

MEMORANDUM

Staff Summary No. 4

Date: February 26, 2026

To: Members of the California School Finance Authority

From: Katrina M. Johantgen, Executive Director

Subject: Resolution No. 26-03 – Approval of a Charter School Facilities Credit Enhancement Grant Program (ALN #84.354A) Award in an Amount Not to Exceed \$2,000,000 to Orange Springs Facilities LLC, on behalf of Citrus Springs Charter School Inc., for the benefit of Citrus Springs Charter School and Orange Springs Charter School, located in Orange County.

Background: Since 2009, the California School Finance Authority (Authority or CSFA) applied for and has been awarded five Charter School Facility Grants, including 1) Credit Enhancement for Charter School Facilities Program; 2) Project Acceleration Notes and Credit Enhancement Alternatives Program; 3) Charter Access to Bank Loans Program; 4) Charter Finance Enhancement Program; and 5) Charter School Facilities Credit Enhancement Grant Program (collectively Federal Grant Awards).

Pursuant to Title 4 of Division 15 of the California Code of Regulations sections 10192 through 10199, the Authority administers the Charter School Facilities Credit Enhancement Grant Program (CE Program) pursuant to which it manages and awards grant funds to California charter schools, and educational management organizations on behalf of California Charter schools, to fund the primary debt service reserve requirement for debt issued by or through the Authority to finance or refinance the acquisition, construction, and/or renovation or charter schools facilities.

Application: On behalf of Citrus Springs Charter School Inc., Orange Springs Facilities LLC is applying for an enhancement award in an amount not to exceed \$2,000,000, for the benefit of Citrus Springs Charter School and Orange Springs Charter School. *The final award amount will be finalized at the time the bonds are priced and sold. Additionally, the award is potentially subject to any freezing of federal grants or adjustments to grant requirements made by the current Administration.*

According to information provided by the Borrower, by financing a debt service reserve fund that would otherwise be financed with bond proceeds, the CE Grant will reduce the overall lease and school expense costs for Citrus Springs Charter School, the beneficiary. These savings will result in more dollars being spent on educational purposes.

Eligibility Requirements: The applicant school meets and has demonstrated all eligibility and evaluation requirements of the Federal Grant Awards, including without limitation:

- The Authority has confirmed the school(s) is in good standing with its relevant authorizers and that confirmations are on file with the Authority.
- 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.

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- Applicant (1) is located in a school district and/or county where at least 50% of students do not meet the State standard for proficiency in either math or language on the state assessment, or (2) is located in a school district and/or county with more than 50% of the student population eligible for free or reduced-price lunch, or (3) has more than 50% of current or projected student enrollment who are eligible for free or reduced-price lunch.

Recommendation: Staff recommends the Board adopt Resolution No. 26-03, awarding the Borrower, on behalf of Orange Springs Facilities LLC and Citrus Springs Charter School and Orange Springs Charter School, a grant of up to \$2,000,000 under the Authority's Charter School Credit Enhancement Grant Program to be funded from any of the Federal Grant Awards.