ED Abstract Narrative

Organization Name: Hope Enterprise Corporation
[redacted]
Project Title: HOPE's Charter School Facilities Fund

Established in 1994, Hope Enterprise Corporation (HOPE) is a non-profit Community Development Financial Institution that promotes economic revitalization in the Deep-South – one of the nation's most persistently impoverished regions. To further advance this mission, HOPE is requesting $[redacted] from the U.S. Department of Education (ED)'s Credit Enhancement for Charter School Facilities program to support and strengthen charter school sectors in Alabama, Arkansas, Louisiana, Mississippi, and Tennessee by providing quality, affordable facilities financing and individualized technical assistance.

There is significant demand for HOPE's Charter School Facilities Fund across the Deep South. HOPE received a combined [redacted] Credit Enhancement for Charter School Facilities program funds through the 2015 and 2017 application cycles. HOPE has utilized all of the $[redacted] credit enhancement from the 2015 award and utilized a portion of the 2017 award with a strong pipeline to utilize the full [redacted] by the middle of 2023. The funding requested in this application will enable to HOPE to continue supporting charter schools after the expiration of these funds.

In particular, HOPE will use ED funds as credit enhancement on a range of loan products that help charter schools meet their facility financing needs. These include supporting leasehold improvements, providing senior debt with more flexible terms and subordinate debt to help address appraisal gaps and equity requirements from other lenders, and structuring innovative financing transactions that leverage New Markets Tax Credits. Over five years, an award of [redacted] to HOPE's Charter School Facilities Fund will leverage [redacted] in private and other non-Federal financing and provide an average credit enhancement of 56% on loans to 8 charter schools for the acquisition, rehabilitation and/or new construction of school facilities.

In addition, we will provide intensive and customized technical assistance that builds the capacity of local charter schools to expertly manage real estate project development and manage their facility financing. We will maximize the impact of ED funds by targeting our work to high quality charter schools in areas with a large number of schools that have been designated as needing improvement, in areas with a large number of students who score below proficient on standardized assessments, and in areas with a large number of students from low-income families. We will also work to promote replicability of our program, increasing the pool of resources available to charter schools and expanding educational opportunity to more families across the Deep-South.