

\$13,000,000*
CALIFORNIA SCHOOL FINANCE AUTHORITY
EDUCATIONAL FACILITIES 2025 LOAN
(YU MING CHARTER SCHOOL)
ITEM #6 - RESOLUTION 25-16
STAFF SUMMARY

Executive Summary

Applicant/Borrower:	Yu Ming Charter Facilities, LLC
Par Amount Requested:	Not-to-Exceed * \$13,000,000
Financing Term:	Fixed rate, up to 40-year financing
Projected Interest Rate:	5.75%
Applicant Description:	Yu Ming Charter School ("YMCS") is a California nonprofit public benefit corporation and organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 that operates charter schools.
Borrower Information:	The borrower will be Yu Ming Charter Facilities, LLC (the "Borrower"), a California limited liability company, the sole member of which is YMCS. The Borrower was formed for the specific purposes of supporting YMCS., which will be the Lessee or school loan borrower.
Type of Financing:	Educational Facilities Taxable Loan
Project User:	Yu Ming Carolyn Campus; Yu Ming Adeline Campus
County Served:	Alameda County
District in Which Project is Located:	Alameda County Office of Education
Charter Authorizer:	Alameda County Office of Education
Financing Description:	Proceeds will be used to finance and/or refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing, and/or equipping of the existing Yu Ming Carolyn campus and the new Yu Ming Adeline Campus; and pay the cost of issuance.
Project Site:	1) 16244 Carolyn Street, San Leandro, CA 94578 and 2) 1000 42 nd Street, Oakland, CA 94608.
Financing Details:	Type of Issue: Educational Facility Taxable Loan Tax Status: Taxable Maturity: Not to exceed 2065 Credit Enhancement: No Credit Rating: BB+ (expected) Fees: See Costs of Issuance Table
Financing Team:	Lender: Equitable Facilities Fund, Inc. ("EFF") Lender's Counsel: Orrick, Herrington & Sutcliffe LLP Borrower's Counsel: Young, Minney & Corr LLP Issuer's Counsel: Office of the Attorney General Bond Trustee: UMB Bank, NA
CSFA Analyst:	Robby Biegler
Date of Staff Report:	June 20, 2025
Date of CSFA Board Meeting:	June 26, 2025
Resolution Number:	25-16

Staff Recommendation: Staff recommends the Authority Board approve Resolution Number 25-16 authorizing a loan in an amount not to exceed \$13,000,000 to finance and/or refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing, and/or equipping of certain educational facilities located in Alameda County for use by Yu Ming Charter School.

Background and History

YMCS, opened in 2010, currently serves students across three campuses: Yu Ming Carolyn (YMC); Yu Ming Chestnut (YMCH); Yu Ming MLK (YMLK). YMCS plans to acquire the new Yu Ming Adeline (YMA) campus to serve as the permanent home of YMLK and will be renaming the campus (from YMLK to YMA). YMC operates both grade and middle schools (YMCES and YMCMS). All schools operate under one charter approved by the Alameda County Office of Education. The current charter term runs from June 1, 2021 to June 1, 2028.

The Borrower is a California limited liability company that was formed for the specific purpose of supporting YMCS. This will be the second YMCS financing authorized and issued by CSFA, both EFF loans. With the first issuance, a Master Trust Indenture (MTI) was created to manage any potential future YMCS CSFA financings. That issuance was for \$7,100,000 and was for the acquisition of the current YMCH campus.

Yu Ming Charter School Student Demographics 2024-25

Socioeconomically Disadvantaged	34%
Asian or Pacific Islander	56%
African American	12%
Hispanic	8%
White, Non-Hispanic	5%
Other	22%
Students w/ Disabilities	8%
ELL	21%

Yu Ming Charter School 5-Year Enrollment Projections

Campus	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
YMCH	405*	449	452	456	457	448
YMLK	298	236	-***	-	-	-
YMA	-	156**	250***	273	259	259
YMCES	252*	252**	330	330	330	330
YMCMS	-	-	153	215	276	337
Total	955	1,093	1,185	1,274	1,322	1,374

*For FY25, YMC currently serves grades K-3 (330 students), however, the 3rd grade (78 students) is co-located at the YMCH campus in Oakland, while the K-2 (252 students) are housed at the YMCES campus in San Leandro.

**For FY26, YMC will serve grades K-4 (408 students), however, the 3rd and 4th grade (156 students) will be temporarily housed at the YMA campus.

***For FY27, YMLK students will transition to the YMA campus.

YMCS enrollment increases are owed to a combination of; new school matriculation; the transition of the MLK campus to the Adeline campus, and grade additions over the lifetime of the school. EFF assesses enrollment growth plans prior to internal approval and CSFA submission in several ways: internal analysis of individual grade growth; population in the area; competition in the area; and enrollment stress tests to breakeven or 1.1x coverage to see how much a school can miss enrollment projections by. If an enrollment growth plan still seems aggressive EFF will require them to hire an independent enrollment consultant who can give an

independent opinion on how realistic enrollment growth is or isn't. Total obligated group enrollment broken out by grade is included as Appendix C.

Lender EFF is a Delaware nonstock nonprofit corporation that has 501(c)(3) tax-exempt status as a public charity. EFF was initially funded by philanthropic contributions from the Walton Family Foundation, and is organized to make low-cost, long-term, fixed rate loans to charter schools for facilities. The EFF program is set up as a revolving loan fund, so that as existing school loans are repaid, the loan repayment revenues can be used to make new loans. In addition, EFF has obtained, and will continue to seek, capital market financing in the form of tax-exempt bonds to leverage the revenue streams from their pool of school loans. Depending on the locations of the projects financed by the loans over time, EFF will issue bonds using various conduit issuers in various jurisdictions, and, as it did in connection with its prior bond issuances from 2019 through 2024, EFF will use the proceeds of such bonds to reimburse itself for loans it previously originated, in order to make additional loans.

Project Description

Briefly stated, the proceeds of the bonds will be used to: (1) Acquire and renovate the existing Yu Ming Carolyn campus at 16244 Carolyn Street, San Leandro, CA 94578; (2) Acquire and renovate the new Yu Ming Adeline campus at 1000 42nd Street, Oakland, CA 94608; and (3) Pay the cost of issuance.

Facilities Information

Site	Landlord	Location	Purpose	Amount
Yu Ming Carolyn	Yu Ming Charter Facilities LLC	16244 Carolyn Street San Leandro, CA 94578	Purchase and Renovations	\$6,522,840
Yu Ming Adeline	Yu Ming Charter Facilities LLC	1000 42 nd Street Oakland, CA 94608	Purchase and Renovations	\$6,835,660

Total Estimated Project Costs for Facilities

\$13,358,500

YMC and YMLK currently operate in leased facilities. With this financing YMCF intends to acquire the currently leased YMC facility, which includes six modular buildings totaling 8,640 square feet and 12 classrooms as well as a 7,251 square-foot administrative building which includes offices, multipurpose space, a library and a kitchen. The facility is currently owned by Epiphany Lutheran Church. YMCF also intends to purchase the new YMA campus, which is 20,000 square feet with 12 classrooms. The facility is currently owned by 1000 42nd Street LLC. Once acquired, the new campus will serve as the permanent home for YMLK students under the newly named YMA.

Financing

In the proposed loan to the Borrower, structured as a conduit loan through CSFA, Orrick would act as EFF's counsel. Although Orrick would not have an attorney-client relationship with CSFA on the YMCS transaction, Orrick would perform most, if not all, of the tasks ordinarily performed in other transactions when acting as bond counsel to CSFA. While these tasks are associated with the role of "bond counsel" to CSFA, there is no legal or ethical requirement that the firm performing these tasks be retained by the conduit issuer. In this transaction, EFF and YMCS have agreed that Orrick should perform these tasks because of its prior experience in doing so on similar transactions. The only difference on this transaction would be that Orrick's client relationship is not with CSFA, but instead with EFF. Therefore, in this transaction, the Attorney General's Office will represent CSFA (as issuer's counsel), without need for an additional law firm to act as CSFA's outside bond counsel. The financing will be structured as a tri-party loan (the Loan), with EFF as the lender, CSFA as the conduit borrower, and the Borrower as the obligor responsible for all payments under the Loan. EFF reports that the intercept will lower the costs for YMCS vs. a conventionally-structured loan. The loan will be executed and delivered pursuant to a loan agreement among CSFA, EFF, and the Borrower.

A deposit to the Reserve Account for the Series 2025 Bonds in an amount of the Reserve Account Requirement is expected to be funded in whole or in part by proceeds of a grant pursuant to the Authority's

Charter School Facilities Credit Enhancement Program or another similar program administered by the Authority, if approved by the Authority.

Security and Source of Payment: The Borrower's obligations under the Loan will be secured by an Obligation issued by the Obligated Group under the Master Trust Indenture, including a pledge of rental revenues of the Obligated Group Schools and mortgages on all related real property interests naming Master Trustee as mortgagee. The rents YMCS will pay under its lease with the Borrower will be subject to intercept. All payments subject to the Intercept shall only be transferred to EFF or the Master Trustee to repay the Loan or for payment of ground rent, if any. The Loan will be evidenced by a Promissory Note, executed by the Borrower in favor of California School Finance Authority.

Preliminary Sources and Uses and Preliminary Costs of Issuance: Below are the preliminary estimated sources and uses, and detailed information about the expected costs of issuance for board consideration. Please note these figures are subject to change between the time the board packets are distributed and are further subject to final pricing. Members will be provided updated figures should significant changes occur before the board meeting date.

Sources and Uses

Sources:	Series 2025 (Taxable Loan)	Grant Award	Total
Bond Proceeds			
Par Amount:	\$12,577,215		\$12,577,215
Equity Contribution:	\$1,200,000		\$1,200,000
Enhancement Grant:		\$1,000,000	\$1,000,000
Total:	\$13,777,215	\$1,000,000	\$14,777,215
Uses:	Series 2025 (Taxable Loan)		Total
Project Fund Deposit			
Yu Ming Carolyn Acquisition/Renovation	\$6,522,840		\$6,522,840
Yu Ming Adeline Acquisition/Renovation	\$6,835,660		\$6,835,660
Cost of Issuance	\$418,715		\$418,715
Enhancement Grant:		\$1,000,000	\$1,000,000
Total	\$13,777,215		\$14,777,215

Total Costs of Issuance*

Expense	Amount
Issuer Fee	\$16,500
Annual Admin Fee	1,950
Agent-for-Sale Fee	3,500
Issuer's Counsel Fee	20,000
Financial Advisor Fee	50,000
Bond Counsel Fee	120,000
Borrower's Counsel Fee	75,000
Trustee/Trustee Counsel Fee	9,500
Title Insurance Fee	100,000
Contingency Budget	22,265
Total	\$418,715

*Estimates based on principal amount of \$13,000,000.

Sales Restrictions

The following sales restrictions will apply. The Authority's sales restrictions can be viewed at: <http://treasurer.ca.gov/csfa/financings/guidelines.pdf>.

The Loan will be non-transferable except between EFF and its affiliated entity, Equitable School Revolving Fund, LLC ("ESRF"), and in the case of default, to QIBs (note, EFF itself qualifies as a QIB). The following restrictions will apply:

1. The Note will not be broken into smaller denominations;
2. The Note will be privately placed with EFF and/or ESRF;
3. EFF and ESRF will each be required to execute an Investor Letter;
4. Subsequent transfers of the Note will be limited to transfers between EFF and ESRF or to Qualified Institutional Buyers in the case of a default;
5. Sales restrictions will be conspicuously noted on the Note and described in detail in offering materials, if any, as well as included in the Loan documents;
6. Loan repayments will be made via the intercept mechanism outlined in Section 17199.4 of the Education Code.

Other Project Data

Tax Equity and Fiscal Responsibility Act (TEFRA): Not applicable as this is a taxable loan.

Due Diligence Undertaken to Date: The financial, operating and other information concerning the Borrower, the Project and related matters presented in this Staff Summary was provided by the Borrower and Lender. The analysis contained herein was prepared by CSFA Staff for the limited purpose of determining financial feasibility pursuant to Section 17183.5 of the CSFA Act and providing the CSFA Board with information concerning certain aspects of the Project. The review undertaken by CSFA staff, the recommendation of CSFA Staff to the CSFA Board to approve the financing, or any approval by the CSFA Board are not intended to, and did not, include all of the due diligence activities and other investigations necessary or desirable for the purpose of making an investment decision relating to the making of the financing by the Lender, and should not be relied on by any party for such purpose.

Borrower Financial Data: Pursuant to Section 17183.5 of the CSFA Act, financing through the Authority is to be provided only to projects demonstrated by the participating party to be financially feasible. In demonstrating feasibility, the participating party may take into account all of its funds and may base future projections upon historical experience or reasonable expectations, or a combination thereof. Nothing in Section 17183.5 shall be construed to imply that any project is required to produce revenue in order to be financed under this chapter.

Staff Recommendation

Staff recommends the board adopt Resolution 25-16 authorizing the issuance of revenue bonds in an amount not to exceed \$13,000,000 to finance and/or refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing, and/or equipping of certain educational facilities located in Alameda County for use by Yu Ming Charter School.

1. **Applicant / Borrower:** Yu Ming Charter Facilities, LLC
2. **Project:** Acquisition and renovation
3. **Amount of Financing:** Not to exceed \$13,000,000
4. **Maturity:** 40 years (Not-to-exceed 40 years)
5. **Repayment/Security:** Intercept of Lease Payments and Deed of Trust on Real Property
6. **Preliminary Interest Rate:** 5.75% (does not account for interest rate reduction due to CE grant – rate will be reduced by 20 bps)
7. **Preliminary Cost of Issuance:** The preliminary Cost of Issuance is \$418,715

8. **Not an Unconditional Commitment:** The Authority resolution shall not be construed as unconditional commitment to finance the Project, but rather the Authority's approval pursuant to the resolution conditioned upon entry by the Authority and Borrower into a loan agreement, in form and substance satisfactory to the Authority and its counsel.

Limited Time: The Board's approval expires 12 months from the date of its adoption. Thus, CSFA must issue the bonds no later than 12 months from that date. Once the approval has expired, the item must return to the Board for new approval.

APPENDIX A: School Governance

School Leadership

Member	Position
Stacey Wang	Chief Executive Officer
Emily Wood	Chief Operations Officer
Celia Pascual	Chief Academics Officer
Crystal Simmons	Director of Student Support Services
Wenting Wang	Director of Academics
Greg Callahan	Director of SEL and Equity
Henry Liu	Director of Talent and Culture

Board of Directors

Member
Reggie Lee, Chair
Jonathan Schorr, Vice Chair
Jess Henry, Secretary
Yiaway Yeh, Treasurer
Keta Brown, Member
Kendra Ferguson, Member
Joi Jackson, Member
Kenneth Maxey II, Member
David Stinfil, Member

APPENDIX B: BUDGET PROJECTIONS

INSTITUTION NAME: Yu Ming Charter School								
Fiscal Year	2022	2023	2024	2025	2026	2027	2028	2029
GENERAL								
Fiscal Year End	06/30/2022	06/30/2023	06/30/2024	06/30/2025	06/30/2026	06/30/2027	06/30/2028	06/30/2029
Statement Basis	Audited	Audited	Audited	Projected	Projected	Projected	Projected	Projected
Student Demand and Enrollment								
Grades Offered	K-8	K-8	K-8	K-8	TK-8	TK-8	TK-8	TK-8
Total FTE Enrollment (Daily Avg Attendance)	671	767	872	955	1,093	1,185	1,274	1,322
STATEMENT OF OPERATIONS								
Revenues								
Per Pupil Funding:								
State Funding (Per Pupil)	5,965,739	8,008,160	9,431,576	10,735,169	12,431,933	13,788,881	15,114,189	16,504,404
State Funding (Other)	1,201,866	1,869,963	2,311,860	3,068,236	3,133,268	3,535,103	3,262,790	3,387,244
Federal Funding	252,032	351,747	220,651	361,282	395,166	428,379	452,563	474,055
ESSER and Covid Relief	371,700	102,196	172,039					
Local Funding	980,671	1,131,235	1,788,945	1,845,874	1,923,463	1,995,024	2,055,509	2,112,587
Fundraising - Foundation Grants & Individual Donations*	610,286	1,938,036	442,600	250,800	200,000	200,000	200,000	
Fundraising - Families & Events	861,059	783,411	1,014,925	500,000	500,000	500,000	500,000	500,000
Fundraising - Field Trips	92,415	239,987	318,301	250,000	476,695	481,088	484,801	268,305
Total Revenue	10,335,768	14,424,735	15,700,897	17,011,361	19,060,525	20,928,475	22,069,851	23,246,595
Expenses								
Program Services	6,362,799	8,290,467	10,083,336	12,154,016	13,007,596	13,759,058	14,906,074	15,989,049
Management and General	1,716,058	2,546,316	3,191,144	2,491,208	2,821,419	2,983,562	3,241,394	3,492,781
Supplies	747,947	892,425	1,000,441	939,714	945,196	1,017,537	1,079,624	1,138,556
Rent	745,795	798,120	954,357					
MLK Lease				425,891	438,668	451,828		
NOCCS Debt Service (EFF)					419,115	419,115	419,115	419,115
Chestnut Debt Service (EFF)				491,393	491,393	491,393	491,393	491,393
Carolyn ES Lease				262,027				
Carolyn ES Debt Service (EFF)					398,089	398,089	398,089	398,089
Carolyn MS Lease (TBD)						500,000	515,000	530,450
Depreciation	82,117	34,157	255,356	14,859	19,112	21,385	18,893	18,667
Total Expenses	9,654,716	12,561,485	15,484,634	16,779,108	18,540,588	20,041,967	21,069,582	22,478,100
Excess of Revenue Over Expense	681,052	1,863,250	216,263	232,252	519,937	886,508	1,000,269	768,495
Add Back: Depreciation & Amortization	82,117	34,157	255,356	14,859	19,112	21,385	18,893	18,667
Annual Lease Expense	745,795	798,120	954,357	1,179,311	1,747,265	2,260,425	1,823,597	1,839,047
Annual Interest Expense								
Cash Available for Debt Service	1,508,964	2,695,527	1,425,976	1,426,423	2,286,314	3,168,318	2,842,759	2,626,209
Principal Payments								
Lease-Adjusted ADS	745,795	798,120	954,357	1,179,311	1,747,265	2,260,425	1,823,597	1,839,047
Lease-Adjusted MADS	2,260,425	2,260,425	2,260,425	2,260,425	2,260,425	2,260,425	1,839,047	1,839,047
OPERATING RATIOS								
Lease-Adjusted ADS Coverage	2.02	3.38	1.49	1.21	1.31	1.40	1.56	1.43
Lease-Adjusted MADS Coverage	0.67	1.19	0.63	0.63	1.01	1.40	1.55	1.43
STATEMENT OF FINANCIAL POSITION								
Unrestricted Cash & Investments	2,586,789	4,525,336	3,822,995	4,158,349	3,682,213	4,417,855	4,966,017	5,171,356
Donor Restricted Cash**	N/A	N/A	2,123,794	2,123,794	1,323,794	1,523,794	1,723,794	1,923,794
BALANCE SHEET RATIOS								
Days Cash on Hand (unrestricted cash & investments)	98.6	131.9	91.6	90.5	72.6	80.5	86.1	84.0
Days Cash on Hand (including donor restricted cash for capital projects)	98.6	131.9	142.5	136.8	98.7	108.3	116.0	115.3

APPENDIX C: FULL ENROLLMENT

Grade	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	Full Enrollment (FY30)
Chestnut										
TK	-	-	-	-	-	40	40	40	40	40
K	87	83	56	84	84	84	84	84	84	84
1	84	85	84	84	84	84	84	84	84	84
2	79	84	56	79	79	84	84	84	84	84
3		77	80	80	158*	78	83	82	83	78
4	-	-	-	-		79	77	82	82	78
Chestnut Subtotal	250	329	276	327	405	449	452	456	457	448
MLK										
3	80	-	-	-	-	-	-	-	-	-
4	53	78	78	78	78	-	-	-	-	-
5	53	50	72	72	76	77	-	-	-	-
6	48	47	39	65	59	63	-	-	-	-
7	41	44	46	46	39	58	-	-	-	-
8	30	40	43	43	46	38	-	-	-	-
MLK Subtotal	305	259	278	304	298	236	-	-	-	-
Adeline***										
3	-	-	-	-	-	78**				
4	-	-	-	-	-	78**				
5	-	-	-	-	-	-	77	77	75	75
6	-	-	-	-	-	-	63	63	62	62
7	-	-	-	-	-	-	62	72	61	61
8	-	-	-	-	-	-	58	61	61	61
NOCCS Subtotal	-	-	-	-	-	156	260	273	259	259
Total Enrollment	555	588	554	631	703	841	712	729	716	707

*For FY25, Carolyn's 3rd graders (78 students) are temporarily housed at Chestnut.

**For FY26, Carolyn 3rd and 4th graders (156 students) are temporarily housed at Adeline.

***For FY27 and beyond represent MLK students transitioning to Adeline.

Grade	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	Full Enrollment (FY30)
Carolyn – San Leandro Campus									
K	83	111	84	84	84	84	84	84	84
1	-	76	84	84	84	84	84	84	84
2	-	26	79	84	84	84	84	84	84
3	-	-	-	-*	-**	78	78	78	78
Carolyn – TBD Leased Facility									
4	-	-	-	-	**	78	78	78	78
5	-	-	-	-	-	75	75	75	75
6	-	-	-	-	-	-	62	62	62
7	-	-	-	-	-	-	-	61	61
8	-	-	-	-	-	-	-	-	61
Total Enrollment	83	213	247	252	252	483	545	606	667

*For FY25, Carolyn's 3rd graders (78 students) are temporarily housed at Chestnut.

**For FY26, Carolyn 3rd and 4th graders (156 students) are temporarily housed at Adeline.