

MEMORANDUM

Staff Summary No. 6

Date: October 29, 2024

To: Members of the California School Finance Authority

From: Katrina M. Johantgen, Executive Director

Subject: Resolution No. 24-52 – Approving, for an additional six months, the Credit Enhancement (CDFA #84.354A) Award in an Amount Not to Exceed \$1,100,000 to Fourteenth Street Holdings LLC and Russ Boulevard Holdings LLC on behalf of Urban Discovery Schools, located in San Diego County

Background: At the April 25, 2024, meeting of the California School Finance Authority (CSFA), the CSFA Board approved a financing in a not-to-exceed amount of \$17,000,000 for Urban Discovery Schools (UDS) as well as a corresponding Charter Finance Enhancement Program (Charter FINE) grant in a not-to-exceed amount of \$1,100,000. While the bond approval is for 12 months, the credit enhancement authority is only six months.

Purpose of Item: The credit enhancement grant award expired on October 25, 2024. Since the financing has experienced some delays, CSFA staff and the UDA financing team are bringing a request for an additional six-month renewal to the October Board meeting, beginning on October 29, 2024.

The UDS financing's delay is attributable to many factors including but not limited to negotiations to the ground leases with the San Diego College District as well as marketing the bonds and investor discussions

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

While UDS was originally awarded a Charter FINE award the actual award source remains fluid as it may come from any one of CSFA's five awarded grants.

Recommendation: Staff recommends the Board adopt Resolution No. 24-52, approving an extension of an additional six months for the Borrower, on behalf of the operator of Urban Discovery Schools, a Credit Enhancement Grant Program (CDFA #84.354A) Award in a not-to-exceed amount of \$1,100,000.