M E M O R A N D U M **Staff Summary No. 6**

Date: September 24, 2026

To: Members of the California School Finance Authority

From: Katrina M. Johantgen, Executive Director

Subject: Resolution No. 26-24 – Approval of a Charter School Facilities Credit Enhancement Grant Program (ALN #84.354A) Award in an Amount Not to Exceed $1,000,000 to Orange Springs Facilities II LLC, for the benefit of Citrus Springs Charter School Inc., for its Citrus Springs Charter School and Orange Springs Charter School, each located in Orange County.

Background: Since 2009, the California School Finance Authority (Authority or CSFA) applied for and 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 of charter school facilities.

Application: Orange Springs Facilities II LLC (Awardee) is applying for a CE Program award in an amount not to exceed $1,000,000 for a primary debt service reserve in connection with debt issued by the Authority, the proceeds of which will be loaned to Awardee for the acquisition, renovation, and/or construction of a charter school facility to be leased to Citrus Springs Charter Schools Inc. for its Citrus Springs Charter School and Orange Springs Charter School (Project). *The final award amount will be finalized at the time the bonds are priced and sold.*

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 the Citrus Springs and Orange Springs Charter Schools. These savings will result in more dollars being spent on educational purposes.

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

- The charter school(s) that will ultimately benefit from the award are in good standing with their relevant authorizers and confirmations are on file with the Authority.

- The Awardee's 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 provide other evidence satisfactory to the Authority that the transaction will be completed.

- The charter schools that will ultimately benefit from the award (1) are 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) are in a school district and/or county with more than 50% of the student population eligible for free or reduced-price lunch, or (3) have 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. 26-24, awarding the Awardee a grant of up to $1,000,000 under the Authority's Charter School Credit Enhancement Grant Program to be funded by any of the Federal Grant Awards.