

MEMORANDUM

Staff Summary No. 4

Date: June 10, 2026

To: Members of the California School Finance Authority

From: Katrina M. Johantgen, Executive Director

Subject: Resolution No. 26-14 – Approval of a Charter School Facilities Credit Enhancement Grant Program Award in an Amount of \$1,000,000 to ASF 5975 Shoup LLC on behalf of Alternative Schools Foundation and Lashon Academy, located in Los Angeles County

Background: Since 2009, the California School Finance Authority (Authority or CSFA) has 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 on behalf of 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 of charter schools facilities.

Application: In December 2021, CSFA issued \$26,450,000 in bonds and loaned the proceeds thereof to ASF 5975 Shoup LLC (Borrower) to refinance a 2018 California Enterprise Development Authority bond issuance, which was used to purchase a charter school facility (Facility). The Borrower leased the Facility to Alternative Schools, Inc. d/b/a Ivy Academia Entrepreneurial Charter School (Ivy Academia) to operate a charter school. As part of that 2021 financing, the Borrower was awarded \$1,000,000 in credit enhancement funds by CSFA. Ivy Academia will be closing at the end of this school year. Lashon Academy will take over Ivy Academia's lease of the Facility (the Transfer Transaction), subject to bondholders' consent. With respect to the Transfer Transaction, neither the Borrower nor the sole member of the Borrower will change; only the lessee entity will change from Ivy Academia to Lashon Academy. After consultation with CSFA counsel, CSFA Board approval is not needed with respect to the Transfer Transaction. However, Borrower would like to keep the credit enhancement award and CSFA Board approval is needed for that.

On behalf of Lashon Academy, ASF 5975 Shoup LLC seeks the continued application of the enhancement award following the Transfer Transaction. *The Board's approval of the continuation of the enhancement award is a condition to the Bondholders' consent to the Transfer Transaction.*

Eligibility Requirements: The applicant continues to meet and can demonstrate all eligibility and evaluation requirements of the Federal Grant Awards, including without limitation:

Lashon Academy – Credit Enhancement Grant

Resolution 26-14

June 10, 2026

- The Authority has confirmed Lashon Academy is in good standing with its relevant authorizer and that confirmation is on file with the Authority.
- Lashon Academy (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 recommend the Board adopt Resolution No. 26-14, continuing the award of \$1,000,000 to ASF 5975 Shoup LLC under the Authority's Charter School Credit Enhancement Grant Program in light of the Lashon Academy's assumption of the facility lease.