

Building a new charter school facility for middle school students.

PROJECT BASICS

Type:
Real Estate – Community Facility

Total Development Cost:
\$5.2 million

LISC New Markets Tax Credit Allocation:
\$5.7 million

PROJECT STAKEHOLDERS

LISC Program:
**LISC Educational Facilities
Finance Center**

Investor:
US Bank

Lender:
LISC, NCB Capital Impact

Sponsor/Developer:
Brighter Choice Foundation

COMMUNITY NEED

- **26% Poverty Rate**
- **Unemployment rate 1.97 times the national average**
- **Family income 49% of the area median**

COMMUNITY IMPACT

- **32,000 sq. ft. of Community Space**
- **31 Permanent Jobs**
- **New capacity to educate 228 middle school students**

Project Snapshot:

- The project entails the ground-up construction of a 32,000 sq. ft. school building on approximately two acres of land to house Achievement Academy, a charter school serving Albany, NY.
- The building's design encompasses 12 classrooms, 3 special education rooms, a media center/library, a cafeteria, a full-size gymnasium, and offices for administrative and support staff.
- The building houses 228 students in grades 5-8.



Project Background:

- Since 2000, the Brighter Choice Foundation (BCF) has provided support for the planning, development, and operation of charter schools in Albany and Buffalo.
- The first school in a planned Albany network of BCF-sponsored charter public schools was Brighter Choice Charter Schools (BCCS). Launched in 2002, BCCS consist of two separately chartered schools, the Brighter Choice Charter School for Girls and the Brighter Choice Charter School for Boys, sharing a common facility. BCCS have attracted national attention for their unique academic approach that includes separate classes for boys and girls. The approach has yielded strong academic results. Fourth grade boys continuously enrolled in the school since kindergarten have improved 46 percentiles in math and 63 percentiles in reading. Fourth grade girls enrolled since kindergarten improved 44 percentiles in reading and 39 percentiles in math.
- Adhering to the philosophy that no single model will address the various needs and learning styles of all students, BCF identified six additional successful charter school models for replication in Albany. BCF worked with School Performance to identify these replicable school models, coordinate the recruitment of charter school board members for those schools, and oversee a centralized outreach and enrollment efforts.
- Achievement Academy is one of these schools. It completed its first year in June 2006 as a co-tenant in KIPP Tech Valley Charter School's facility with 81 fifth graders enrolled in its first year. The school's enrollment grew by one grade per year until it reached its full capacity in 2009.

Leveraging Solutions through New Markets Tax Credits (NMTC):

- As a charter school still in its growth phase, the project faced obstacles to securing adequate financing under viable terms. Our program offered a timely way to leverage existing financing to close the gap.
- \$5.7 million in NMTC allocation authority provided a custom product with non-traditional/favorable terms including: a longer interest-only payment period; a higher loan-to-value ratio; and a lower debt service coverage ratio.
- Achievement Academy provides a high-quality educational option to Albany residents, and a large majority of its students come from low-income families, as evidenced by their eligibility for the federal free or reduced-price lunch program. In providing a facility for the school, the project is contributing to the students' and the community's long-term economic health.