement) in a not-to-exceed amount of \$1,000,000.