

**\$25,000,000\***  
**CALIFORNIA SCHOOL FINANCE AUTHORITY (AUTHORITY)**  
**CHARTER SCHOOL REVENUE BONDS**  
**(LARCHMONT CHARTER SCHOOLS PROJECT)**  
**SERIES 2026A \$24,000,000 (TAX-EXEMPT) AND 2026B \$1,000,000 (TAXABLE)**  
**ITEM #7 RESOLUTION 26-06**

**Executive Summary**

<b>Applicant/Borrower:</b>	Larchmont LFP LLC
<b>Par Amount Requested:</b>	Not-to-Exceed \$25,000,000* ( <i>*Preliminary, subject to change</i> )
<b>Financing Term:</b>	Fixed rate, up to 40-year financing, 10-year par call, with taxable bonds amortized first
<b>Projected Interest Rate:</b>	6.50%* ( <i>*Preliminary, subject to change</i> )
<b>Applicant Description:</b>	Larchmont LFP LLC, a California limited liability company, is the Borrower. The Borrower was formed for the specific purpose of owning and leasing property for the benefit of Larchmont Schools, a California nonprofit corporation and organization as described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (Larchmont Schools).
<b>Type of Financing:</b>	Tax-Exempt and Taxable Charter School Revenue Bonds
<b>Project User:</b>	Larchmont Charter School
<b>County Served:</b>	Los Angeles County
<b>District in Which Project is Located:</b>	Los Angeles Unified School District
<b>Charter Authorizer:</b>	Los Angeles Unified School District
<b>Financing Description:</b>	Proceeds will be used to finance and/or refinance the cost of acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of certain educational facilities located in Los Angeles, California; pay capitalized interest; fund related working capital and a debt service reserve fund; and pay certain costs of issuance.
<b>Project Sites:</b>	6325, 6331, 6363 Santa Monica Blvd., Los Angeles 90038; 1115, 1123, 1125 Lillian Way, Los Angeles 90038
<b>Financing Details:</b>	<b>Type of Issue:</b> Charter School Revenue Bonds <b>Tax Status:</b> Tax-Exempt & Taxable <b>Maturity:</b> 40 years, not to exceed 2066 <b>Credit Enhancement:</b> Yes <b>Credit Rating:</b> Unrated <b>Fees:</b> See Costs of Issuance Table
<b>Financing Team:</b>	<b>Bond Counsel:</b> Kutak Rock LLP <b>Underwriter:</b> Stifel, Nicolaus & Company, Incorporated <b>Underwriter's Counsel:</b> Stradling Yocca Carlson & Rauth LLP <b>Borrower's Counsel:</b> Musick Peeler & Garrett LLP <b>Issuer's Counsel:</b> Office of the Attorney General <b>Financial Advisor:</b> Campanile Group, Inc. <b>Bond Trustee:</b> Wilmington Trust, National Association
<b>CSFA Analyst:</b>	Robby Biegler
<b>Date of CSFA Board Meeting:</b>	February 26, 2026
<b>Resolution Number:</b>	26-06

**Staff Recommendation:** Staff recommends the Authority Board approve Resolution Number 26-06 authorizing the issuance of Charter School Revenue Bonds in an amount not to exceed \$25,000,000 to finance and/or refinance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing, and/or equipping of certain educational facilities located in Los Angeles County for use by Larchmont Charter School.

**Background and History:** Larchmont Schools (LCS) was first incorporated in 2004, received approval of its initial charter in 2005, and opened for the 2005-06 school year, enrolling 122 students. At present LCS serves 1,800 students in grades TK-12 on four campuses under one Los Angeles Unified School District (LAUSD) charter all in the greater Hollywood area. The current LAUSD charter expires June 30, 2028. The four LCS campuses include the following. Demographics and enrollment information follows below. The LCS projected growth of 56 students, or 3%, is supported by Larchmont’s large waitlist of over 1,000 students

Campus	Grades	Location	Type
Wilshire	TK-3	4900 Wilshire Blvd Los Angeles, CA 90010	Private Lease
Fairfax	TK-3	1265 N Fairfax Ave West Hollywood, CA 90046	Private Lease
Selma <sup>(1)</sup>	4-8	6611 Selma Ave Los Angeles, CA 90028	Prop 39
Lafayette Park	9-12	2801 W 6th St Los Angeles, CA 90057	Bond Financed
New Campus	Grades	Location	Type
Santa Monica / Lillian	4-8	6325, 6331, 6363 Santa Monica Boulevard and 1115, 1123, 1125 Lillian Way, Los Angeles, CA 90038-1698	Bond Financed

(1) The New Campus is expected to replace the Selma Campus in the 2026-27 School Year.

Demographics	2024-25
Total Students	1,767
% FRPM	43.9%
% ELL	7.8%
% Students w/ Disabilities	13.8%
% African American	4.0%
% Asian	22.6%
% Filipino	1.6%
% Hispanic or Latino	25.7%
% White	34.4%
% Two or More Races	10.8%

Grades	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
TK/K	104	122	122	131	133	177	182	182	182	182
1	112	111	111	111	113	119	122	122	122	122
2	112	113	113	114	114	120	122	122	122	122
3	116	115	117	114	115	120	122	122	122	122
4	115	113	116	114	126	122	125	125	125	125
5	130	126	132	122	159	129	130	130	130	130
6	123	135	136	133	145	145	148	148	148	148

7	135	123	131	136	140	136	145	145	145	145
<b>Grades</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>	<b>2029-30</b>
8	137	136	130	138	140	138	145	145	145	145
9	140	152	128	117	158	133	150	150	150	150
10	111	129	145	125	139	158	150	150	150	150
11	129	108	134	144	136	134	150	150	150	150
12	92	126	105	132	149	153	149	149	149	149
<b>Total</b>	<b>1,556</b>	<b>1,609</b>	<b>1,620</b>	<b>1,631</b>	<b>1,767</b>	<b>1,784</b>	<b>1,840</b>	<b>1,840</b>	<b>1,840</b>	<b>1,840</b>

CSFA previously issued \$11,635,000 in bonds for LCS in 2018. As of June 30, 2025, \$10,720,000 is still outstanding. The bonds were used to purchase a previously leased facility at Lafayette Park. This will be the second financing and will be issued as additional bonds under the 2018 bond indenture. No additional schools will be added, as LCS operates under one charter.

**Project Description**

The proceeds of the bonds will be used to: (1) finance the acquisition, construction, expansion, remodeling, renovation, improvement, furnishing and/or equipping of certain educational facilities for LCS, located at: 6325, 6331 and 6363 Santa Monica Blvd and 1115, 1123 and 1125 Lillian Way, Los Angeles 90038 (the “New Campus” or “Santa Monica/Lillian Campus”); (2) to pay certain expenses incurred in connection with the issuance of the Bonds, and (3) to fund all or a portion of a capitalized interest and debt service reserve fund and/or related working capital in connection with the bonds.

A deposit to the Reserve Account for the Series 2026 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.

**Facilities Information**

Site	Landlord	Location	Purpose	Amount
Santa Monica/Lillian Campus	Larchmont LFP LLC	6325, 6331 and 6363 Santa Monica Blvd and 1115, 1123 and 1125 Lillian Way, Los Angeles 90038	Acquisition	\$20,500,000
<b>Total Estimated Project Costs</b>				<b>\$20,500,000</b>

LCS will be purchasing the former campus of The School of Los Angeles (TSLA), located in Hollywood. LCS intends to relocate its operations from the Selma campus, currently operating at a Prop-39 facility, serving 670 students in grades 4-8. LCS has entered into a Standard Offer, Agreement and Escrow Instructions for Purchase of Real estate (PSA) with a private third-party seller to acquire the TSLA campus for a purchase price of \$20,500,000 in an arms-length transaction. The TSLA is a 49,622 square foot facility including classrooms, a multi-purpose room, administrative and faculty offices, a faculty lounge, and other ancillary facilities.

**Financing**

**Borrower:** Larchmont LFP LLC, a California limited liability company. The Borrower was formed for the specific purpose of holding real property for the benefit of Larchmont Schools, its sole member.

**Security and Source of Payment:** The Series 2026 Bonds and the interest thereon are secured by and payable solely out of certain revenues and income received by the Authority or the Trustee pursuant to the Loan Agreement, from certain funds and account established under the Indenture and the Borrower’s Deed of

Trust pledging its fee interest in the New Campus and the previously-financed LaFayette Park campus. Larchmont Schools, as the lessee, is required to maintain certain financial covenants under its lease agreements with the Borrower. As additional security and in connection with the issuance of the bonds, LCS will provide instructions to the State Controller’s Office to make an apportionment in the amounts, and on the dates provided, in a written notice sufficient in the aggregate to repay the bonds and pay necessary and incidental costs (the “Intercept”).

Funds received by the Trustee pursuant to the Intercept will be applied solely for the uses and purposes set forth in the Indenture, including the payment of debt service on the Bonds. Under the laws of the State of California, no other party, including Larchmont Schools, the Borrower, or any of their respective creditors will have any claim to the money apportioned or to be apportioned to the Trustee by the State Controller’s Office pursuant to the Intercept.

**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. Consequently, there is an approximate cushion of 10% in the not-to-exceed over project line items in anticipation of potential cost deviations. Members will be provided updated figures should significant changes occur before the Board meeting date.

<b>Sources and Uses</b>			
<b>Sources:</b>	<b>Series 2026 (Tax-Exempt)</b>	<b>Enhancement Grant</b>	<b>Total</b>
<b>Bond Proceeds:</b>			
Par Amount	\$19,795,000	--	<b>\$19,795,000</b>
<b>Other Sources:</b>			
Borrower Equity	\$2,000,000	--	<b>\$2,000,000</b>
Enhancement Grant	--	\$1,914,052	<b>\$1,914,052</b>
<b>Total:</b>	<b>\$21,795,000</b>	<b>\$1,914,052</b>	<b>\$23,709,052</b>

<b>Uses:</b>	<b>Series 2026 (Tax-Exempt)</b>	<b>Enhancement Grant</b>	<b>Total</b>
<b>Project Fund Deposit</b>			
Acquisition	\$20,500,000	--	<b>\$20,500,000</b>
<b>Capitalized Interest</b>	\$164,408	--	<b>\$164,408</b>
<b>Debt Service Reserve Fund</b>	--	\$1,914,052	<b>\$1,914,052</b>
<b>Cost of Issuance</b>	\$631,367	--	<b>\$631,367</b>
<b>Underwriter Discount</b>	\$494,875	--	<b>\$494,875</b>
<b>Contingency/Rounding</b>	\$4,350	--	<b>\$4,350</b>
<b>Total</b>	<b>\$21,795,000</b>	<b>\$1,914,052</b>	<b>\$23,709,052</b>

*\*Preliminary, subject to change.*

**Total Costs of Issuance\***

Expense	Amount
Issuer Fee	\$19,898
Annual Admin Fee	2,969
Agent-for-Sale Fee	6,000
CDIAC Fee	5,000
Issuer's Counsel Fee	20,000
Bond Counsel Fee	150,000
Borrower's Counsel Fee	125,000
Underwriter/Disclosure Counsel Fee	125,000
Financial Advisor	75,000
Trustee/Trustee Counsel Fee	12,500
Title Fees & Charges, Endorsements	50,000
Underwriter's Discount	494,875
Appraisals	10,000
Printer & Roadshow Fee	5,000
Contingency Budget	25,000
<b>Total</b>	<b>\$1,126,242</b>

*\*Estimates based on principal amount of \$25,000,000.*

**Credit Enhancement:** A not-to-exceed \$2,000,000 credit enhancement award for the Borrower, for the benefit of LCS, for this financing will be before the Authority Board as a subsequent agenda item at the February 26, 2026, meeting. If approved, the enhancement awards will fund up to \$2,000,000 of the financing's debt service reserve fund, reducing the overall borrowing cost for the Borrower.

### **Sales Restrictions**

The following sales restrictions will apply to the financing given the likely below-investment-grade rating.

1. Bonds will be in minimum denominations of \$250,000;
2. Bonds will be privately placed or publicly offered initially to Qualified Institutional Buyers (QIBs) and Accredited Investors (AIs).
3. Initial Bond purchasers will be required to execute an Investor Letter;
4. Subsequent transfers of Bonds will be limited to QIBs and AIs;
5. Sales restrictions will be conspicuously noted on the bond and described in detail in offering materials, if any, as well as in the bond documents;
6. One or more of the following may be required depending on the transaction, as requested by the financing team and the Authority grants the Executive Director discretion to select any of the following:
  - a. Traveling Investor Letter; or
  - b. Higher minimum denominations than \$250,000 referenced above; or
  - c. Physical Delivery; or
  - d. Limited initial sale to QIBs, with subsequent transfers limited to QIBs as well; or
  - e. Other investor protection measures
7. Bond payments will be made via the intercept mechanism outlined in Education Code section 17199.4.

### **Other Project Data**

**Tax Equity and Fiscal Responsibility Act (TEFRA):** The TEFRA Notice was published on the Authority's Webpage on or prior to February 19, 2026. The TEFRA hearing will take place on February 26, 2026, prior to the Board meeting, and no comments are anticipated. If any are received, they will be reported at the meeting.

**Due Diligence Undertaken to Date:** Any information in this staff report related to the Borrower or the Project, including any data or analysis related to the Borrower's financial condition or ability to repay the financing, is based on information provided by the Borrower and was prepared solely for members of the Authority's Board to satisfy certain provisions of the Education Code section 17183.5. This report does not constitute a recommendation by the Authority to purchase the Bonds. Potential investors are advised to read the entire Preliminary Limited Offering Memorandum with respect to the Bonds to obtain information essential to the making of an investment decision.

**Borrower Financial Data:** Larchmont LFP LLC will operate as a single-purpose entity of which Larchmont Schools will be the sole member at the time of issuance of the Bonds, with no assets other than the Facilities owned by it and its rights under the related leases, which have been or will be assigned to the Trustee. The LLC was formed for the purpose of supporting LCS, including by owning facilities, and is not expected to have any other assets or revenue available to make payments due under the Loan Agreement. The Lessee, Larchmont Schools, is a California nonprofit public benefit corporation and organization as described in Section 501(c)(3) of the Code.

### **Staff Recommendation**

Staff recommends the Board adopt Resolution 26-06 authorizing the issuance of revenue bonds in an amount not to exceed \$25,000,000 to refinance the acquisition, construction, expansion, rehabilitation, renovation, furnishing, furnishing, and/or equipping of certain educational facilities located in Los Angeles County for use by LCS.

1. **Applicant / Borrower:** Larchmont LFP LLC
2. **Project:** Facility Acquisition and Improvement
3. **Amount of Financing:** Not to exceed \$25,000,000
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:** 6.50%
7. **Preliminary Cost of Issuance:** The preliminary Costs of Issuance is \$1,126,242
8. **Not an Unconditional Commitment:** The Authority resolution shall not be construed as an 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.
9. **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 Leadership**

<b>Member</b>	<b>Position</b>
<b>Amy Held</b>	Executive Director
<b>Myra Salinas</b>	Deputy Executive Director
<b>Michelle Brent Neyer</b>	Professional Learning Coordinator
<b>Alissa Chariton</b>	Director of Alignment & Growth
<b>Charlie Seo</b>	Director of Alignment & Growth

**Board of Directors**

<b>Member</b>
Ali Baird, Chair
Frances Hoge, Secretary
Jeff Lester, Treasurer
Collette Williams Alleyne, Member
Charity Bailey, Member
Rachel Bronkovsky, Member
Ben Howell, Member
Luciralia Ibarra, Member
Steven Kim, Member
Angelica McAdoo, Member
Mario Perez, Member
Ari Shelton-Edwards, Member

**APPENDIX B:  
BUDGET PROJECTIONS**

Larchmont Charter Schools Pro-Forma Model	Projected 2025-26	Projected 2026-27	Projected 2027-28	Projected 2028-29	Projected 2029-30
<b>Enrollment</b>					
Grades Served	TK-12	TK-12	TK-12	TK-12	TK-12
<b>Enrollment</b>	<b>1,785</b>	<b>1,840</b>	<b>1,840</b>	<b>1,840</b>	<b>1,840</b>
ADA %	96%	96%	96%	96%	96%
<b>Average Daily Attendance ("ADA")</b>	<b>1,721</b>	<b>1,766</b>	<b>1,766</b>	<b>1,766</b>	<b>1,766</b>
<b>Revenue</b>					
Local Control Funding Formula Sources	\$22,289,305	\$23,078,786	\$23,818,802	\$24,607,854	\$25,422,414
Federal Revenue	1,158,971	1,261,607	1,262,143	1,262,143	1,262,143
Other State Revenue	3,254,355	3,224,119	3,171,167	2,627,003	2,453,613
SB740 Program Revenue	1,106,661	1,123,469	1,140,122	1,154,118	1,167,265
New Site SB740 Revenue	--	868,506	905,631	906,593	907,335
Other Local Revenue	4,208,059	4,169,676	4,256,593	4,496,849	4,582,023
<b>Total Revenue</b>	<b>\$32,017,352</b>	<b>\$33,726,163</b>	<b>\$34,554,458</b>	<b>\$35,054,560</b>	<b>\$35,794,792</b>
<b>Expenses</b>					
Certificated Salaries	\$12,142,497	\$12,553,509	\$12,804,579	\$13,060,671	\$13,321,884
Classified Salaries	4,508,743	4,570,475	4,661,885	4,755,122	4,850,225
Employee Benefits	5,333,520	5,544,106	5,780,006	5,928,495	6,081,178
Supplies	1,913,151	1,958,100	1,985,045	2,047,807	2,052,747
Operating Services	5,090,330	5,176,566	5,308,949	5,445,928	5,587,407
Depreciation	274,818	262,055	223,651	210,029	199,194
Prop 39 - Selma	696,607	--	--	--	--
Base Rent - Lafayette (2018 Bonds)	700,853	702,786	703,800	700,169	700,848
Base Rent - LFP Parking	75,600	75,600	75,600	75,600	69,300
Base Rent - Fairfax	334,864	344,910	355,257	365,915	376,892
Base Rent - Wilshire	430,725	443,647	456,957	470,665	484,785
Base Rent - New Site (2026 Bonds)	--	1,286,675	1,341,675	1,343,100	1,344,200
<b>Total Expenses</b>	<b>\$31,501,709</b>	<b>\$32,918,429</b>	<b>\$33,697,405</b>	<b>\$34,403,501</b>	<b>\$35,068,659</b>
<b>Net Income</b>	<b>\$515,643</b>	<b>\$807,734</b>	<b>\$857,053</b>	<b>\$651,059</b>	<b>\$726,133</b>
Add Back: Depreciation	274,818	262,055	223,651	210,029	199,194
Add Back: Base Rent	1,542,042	2,853,617	2,933,289	2,955,448	2,976,025
<b>Net Operating School Revenue</b>	<b>\$2,332,502</b>	<b>\$3,923,407</b>	<b>\$4,013,993</b>	<b>\$3,816,537</b>	<b>\$3,901,352</b>
<b>Consolidated Base Rent Coverage Ratio</b>	<b>1.51x</b>	<b>1.37x</b>	<b>1.37x</b>	<b>1.29x</b>	<b>1.31x</b>
<b>2025-26</b>					
Beginning Cash Balance	\$9,241,211	\$8,031,671	\$9,101,461	\$10,182,165	\$11,043,253
Plus: Net Income	515,643	807,734	857,053	651,059	726,133
Plus: Depreciation	274,818	262,055	223,651	210,029	199,194
Equity Contribution to Project	(2,000,000)	--	--	--	--
<b>Ending Cash Balance</b>	<b>\$8,031,671</b>	<b>\$9,101,461</b>	<b>\$10,182,165</b>	<b>\$11,043,253</b>	<b>\$11,968,580</b>
Total Expenses	\$31,501,709	\$32,918,429	\$33,697,405	\$34,403,501	\$35,068,659
Less: Base Rent	(\$1,542,042)	(\$2,853,617)	(\$2,933,289)	(\$2,955,448)	(\$2,976,025)
Plus: Maximum Annual Base Rent	\$2,976,025	\$2,976,025	\$2,976,025	\$2,976,025	\$2,976,025
Less: Depreciation	(274,818)	(262,055)	(223,651)	(210,029)	(199,194)
<b>Operating Expenses</b>	<b>\$32,660,874</b>	<b>\$32,778,781</b>	<b>\$33,516,490</b>	<b>\$34,214,048</b>	<b>\$34,869,465</b>
<b>Days Cash on Hand</b>	<b>90 days</b>	<b>101 days</b>	<b>111 days</b>	<b>118 days</b>	<b>125 days</b>