

MEMORANDUM

Staff Summary No. 11

Date: August 29, 2024

To: Members of the California School Finance Authority

From: Katrina M. Johantgen, Executive Director

Subject: Resolution No. 24-41 – Approving, for an Additional Six Months, the Charter Fine Enhancement Program (CDFA #84.354A) Award in an Amount Not to Exceed \$2,000,000 to 241 National City Blvd. Fund, LLC, on behalf of Integrity Charter School, located in San Diego County

Background: At the March 28, 2024, meeting of the California School Finance Authority (CSFA), the CSFA Board approved financing in a not-to-exceed amount of \$35,500,000 for Integrity Charter School (ICS) as well as a corresponding Charter Finance Enhancement Program (Charter FINE) grant in a not-to-exceed amount of \$2,000,000. While the bond approval is for 12 months, the credit enhancement authority is only six months.

Purpose of Item: For ICS this enhancement award expiration will be on September 28, 2024. In anticipation of this expiration next month, CSFA staff and the ICS financing team are bringing a request for an additional six-month renewal to the August Board meeting, beginning on September 29, 2024.

The ICS financing was delayed due to the process undertaken by the school to obtain a Conditional Use Permit (CUP) for its new campus (the acquisition and construction of which are intended to be financed with proceeds of the Bonds). The process took longer than originally anticipated, and is now nearing completion, with a scheduled final hearing date in early October. The intent is to target pricing the Bonds soon after the final CUP approval, thereby removing any uncertainty from the financing.

There have been no changes to ICS's program eligibility and program funds have been reserved for ICS in our balance calculations.

Recommendation: Staff recommends the Board adopt Resolution No. 24-41, awarding the Borrower, on behalf of the operator of Integrity Charter School, a Charter Finance Enhancement Program (CDFA #84.354A) Award in a not-to-exceed amount of \$2,000,000.