

MEMORANDUM

Staff Summary Item #6

Date: April 27, 2023

To: Members of the California School Finance Authority

From: Katrina M. Johantgen, Executive Director

Subject: Approval of Resolution #23-18, 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 Partnerships to Uplift Communities (PUC) Lake View Terrace, for the benefit of PUC Lakeview Charter Academy, PUC Community Charter Middle School, PUC Community Charter Early College High School, and Partnerships to Uplift Communities Los Angeles, for the benefit of PUC CALS Charter Middle and Early College High School, located in Los Angeles County, California

Background: 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.

Application: Partnerships to Uplift Communities (PUC) Lake View Terrace, for the benefit of PUC Lakeview Charter Academy, PUC Community Charter Middle School, PUC Community Charter Early College High School, and Partnerships to Uplift Communities Los Angeles, for the benefit of PUC CALS Charter Middle and Early College High School, is requesting a Credit Enhancement grant in an amount not to exceed \$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 April 27, 2023, board meeting, the board will be asked to consider Resolution 23-17, which will authorize the issuance of School Facility Revenue Bonds in an amount not to exceed \$27,000,000 to refinance the Series 2012 bonds. PUC is seeking to refund its outstanding Series 2012 Charter School Revenue Bonds, issued through the California Municipal Finance Authority.

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

- Good Standing – PUC Lakeview Charter Academy, PUC CALS Middle School and Early College High, and PUC Community Charter Middle and PUC Community Charter Early College High are in good standing with the Los Angeles Unified School District and confirmation of good standing is on file with the Authority. *Pending and will have confirmation prior to bringing to the board for approval.*

- 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 a lower-than-investment-grade credit, PUC has a responsible plan of finance, and a competent financing team, as such the Authority expects this transaction will be completed successfully.
- Applicant is located in a county, Los Angeles County, in which 50% or more of the students do not meet the state standard for proficiency in either Math and English Language Arts.

Recommendation: Staff recommends that the Board adopt Resolution No. 23-18 approving a Credit Enhancement grant not to exceed \$1,500,000 to PUC Lakeview Terrace located in Los Angeles County, California as all requirements of eligibility have been met.