

**NOTICE OF VOLUNTARY FILING
FOR CONTINUING DISCLOSURE PURPOSES**

NATIONAL CHARTER SCHOOL REVOLVING LOAN FUND REVENUE BONDS

CUSIP Prefix: 13035A, 04052F

Date: December 22, 2020

Equitable Facilities Fund, Inc., a Delaware nonstock, nonprofit corporation (the “Program Administrator”), was established in 2017 to operate a pooled revolving loan program for the benefit of a class of public charities that operate to support public charter school facilities. The Program Administrator originates loans to qualifying public charter schools across the country, including a nine-step lending process from loan sourcing to portfolio management (“School Loans”), for the purpose of financing and refinancing the costs of the acquisition, construction, improvement, equipping, and furnishing of public charter school facilities.

Notice is hereby given that on December 22, 2020, the Program Administrator entered into a School Loan (the “Equitas Academy Charter Schools Loan”) with Pico Union Collective, a California not-for-profit corporation. Upon closing, the Equitas Academy Charter Schools loan was sold to Equitable Revolving Fund LLC, a Delaware limited liability company (the “Revolving Fund”) for inclusion in the ESRF Loan Pool under the Master Trust Indenture. Capitalized terms used but not defined herein have the meanings set forth in the Official Statement relating to the Arizona Industrial Development Authority National Charter School Revolving Loan Fund Revenue Bonds, Series 2020A and the California Infrastructure and Economic Development Bank National Charter School Revolving Loan Fund Revenue Bonds, Series 2020B, dated August 12, 2020.

Attached as Appendix A hereto is a summary of the Equitas Academy Charter Schools loan, including a description of the obligor’s charter contract, management and governance, enrollment information, academic performance, financed project, and financial information. ***None of the Revolving Fund, the Program Administrator, or their counsels has undertaken any responsibility for the accuracy or completeness of the information provided in Appendix A. Certain information may have changed since the Equitas Loan closing date and may be subject to future changes.***

EQUITAS ACADEMY CHARTER SCHOOL, INC.
Los Angeles, California

\$30,811,625 EFF Financing / Closed: December 22, 2020 / Final Maturity: December 1, 2055

Obligor Overview

Equitas Academy Charter School, Inc. (“Equitas”) was founded in 2009, starting with one K-2 school. As of Fall 2020, it had expanded to six schools (four elementary and two middle) on five campuses serving 1,962 students in grades TK-8 in the Pico Union neighborhood of Los Angeles, California.

The legal borrower and Obligated Group Representative will be Pico Union Collective (“PUC”), the non-profit real estate entity formed solely to acquire, develop, own, and lease property in support of Equitas. PUC is the sole member of each of the Obligated Group Member LLCs (the “LLCs”). The schools make “lease payments” to the LLCs, created to serve as landlords.

Equitas’ mission is to provide a “*structured, achievement-based community that prepares students to graduate from four-year colleges and universities.*” To meet its mission, Equitas employs a multifaceted approach with an emphasis on the following: aligned, college prep curriculum; character development; data-driven focus; people development; and parent partnerships.

Charter Contract

School	Opened	Authorizer	Charter Renewals	
			Prior	Next
Equitas Academy	2009	LA USD	2	2024
EQ2	2013		1	2022
EQ3	2015		1	2024
EQ4	2017		0	2021
EQ5	2019		0	2023
EQ6	2020		0	2024

As the above table shows, Equitas operates under six charter contracts authorized by the Los Angeles Unified School District. Equitas Academy, EQ2, and EQ3 have had their charters renewed at least once, with EQ4, EQ5, and EQ 6, up for renewal over the next four years. As of December 2020, EQ4 was undergoing its re-authorization process for the June 30, 2021 renewal.

Management & Governance

As per Equitas’ bylaws, the board can include between seven and thirteen directors. It is currently governed by nine board members with leadership and professional experience in areas such as finance, education, operations, technology, nonprofit management, legal, and management consulting. Several members have close ties to the Pico Union community. The Equitas board has a formal conflict of interest policy and no Equitas Board member or senior staff is considered to be a related party.

Equitas’ founder and CEO has led the organization since 2009. Senior management includes a Chief Schools Officer, Chief Operating Officer, Chief of Staff, Managing Director of Academics, Head of Schools-Middle, and Head of Schools Elementary.

Biographies of board members and senior staff are included on the [Equitas website](#).

Enrollment & Student Information

Equitas' student count for the past five fiscal years is as follows:

Equitas Academy Charter School Inc Historical Student Enrollment FY17 – FY21

<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>
1,022	1,191	1328	1,556	1,962

In FY17, Equitas operated three schools (Equitas Academy, EQ 2, and EQ 3), serving 1,022 students. It has since added three new schools, expanding its enrollment to 1,962 students. Equitas' "slow growth" model adds one grade level per year, launching its elementary schools with only kindergarten and first grade and its middle schools with only fifth grade. This model allows Equitas to develop capacity over time and make improvements and refinements to its program. Additionally, Equitas typically employs a strategy of waiting one year after approval of a charter petition to open a new school, to allow itself to hire a school director and otherwise properly staff the school and prepare before beginning operations.

Between FY17 and FY21, student retention averaged 94%. The waitlist, as a percentage of enrollment averaged 52%, decreasing to 25% in FY21. The lower waitlist reflected management's decision to no longer accept new students to its waitlist in June, not knowing if there would be an ADA cap in place or not.

Equitas is located within the geographical boundaries of the Los Angeles Unified School District (LAUSD). It draws approximately 71% of its students from five zip codes, which include the Pico-Union area and adjacent neighborhoods such as Koreatown and Westlake. For FY21, demographics across the network average 94% Hispanic or Latino, 36% ELL, and 94% economically disadvantaged.

Academic Program & Results

The foundational beliefs and practices which have helped the school build its educational program are detailed below.

- College preparatory curriculum that begins in kindergarten, including exposing scholars to skills and knowledge they need to succeed in college;
- Laser focus on the core content areas of literacy & mathematics, employing a curriculum developed by Achievement First Charter School with a focus on mastery of foundational skills in literacy, mathematics, social studies, and science;
- Small school environment helps foster a child-centered approach to learning;
- Scholars have access to an extended day that allows scholars to avail themselves of enhanced enrichment activities, access to community partnerships and academic support beyond the school day;
- Teachers plan and deliver instruction informed through frequent assessment; and
- Intentional use of data to drive instructional decisions.

The percentage of Equitas students meeting or exceeding expectations on the CAASSP has exceeded that of LAUSD and has generally been better versus the State of California. In 2019, the most recent year of test results, Equitas' proficient and advanced rates for ELA and math for 8th graders were 148% and 204%, respectively, as a percentage of LAUSD results. At the same time, the proficient and advanced rates in ELA and math for Equitas' economically-disadvantaged and Hispanic/Latino subgroups were at least 127% versus the district and the state for comparable subgroups.

The Project

EFF financing will be used to acquire and conduct improvements to a two-story commercial building located at 1612-1636 West Pico Boulevard; fund capitalized interest; and pay costs of issuance associated with this transaction.

The site will have ~71,000 sq. ft. of usable space; approximately ~66,000 sq. ft. will house two elementary schools (EQ 5 and EQ 6) and ~5,000 sq. ft. is already being used by the network's back office. The lot will also accommodate ~ 100 parking spots.

Financial Information

Certain historical financial information for Equitas is listed below. These metrics will be updated and included in EFF's continuing disclosure annual report.

Equitas Historical Financial Information

Metric	FY17	FY18	FY19	FY20*
Total Revenue (TR)	\$14,730,677	\$19,233,725	\$25,503,213	\$29,904,031
DS Coverage Ratio	1.86	3.02	1.46	2.40
Debt Burden (% of TR)	9.2%	7.3%	16.8%	9.2%
Days Cash on Hand	96	103.7	50	149.1

*FY20 is based on internal financial statements as the audit, at the time of this writing, had not been completed.

Ratings S&P: BB+/Stable

Website <https://www.equitasacademy.org/>

**Equitas
Security and Loan Covenants**

Security	Secured by an Obligation issued pursuant to a Master Trust Indenture establishing Borrower’s Obligated Group, including a pledge of rental revenues of OG Group Members and mortgages on all related real property interests naming Master Trustee as mortgagee. Each lease with tenant will be subject to payment of rent via Intercept. All payments subject to the Intercept shall only be transferred to Lender for Loan issued by the California School Finance Authority.											
Debt Service Coverage Ratio	1.1x											
Additional Bonds Test	1.2x											
Liquidity Covenant	45 DCOH											
Academic Covenant	Commencing the 2020-2021 academic year, (i) each school will exceed the percentage of students proficient in math and ELA on the State assessment in their respective host district’s State Assessment or (ii) each school will exceed the percentage of socio-economic disadvantaged students (i.e., SED Students) proficient in math and ELA on the State Assessment in their respective host district. The California State Assessment is currently the California Assessment of Student Performance and Progress.											
Enrollment Covenant	<p>Equitas shall maintain aggregate annual enrollment levels on the six schools in the Obligated Group., according to fall census day enrollment count, corresponding to the below table.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Academic Year Ending June 30</th> <th style="text-align: center;">Enrollment Requirement</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2021</td> <td style="text-align: center;">2,319</td> </tr> <tr> <td style="text-align: center;">2022</td> <td style="text-align: center;">2,521</td> </tr> <tr> <td style="text-align: center;">2023</td> <td style="text-align: center;">2,707</td> </tr> <tr> <td style="text-align: center;">2024 and thereafter</td> <td style="text-align: center;">2,795</td> </tr> </tbody> </table>		Academic Year Ending June 30	Enrollment Requirement	2021	2,319	2022	2,521	2023	2,707	2024 and thereafter	2,795
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