

### PROJECT BASICS

Type:

**Charter School**

Total Development Cost:

**\$21 million**

LISC New Markets Tax Credit Allocation:

**\$6 million**

Qualified School Construction Bonds:

**\$15 million**

### PROJECT STAKEHOLDERS

LISC Program:

**Los Angeles LISC**

Investor:

**Goldman Sachs**

Lenders:

**Goldman Sachs, LISC, LIIF**

Developer/Operator:

**Alliance College-Ready Public Schools**

### COMMUNITY NEED

- **37.3% Poverty Rate**
- **Unemployment rate 2 times National Average**
- **Family income 47.9% of the area median**

### COMMUNITY IMPACT

- **New Facility: 45,000 sq. ft.**
- **70 Construction Jobs**
- **59 Permanent Jobs**
- **1,000 Students**

### Project Snapshot:

- The project provides permanent facilities for two Alliance schools: the existing College-Ready Middle School #5 currently located in (and outgrowing) the Boys and Girls Club on Pasadena Avenue, and the to-be-opened College-Ready High School #14 (HS#14)
- The site will hold a new 45,000 sq ft facility for middle and high schools.
- HS#14 is the first to be rolled out of a planned 10 “blended learning” schools, otherwise known as the Blended Learning for Alliance School Transformation (BLAST) school model against which Alliance has received substantial charitable commitments. The BLAST model supports a class size of up to 48:1 with a single teacher, leveraging a three-point instruction rotation of three groups of 16 students in each section.
- Students are issued a laptop daily and participate in in-classroom rotation and are able to utilize distance learning, digital content, online courses, and interactive tools.



### Project Background:

- Affordable annual cost per student with adequate reserves taken during ramp up period to mitigate Alliance near term cash flow requirements.
- Alliance College-Ready Public Schools is an independent non-profit charter management organization that was created in 2004 to open and operate a network of small, high-performing public schools for grades 6-8 and 9-12 in historically underachieving, low income communities in California.
- Alliance’s goal is to increase student academic achievement and to graduate students ready for success in college. Several Alliance schools number among the top ten in LAUSD academic achievement. Alliance currently operates 18 schools—opening five schools in 2009—and ultimately plans to grow to 50 middle and high schools throughout California that will serve 23,000 students.
- The project conforms to the Cal Green Code, which reaches sustainability levels similar to LEED.

### First of its kind pairing of Leveraging Solutions through New Markets Tax Credits (NMTC) with Qualified School Construction Bonds:

- California’s per pupil funding has consistently been below the national average since the 1980s, and because of the state’s budget crisis, has been reduced by 20%+- over the past three years. Moreover, payments are being deferred and there remains a possibility that per pupil funding could be cut further. These facts, along with high real estate costs, require subsidized funding through NMTCs to allow charter schools to focus sufficient dollars in the classroom so low-income students can be successful.
- \$6 million in NMTC allocation authority provided a custom product featuring non-traditional/favorable terms included: below-market interest rate; lower than standard origination fees, higher than standard loan-to-value ratio, longer than standard amortization period, longer than standard interest-only payment period, lower than standard debt service coverage ratio, and lower than standard loan loss reserve.