

Project: Charter Facility Solutions Facility Loan Program

Organization: Charter Facility Solutions

Address: 1390 Lawrence St. #200 Denver, CO 80204

In 2016 Charter Facility Solutions (CFS) was established by Colorado-based foundations to create a Facility Loan Program to increase the number of high-quality charter school seats in at-risk communities and to provide free technical assistance to charter schools on finance, facility, and real estate matters. All of our facility loans offer philanthropy-subsidized interest rates (3.5% or less) with favorable terms that translate to meaningful cost savings for our charter school borrowers. In three years since making its first charter school loan in 2018, CFS has made a total of 14 loans totaling [REDACTED] and has leveraged an additional \$ [REDACTED] million from other financial institutions. When these charter schools reach full enrollment, they will serve approximately 5,418 students.

CFS is requesting a grant of [REDACTED] under the U.S. Department of Education's Credit Enhancement for Charter School Facilities Program to support this loan program. The credit enhancement will improve [REDACTED] in direct CFS loans [REDACTED] of which will be recycled funds) by leveraging an additional [REDACTED] in loan funds from other financial institutions in the first five years of the grant. CFS will recycle its own funds at least once over the second five-year period providing more than [REDACTED] in total financing and reaching a leverage ratio of 15:1 on the grant funds over a 10-year period.

Over 10 years the Facility Loan Program will benefit an estimated 50 new and existing charter schools in the Colorado and other states that are providing high quality programs for students. Our program will create or preserve 10,000 seats for at-risk students. CFS recently expanded its geography because of numerous inquiries from charter schools in other states. Our plan is to slowly grow into other markets by first offering loan and lease guarantees to charter schools outside of Colorado. CFS is committed to ensuring that loans reach schools with the following characteristics: 1) At least 50% of enrolled students qualify for free and reduced lunch; 2) Serves communities that do not have enough "performing" schools as rated by the state Departments of Education; and if outside CO, will be in a state that has strong charter school laws.

CFS currently offers subordinate loans, leasehold improvement loans, and start-up lines of credit to charter schools. Should we receive the U.S. Department of Education's Credit Enhancement Grant CFS will roll-out several new products we have identified in consult with our charter school, philanthropic, lending, and industry partners. These new charter school facility financing products will include:

- Loan guarantees to other financial institutions
- Pooled guarantees for CFS facility loans.
- Guaranteed predevelopment loans
- Lease guarantees to landlord