

**Charter School Facilities Program
2022 Filing Round
Staff Summary Report – October 2025
Item #3 Resolution 25-26**

Executive Summary

Applicant/Obligor:	California Heritage Youthbuild Academy
Project School:	California Heritage Youthbuild Academy 2
CDS (County – District – School) Code:	53-10538-0125633
School Address:	8544 Airport Rd, Redding, CA 96002
Type of Project:	New Construction
Type of Apportionment:	Advanced
County:	Trinity
District in which Project is Located:	Trinity County Office of Education
Charter Authorizer:	Trinity County Office of Education
Total OPSC Project Cost:	\$29,864,994
State Apportionment (50% Project Cost):	\$14,932,497
Total CSFP Financed Amount:	\$14,932,497
Length of CSFP Funding Agreement:	30 Years
Assumed Interest Rate:	3.00%
Estimated Annual CSFP Payment:	\$761,845
First Year of Occupancy of New Project:	2029

Staff recommend that the California School Finance Authority (Authority or CSFA) Board determine that California Heritage Youthbuild Academy 2 (CHYBA), is financially sound for Charter School Facilities Program (Program or CSFP) Advanced Apportionment. This determination, as it relates to Advanced Apportionment, shall remain in effect for twelve months and assumes no financial, operational, or legal material findings within this period. This recommendation is contingent upon CHYBA electing to have its CSFP payments intercepted at the state-level, under Sections 17199.4 and 17078.57(a)(1)(A) of the Education Code. Staff recommend that the CSFA Board direct Staff to immediately notify the Office of Public School Construction (OPSC) and the State Allocation Board (SAB) regarding this determination.

Application Highlights: Below staff highlighted key criteria evaluated when conducting the financial soundness review for CHYBA. Detailed information is contained in the body of the report:

Criteria	Comments
Demographic Information	In fiscal year 2025, California Heritage YouthBuild Academy 2 (CHYBA) has a total enrollment of 141 students in grades nine through twelve; the average daily attendance (ADA) rate was 59.7%, and the Unduplicated Pupil Percentage (UPP) of ADA was 84.42%.
Debt Service Coverage	CHYBA debt service coverage from adjusted net income on this CSFP loan is projected to average 230.1% over the first two years payments are due.

Eligibility Criteria	CHYBA has met all eligibility criteria: (1) CHYBA commenced operations with the Trinity County Office of Education (TCOE) as its authorizer in 2016 (2) CHYBA's charter is in place through June 30, 2027.
Student Performance	CHYBA's served student demographic is on par with peers in the region during the period examined, based on California standardized testing (CAASPP) and other CDE metrics.

Program Eligibility: (TCOE) confirmed as of September 15th, 2025, that California Heritage YouthBuild Academy 2 (CHYBA) is compliant with the terms of its Charter Agreement and has no pending or outstanding Notices of Violation or Intent to Revoke.

CHYBA's charter authorizer will change from TCOE to the Shasta County Office of Education (SCOE) with their next charter renewal as part of an agreement between the county offices of education and CHYBA. SCOE has extensive experience supporting charter schools, managing large construction-related funding streams and providing expert charter compliance. This change has been amicably agreed between TCOE, SCOE and CHYBA.

Legal Status Questionnaire: Staff reviewed the applicant's responses to the questions contained in the Legal Status portion of the application. No information was disclosed that would lead staff to question the financial or legal integrity of this applicant.

Project Description: This financing is requested to fund the acquisition and construction of a new campus for CHYBA in central Redding. Moving to the new campus in the 2028-29 school year will enable CHYBA to increase its enrollment, improve student attendance and expand services provided to students. The proposed campus site and facilities will feature ten general education classrooms and one special education classroom, with the ability to serve all grades nine through twelve.

The newly constructed campus will be located adjacent to a public health center, and 110 units of adjacent affordable housing operated by a long-standing community partner of CHYBA. In addition to the health center, housing units will be available for students experiencing homelessness. The surrounding community health and housing partners will provide more comprehensive student case management. The ability of CHYBA and community partners to support students from a combined central location will support continued enrollment growth, stability and strengthen ADA.

The limited space available at their present campus is constraining enrollment growth. CHYBA has attempted to increase the net facility space by teaching from multiple sites but found this spread resources too thin to address the multifaceted needs of individual students. Operating primarily from a single site enables resources to be applied more efficiently for students. Geographically, CHYBA enrolls students from the city of Redding and the surrounding local area. The school is currently located in an area of far South Redding and not on a Redding Area Bus Authority route. This combined with a limited school operated van route availability creates a significant hurdle to attending classes for students reliant on public transportation in the school's service area. The proposed new CHYBA campus will be on a Redding Area Bus Authority route.

School Organizational Information: The Trinity County Board of Education approved CHYBA as an independent charter county community school in July of 2016. CHYBA is a non-profit public-benefit corporation with 501(c)3 status and is in good standing with the California Secretary of State as of September 15th, 2025. CHYBA is the only school operated by California Heritage YouthBuild Academy which is the obligor to the project as the operating legal entity.

CHYBA enrolls students through a CDE Code exemption for schools partnered with YouthBuild Program and collects for adult students. CHYBA serves high-risk students between the ages of 14 and 24. In 2023-24 88.9% of enrolled students at CHYBA were socioeconomically disadvantaged. Additionally, enrollment includes those previously expelled, wards of the court, pregnant/parenting, habitually truant, foster and homeless youth. Case managers support each student's needs both academically and in their home lives with the assistance of CHYBA's community partners.

CHYBA receives high school funding for serving students in the YouthBuild program, including any students that are enrolled before they reach the age of 25. Through this partnership CHYBA provides students with Career Technical Education (CTE) and traditional education which prepares them for success in obtaining a diploma, the workplace or higher education following graduation. All students have access to a broad course of study with standards-aligned instructional materials in all subject matters.

CHYBA teachers and support staff work closely with partner agencies and career pathway staff on comprehensive student case management. Rather than placing students in a grade by age, students are enrolled to the grade corresponding to the credits they have completed. Students receive high school credits for work completed in the classroom, on the job, and in the community.

2025-26 CHYBA Board of Directors

Name	Position	Term Expiration
Marlene Carmichael	Board President	2026
Lane Carlson	Board Vice-President	2026
Lupe Cordova	Board Secretary	2026

School Academic Performance: The following tables represent the recent academic performance of CHYBA. Since CHYBA is an alternative education program, CHYBA's student's performance is compared with local continuation high schools. In the table below CHYBA is compared with Pioneer Continuation High School (PCHS) which serves continuation students within Shasta Union High School District (SUHSD) in Redding and Fair View Continuation High School (FVHS) within Chico Unified School District in Chico, a comparable population center in the region.

Results are provided through the California Department of Education's CAASPP Smarter Balanced testing data. The percentages represent students who met or exceeded performance standards.

English Language Arts Achievement

	FY21	FY22	FY23	FY24
CHYBA	20.00%	19.35%	0.00%	20.00%
PCHS	17.58%	16.44%	25.22%	17.58%
FVHS	19.30%	15.79%	11.11%	13.89%
SUHSD	62.62%	60.12%	58.94%	62.62%

Mathematics Achievement

	FY21	FY22	FY23	FY24
CHYBA	3.33%	0.00%	0.00%	3.33%
PCHS	2.20%	1.37%	0.88%	2.20%
FVHS	1.96%	0.00%	2.22%	5.41%
SUHSD	40.29%	35.64%	34.96%	40.29%

**2020-2021 testing participation varied due to factors surrounding the novel coronavirus (COVID-19) pandemic.

CHYBA is Dashboard Alternative School Status (DASS) school with a modified accountability framework to equitably evaluate school performance based on the high-risk students enrolled.

Enrollment Trends and Projections: CHYBA serves a population of high-need mobile students, with many experiencing housing instabilities, foster care placement changes, separation from traditional high schools, or entering and exiting juvenile hall as part of the Shasta County Diversion Program. This mobility results in dynamic shifts in enrollment, ADA and UPP and reduces the resolution of data obtained from a single Census Day snapshot.

The assumptions made in the projected years are considered reasonable by staff and consistent with historical data and increased facility size. The new campus will have 11 classrooms with a projected 12 full-time equivalent teachers. Ten to eleven FTE will be dedicated to general education and the remaining to probation referred/expelled (diversion) students. Additional support through classified staff will be available, including expanded CTE/work-based learning opportunities. The projected staffing plan maintains ratios that are more favorable than traditional high schools while ensuring fiscal responsibility.

CHYBA serves a disproportionately high number of older, credit-deficient students and has constant enrollment demand from high-risk students. Unfortunately, space constraints make it difficult to enroll additional high-risk students. By moving, CHYBA will be able to welcome students who actively choose the school's CTE pathway.

The new campus's additional space will allow students who historically were unable to enroll in CHYBA. This combined with an ability to admit a full cohort of true 14–15-year-old freshmen is expected to even grade distribution across 9–12 and act to stabilize ADA as cohorts.

The table below presents enrollment and average daily attendance information for CHYBA from FY 2023 through FY 2031. CHYBA's administration anticipates occupying the proposed project facility by the start of FY 2029.

CHYBA Student Enrollment and Average Daily Attendance

Year (FY)	2023	2024	2025	2026	2027	2028	2029	2030	2031
Enrollment	98	108	140	141	160	214	247	277	302
ADA (%)	57.4%	63.6%	59.7%	76.4%	74.8%	82.7%	88.4%	91.5%	90.5%

Financial Analysis

Financial Data Sources: This financial analysis is based on the consideration and review of the following for CHYBA: (1) audited financial statements for FY 2021 through 2024 (2) interim financials for FY 2025 (3) budget projections for FYs 2026 through 2031 along with reasoned assumptions. CHYBA is funded at multiple ADA rates based on the enrolled student type.

Assumptions: Staff's financial analysis of CHYBA is based upon the following assumptions: (1) occupancy of the project facilities in FY 2029; (2) the repayment of CHYBA's CSFP matching share loan in the amount of \$14,932,497 commencing in FY 2030; (3) school enrollment and ADA projections as provided above under Enrollment Trends and Projections.

As noted above, enrollment will increase with the inclusion of additional students seeking CHYBA's learning model and CTE programs. The pupil-teacher ratio will increase as these students enroll as compared to the historic level.

Federal Funding: CHYBA entered a partner agreement with the City of Redding to provide workforce training using funds received in Community Development Block Grant Disaster Recovery (CDBG-DR) provided by the Department of Housing and Urban Development as a response to the Carr Fire of 2018. This is a reimbursement grant that is paid to the school by the City of Redding. The source of the spike in expenditures and revenues in FY 2026 is the result of grant funded activities associated with CHYBA fulfilling their agreement with the City of Redding. Revenue sourced from this the CDBG-DR grant is expected to be exhausted by the end of FY 2026.

Long-Term Liabilities: Based on available data, staff are not aware of any additional foreseeable long-term liabilities. Further, obligors are required to notify the Authority before taking on additional debt that exceeds certain thresholds.

Benchmark Summary and Analysis: The following table and summary listing sets forth the results of Staff analysis regarding CHYBA's financial soundness.

OPERATIONAL, FINANCIAL & STUDENT PERFORMANCE METRICS

	Actual FY 2022	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031	AVERAGE	THRESHOLD LEVEL
OPERATIONAL & FINANCIAL												
Enrollment	79	98	108	140	142	159	215	248	280	304	177	
Average Daily Attendance (ADA)	52	56	69	84	108	120	176	218	253	274	141	
Average Daily Attendance (%)	66.0%	57.4%	63.6%	59.7%	75.9%	75.6%	81.9%	87.8%	90.5%	90.1%	74.9%	< 94.0%
FTE Teachers	3	3	8	6	7	8	9	11	12	12	8	
Pupil-Teacher Ratio	23.2	36.3	14.0	23.3	20.3	19.9	23.9	22.5	23.3	25.3	23.2	> 25.0
LCFF Sources/ADA	\$ 12,799	\$ 14,674	\$ 16,092	\$ 15,357	\$ 14,407	\$ 14,791	\$ 15,791	\$ 16,583	\$ 17,239	\$ 17,818	\$ 15,555	
% Change		14.7%	9.7%	-4.6%	-6.2%	2.7%	6.8%	5.0%	4.0%	3.4%	3.9%	
Operating Revenues/ADA	\$ 37,405	\$ 46,343	\$ 45,426	\$ 43,808	\$ 80,728	\$ 31,547	\$ 29,222	\$ 29,838	\$ 30,607	\$ 31,227	\$ 40,615	
% Change		23.9%	-2.0%	-3.6%	84.3%	-60.9%	-7.4%	2.1%	2.6%	2.0%	4.6%	
Operating Expenses plus CSFP Loan/ADA	\$ 32,276	\$ 32,722	\$ 33,443	\$ 41,280	\$ 73,918	\$ 30,163	\$ 24,313	\$ 24,044	\$ 27,332	\$ 27,280	\$ 34,677	
% Change		1.4%	2.2%	23.4%	79.1%	-59.2%	-19.4%	-1.1%	13.7%	-0.2%	4.4%	
Free Cash Flow/ADA	\$ 5,129	\$ 13,621	\$ 11,983	\$ 2,528	\$ 6,810	\$ 1,384	\$ 4,909	\$ 5,794	\$ 3,275	\$ 3,947	\$ 5,938	< 0
	Actual FY 2022	Actual FY 2023	Actual FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027	Projected FY 2028	Projected FY 2029	Projected FY 2030	Projected FY 2031	AVERAGE	THRESHOLD LEVEL
DEBT SERVICE COVERAGE												
Total Operating Revenues	\$ 1,949,545	\$ 2,608,173	\$ 3,122,163	\$ 3,661,892	\$ 8,697,635	\$ 3,790,403	\$ 5,147,512	\$ 6,500,165	\$ 7,757,370	\$ 8,554,545		
Total Operating Expenses	1,682,233	1,841,606	2,298,544	3,450,562	7,963,922	3,624,131	4,282,792	5,237,987	6,165,402	6,711,385		
Total Other Sources/Uses	-	-	-	-	-	-	-	-	-	-		
Net Income Available for CSFP Loan Payment	\$ 267,312	\$ 766,567	\$ 823,619	\$ 211,330	\$ 733,713	\$ 166,272	\$ 864,720	\$ 1,262,178	\$ 1,591,968	\$ 1,843,160		
Add Back Capital Outlay	-	-	-	25,670	25,670	-	45,000	-	48,500	22,000		
Add Back Depreciation	19,421	31,071	25,917	-	-	-	-	-	-	-		
Adjusted Net Income Available for CSFP Loan Payment	\$ 286,733	\$ 797,638	\$ 849,536	\$ 237,000	\$ 759,383	\$ 166,272	\$ 909,720	\$ 1,262,178	\$ 1,640,468	\$ 1,865,160		
CSFP Loan Payments	-	-	-	-	-	-	-	-	761,845	761,845		
Free Cash Flow	\$ 286,733	\$ 797,638	\$ 849,536	\$ 237,000	\$ 759,383	\$ 166,272	\$ 909,720	\$ 1,262,178	\$ 878,623	\$ 1,103,315	\$ 725,040	< 0
DSC from Adj. Net Income									215.3%	244.8%	230.1%	< 110.0%
DSC from LCFF Sources subject to CSFA Intercept									564.0%	609.6%	586.8%	
CSFP Loan Payments/Oper. Revenues	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.8%	8.9%	9.4%	> 15.0%
FUNDRAISING												
Fundraising for Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Fundraising/Oper. Revenues	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	> 15.0%
DSC without Fundraising									215.3%	244.8%	230.1%	< 100.0%
% of Fundraising Required for 100% DSC												> 50.0%
LIQUIDITY												
Current Assets	\$ 2,453,685	\$ 3,009,480	\$ 5,465,435									
Current Liabilities	804,969	563,049	138,652									
Net Working Capital	\$ 1,648,716	\$ 2,446,431	\$ 5,326,783									
Net Working Capital/Oper. Expenses	98.0%	132.8%	231.7%								154.2%	< 5.0%
Unrestricted Cash & Cash Equivalents	\$ 1,848,220	\$ 2,415,568	\$ 4,929,745									
Unrest. Cash & CE/Oper. Expenses (Days)	401	479	783									
Unrest. Cash & CE/All Expenses (Days)	401	479	783								554	< 90

Benchmark Summary: Below are key benchmarks used by staff to make a determination of financial soundness.

- Enrollment – Average ADA is representative of an alternative education program. Though lower than traditional high schools, when coupled with enrollment and ADA increases, analysis indicates this does not have an adverse effect on debt service coverage.
- ADA is projected to strengthen with the availability of a small CTE space adjacent to the planned new campus location in 2026-27. This CTE space will provide a limited enrollment capacity increase to CHYBA prior to the 2028-29 move to the new campus facility. Acquisition of the space is funded by a grant for the city of Redding and is not related to this project.
- After moving to the new campus, enrollment is projected to grow to 304 students, while FTE teachers increase from 6 to 12 with student–teacher ratios remain stable at 20 to 25 students per teacher. CHYBA will continue to employ classroom support staff in addition to noted teachers.
- Free Cash Flow and/or per ADA – CHYBA operates with positive cash flow; Staff finds projections reasonable and within tolerance given the length of the period examined.
- Debt Service Coverage from Adj. Net Income – Estimated 230.1% average debt service coverage and from sources subject to CSFA intercept there is 586.8%.
- CSFP Lease Payment relative to Operational Revenues: Representing an estimated average of 9.4% of annual operating revenues in the first two years of repayment, projected CSFP lease payments are unlikely to create any financial hardship for CHYBA.
- Net Working Capital relative to Operating Expenses – in 2023-24 CHYBA's audited liquidity metrics were strong with a ratio of Net Working Capital to Operational Expenses of approximately 232%.

Staff Recommendation: Staff recommend that the California School Finance Authority Board determine that California Heritage Youthbuild Academy 2 is financially sound for the purposes of Charter School Facilities Program advanced apportionment. This determination, as it relates to advanced apportionment, is in place for twelve months and assumes no financial, operational, or legal material findings within this period. Staff's recommendation is contingent upon CHYBA electing to have its CSFP payments intercepted at the state-level, pursuant to Sections 17199.4. Staff recommends that the CSFA Board direct staff to immediately notify the Office of Public School Construction and the State Allocation Board regarding this determination.