

ED Abstract Narrative

Organization Name: Hope Enterprise Corporation
Address: 4 Old River Place, Jackson, MS 39202
[REDACTED]
[REDACTED]
[REDACTED]
Project Title: HOPE's Charter School Facilities Fund

Established in 1994, Hope Enterprise Corporation (HOPE) is a non-profit Community Development Financial Institution with [REDACTED] in assets that strengthens ladders of upward mobility through resident-responsive community and economic development 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 (CESCF) program to further strengthen charter school sectors in Alabama, Arkansas, Louisiana, Mississippi, and Tennessee by continuing to provide affordable school facilities financing accompanied by individualized technical assistance. These five states have strong charter school laws in place but have a history of low academic performance compared to the national average, especially for their low-income students.

There is significant demand for HOPE's Charter School Facilities Fund. HOPE received a combined \$20 million in ED CECSF funds through the 2014, 2017 and 2019 application cycles, of which it has deployed \$17.1MM as credit enhancement on [REDACTED] of total leveraged financing to 29 charter school facility projects on better rates and terms than would otherwise be possible. HOPE is on track to require additional ED grant funds in the next 24-36 months in order to continue this pace of facilitating financing.

HOPE will use the proposed ED award to continue to credit enhance loans for charter school facility projects that otherwise could not receive financing due to collateral shortfalls and other perceived credit risks. This includes projects for leasehold improvements, and real estate acquisition and renovation. We will leverage other public programs like the New Markets Tax Credit program, and private capital to meet schools' facility needs and growth plans. Over five years, HOPE's Charter School Facilities Fund will leverage a new [REDACTED] award to facilitate [REDACTED] in financing to 11 charter schools. HOPE will target single site, early stage charter schools, especially in Alabama's and Mississippi's emerging sectors, that are providing quality educational options to low-income students and students of color.

In addition, we will provide intensive and customized technical assistance that builds the capacity of local charter schools to manage their financing needs and facility projects and will support the replicability of charter school financing among other lenders in the region, in part by helping to increase their understanding and confidence in this type of lending. In all, HOPE's Charter School Facilities Fund will help expand educational opportunity, a key component for upward mobility, to more families across the Deep South.