

## **California Charter School Conduit Bond Financing Program**

*Access to affordable and adequate school facilities is one of the greatest challenges facing charter schools and their operators. This grant will help reduce these burdens and expand opportunities for charter schools to secure permanent facilities in California.*

**PROJECT DESIGN** – The Authority hopes to utilize the Federal Credit Enhancement Grant to further strengthen the creditworthiness of the Conduit Financing Program with the dual objectives of providing certain charter schools access to capital at reasonable rates that would otherwise have none and of markedly lowering the cost of capital to charter schools that currently have market access. These grant funds will increase the flow of much-needed, low-cost capital to charter school operators and developers for the purchase, construction, renovation and refinancing of school facilities throughout the State of California, with emphasis in three key areas: (1) schools serving low-income students and those with inadequate housing; (2) high-quality charter schools seeking low-cost capital for new facilities; and (3) schools looking to reduce borrowing costs on existing debt.

**QUALITY OF PLAN** – The Authority's success in creating financing opportunities for California's charter schools is a result of the high level of involvement that the charter school community has had in the Authority's program implementation process. The Authority, charter school stakeholders, and capital market participants work collaboratively as programs are developed and refined, and funds are disbursed. Authority staff will continue to this level of engagement as it develops its Conduit Financing Program.

**ORGANIZATIONAL CAPACITY** – The Authority has the expertise and capacity to implement the project set forth in this application. The Authority has proven itself to be an extremely capable entity and has played a crucial role in establishing key programs that support charter schools in California.

**GRANT PROJECT TEAM** – California has assembled a team of professionals that provides a wide range of expertise in the area of finance, with specific and unique charter school facilities financing experience. Team members are drawn from state agencies, and top-ranked underwriting, advisory and bond counsel firms. The Authority will draw on the expertise of the California charter school advocacy groups as well as it implements its Conduit Financing Program.