

CREDIT ENHANCEMENT  
FOR CHARTER SCHOOL FACILITIES



T R A N S F O R M I N G  
**EDUCATIONAL**  
L A N D S C A P E S



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# TRANSFORMING EDUCATIONAL LANDSCAPES

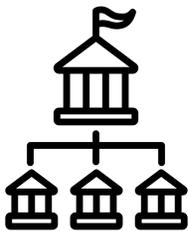
## CREDIT ENHANCEMENT FOR CHARTER SCHOOL FACILITIES

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### Executive Summary

Credit Enhancement for Charter School Facilities (CE) is a public-private partnership transforming how charter schools access and finance facilities. The CE program, currently funded at \$60 million/year, has granted more than 560 charter schools access to more than \$3 billion in total facilities financing since its inception. Each dollar of taxpayer funds invested in this public-private partnership leverages an average return on investment of \$15.

#### Credit Enhancement achieves three critical objectives:



- **Reduces barriers to funding** for facilities for public charter schools nationwide
- Serves as an efficient **force multiplier for federal investment**
- Enables resources to be focused on the schools' primary mission of teaching in **environments optimized for student success**



South Bronx Classical Charter Schools IV

## Breaking Down Barriers To Facilities Financing

Many public charter schools operate in converted commercial buildings, churches, or office complexes that lack educational spaces such as science labs or appropriately sized classrooms.

Unlike traditional public schools, which can tap into school district budget line items for construction or renovation, charter schools often face significant hurdles in securing funding for facilities that promote optimal student learning. Traditional lenders view charter schools as high risk, resulting in higher interest rates and lower loan-to-value. This creates a cycle where schools must allocate much-needed operational resources to cover the inflated costs of facility loans.

Credit Enhancement for Charter School Facilities is a targeted approach to break this cycle by making grants available to nonprofit organizations such as community development financing institutions (CDFIs), local or state government entities, or a consortium of such operations. CDFIs use these grants to create tools, including loan guarantees, leveraged loan funds, and technical assistance, to provide access to previously unattainable financing and reduce charter schools' borrowing costs in the private marketplace.



Great Lakes Academy

This enhancement allows educators to secure loans that were previously inaccessible to them, often with lower interest rates and more favorable terms. CE helps break the cycle of facilities-related financial strain by providing an alternative to high-interest lending markets.

## Maximizing Impact Through Efficient Resource Deployment

The national scope of CE facilitates the efficient deployment of resources. By awarding grants to nonprofits with regional and national reach, CE funds flow to ready-to-launch projects and keep financial resources actively engaged in supporting educational initiatives rather than waiting for qualifying projects to emerge in specific, limited geographic areas. This dynamic allocation system means that CE resources are put to work where and when they can have the most impact.

CE's revolving fund structure further amplifies sustainable public investment. As charter schools repay private debt, the original enhancement is returned to the CDFI and becomes available for reinvestment in new projects. This multiplier effect extends the impact of the initial federal investment and allows each dollar to support multiple projects over time.

# Empowering Educators

## To Focus on Student Success

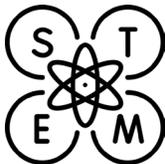
Facilities impact schools beyond the physical space, and inadequate facilities directly affect charter schools' ability to fulfill their core educational mission. Schools that can finance the creation of appropriate educational facilities are then able to focus operational resources on innovative teaching methods, comprehensive STEM programs, extracurricular activities, and learning environments that support students' growth and achievement.

Through CE, CDFIs also offer vital capacity-building assistance that strengthens charter schools' ability to navigate complex financial landscapes. Many talented school leaders who are transformational educators lack the budgeting, compliance, real estate development, and finance skills needed to navigate complex, large-scale financing projects.

In addition, through the program, CDFIs develop a network of professionals who understand education and facilities financing available to charter schools, further reducing the burden on educators and improving the likelihood of charter schools' educational success.

# Real-World Impact

The impact of Credit Enhancement appears in transformed educational spaces across the country and the outcomes they support. Charter schools have leveraged CE to create modern learning environments that include:



- **State-of-the-art science laboratories** that enable hands-on STEM education
- **Technology-enabled classrooms** that facilitate innovative teaching methods
- Dedicated spaces for **arts and music programs**



- **Modern athletic facilities** that support physical education and team sports
- Group work spaces that foster student **collaboration and teamwork**

These improvements directly translate into increased student engagement, elevated achievement, and enhanced educational outcomes.

Credit Enhancement for Charter School Facilities effectively supports educational innovation while ensuring fiscal responsibility. By addressing the fundamental challenge of facilities financing, CE enables charter schools to focus on their primary mission: providing high-quality education that transforms students' lives.

CE's efficient resource deployment, sustainable funding structure, and support system of facilities technical assistance make it an essential tool for strengthening America's educational landscape of public charter schools.



Texas Empowerment Academy

# TRANSFORMING EDUCATIONAL LANDSCAPES

## CREDIT ENHANCEMENT FOR CHARTER SCHOOL FACILITIES

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The mission of all schools is to prepare students for success. For public charter schools, this often includes creating innovative educational models or offering specialized curricula to teach students whose educational needs are not met by traditional schools. A school's ability to fulfil its mission depends, in part, on having adequate functional physical space in which to operate. Insufficient or poorly maintained facilities hinder student engagement and undermine attendance, student well-being, and academic achievement.

Charter schools, in particular, face challenges in securing appropriate spaces. Many operate in buildings that are too small, too old, or built for commercial or other purposes unrelated to education, and which almost always need to be adapted to support the educational mission. Although public charter schools receive average daily attendance funds to support their operations, they typically do not have access to the facilities budgets available to traditional public schools to upgrade, expand, or perform essential maintenance on their school buildings.



Great Lakes Academy

When charter school leaders must focus on securing facilities or managing financial difficulties around facility funding, attention and resources are diverted from the school's core educational mission. Providing charter schools with the financial tools to acquire or improve their facilities allows educators to do what they do best: offer high-quality education.

Through grants to regional and national nonprofit Community Development Financing Institutions (CDFIs), Credit Enhancement for Charter School Facilities (CE) makes credit enhancement tools and support available to public charter schools nationwide to reduce borrowing costs and facilitate facility improvements or expansion.

Upgrading public charter school facilities through CE leads to better classrooms, higher-quality science labs, safer environments, and more space for extracurricular programs, all of which enhance a school's ability to educate students effectively. With appropriate facilities, charter schools can fully commit to providing an education that transforms students' lives.

## Barriers To Charter Schools Facilities Funding

Charter schools face multiple systemic barriers in accessing facilities funding that are not typically encountered by traditional public schools. Unlike district schools, public charters cannot issue municipal bonds or levy taxes to fund facilities, as they lack taxing authority and often operate independently from local districts.

When charters attempt to access private capital markets to create parity with districts, they face unique and often significant obstacles. Lenders may view them as high-risk loan customers due to their limited operational history, or view them as legislatively and politically risky borrowers. Many have short-term charters — sometimes as short as five years — that school districts can revoke. Cash flow can be inconsistent, especially in the early years as enrollment is building. Management teams of expert educators often lack a business and real estate development track record, contributing to lenders' unease.

State funding varies widely, and few states provide dedicated charter schools with facilities funding streams. Even when charters are part of local districts, they often must compete with traditional public schools for limited construction funds. As a result, most charter schools are forced to devote significant portions of their per-pupil operating funds — typically around 20% — to cover facility costs, diminishing resources for educational programs.

# PUBLIC CHARTER SCHOOL

## FAST FACTS

**3.7 mil**

STUDENTS

During the 2022-23 school year, there were roughly **3.7 million students** enrolled in approximately **8,150 charter schools**.

**300,000**

INCREASE IN STUDENTS

Enrollment in charter schools **increased** by more than **300,000 students** between the 2019-20 and 2022-23 school years.

**1%**

FEDERAL FUNDING

Charter schools educate more than **7% of all public school students**, but receive only about **1% of federal K-12 funding**.

**8,150**

CHARTER SCHOOLS

The number of **charter schools increased** from about 2,700 during the 2002-03 school year to around **8,150** in the 2022-23 school year.

**2.5 mil**

ADDITIONAL STUDENTS

Surveys suggest that, location and capacity permitting, parents would enroll an **additional 2.5 million students** in charter schools.

**47**

STATES

**47 states**, the District of Columbia, Guam, and Puerto Rico have passed legislation authorizing charter schools. South Dakota, Nebraska, and Vermont are the only U.S. states that have not.

The challenges surrounding charter school facilities financing are significant.

Obstacles often include:



### **FUNDING LIMITATIONS:**

Unlike traditional public schools, which rely on local property taxes and government bonds for facilities, charter schools generally lack dedicated revenue streams for physical infrastructure. This results in financial strain as they attempt to secure loans or funding for construction or renovation projects.



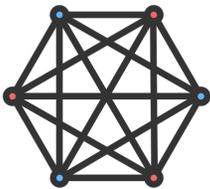
### **PERCEIVED RISK:**

Many lenders view charter schools as higher-risk borrowers due to their limited credit histories, short-term charter contracts, and potential to close. This perception leads to higher interest rates, shorter amortization terms, and/or lower loan values, impairing schools' ability to undertake essential capital projects.



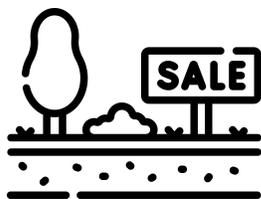
### **LACK OF COLLATERAL:**

Since many charter schools do not own their facilities, they often lack the tangible assets needed as collateral for loans. Similarly, the modest operating dollars they receive need to be prioritized for educational programming, limiting their ability to create equity. This absence of security can deter lenders from extending financing, making it more difficult for schools to secure funding for their infrastructure needs.



### **COMPLEX APPLICATION PROCESSES:**

Even where state or philanthropic funding is an option, the onerous nature of competitive funding applications, combined with limited administrative resources, complicates the process for many charter schools. This is particularly true for smaller schools. The time and expertise needed for grant writing can divert attention from educational priorities.



### **LACK OF SUPPORT FOR UTILIZING UNUSED SPACE:**

Zoning regulations and other state and local policies often result in underutilized or empty buildings remaining vacant when they could be offered to public charter schools.

These barriers often force charter schools to deploy portions of their per-pupil operating revenue to costly leases or improvement loans to adapt spaces not initially designed for students into modern, high-tech educational facilities. For example, a school might rent space in a commercial building, church, or former office complex. These locations often lack necessary features such as science labs, cafeterias and kitchens, gyms and playing fields, auditoriums and multi-purpose spaces, and sufficient, appropriately sized classrooms. Additionally, these facilities often lack adequate bathroom facilities to accommodate the student population.

This presents an immediate challenge in creating an environment conducive to learning and places additional financial strain on the school's budget. Moreover, high rental costs can divert needed operational resources from innovation, pupil instruction, and technology upgrades.

Lacking access to long-term capital, charter schools have difficulty planning for future growth. They cannot issue bonds or levy taxes, further limiting their ability to



Elgin Math and Science Academy

invest in long-term facility development. Alternative funding sources such as private donations or surplus buildings are neither reliable nor widely available, and when such buildings are offered, they typically require expensive renovations.

As a result, many schools are stuck in a cycle of leasing expensive temporary spaces, negatively impacting student learning and overall school performance.

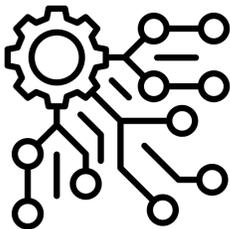
## Breaking the Cycle: Credit Enhancement for Charter School Facilities

Congress created Credit Enhancement for Charter Schools (CE) as one element in a suite of charter school resources to address these financial barriers to suitable facilities. Credit Enhancement does this by:



### **IMPROVING CREDITWORTHINESS:**

By providing grants to regional and national nonprofit CDFIs, CE facilitates charter schools' access to tools such as loan guarantees and insurance that enhance their creditworthiness. The reduced risk to lenders allows schools to secure loans in the private market at lower interest rates and more favorable terms.



### **ACCESSING DIVERSE FUNDING SOURCES:**

As a national initiative, CE works with state-level credit enhancement initiatives to create a comprehensive support system. Charter schools can access multiple funding streams by combining federal resources with state programs, improving their ability to fund capital projects and reducing overall financing burdens.



### **CAPACITY BUILDING:**

Beyond financial resources, CE often includes components designed to build charter schools' financial management capacity, such as training in budgeting, compliance, and financial reporting, guiding schools in effectively navigating complex financial landscapes.



### **FOSTERING COLLABORATION:**

CE encourages partnerships between federal and state agencies, nonprofits, and private investors. By establishing a network of collaborative resources, charter schools can better access the funding and technical assistance needed to tackle their facilities challenges.

Credit enhancement enables charter schools to focus on their primary mission of educating students with support for navigating the financial complexities of acquiring or renovating school buildings.

## **Maximizing Impact Through Efficient Resource Deployment**

Credit Enhancement represents an innovative public-private partnership model that strategically leverages resources to unlock private capital markets for charter school facilities. The national scope of CE also facilitates the efficient deployment of resources. By awarding grants to nonprofits with regional and national reach, CE funds flow to ready-to-launch projects and keep financial resources actively supporting educational initiatives rather than waiting for qualifying projects to emerge in specific, limited geographic areas.

This dynamic allocation system means that CE resources are efficiently put to work where and when they can have the most impact. Every federal dollar invested through CE is estimated to attract approximately \$15 in private-sector financing that would otherwise be unavailable to charter schools.

By providing credit enhancement through qualified nonprofit intermediaries, CE helps charter schools overcome the private market's perceived lending risks while building sustainable relationships with financial institutions. CE achieves this leverage through multiple mechanisms specified in federal law, including loan guarantees, bond insurance, and technical assistance to help charter schools access capital markets.

Notably, while the federal government provides the initial credit enhancement funding, it does not directly guarantee the underlying obligations. This maintains the public-private roles in the program and improves charter schools' access to affordable financing.

# CREDIT ENHANCEMENT

## (CE) TOOLS

Credit Enhancement tools are used in the service of allowable purposes under the Credit Enhancement Program, such as predevelopment, acquiring, renovating/improving, or constructing an educational facility, making leasehold improvements or refinancing loans to reduce borrowing costs. Examples of CE tools include:

- Facilitating financing by potential lenders, including private lenders
- Providing technical, administrative, and other assistance designed to attract and secure investors
- Conducting project feasibility analysis
- Guaranteeing, insuring, and re-insuring bonds, notes, evidence of debt, loans, and interests therein
- Guaranteeing, insuring, and reinsuring bonds, notes, loans, or other types of debt
- Securing long-term, third-party bond financing as a takeout for a medium-term, higher-cost bridge loan
- Guaranteeing or insuring leases of personal or real property
- Backing bond transactions to obtain tax-exempt bond financing
- Facilitating financing by identifying potential lending sources, encouraging private lending



The results are powerful. Currently funded at \$60 million/year, 560 charter schools have gained access to more than \$3 billion in total financing through innovative structures such as bond issuances, guaranteed loans, and lease arrangements since the creation of the CE program. CE's success helps to overcome a unique barrier for charter schools, which educate more than 7% of U.S. students yet receive only 1% of federal funding.

Beyond traditional credit enhancement activities, CE requires grantees to deposit federal funds into a dedicated reserve account. Rather than being spent directly on facilities, these funds must be leveraged in the private sector and strategically redeployed to support multiple charter school projects over time, maximizing the CE program's long-term impact. The revolving nature of the funds reflects the multi-sector involvement of the public-private partnership. Banks, philanthropy, and private capital are some examples of funders at the table.

As the charter school repays facilities loans, funds are recycled to support additional charter school projects. This creates a sustainable funding source that extends far beyond the initial federal investment and multiplies the impact of public resources. It significantly reduces school facility costs, allowing more resources to flow directly to classrooms and students rather than debt service.

CE's emphasis on leveraging private capital rather than providing direct loans or using the funds directly as equity helps to ensure that public resources are used efficiently while creating sustainable financing models.

## Focus

### On Student Success

Credit Enhancement empowers educators to focus on their core mission of student success. In 2021, the GAO wrote in *K-12 Education: Challenges Locating and Securing Charter School Facilities and Government Assistance* that charter school leaders, who are typically educators by training, often struggle with the complex demands of facilities management and financing. CE addresses this challenge by connecting schools with financial experts who can structure and negotiate optimal financing packages while providing technical assistance throughout the facility acquisition.

# Real-World Impact

The effects of CE are reflected in the improved educational environments found across the country and the positive results they yield. Charter schools have deployed CE to develop modern learning spaces that include:



- **State-of-the-art science laboratories** that enable hands-on STEM education
- **Technology-enabled classrooms** that facilitate innovative teaching methods



- Dedicated spaces for **arts and music programs**
- **Modern athletic facilities** that support physical education and team sports
- Group work spaces that foster student **collaboration and teamwork**

These improvements directly translate into increased student engagement, elevated achievement, and enhanced educational outcomes. A lack of facility investment, by itself, is not a significant driver of teacher turnover. However, a lack of respect and burnout *are* top drivers of instructor turnover — and they can be mitigated by high quality facilities that support instruction and learning.

Credit Enhancement for Charter School Facilities effectively supports educational innovation while ensuring fiscal responsibility. By addressing the fundamental challenge of facilities financing, the program enables charter schools to focus on their primary mission: providing high-quality education that transforms students' lives.

Each charter school project represents a significant investment in the community that catalyzes additional economic development. Charter schools help to stabilize and expand the number of high-quality, higher-paying jobs in the area, as well as generate demand for legal, marketing, and other professional services, including health professionals such as school nurses, stimulating multiple sectors of the local economy. Over time, they also engage various trades such as electricians, plumbers, landscaping, and facilities maintenance and repair, creating additional work for local small businesses.



Brilla Public Charter Schools

These projects often improve existing community infrastructure in some of the most economically depressed neighborhoods in a city, as many schools purchase and renovate dilapidated buildings in need of aesthetic upgrades and environmental remediation.

In the predevelopment phase, schools may use Credit Enhancement and facilities funds to clean up brownfields or remove asbestos.

Once complete, these investments have a ripple effect far beyond the classroom. They can raise surrounding property values, attract residents with greater means, and boost tax revenue, allowing municipalities to fund additional community improvements. Over time, this helps stabilize neighborhoods and make communities more attractive to families and businesses alike.

CE's efficient resource deployment, sustainable funding structure, and support system of facilities technical assistance make it an essential tool for strengthening America's educational landscape of public charter schools.



TRANSFORMING  
**EDUCATIONAL**  
LANDSCAPES

CHARTER SCHOOL  
STORIES

## Academy of Collaborative Education

*(Monroe, LA)*

The Academy of Collaborative Education (ACE) was founded on a deep commitment to create a nurturing, inclusive school where children on the autism spectrum can truly thrive. Drawing inspiration from successful models such as the Arizona Autism Charter School, ACE combines academic instruction with embedded therapeutic services tailored to students' individual needs. Initially designed to serve 94 students in grades K-5, ACE received over 125 applications in its inaugural year and continues to have a wait list.



Appropriate services require appropriate facilities. With no prior operating history, ACE needed assistance to finance the acquisition and renovation of a former private school campus, bring the facility up to code, and adapt it to meet the unique needs of students with autism spectrum disorder. With the support of credit enhancement provided by Hope Enterprise Corporation, ACE secured a \$1.95 million loan from Hope Federal Credit Union that allowed the facilities project to proceed.

As the only school in the parish specifically serving students with autism, ACE has quickly become a vital educational option in northeast Louisiana. The school provides a full continuum of licensed support services, including speech and language therapy, occupational and physical therapy, applied behavior analysis, counseling, and nursing, ensuring every student has access to free and appropriate public education. With the help of credit enhancement tools, ACE is delivering on its vision to create a learning environment where students on the autism spectrum can thrive.

## Amistad Academy and Elm City College Prep

*(New Haven, CT)*

New Haven-based charter schools Amistad Academy (Amistad) and Elm City College Prep (ECCP) have a proud history of serving low-income and diverse communities while fostering strong academic performance since their respective openings in 1999 and 2004. Over 70% of the student body at both schools qualify for free or reduced-price meals.



In 2021, Low Income Investment Fund (LIIF) worked with ECCP and Amistad to refinance and consolidate outstanding debt. Consolidating this debt into a single, sustainable debt service payment has enabled the schools to focus more revenue toward school programming costs and better meeting student needs. Just \$307,000 from the credit enhancement program made it possible to provide \$4 million in financing.

## Arizona Autism Charter School

*(Phoenix and Tucson, AZ)*

Arizona Autism Charter School (AZACS) is the first tuition-free, autism-focused school in the western United States. With a focus on supporting students' behavioral needs so they can access state instructional standards at the highest level of their capabilities, the approach utilizes project-based learning to engage students in activities that interest them and then integrates instruction in foundational skills, science, technology, engineering, and math.

AZACS is part of an elite group of schools recognized for excellence by Charter Schools Growth Fund, A for Arizona, and the Yass prize, a national award dedicated to celebrating, rewarding, and expanding innovative approaches to education. Over the last 10 years, with the help and support of 22Beacon and the credit enhancement tools it brings to the table, AZACS has opened campuses in Central Phoenix and the West Valley.

In 2016, 22Beacon provided \$525,000 in credit enhancement that supported the \$2.1 million acquisition and moderate improvements to a school building on Indian School Road. In 2024, AZACS turned to 22Beacon again for turnkey development services for the acquisition of adjacent facilities on Indian School Road, leveraging \$712,000 in credit enhancement to green light a facilities project with a total cost of \$5.5 million. A further \$1.1 million in credit enhancement facilitated \$2.2 million in acquisition costs and renovations, facilitating an expansion of AZACS's mission of serving individuals with autism by including adult workforce development programs.



autismcharter.org

## Bay Area Technology School

*(Oakland, CA)*

Bay Area Technology School (BayTech), Oakland's second-oldest charter school, was opened in 2004 to provide a STEM-themed secondary school. Serving more students with special needs than any other charter school in the Oakland Unified School District, 85% of its students qualify for free or reduced-price meals, are in foster care, experiencing homelessness, or learning English. In 2024, the school had a 92.5% four-year adjusted cohort graduation rate and 100% of graduates meeting University of California (UC)/California State University (CSU) admission requirements, compared to 69% of OUSD graduates and 60% of Alameda County graduates.

When BayTech needed assistance to acquire and rehabilitate a permanent facility, Local Initiatives Support Corporation (LISC) and Raza Development Fund provided \$14.25 million in loans to complete construction. The permanent location will provide BayTech, with 350 students and staff, the stability for planning and strengthening its educational program. LISC's investment in BayTech supports increased access to high-quality public schools as an essential part of community development.

## Breakthrough Charter

*(Marion, AL)*

Marion is the home to Alabama's second rural charter school, Breakthrough Charter. Breakthrough was created by a group of Marion parents concerned about the lack of high-quality educational options in the area and the impact of low-performing schools on the regional economy. The community's median household income is less than \$21,500, and 45% of the population has not completed high school.

As a new start school in a small rural town, Breakthrough was considered to be a high-risk loan applicant and faced difficulty financing an appropriate school facility. BlueHub Loan Fund, a national community development finance institution (CDFI), and Hope Enterprise Corporation and Hope Credit Union (HOPE), a local CDFI, worked with Breakthrough to facilitate the creation of an affordable financing package through the use of credit enhancement. As a result, Breakthrough was able to purchase a facility to serve as the permanent home for its PK-12 charter school, renovate the facility, and buy a vacant parcel across the street for athletic fields and future expansion.

Breakthrough has been extremely well received by the community and has met all its enrollment goals. BlueHub Loan Fund and HOPE have each gone on to support several schools across the state. HOPE has provided financing to one additional charter school and is in the process of working with three additional schools to secure facilities in Alabama. BlueHub has provided follow-on financing for two of these schools and is working to develop a pipeline of start-up and early-stage charter schools supported by credit enhancement awards.



[breakthroughcharterschool.org](http://breakthroughcharterschool.org)

## Catalyst Public Schools

*(Bremerton, WA)*

Opened in fall 2020 in Bremerton, Catalyst Public Schools focuses on student leadership development. Its model, which includes extended school day options, has produced student outcomes that exceed academic progress targets in reading and math. In its first year, Catalyst served students in grades K, 1, 5, and 6; it has now expanded to serve K-9 with plans to soon serve K-12.

In March 2020, the Raza Development Fund (RDF) provided a \$3.5 million leasehold-secured construction and term loan to support Phase I of a facilities redevelopment plan. This funding facilitated the renovation of 19,400 sq. ft. within a 25,483 sq. ft. facility, creating 12 new classrooms and expanding access to high-quality education. In March 2022, RDF further supported the school’s growth with an \$8.31 million loan, enabling the acquisition of the property and the completion of Phase II renovations, increasing capacity to 504 students in grades K-8. The total project budget was \$9.075 million, supplemented by \$675,000 in additional funding from philanthropic sources.

Recognizing the demand for high-quality secondary education, Catalyst pursued expansion to grades 9-12, which was approved in October 2023. This expansion required securing a facilities partnership with Olympic College, allowing Catalyst to launch its high school program while maintaining operational stability. As of FY24, the school serves 511 students in grades K-9 and is on track to reach 618 students as it grows to full K-12 capacity. Without CE, it would not have been possible for Catalyst to rapidly expand to meet the needs of the community.



[catalystpublicschools.org](http://catalystpublicschools.org)

## Collegiate Baton Rouge

*(Baton Rouge, LA)*

Collegiate Baton Rouge (CBR) is a college preparatory charter school founded to educate all students, including those with diverse learning styles and abilities. Approximately 90% of the student population is considered low income. Collegiate opened in a six-classroom modular unit in the parking lot of another school, but aspired to offer its students a more inspiring educational environment.



[cbr.collegiateacademies.org](http://cbr.collegiateacademies.org)

After securing \$9.62 million in funding from Self-Help Credit Union through the Credit Enhancement program, Collegiate was able to construct a new 45,000 sq. ft., two-story facility with classrooms, administrative offices, and a gymnasium/cafeteria. The expanded facility enabled CBR to grow from 120 to 466 students in grades 9-12.

## Heartwood AZ

*(Mesa, AZ)*

Heartwood AZ, a PK-12 public charter school committed to the Montessori model, is tailored to the needs of economically and educationally disadvantaged students in Mesa, Arizona. With the help of \$274,500 in Credit Enhancement funds, the Raza Development Fund (RDF), a community development financial institution, facilitated the \$4.6 million acquisition of Heartwood's permanent facility, which will allow the school to go from 184 students up to 506 at its full capacity.



[heartwoodaz.org](http://heartwoodaz.org)

## Impact Public Schools

*(Tukwila, WA)*

Launched in 2016, Impact Public Schools was founded on the principle that every student deserves a high-quality, free, public education at a school that puts their needs first, regardless of their zip code, income, or background. As a network, Impact Public Schools ranked in the top 6% in King County and the top 8% statewide among schools serving 60%+ low-income students. Today, the network serves 1,351 students across four schools, with the capacity to grow to 2,016 students, reinforcing its commitment to high-quality education, academic excellence, and equitable opportunities.

In late 2017, and with the help of Credit Enhancement program resources, the Raza Development Fund (RDF) provided a \$4 million real estate-secured bridge loan to Impact Public Schools to acquire a 41,305 sq. ft. facility in Tukwila. In early 2018, RDF extended a \$6.5 million loan to refinance the acquisition and fund construction, repurposing the facility into Puget Sound Elementary (PSE), the charter network’s first school.



impactps.org

As Impact grew, RDF continued to provide facilities financing, including a 2020 mezzanine loan of \$2.3 million to develop adjacent land for modular classrooms, enabling PSE’s full expansion as an elementary school while also temporarily housing Salish Sea Elementary during its startup phase. The mezzanine loan was successfully paid off in March 2021 through a 5.00% credit enhanced loan from the Equitable Facilities Fund.

## Irvington Community School

*(Indianapolis, IN)*

The mission of Irvington Community Schools (ICS) is to offer a college prep, career-readiness curriculum that focuses on developing creative thinking, a strong work ethic, and preparing all students for post-secondary success. ICS calls itself a “homegrown” charter school, founded and operated by community members with no management group affiliation. The ICS curriculum balances STEM coursework with art, music, and physical education for all students at all grade levels.

Opened in 2002 in a portion of a church building, ICS is now one of the largest and oldest public charter schools in Indiana, serving more than 1,000 K-12 children annually from 57 zip codes across three campuses on the east side of Indianapolis. Of the students who are enrolled, 70% are eligible for free or reduced-price lunch, with 65% of the student body identifying as white and 35% identifying as non-white.

ICS turned to IFF for assistance in refinancing its loan, and in 2018 ICS and IFF closed a \$9.27 million transaction with lender Indiana Finance Authority. The refinancing allowed the school to lower its cost of capital on its existing bond debt, which had originally been borrowed at 9%, and to make campus improvements to the middle school. Improvements included upgrading the HVAC system, paving the parking lot, and upgrading restrooms.



[ics-charter.org/irvington-community-elementary-school](https://ics-charter.org/irvington-community-elementary-school)

ICS calculates that the refinancing made possible by the Credit Enhancement program reduced its costs by \$1 million in interest over the life of the loan. CEO Tim Mulherin states that the loan backed by CE funds “was very helpful to us in getting it accomplished...In charter schools, money is precious. The way we were able to pull this refinance together and save significant money year after year has been so meaningful to us.” Budget constraints had forced the school to cut many teachers’ aides. As the school continues to strengthen its financial standing through the bond, it has been able to add back staff to support student learning.

## KIPP Adelante Preparatory Academy

*(San Diego, CA)*

KIPP Adelante Preparatory Academy in San Diego, California serves students in the Barrio Logan, Southcrest, and Shelltown neighborhoods. The vast majority of the students come from low-income families and do not have access to high-quality educational options.

In April 2019, Local Initiatives Support Corporation (LISC) closed on a \$9 million construction loan for the ground-up construction of a 28,000 sq. ft. facility located in the Diamond neighborhood of San Diego. The building will be the permanent home of KIPP Adelante Preparatory Academy

middle school and will serve 480 students. In total, LISC's credit enhancement helped leverage more than \$12 million for this project.



[www.kippsocal.org](http://www.kippsocal.org)

## L. Hollingworth School for the Talented and Gifted

*(Toledo, OH)*

L. Hollingworth School, located in Toledo, Ohio, focuses on academic acceleration and personalized learning and was initially opened in a substandard facility with limited space. In 2014, the Raza Development Fund (RDF) provided a \$1 million bridge loan to L. Hollingworth to support the acquisition of a 60,000 sq. ft. property. This loan allowed the school to secure land, begin hazardous materials removal, and start construction. By June 2014, RDF extended an additional \$4.4 million in funding to complete the project, which included constructing an elementary and middle school building with 22 classrooms, a gymnasium, and a finished basement.

In 2017, RDF provided further support to refinance the school's existing debt and purchase an adjacent parcel of land. This expansion increased the school's parking capacity and cut its interest rate by 1%, improving the school's cash flow and financial sustainability.

The school now serves 285 students in grades PK-8, 99% of whom qualify for free or reduced-price lunch. L. Hollingworth has consistently met expectations for student progress, with its performance score of 59.3 exceeding both Toledo Public Schools' score of 57.9 and the average performance of neighboring districts.

# O H I O

## **Millennium Community School**

*(Columbus, OH)*

Operating continuously since 1999, Millennium Community School is the longest-running charter school in central Ohio. It serves a predominantly low-income student population, with nearly all students eligible for free or reduced-price lunch. Despite these challenges, the school has consistently exceeded expectations, with its performance score of 59.3 outpacing the Columbus City Schools District's score of 57.1. As a result, enrollment has grown to 487 students enrolled in grades K-8 for FY25.

In September 2016, the Raza Development Fund provided a \$4.7 million loan to enable the school to purchase its existing 59,956 sq. ft. facility. Prior to the purchase, Millennium was spending 20% of its total revenue on rent — a significant financial burden for a charter school. Acquisition of the building reduced occupancy costs to 13% of revenue, resulting in annual savings of nearly \$400,000, which is being redirected to improve student programs and services.

## Perspectives Charter School

*(Chicago, IL)*

Perspectives Charter School focuses on equipping students for college and careers. CEO Deborah Stevens is proud that although 91% of Perspectives' students are eligible for free or reduced-price lunch, their graduation rate is nearly 100%, and 100% of graduates are accepted to college.

Prior to using Credit Enhancement (CE) tools to support facilities improvements, one of

Perspectives' campuses was housed in a 350 sq. ft., 100-year-old building. The neighborhood was far from main roads and experienced high rates of drug use and crime. Perspectives' leadership planned to purchase 115,000 square feet of a nearby vacant property to renovate into a school, and turned to IFF and CE to support a \$24 million bond transaction that allowed Perspectives to finance the facility acquisition and renovation.

Ms. Stevens notes that without the benefits of the CE tools IFF brought to the table, "Everything would have been a lot more expensive. We would have had to cut down on services like social work, management and coaching staff, and athletics programs. CE was really crucial to help us do the financing in the most effective way so we could maintain our social services for kids." She describes how the beautiful new building improved the school atmosphere, noting that the students became better behaved, the school's student recruitment effort benefited, and teacher retention improved.



[casestudies.uli.org](http://casestudies.uli.org) / James Steinkamp Photography

## Rooted School-Vancouver

*(Vancouver, WA)*

Rooted School-Vancouver (RSV) is designed to bridge the wealth gap by providing direct pathways to careers in the regional tech sector. The school integrates college prep coursework with career-readiness opportunities, fostering real-world skills, industry partnerships, and economic mobility. With strong leadership, community support, and an innovative educational model, RSV is well-positioned to expand educational access and workforce readiness opportunities for students in Washington State.

In November 2022, the Raza Development Fund (RDF) provided a \$1 million tenant improvement loan to RSV to support the renovation of a former YMCA preschool and transform it into a charter high school serving grades 9-12. This investment, complemented by an additional subordinate loan, brought the total project financing to \$1.45 million. Officially launched with 23 9th-grade students, RSV now serves 54 students in grades 9-10. The school plans to reach full enrollment of 133 students across grades 9-12 by FY27.



[rootedschoolvancouver.org](http://rootedschoolvancouver.org)



Civic Builders Achievement First Linden, Brooklyn NY

## Sunset French Immersion School, Inc.

*(Sunset, LA)*

Created to close academic gaps and preserve local cultural heritage, the rigorous language immersion curriculum offered by the Sunset French Immersion School (SFI) helps its students outperform district and state averages in core academic subjects. With 83% of students considered economically disadvantaged, the school is deeply rooted in academic opportunity for all. Its mission goes beyond academics, engaging students in intercultural arts and service learning to foster global competency and cultural pride in the Acadiana region.

SFI secured a historic facility in which to build a middle school campus, but the building required a full renovation. Credit enhancements from Hope Enterprise Corporation mitigated risk and



[ecolestlandry.org/schoolgarden](http://ecolestlandry.org/schoolgarden)

underpinned a complex financing structure, with \$4.7 million in loans leveraging federal and state New Market Tax Credits and Louisiana Historic Tax Credits, resulting in \$3.7 million in equity for the project. The loans included a historic tax credit bridge loan, a leverage loan, and a direct loan to the Qualified Active Low-Income Community Business.

The project will breathe new life into the former Sunset High School, a 1926 building listed on the National Register of Historic Places. Once a stripped-down shell, the building will be transformed into an ADA-compliant facility featuring 13 classrooms, administrative and multipurpose spaces, and modern safety systems. The school, operating with a long-term lease from the Town of Sunset, is expanding its program to include middle school grades, allowing it to grow from its current enrollment of 241 students to over 500 in the coming years.

## Tenor High School

*(Milwaukee, WI)*

Milwaukee is home to Tenor High School, a charter school that offers a unique model in which students take three years of rigorous high school classes and then attend Milwaukee Area Technical College (MATC) at no cost for their fourth year. Tenor graduates leave high school with a head start in pursuing further education or with a certificate in a trade and workforce-ready skills.



wikimedia.org Tenor High School

In 2021, with the help of Credit Enhancement services provided by IFF, Tenor was able to relocate to a new building that is two blocks away from MATC. In addition to the improved location, the new facility can serve up to 276 students, an increase of more than 80 seats from Tenor's previous facility.

## Texas Empowerment Academy

*(Austin, TX)*

Austin has been home to Texas Empowerment Academy (TxEA) since 1998. Today, TxEA educates 400 PK-12 students, more than 75% of whom come from economically disadvantaged backgrounds.

In 2022, with the support of the Local Income Initiatives Support Corporation (LISC) and the Facilities Investment Fund managed by Civic Builders Inc., TxEA secured financing to support a new school for up to 800 students. In addition to doubling the number of students they serve, this new facility will allow TxEA to consolidate students from two sites to one building. Without credit enhancement, TxEA would have been unable to secure the \$28 million in financing needed to make this possible.

## Tulsa Honor Academy

*(Tulsa, OK)*

In August 2015, Tulsa Honor Academy Charter School (THA) opened its doors to students for the first time, with a mission to equip all students with the academic skills, content knowledge, and ethical character required for college graduation and success. Through the hard work of the dedicated THA staff, students, and families, and \$10 million in financing provided by EFF and in part made possible by Credit Enhancement, THA has grown in both size and academic achievement to become a top middle school in Oklahoma and the top charter school in Tulsa.

In the fall of 2018, the THA Middle School reached full enrollment, serving more than 400 scholars in grades 5-8. To meet growing demand, THA applied for an expansion that would allow the school to serve students through grade 12. In 2019, THA opened its doors to the first class of THA freshmen. Today, Tulsa Honor Academy Charter School serves more than 880 students in grades 5-12.



Promesa Academy Charter School



# Charter School Lenders' Coalition

The Charter School Lenders' Coalition (CSLC) is a collaboration of mission-driven, community development practitioners who provide financial and development services to charter schools in low-income communities. Our goal is to improve outcomes for children by expanding the availability of educational options for families whose income falls below the national average, living in economically distressed rural and urban communities.

We facilitate the charter school industry's access to affordable, flexible capital and technical assistance for the construction and development of charter schools meeting the needs of students in these communities. Increasing access to a high-quality education is a successful strategy to support individual and community economic advancement and to end the cycle of poverty.

Since 2010, CSLC members have invested more than \$3.3 billion in over 1,500 schools, creating over 356,000 new seats. These outcomes have been achieved while maintaining a less than 1% loan loss rate.

## CSLC 2025 MEMBERSHIP

22Beacon

BlueHub Capital

Blueprint

Building Hope

Capital Impact Partners

Civic Builders

Equitable Facilities Fund

Enterprise Community Partners

Hope Enterprise Corporation

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Level Field Facilities Fund

Local Initiatives Support Corporation (LISC)

Low Income Investment Fund (LIIF)

Nonprofit Finance Fund

RDF

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