



## **Partnership Awarded \$3,347,843 Grant to Guarantee Charter School Loans**

NATIONAL (September 6, 2012) – A strategic partnership between Build with Purpose, Nonprofit Finance Fund, and Boston Community Capital was awarded \$3.347 million to support the development of high quality charter school facilities throughout the northeast.

The grant funds come from the U.S. Department of Education Credit Enhancement for Charter Schools Facilities Program (Credit Enhancement), one of several grants available under the Office of Innovation and Improvement's Charter Schools Program. The Credit Enhancement program helps to improve educational opportunities for students and parents by targeting funds to areas with the greatest need for public school choice. Grant funds under this award will be used for facility projects in NJ, NY, RI, MA, PA, MD, CT and Washington, D.C.

The program offers credit enhancement that enables lenders to loan more money than they could under ordinary circumstances. The credit enhancement can also be used to guarantee lease payments, providing an incentive for landlords to extend leases to young schools. The program helps "close the financing gap" in a transaction, allowing a school's facility project to move forward. Usually, the credit enhancement results in lower borrowing costs for a school.

"We have heard repeatedly from charter schools that access to affordable and suitable school facilities is their number one challenge. This grant will enable us to help them with a greater breadth of services," said Brian Keenan, Director and President of Build with Purpose. "We are pleased that the U.S. Department of Education sees such value in our work, and this grant will enable us to expand our efforts to other states."

"Charter schools are a critical piece in the fight to improve children's education. Yet many often struggle to access traditional financing, due to their shorter operating histories, need to achieve sustained enrollment, and challenges associated with government funding," said Norah McVeigh, Managing Director of Financial Services at Nonprofit Finance Fund. "This grant will be instrumental in helping to provide charter schools with coordinated access to capital to help them realize lasting change in their communities."

"We are excited to have this new resource to help us advance the mission of high performing charter schools serving low-income families," added Michelle Volpe, President of Boston Community Loan Fund, Inc., the lending affiliate of Boston Community Capital.

Credit Enhancement program funds will be used to help charter schools construct and renovate school facilities, guarantee leases for property, and identify potential lending sources for charter school facilities. Consideration will be given to charter schools that have financing needs above \$500,000 and whose target is low-income areas and at-risk students. Lower dollar amounts will be considered for leasehold improvements for new schools. Funds from the Credit Enhancement program will support the following types of projects:

- Predevelopment loans for beginning a charter school real estate project;
- Leasehold improvements for space for pre-renewal charter schools;
- Renovations of existing space for charter schools;
- Purchase of an existing facility and/or land;
- Construction of a new facility; and
- Permanent “take-out” of construction loans.

“Adequate facilities are essential for providing a high-quality education and a safe learning environment,” said U.S. Secretary of Education Arne Duncan. “The Credit Enhancement program supports charter schools and gives them more financial security – ultimately helping schools to attain facilities where they can engage students in learning.”

**Build with Purpose** was founded in 2003 and since its inception has developed 21 charter school facilities with two more currently in development. Its work has leveraged over \$150 million dollars for the development of charter schools which serve over 5,500 children. While charter schools have been the bulk of its work, the organization has also developed over 200 units of affordable housing in New Jersey and Delaware. Now in its tenth year, the organization has expanded its work to the development of affordable senior housing and private schools. For more information on Build with Purpose, go to [www.bwpurpose.org](http://www.bwpurpose.org) or call Brian Keenan at 732 635-1000 x153.

**Nonprofit Finance Fund (NFF)** is a national leader in nonprofit, philanthropic and social enterprise finance. Founded in 1980, NFF provides financing, access to capital and direct advisory services that build the capacity and the financial health of nonprofits. A leading community development financial institution with over \$80 million in assets, NFF has provided over \$250 million in loans and access to additional financing via grants, tax credits and capital in support of over \$1.4 billion in projects for thousands of clients nationwide. NFF has provided loans for working capital and facilities, New Markets Tax Credits, and technical assistance to over 200 schools. NFF serves organizations nationally from offices in New York City, Philadelphia, Newark, New Jersey, Boston, Detroit, San Francisco, and Los Angeles. For more information, visit [nonprofitfinancefund.org](http://nonprofitfinancefund.org) or call Anne Dyjak at 212 457 4708.

**Boston Community Capital (BCC)** is a community development financial institution whose mission is to build healthy communities where low-income people live and work. Since 1985, BCC has provided over \$750 million in financing to projects and businesses that provide: affordable housing, good jobs, and new opportunities for underserved people and communities. These loans and investments have helped build or preserve affordable homes for over 13,000 families and individuals; strengthen more than 300 community organizations; support child care facilities serving over 8,900 children; finance schools and youth programs serving over 3,200 low-income students; finance health care facilities providing a comprehensive range of care to over 66,000 patients; renovate over one million square feet of commercial real estate in distressed communities; create more than 1,500 jobs in low-income communities; generate over 7.5 million kilowatt hours of solar capacity; and provide fixed-rate mortgages that have allowed over 250 families facing foreclosure to remain in their homes. For more information, see [www.bostoncommunitycapital.org](http://www.bostoncommunitycapital.org) or call Jessica Brooks at 617-427-3640.