

**U.S. Department of Education - EDCAPS  
G5-Technical Review Form (New)**

Status: Submitted

Last Updated: 08/11/2023 02:53 PM

## Technical Review Coversheet

Applicant: Low Income Investment Fund (S354A230005)

Reader #1: \*\*\*\*\*

	Points Possible	Points Scored
<b>Questions</b>		
<b>Quality of Project Design and Significance</b>		
<b>Quality of Project Design and Significance</b>		
1. Design and Significance	35	35
<b>Sub Total</b>	35	35
<b>Selection Criteria</b>		
<b>Quality of Project Services</b>		
1. Project Services	15	12
<b>Sub Total</b>	15	12
<b>Capacity</b>		
<b>Capacity</b>		
1. Capacity	35	32
<b>Sub Total</b>	35	32
<b>Selection Criteria</b>		
<b>Quality of Project Personnel</b>		
1. Project Personnel	15	14
<b>Sub Total</b>	15	14
<b>Total</b>	100	93

# Technical Review Form

Panel #2 - CE Panel - 2: 84.354A

Reader #1: \*\*\*\*\*

Applicant: Low Income Investment Fund (S354A230005)

## Questions

### Quality of Project Design and Significance - Quality of Project Design and Significance

**1. Quality of project design and significance (35 points). In determining the quality of project design and significance, the Secretary considers—**

- (1) The extent to which the grant proposal would provide financing to charter schools at better rates and terms than they can receive absent assistance through the program;**
- (2) The extent to which the project goals, objectives, and timeline are clearly specified, measurable, and appropriate for the purpose of the program;**
- (3) The extent to which the project implementation plan and activities, including the partnerships established, are likely to achieve measurable objectives that further the purposes of the program;**
- (4) The extent to which the project is likely to produce results that are replicable;**
- (5) The extent to which the project will use appropriate criteria for selecting charter schools for assistance and for determining the type and amount of assistance to be given;**
- (6) The extent to which the proposed activities will leverage private or public sector funding and increase the number and variety of charter schools assisted in meeting their facilities needs more than would be accomplished absent the program;**
- (7) The extent to which the project will serve charter schools in States with strong charter laws, consistent with the criteria for such laws in section 4303(g)(2) of the ESEA; and**
- (8) The extent to which the requested grant amount and the project costs are reasonable in relation to the objectives, design, and potential significance of the project.**

### Strengths:

1. The applicant proposes to leverage the \$ [REDACTED] grant to facilitate access to capital for early-stage charter schools and rural charter schools who lack the enrollment population, cash flow, and financial history, to qualify through traditional underwriting standards. The applicant plans to offer project pricing below market, increased loans to value underwriting, the elimination of any equity requirement in the transaction, longer amortization periods, longer interest only periods, alternative collateral, as well as credit enhancements that slowly wind down. All of these terms and conditions result in stakeholder access to capital at better rates and terms that would otherwise be available absent assistance from the program. (page e-21).
2. The project goals, objectives and the project timeline are clearly presented, reasonable, appropriate, and quantify the cumulative leverage financial goal, the cumulative number of schools supported, as well as the cumulative amount of funds committed over a five-year period. The financing products proposed will provide loan products at rates and terms better than those available to similarly situated applicants in the commercial financing market. As an example, LIFF is using a portion of grant funds for leasehold financing, allowing early-stage charter schools to add additional space as enrollment revenue grows, while stabilizing operations and building cash reserves. This is an appropriate use of grant funding that is difficult to obtain as regulated lenders see this as unsecured lending.
3. The applicant focuses on a partner-centric business model for implementation that has proven successful in past

Credit Enhancement for Charter Schools Facilities Grant Program (CEGP) program grants. Part of this success occurs through the establishment of productive partnerships with state charter school associations that help to identify areas with high needs for charter school seats, participate in co-financing arrangements, and other project specific financing arrangements. (page e-27). It should be noted that in the case of proposed new markets letters of support have been received from stakeholder partners and are included with the application. The use of the partner centric model leverages the knowledge and resources of interested stakeholders and increases the applicant's ability to source and evaluate proposed program participants.

4. Early-stage and new charter school facility lending can be risky in that these organizations often lack the early-stage cash-flow through enrollment necessary to support their growth and development. The applicant mitigates this risk by proposing a pooled fund strategy that will allow it to offer school specific credit enhancement based upon each institution's individual needs. This business model has worked well for the applicant, as a past grant awardee, and allows them to replicate these operational processes across proposed new markets.

5. Through implementation of its partner-centric development and implementation strategy, the applicant utilizes its relationships with charter school authorizers, support organizations, and other interested stakeholders to identify, evaluate, and fund charter school partners that operate in geographical areas of greatest need, as evidenced by the percentage of students eligible for free or reduced price lunch and/or schools designated as Title 1 poorly performing public schools that have present high academic quality or the potential for quality. (E44) Inasmuch as these stakeholders have increased knowledge and understanding about specific communities within these new state markets, this approach adds additional value.

6. The applicant proposes to leverage the grant funding 10 times, developing a funding pool of [REDACTED] in private nonfederal capital. [REDACTED] of this capital will come from the applicant, who enjoys a strong relationship with lenders, impact investors, and philanthropic organizations. Letters of support from interested lenders indicate a broad array of potential funding can be made available to the applicant, which would otherwise not be available absent their participation in the program.

Through leveraging the grant funding, more financial support will be made available for program objectives.

7. The four states targeted by the applicant all have strong charter school laws, as supported by their position in the 2022 National Alliance for Public Charter Schools rankings for states with strong charter laws. (e35)

8. Due to previous program participation, staffing and program resources are already structured, allowing the applicant to deploy funding immediately upon award, at no delay or additional cost. Additionally, the applicant proposes to absorb all administrative costs associated with grant operations, increasing the amount of program funds flowing to benefit schools.

**Weaknesses:**

No weaknesses noted.

**Reader's Score: 35**

**Selection Criteria - Quality of Project Services**

**1. Quality of project services (15 points). In determining the quality of the project services, the Secretary considers—**

**(1) The extent to which the services to be provided by the project reflect the identified needs of the charter schools to be served;**

**(2) The extent to which charter schools and chartering agencies were involved in the design of, and demonstrate support for, the project;**

**(3) The extent to which the technical assistance and other services to be provided by the proposed grant project involve the use of cost-effective strategies for increasing charter schools' access to facilities financing, including the reasonableness of fees and lending terms;**

and

**(4) The extent to which the services to be provided by the proposed grant project are focused on assisting charter schools with a likelihood of success and the greatest demonstrated need for assistance under the program.**

**Strengths:**

1. During design of their project, the applicant engaged in significant outreach to multiple stakeholders, including state authorizers and state departments of education. Based upon this and input from other interested parties, the applicant selected four states, Alabama, Idaho, Mississippi, and Missouri, that are experiencing rapid charter school growth, and will need real estate facilities financing solutions for new and early-stage charter schools moving forward, thus clearly reflecting the identified needs of the charter schools to be served.
3. Significant in its impact on the reasonableness of costs and fees, the applicant has chosen to forego the allowable 2.5. percent administrative fee allowed in the project. All expenses will be absorbed by the applicant to maximize the financial impact of grant funding. The applicant will also offer fixed interest rates on loans, capitalization of origination fees and reduced third party fees to reduce charter school program costs. These features reduce the unpredictability of program costs, simplify project planning, and help maximize impact of grant funding.
4. The applicant understands the charter school market. They have a strong history of the key academic, financial, and operational issues necessary for early-stage charter school success. As a previous grant recipient, the applicant has demonstrated a high degree of success in charter school lending, as demonstrated by their collective loan default rate of 0.13 percent. The market research, stakeholder engagement, and collaborative approach in project design, as well as planning, ensures they develop the financial products necessary to address the underwriting issues of insufficient collateral and equity.

**Weaknesses:**

2. Although the applicant includes multiple letters of support from stakeholder groups that are included with the grant application, (A6) these are general letters of program support and do not evidence the extent to which these organizations were actively engaged in the project design.

**Reader's Score: 12**

**Capacity - Capacity**

1. **Capacity (35 points). In determining an applicant's business and organizational capacity to carry out the project, the Secretary considers—**
  - (1) **The amount and quality of experience of the applicant in carrying out the activities it proposes to undertake in its application, such as enhancing the credit on debt issuances, guaranteeing leases, and facilitating financing;**
  - (2) **The applicant's financial stability;**
  - (3) **The ability of the applicant to protect against unwarranted risk in its loan underwriting, portfolio monitoring, and financial management;**
  - (4) **The applicant's expertise in education to evaluate the likelihood of success of a charter school;**
  - (5) **The ability of the applicant to prevent conflicts of interest, including conflicts of interest by employees and members of the board of directors in a decision-making role;**
  - (6) **If the applicant has co-applicants (consortium members), partners, or other grant project participants, the specific resources to be contributed by each co-applicant (consortium**

member), partner, or other grant project participant to the implementation and success of the grant project;

(7) For State governmental entities, the extent to which steps have been or will be taken to ensure that charter schools within the State receive the funding needed to obtain adequate facilities; and

(8) For previous grantees under the charter school facilities programs, their performance in implementing these grants.

**Note: The 35 available points under this selection criterion will be allocated evenly among the factors applicable to a particular applicant. For example, for an applicant for which none of factors (6)–(8) apply, the 35 available points will be allocated among the first five factors. Similarly, for an applicant that is a State governmental entity that is a previous grantee under the charter school facilities programs, the 35 available points will be allocated evenly among factors (1)–(5), (7), and (8).**

**Strengths:**

1. The applicant has a strong record of accomplishment in providing the services proposed in the application. Collectively, they have provided ██████████ in charter school financing. They actively service 59 charter schools in their portfolio, with a combined loan value of ██████████. They also have extensive experience developing and utilizing loan products across their national footprint, that are used in charter school predevelopment, acquisition, construction, permanent and leasehold financing. (E42-44)
2. The applicant is a strong Community Development Financial Institution (CDFI). CDFI is a designation given to specialized organizations that provide financial services in low-income communities by the US Department of the Treasury. Opportunity Finance Network, the trade association for CDFIs, employs a rating system to standardize investor analysis and assess financial strength (AERIS). The applicant has consistently received the highest rating available based on a rigorous independent assessment of the organization's financial strength, quality of assets, controls, and Board leadership. This rating is an assessment of the financial condition and performance of LIFF when compared to peer CDFIs and is further indicative of their ability to provide effective charter school credit enhancement services.
3. The applicant has considerable expertise in underwriting charter schools as is evidenced by the fact that they have provided ██████████ in financing to the sector with a loss rate of only 0.13 percent.
4. In addition to the use of standard underwriting criteria, the applicant utilizes a proprietary Educational Impact Tool to assess more subjective factors such as parent involvement, social emotional student support, race inclusive criteria, honors, and advanced placement enrollment—all strong predictive factors used to evaluate potential success of charter schools.
5. The applicant has a board-approved written conflict of interest policy. Their conflict of interest policy is instructive on what scenarios constitute a conflict of interest. The policy requires the disclosure of direct and indirect financial and other interests, mandates disinterested decision making, and provides guidance on corrective actions to be taken in the event of a violation. (E48-49)
6. The applicant will focus on supporting start-up and early-stage charter schools, rural schools, and underfunded facilities projects. In the case of rural schools, LIFF will provide initial acquisition. This fills the gap where commercial banks are not a viable financing option. Additionally, the applicant has established partnerships with key state authorizers, support and advocacy organizations, high-quality operators, and other stakeholders. Letters of support from these organizations are included in the application.
7. N/A
8. As a previous grantee, the applicant has a strong record of performance, having fully utilized the grant funds from the 2002 and 2007 awards, and is continuing to deploy the 2016 and 2017 awards. (A7)

**Weaknesses:**

3. In order to quantify, assess, and mitigate risks in loan underwriting, portfolio monitoring, and financial management, the applicant uses internal controls driven by operational policies. Processes and controls are reviewed and updated on a regular basis, and the organization is required to maintain accounts and records in accordance with GAAP. Independent public accountants audit annual financial statements of the applicant, and these statements are included in the appendix (A9). A review of the consolidated financial statements reveals no material findings. It should be noted however, that the statements cover year end 2019 and 2020. It would be helpful to review more updated (2021,2022) financial statements.

6. Although the applicant cites its relationship with New Schools for Alabama as a project participant, the letter of support offered by them (e97) does not quantify specific resources contributed by this stakeholder to the project.

**Reader's Score:** 32

**Selection Criteria - Quality of Project Personnel**

1. **Quality of project personnel (15 points).** In determining the quality of project personnel, the Secretary considers—

(1) The qualifications of project personnel, including relevant training and experience, of the project manager and other members of the project team, including consultants or subcontractors; and

(2) The staffing plan for the grant project.

**Strengths:**

1. The applicant has identified key staff personnel who will work on the project. They are already on staff and are already managing the applicant's 2002,2007, 2016, and 2017 Credit Enhancement for Charter Schools grants. Of particular note is the background and expertise of LIIF's President, who will provide senior direction for the design, implementation, and management of the project. She has an impressive 15-year tenure with LIFF, overseeing the deployment of ██████████ to charter schools. She also has over 20-year experience with Citibank where she oversaw a ██████████ community development business. Resumes of additional staff are included (a5) and an organization chart is also included with the application. (A16)

2. Staffing plan is included (E50) and excellently describes senior staff roles and responsibilities.

**Weaknesses:**

1. The application would be strengthened by adding detail concerning the execution of project responsibilities around other members not on the executive/senior team.

**Reader's Score:** 14

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**Status:** Submitted  
**Last Updated:** 08/11/2023 02:53 PM



Status: Submitted

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## Technical Review Coversheet

Applicant: Low Income Investment Fund (S354A230005)

Reader #3: \*\*\*\*\*

	Points Possible	Points Scored
<b>Questions</b>		
<b>Quality of Project Design and Significance</b>		
<b>Quality of Project Design and Significance</b>		
1. Design and Significance	35	30
<b>Sub Total</b>	35	30
<b>Selection Criteria</b>		
<b>Quality of Project Services</b>		
1. Project Services	15	12
<b>Sub Total</b>	15	12
<b>Capacity</b>		
<b>Capacity</b>		
1. Capacity	35	32
<b>Sub Total</b>	35	32
<b>Selection Criteria</b>		
<b>Quality of Project Personnel</b>		
1. Project Personnel	15	15
<b>Sub Total</b>	15	15
<b>Total</b>	100	89

# Technical Review Form

Panel #2 - CE Panel - 2: 84.354A

Reader #3: \*\*\*\*\*

Applicant: Low Income Investment Fund (S354A230005)

## Questions

### Quality of Project Design and Significance - Quality of Project Design and Significance

**1. Quality of project design and significance (35 points). In determining the quality of project design and significance, the Secretary considers—**

- (1) The extent to which the grant proposal would provide financing to charter schools at better rates and terms than they can receive absent assistance through the program;**
- (2) The extent to which the project goals, objectives, and timeline are clearly specified, measurable, and appropriate for the purpose of the program;**
- (3) The extent to which the project implementation plan and activities, including the partnerships established, are likely to achieve measurable objectives that further the purposes of the program;**
- (4) The extent to which the project is likely to produce results that are replicable;**
- (5) The extent to which the project will use appropriate criteria for selecting charter schools for assistance and for determining the type and amount of assistance to be given;**
- (6) The extent to which the proposed activities will leverage private or public sector funding and increase the number and variety of charter schools assisted in meeting their facilities needs more than would be accomplished absent the program;**
- (7) The extent to which the project will serve charter schools in States with strong charter laws, consistent with the criteria for such laws in section 4303(g)(2) of the ESEA; and**
- (8) The extent to which the requested grant amount and the project costs are reasonable in relation to the objectives, design, and potential significance of the project.**

### Strengths:

(1) The applicant's proposal outlines a comprehensive set of better rates and terms compared to traditional lenders, including below market interest rates not exceeding 250 basis points over the cost of capital, up to 120 percent loan to value ratio, no equity requirement providing 100 percent financing of projects, longer amortization (25+ years), alternate collaterals, subordinate loans, and credit enhancements that are phased out over time (p. e21). These terms are well designed to attract and incentivize eligible charters to apply for credit enhanced facilities funding.

(1) The applicant proposes to offer a multitude of financing products that would be tailored to charter school facility needs by project, including acquisition, construction, mini-permanent financing, leasehold financing, permanent fully amortizing, and subordinate debt (p. e22). These varied financing opportunities will likely result in attracting a variety of charters and meeting unique capital project needs.

(1) Financing products proposed through this project offer better rates and terms, which make them appropriate to support early-stage schools that are typically denied loans at reasonable rates and terms, due to not having enough credit buildup and/or collateral, and still ramping up enrollment (p. e22).

(1) The applicant will use the CE award to make a larger equity contribution to close the gap between appraised value of projects and the cost to develop when issuing subordinate loans (p. e24). By absorbing the risk and increasing the loan to value ratio up to 120 percent, the applicant will be able to co-finance with private and non-federal lenders to support more charter facilities projects.

(2) The project goals and objectives are clearly stated, measurable, and timebound. The applicant has annual leverage amounts targeted by year, as well as the number of charters to be funded and amount of loans to be issued (p. e25-26).

(3) The applicant demonstrates a strong likelihood of achieving its objectives and activities through already executed sound partnerships with financial institutions, charter authorizers, and charter advocacy organizations in each of their targeted states for this project. Furthermore, the identification of additional potential partnerships that are intended to start and support the project, strengthens their case for project success (p. e27-30).

(3) The proposed project offers a unique structure to provide specific credit enhancement values that are tailored to each charter, instead of using a pooled funding approach. Each loan will be subject to a credit enhancement reduction plan--based on the charter's progress towards established milestones (p. e30), which will result in recyclable and sustainable loans, that would further the purposes of the program.

(4) The applicant provides examples of previously funded charter facilities in GA and CA through its 2017 CSP-CE award as replicable results (p. e31). In both examples, the applicant supported high-need start-up and early-stage schools in leasehold improvement and renovation projects, for an expansion site that mitigated risks other Community Development Financial Institutions (CDFIs) were unwilling to take, and both charter operators were able to qualify for a Phase II loan to replicate previously successful capital projects for further expansion.

(5) The applicant plans to identify a pipeline of potential start-up and early-stage charters that would benefit from the loan flexibility offered through the project by working with its local partners (authorizers, charter advocacy and support organizations, etc.), which will then be evaluated based on a thorough set of indicators including their finances, academic model and student outcomes, leadership quality and experience, enrollment trends, and other risk factors (p. e32-33). This selection process, with pre-identified potential charters through stakeholder input, makes a strong case for selecting the right charters for issuing loans and determining the type and amount of assistance to meet their needs.

(6) The applicant proposes an excellent approach to leverage private and non-federal funding by utilizing CE funding to leverage [REDACTED] to support 25 charter schools with their facilities projects (p. e34). The applicant accomplished a similar leverage using its previous CE award as a catalyst in the first 5 years of the program (p. e35).

(7) The applicant's proposed project will serve charters in 4 predetermined states--all of which are strategically chosen due to having robust charter laws, high-quality authorizers, and affording a high degree of fiscal flexibility to charters (p. e35). This strategic approach will increase the likelihood of project success through stronger stakeholder support and attract more high quality charter operators to start and replicate in these states, which results in a larger pool of credit-enhanced loan applicants to choose from.

(8) The applicant presents a well-developed plan with reasonable project costs, including its proposed transaction volume, leverage, conservative loan losses, anticipated revenues and expenses to carry out the project and achieve intended outcomes with a 5-year deployment cycle (p. e36-37).

**Weaknesses:**

(2) Goal 5 does not have annual targets/benchmarks for progress monitoring on this measurable objective--only the end of cumulative grant period has a target--although annual progress can still be tracked with Objectives 4.1 and 4.4 already established in Goal 4 (p. e26).

(3) For each targeted state, the applicant has a list of current and potential partners, intended types of charters and/or

projects to support. However, the planned activities do not have a timeline. It is not clear when these activities will start and end, during which project year they will be occurring, when the applicant will enter each one of these markets, and how they are prioritized, etc.

(4) It is not clear how the proposed project is replicable by other Community Development Financial Institutions (CDFIs) and lenders--as the provided examples only show replicability by the applicant itself.

**Reader's Score: 30**

### **Selection Criteria - Quality of Project Services**

#### **1. Quality of project services (15 points). In determining the quality of the project services, the Secretary considers—**

**(1) The extent to which the services to be provided by the project reflect the identified needs of the charter schools to be served;**

**(2) The extent to which charter schools and chartering agencies were involved in the design of, and demonstrate support for, the project;**

**(3) The extent to which the technical assistance and other services to be provided by the proposed grant project involve the use of cost-effective strategies for increasing charter schools' access to facilities financing, including the reasonableness of fees and lending terms; and**

**(4) The extent to which the services to be provided by the proposed grant project are focused on assisting charter schools with a likelihood of success and the greatest demonstrated need for assistance under the program.**

#### **Strengths:**

(1) The applicant presents a brief study of market opportunities and challenges in each one of its 4 target states for the implementation of its proposed project (p. e16-21). This analysis, with insights collected from established partnerships in each state, provides a sound design for the project that aligns with the needs of these targeted communities (p. e37-38).

(2) The applicant collected 24 support letters, 5 are from the targeted states, demonstrating support for the project (p. e38-39). These letters unanimously indicate the applicant's strong reputation in the market, and their commitments to partner with the applicant, and extend their support to build an ecosystem of lending institutions in targeted states.

(3) The applicant will use 100 percent of grant funds, with no administration fees allocated, in order to maximize the cost-effectiveness of proposed strategies (p. e39). This approach will support the goal of increased and maximized access to facilities financing for charters.

(3) The applicant provides several cost-effective strategies to increase access to enhanced credit financing, including fixed interest rates at or below market, low origination fee capitalized into the loan amount reducing upfront costs, and reduced third-party costs (p. e40). These strategies will help attract more charters and incentivize them to take on facilities projects for expansion and/or replication, as they offer lower cost loans and reasonable lending terms.

(3) The applicant offers technical assistance (TA) to borrowers at no cost, including project planning and affordability analysis, financial capacity building, and a series of workshops on facilities financing (p. e40). These cost-free TA services will likely result in attracting and incentivizing more charters to apply for credit-enhanced facilities funding, and more importantly, maximize their operational effectiveness throughout their capital projects and increase the likelihood of project success.

(4) The applicant focuses on start-up and early-stage charters with great potential, that are typically challenged with equity requirements and funding gaps--with low loan-to-value ratios on their facilities projects--both of which are addressed with the applicant's credit-enhanced loan products, that offer longer interest-only periods to accommodate enrollment fulfillment (p. e41). In this way, the applicant is addressing an unmet demand in communities with the greatest demonstrated need.

**Weaknesses:**

(1) The applicant provided an overall justification of the identified need for the project. However, the need is not specifically detailed by state, and how it might be adjusted based on unique needs of each state they will deploy the project in.

(2) Although a major partner/stakeholder in each one of the four states has provided a support letter, it is unclear how each partner/stakeholder has contributed to the project design (p. e38-39). The support letters are general in nature; it is not clear if these partners will be actively involved in the project.

**Reader's Score: 12**

**Capacity - Capacity**

**1. Capacity (35 points). In determining an applicant's business and organizational capacity to carry out the project, the Secretary considers—**

**(1) The amount and quality of experience of the applicant in carrying out the activities it proposes to undertake in its application, such as enhancing the credit on debt issuances, guaranteeing leases, and facilitating financing;**

**(2) The applicant's financial stability;**

**(3) The ability of the applicant to protect against unwarranted risk in its loan underwriting, portfolio monitoring, and financial management;**

**(4) The applicant's expertise in education to evaluate the likelihood of success of a charter school;**

**(5) The ability of the applicant to prevent conflicts of interest, including conflicts of interest by employees and members of the board of directors in a decision-making role;**

**(6) If the applicant has co-applicants (consortium members), partners, or other grant project participants, the specific resources to be contributed by each co-applicant (consortium member), partner, or other grant project participant to the implementation and success of the grant project;**

**(7) For State governmental entities, the extent to which steps have been or will be taken to ensure that charter schools within the State receive the funding needed to obtain adequate facilities; and**

**(8) For previous grantees under the charter school facilities programs, their performance in implementing these grants.**

**Note: The 35 available points under this selection criterion will be allocated evenly among the factors applicable to a particular applicant. For example, for an applicant for which none of factors (6)–(8) apply, the 35 available points will be allocated among the first five factors. Similarly, for an applicant that is a State governmental entity that is a previous grantee under the charter school facilities programs, the 35 available points will be allocated evenly among factors (1)–(5), (7), and (8).**

**Strengths:**

- (1) The applicant is well-positioned to carry out proposed activities through its established track record and expertise in charter school financing, by supporting 220 schools with [REDACTED] loans throughout its history (59 charters in current portfolio of [REDACTED]), and successfully managing 4 previous CSP-CE grant cycles (p. e42).
- (1) The applicant has achieved a cumulative 24:1 leverage with its previous 4 CE grants, which helped fund facilities for 75 charter schools (p. e43). This is a testament to the quality of experience the applicant demonstrates.
- (2) The applicant demonstrates strong financial stability, with 39 years of community development experience, a 0.23 percent loan loss ratio, [REDACTED] worth of assets under management, and [REDACTED] in balance sheets (p. e44).
- (2) The applicant's financial stability is evidenced by consistently earned highest financial ratings from S&P and Aeries (p. e45).
- (3) The applicant demonstrates a strong ability for risk mitigation in underwriting its loans--with an even lower loan loss ratio of [REDACTED] in the education sector, and consistently low delinquency rates through the implementation of strong policies and procedures, disciplined approach to lending and portfolio management, and robust underwriting standards for charter schools (p. e46).
- (4) The applicant has a thorough approach in its evaluation of charter borrowers that goes beyond financial considerations, and examines organizational structure, the academic program, board quality, and other relevant data. An Education Impact Tool is created to assess parent engagement, racial inequities, social emotional support, enrollment in advanced courses, and school discipline, in order to predict overall school success (p. e48).
- (5) The applicant demonstrates its ability to prevent conflicts of interest via an established policy as part of its standards of conduct (p. e48). The policy provides guided examples of possible conflicts and ensures that decision makers engage in disclosing direct and indirect conflicts (financial or other) --when applicable. The applicant also describes corrective actions to be followed if violations occur. These policies and practices put the applicant in a strong position to identify and prevent potential conflicts of interest.
- (6) The narrative clearly describes how the applicant has identified local partners in each of the four targeted states, and these partners will contribute to the project implementation, such as helping identify potential opportunities, providing technical assistance, contributing to charter assessments to improve investment decisions, and supporting capital projects (p. e49).
- (7) N/A
- (8) The applicant is a four-time CE grant recipient, through which it provided 80 loans supporting 75 charter schools (p. e49). Forty-nine of the loans have successfully been repaid (p. e49). The applicant has more than doubled the projected leverage from these previous awards [REDACTED] leveraged). These are excellent data points to demonstrate the applicant's success in past performance implementing CE grant programs.

**Weaknesses:**

- (1) The narrative extensively describes the applicant's general track record of success, rather than describing its experience in carrying out proposed activities (p. e42-43).
- (3) The applicant experienced one loan loss in one of its CE generated charter facilities projects (p. e49). This can be seen as a weakness in protecting against risk in loan underwriting and/or portfolio monitoring.
- (6) The applicant did not elaborate on the nature of their collaboration with the mentioned partners and stakeholders that were listed in their application. It is not clear what specific resources will be contributed by each partner/stakeholder (p.

e49).

**Reader's Score: 32**

**Selection Criteria - Quality of Project Personnel**

**1. Quality of project personnel (15 points). In determining the quality of project personnel, the Secretary considers—**

- (1) The qualifications of project personnel, including relevant training and experience, of the project manager and other members of the project team, including consultants or subcontractors; and**
- (2) The staffing plan for the grant project.**

**Strengths:**

(1) A seasoned and well-qualified team of experts have been identified to lead the proposed project, all of whom have previously managed the applicant's previously awarded four CE grant cycles (p. e50). The resumes supplied under the appendix provide evidence of strong credentials, relevant training, and the expertise of the project manager, as well as the other key project personnel.

(2) The staffing plan is well thought-out and each key project personnel have clearly defined roles and responsibilities in specific areas of implementation, such as project strategy and capital raising, outreach, underwriting and portfolio management, compliance, and reporting (p. e51-52).

**Weaknesses:**

No weaknesses found.

**Reader's Score: 15**

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**Status:** Submitted  
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Status: Submitted

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## Technical Review Coversheet

Applicant: Low Income Investment Fund (S354A230005)

Reader #4: \*\*\*\*\*

	Points Possible	Points Scored
<b>Questions</b>		
<b>Quality of Project Design and Significance</b>		
<b>Quality of Project Design and Significance</b>		
1. Design and Significance	35	30
<b>Sub Total</b>	35	30
<b>Selection Criteria</b>		
<b>Quality of Project Services</b>		
1. Project Services	15	10
<b>Sub Total</b>	15	10
<b>Capacity</b>		
<b>Capacity</b>		
1. Capacity	35	29
<b>Sub Total</b>	35	29
<b>Selection Criteria</b>		
<b>Quality of Project Personnel</b>		
1. Project Personnel	15	13
<b>Sub Total</b>	15	13
<b>Total</b>	100	82



# Technical Review Form

Panel #2 - CE Panel - 2: 84.354A

Reader #4: \*\*\*\*\*

Applicant: Low Income Investment Fund (S354A230005)

## Questions

### Quality of Project Design and Significance - Quality of Project Design and Significance

**1. Quality of project design and significance (35 points). In determining the quality of project design and significance, the Secretary considers—**

- (1) The extent to which the grant proposal would provide financing to charter schools at better rates and terms than they can receive absent assistance through the program;**
- (2) The extent to which the project goals, objectives, and timeline are clearly specified, measurable, and appropriate for the purpose of the program;**
- (3) The extent to which the project implementation plan and activities, including the partnerships established, are likely to achieve measurable objectives that further the purposes of the program;**
- (4) The extent to which the project is likely to produce results that are replicable;**
- (5) The extent to which the project will use appropriate criteria for selecting charter schools for assistance and for determining the type and amount of assistance to be given;**
- (6) The extent to which the proposed activities will leverage private or public sector funding and increase the number and variety of charter schools assisted in meeting their facilities needs more than would be accomplished absent the program;**
- (7) The extent to which the project will serve charter schools in States with strong charter laws, consistent with the criteria for such laws in section 4303(g)(2) of the ESEA; and**
- (8) The extent to which the requested grant amount and the project costs are reasonable in relation to the objectives, design, and potential significance of the project.**

### Strengths:

- 1) The proposal demonstrates a strong commitment to providing charter schools with financing products that address their individual needs and align with the size, cost, and type of facility projects. By offering a range of financing options, including acquisition, construction, mini-permanent financing, leasehold financing, long-term permanent financing, and subordinate debt, the applicant aims to cater to the diverse requirements of charter schools. The tailored approach of this financing program enhances flexibility and accessibility, making it possible for early-stage schools, rural schools, and schools in leased spaces to overcome common barriers in obtaining conventional financing. By addressing the specific needs of these schools, the program enables them to access financing at better rates and terms than they would likely receive without this assistance. Additionally, the proposal emphasizes the importance of leveraging USDA Rural Community Development loan programs for eligible rural schools, further expanding financing opportunities and reducing debt service costs. (e21-e24)
- 2) The proposal demonstrates a clear and well-defined set of project goals, objectives, and a timeline that align with the purpose of the program. Each goal is specific, measurable, and appropriate, providing clear targets to track progress and evaluate the effectiveness of the project. The inclusion of measurable objectives for each goal allows for easy monitoring of cumulative results over the course of the project years. This approach ensures accountability and provides a framework for measuring success. Additionally, the goals and objectives outlined in the proposal address key areas of

focus, such as leveraging non-federal funds, committing credit enhancement to a specific number of schools, and providing support to schools in high-need areas. The goals are relevant to the program's purpose and reflect the applicant's understanding of the needs and challenges faced by charter schools in accessing facilities financing. (e24-e26)

3) The proposal demonstrates a well-developed implementation plan for each state, outlining specific activities and partnerships to achieve the project goals. This indicates a clear understanding of the unique needs and contexts of each state and a tailored approach to address them effectively. The proposal highlights partnerships with key stakeholders such as charter school associations, authorizer boards, charter school support organizations, and capital providers. These partnerships demonstrate a collaborative approach and indicate the applicant's ability to leverage existing networks and resources to support charter schools in each state. (e26-e30) The proposal includes a well-developed Logic Model that connects the program's inputs (grant funds, other capital sources, partnerships, and internal staffing) with outputs and outcomes that lead to the desired impacts (\$████████ leveraged, 25 schools served, over 9,000 students served, and funds recycled). The outcomes described in the Logic Model are likely to achieve objectives that further the purposes of the program. (e286)

4) The proposal highlights LIIF's successful implementation of a similar strategy in Tennessee and Georgia, where they expanded into new charter school markets and provided financing to early-stage schools. This track record demonstrates the replicability of their approach and the ability to adapt it to different regions. LIIF's effective outreach strategy, which involves actively engaging with schools, authorizers, funders, and charter support organizations, has allowed them to establish strong partnerships in the targeted states. These partnerships enhance the potential for replication by leveraging local networks and resources. The examples provided in the proposal demonstrate LIIF's ability to mitigate lending risks associated with early-stage schools or schools in underserved areas. By utilizing credit enhancements and leveraging grants, LIIF has been able to provide financing for crucial educational initiatives that might not have been viable otherwise. (e30-e32)

5) The proposal outlines a comprehensive evaluation process that includes financial analysis, risk assessment, leadership evaluation, academic performance assessment, and consideration of the charter school funding environment. This rigorous evaluation process ensures that selected charter schools meet the necessary criteria for receiving assistance. By prioritizing charter schools that demonstrate financial stability and the ability to support project debt, LIIF ensures that the assistance provided is sustainable and aligned with the schools' capacity to repay. The flexibility offered to early-stage schools during the enrollment ramp-up period further supports their financial stability. LIIF's emphasis on supporting charter schools operating in areas with the greatest need for educational options, as indicated by a high percentage of students eligible for free or reduced-price lunch (FRL), Title I designations, and poorly performing traditional public schools, ensures that assistance is directed towards communities that can benefit the most from increased educational options. The proposal recognizes the importance of academic quality and potential in selecting charter schools for assistance. Schools with a track record of strong academic performance or those that demonstrate potential for quality based on their school model or founding Charter Management Organizations (CMOs) are given priority. This ensures that the assistance provided contributes to improving educational outcomes for students. (e32-e34)

6) The proposal outlines a leverage ratio of 10:1, meaning that for every dollar of the CEGP grant, LIIF aims to attract ██████ in private, non-federal capital. This demonstrates a strong potential for leveraging additional funding to support charter schools' facilities needs. The proposal highlights the ability to source capital from multiple channels, including LIIF's own capital, third-party sources such as conventional bank debt, foundation grants, and local/state grants and loans. This diverse funding approach increases the likelihood of attracting a wide range of financial resources to support charter schools. LIIF's track record of effectively leveraging private non-federal capital through collaborations with partner Community Development Financial Institutions (CDFIs) demonstrates a strong capacity to enhance senior loans, provide subordinate debt, and offer guarantee products. This collaboration strengthens LIIF's ability to attract additional funding and support charter schools in meeting their needs. The proposal emphasizes the responsible management of Grant funds through prudently investing them in secure and liquid money market investment vehicles. This approach ensures the preservation of the Grant while generating a reasonable return that can be reinvested in the Project. (e34-e35)

7) The proposal states that the targeted states have robust charter school laws and/or high-quality authorizers, meeting the criteria outlined in Section 4303(g)(2) of the ESEA. This demonstrates LIIF's commitment to serving charter schools in states with strong charter laws, ensuring that the project aligns with the legislative requirements. LIIF indicates that the authorizers in the targeted states have been evaluated by the National Association of Charter School Authorizers (NACSA) and determined to be strong based on the academic performance of the schools they have authorized. This highlights the focus on working with authorizers that have a track record of supporting high-quality charter schools. The proposal states that the targeted states ensure charter schools have a high degree of fiscal flexibility. This indicates that

the project aims to support charter schools in these states by providing financial assistance that aligns with their specific needs and allows for effective financial management. According to the National Alliance for Public Charter Schools (NAPCS) 2022 rankings, three out of the four targeted states (Alabama, Idaho, and Mississippi) rank within the top half of states with strong charter laws. This demonstrates that LIIF's project is focused on serving charter schools in states that have created favorable conditions for charter school growth and success. (e35-e36)

8) The proposal asserts that the requested grant amount and project costs are reasonable in relation to the objectives, design, and potential significance of the project. The estimates are based on LIIF's experience as a lender and their understanding of the costs involved in underwriting loans and managing capital. This indicates a thoughtful and informed approach to budgeting. LIIF states that they will absorb all administrative costs associated with the CEGP, ensuring that the entire grant can directly benefit schools. This demonstrates a commitment to maximizing the impact of the grant by minimizing administrative expenses. The proposal highlights that the project design and cash flow pro forma demonstrate the financial viability of the project over the 5-year program period. The key assumptions and projections, such as transaction volume, leverage, loan losses, revenue, and expenses, are made with a conservative approach. This indicates careful planning and a realistic assessment of potential costs and revenues. (e36-e37)

**Weaknesses:**

- 1) No weaknesses noted.
- 2) No weaknesses noted.
- 3) No weaknesses noted.
- 4) While the proposal mentions the initiation of replication in the targeted states, it lacks specific details about the planned replication efforts and strategies. Providing more comprehensive information on the replication plans would strengthen this aspect of the proposal. Each state has its own unique characteristics, regulatory environments, and challenges. The proposal does not explicitly address how LIIF plans to adapt its strategy to the specific contexts of the targeted states. Providing more details on how LIIF will address these state-specific challenges would strengthen the replication plan. (e30-e32)
- 5) No weaknesses noted.
- 6) While the proposal mentions diverse funding sources, it does not provide specific information on the expected distribution or breakdown of funding from each source. Providing more transparency regarding the allocation of funds from different sources would enhance the clarity and credibility of the leverage strategy. (e34-e35)
- 7) No weaknesses noted.
- 8) No weaknesses noted.

**Reader's Score: 30**

**Selection Criteria - Quality of Project Services**

1. **Quality of project services (15 points). In determining the quality of the project services, the Secretary considers—**
  - (1) The extent to which the services to be provided by the project reflect the identified needs of the charter schools to be served;**
  - (2) The extent to which charter schools and chartering agencies were involved in the design of, and demonstrate support for, the project;**
  - (3) The extent to which the technical assistance and other services to be provided by the proposed grant project involve the use of cost-effective strategies for increasing charter schools' access to facilities financing, including the reasonableness of fees and lending terms; and**
  - (4) The extent to which the services to be provided by the proposed grant project are focused on assisting charter schools with a likelihood of success and the greatest demonstrated need for assistance under the program.**

**Strengths:**

- (1) The proposal identifies specific market opportunities and challenges in each targeted state. It highlights factors such as the presence of strong authorizers, recent legislative actions, political support, and philanthropic backing that create favorable conditions for LIIF's involvement in charter school financing. This demonstrates a thorough understanding of the local contexts and the needs of charter schools in these states. The proposal refers to the 2022 National Assessment for Educational Progress (NAEP) data to highlight the educational challenges in the targeted states. By linking the project's services to the urgent need for more educational options and improved educational outcomes for underserved and low-performing students, the proposal shows a strong alignment with the identified needs of charter schools. The proposal emphasizes partnerships with local organizations, such as New Schools for Alabama, Bluum, the Mississippi Charter School Authorizer Board, and the Missouri Public Charter School Commission. These collaborations indicate a commitment to working closely with key stakeholders in each state to ensure that the services provided by the project effectively address the needs of charter schools. (e16-e21, e34-e35)
- (2) The proposal includes support letters from various stakeholders, including charter schools, charter associations, authorizing agencies, and capital providers. The support letters highlight partnerships with national organizations such as Charter School Growth Fund (CSGF), Blue Hub Capital, Level Field Partners, Civic Builders, and Facility Resource Center. These partnerships indicate strong national relationships and a desire for LIIF to expand its support in the targeted states. Additionally, the inclusion of support letters from local organizations specific to each state, such as New Schools for Alabama, Bluum, the Mississippi Charter School Authorizer Board, and the Missouri Charter Public School Commission, further reinforces local support and involvement. The support letters from operational charter schools, such as KIPP Kansas City, demonstrate the positive experience and satisfaction of current charter school operators with LIIF's previous support. This endorsement adds credibility to LIIF's expertise and reputation in the charter school financing sector. (e36-e37)
- (3) LIIF has chosen to forego the [REDACTED] administration fee allowed under the Fund, demonstrating their commitment to maximizing the benefit for charter schools. This decision ensures that the grant funds directly benefit the schools without any deductions for administrative costs. The proposal states that the interest rates offered by LIIF will be fixed and at or below the market rate for similar unenhanced financing. This approach provides charter schools with predictable debt service requirements and competitive interest rates. Additionally, the standard [REDACTED] origination fee, which is typically capitalized into the loan amount, reduces the upfront costs for schools. LIIF offers its comprehensive facility capacity building program at no cost to charter schools. This includes providing affordability analysis, project planning, and targeted assistance throughout the loan underwriting and servicing process. By partnering with local charter support organizations, such as New Schools for Alabama and the Tennessee Charter School Center, LIIF leverages existing expertise and resources to support schools in their facilities financing needs. (e39-e40)
- (4) The applicant, LIIF, highlights its extensive experience in underwriting and monitoring charter school financing, which demonstrates the organization's expertise in working with schools that have a high likelihood of success. They emphasize their deep understanding of the key factors that contribute to a successful school and their exceptional track record with a low write-off rate on charter school lending. This showcases their ability to assist charter schools with a likelihood of success. The response emphasizes LIIF's focus on early-stage and start-up schools that often face challenges in securing financing from traditional financial institutions. LIIF recognizes the untapped potential in such schools and actively bridges the funding gap by providing essential resources and support for their growth and achievement. This aligns with the criterion of assisting charter schools with the greatest demonstrated need for assistance. LIIF offers specialized financial products and advantageous terms specifically designed to meet the needs of start-up and early-stage schools. These include leasehold improvement, subordinate loans with no equity requirement, high loan-to-value options, and longer interest-only periods. This shows their commitment to addressing the challenges faced by charter schools with limited equity or lack of an established track record. LIIF's response mentions that they not only provide financial assistance but also offer technical assistance and support through local partners at no additional cost. This comprehensive approach ensures that schools receive both financial assistance and the expertise needed to navigate the challenges of running a successful charter school. (e16, e40-e42)

**Weaknesses:**

- (1) While the proposal mentions market opportunities and challenges, it provides limited specific details about the identified needs of charter schools in each state. Providing more specific information about the challenges faced by

charter schools in terms of facilities, funding, or other areas would strengthen the assessment of the project's alignment with their needs. (e16-e21, e34-e35)

(2) While the proposal mentions the involvement of charter schools and chartering agencies in the design of the project, it does not provide specific details about the nature and extent of their involvement. Including more information about how these stakeholders were engaged, such as through consultations, focus groups, or advisory committees, would provide a clearer picture of their contribution to the project design. The proposal does not provide information on the number or diversity of charter schools involved in the project design or the level of support received from them. Including details about the range of charter schools represented in the support letters, such as their geographic locations, student demographics, and academic performance, would strengthen the evidence of broad-based support. (e36-e37)

(3) While the proposal mentions the provision of pro-bono technical assistance, it does not provide specific details on the scope and extent of the assistance. Providing more information on the types of support offered, the duration of the assistance, and the range of topics covered would help assess the effectiveness and value of the technical assistance program. (e39-e40)

(4) While the response highlights the urgent need for more educational options and refers to the NAEP performance results, it does not provide specific data or analysis regarding the demonstrated need for assistance in the identified states (Alabama, Idaho, Mississippi, and Missouri). It would be stronger if the response directly addressed the data on student assessment and the challenges/opportunities for charter school growth in each state, as mentioned in the selection criterion. (e16, e40-e42)

**Reader's Score: 10**

### **Capacity - Capacity**

**1. Capacity (35 points). In determining an applicant's business and organizational capacity to carry out the project, the Secretary considers—**

**(1) The amount and quality of experience of the applicant in carrying out the activities it proposes to undertake in its application, such as enhancing the credit on debt issuances, guaranteeing leases, and facilitating financing;**

**(2) The applicant's financial stability;**

**(3) The ability of the applicant to protect against unwarranted risk in its loan underwriting, portfolio monitoring, and financial management;**

**(4) The applicant's expertise in education to evaluate the likelihood of success of a charter school;**

**(5) The ability of the applicant to prevent conflicts of interest, including conflicts of interest by employees and members of the board of directors in a decision-making role;**

**(6) If the applicant has co-applicants (consortium members), partners, or other grant project participants, the specific resources to be contributed by each co-applicant (consortium member), partner, or other grant project participant to the implementation and success of the grant project;**

**(7) For State governmental entities, the extent to which steps have been or will be taken to ensure that charter schools within the State receive the funding needed to obtain adequate facilities; and**

**(8) For previous grantees under the charter school facilities programs, their performance in implementing these grants.**

**Note: The 35 available points under this selection criterion will be allocated evenly among the factors applicable to a particular applicant. For example, for an applicant for which none of factors (6)–(8) apply, the 35 available points will be allocated among the first five factors.**

**Similarly, for an applicant that is a State governmental entity that is a previous grantee under the charter school facilities programs, the 35 available points will be allocated evenly among factors (1)–(5), (7), and (8).**

**Strengths:**

(1) The response highlights LIIF's substantial experience in carrying out the activities proposed in the application, such as enhancing credit on debt issuances, guaranteeing leases, and facilitating financing for charter schools. They provide concrete figures, including the allocation of ██████ towards charter school financing, supporting a significant number of seats at schools. Their active servicing of 59 charter schools in their portfolio with a combined loan value of ██████ showcases their ongoing commitment and successful management of charter school financing. LIIF's recognition through the Charter School Expansion Program (CEGP) awards, totaling ██████, demonstrates their credibility and success in the charter school sector. They also highlight their participation in the Charter School Lenders Coalition (CLSC) and the Charter School Racial Equity Collaborative, showcasing their involvement in national alliances and initiatives dedicated to charter school development and equity. This involvement positions LIIF as a thought leader and innovator in the field. LIIF's engagement in various forums and conferences, including speaking at the Department of Education Project Director's Convening and charter school conferences hosted by notable organizations, showcases their expertise and contributions to the discourse surrounding charter school development and financing. The response highlights LIIF's success in raising private capital to leverage CEGP funds and support high-risk charter school projects.

They provide specific examples of leveraging private capital with awards and establishing lines of credit, demonstrating their ability to attract investors and generate significant leverage ratios. Their efforts to collect and disseminate data about charter school lending also showcase their proactive approach to stimulating private investment in the sector. (e42-e44)

(2) The response provides clear and robust evidence of LIIF's financial stability. They highlight their ██████ in assets under management and ██████ in balance sheet assets, showcasing a strong financial position. The low loan losses of only ██████ of total disbursed capital further demonstrate their superior underwriting and ongoing loan management. LIIF's consistent receipt of an investment-grade credit rating from Standard & Poor's (S&P) and the highest possible rating for financial strength from Aeris™ enhances their credibility and financial stability. These ratings are based on independent assessments of LIIF's financial condition, performance, lending assets, controls, and board leadership, providing reassurance to the investor community. The provided financial ratios, such as the net assets ratio, current ratio, historic net loss ratio, and delinquency ratio, all showcase LIIF's financial health and stability. These ratios indicate a strong balance sheet, effective management of current assets and liabilities, low historical net loss, and minimal delinquency or non-accrual loans. The response highlights LIIF's robust internal controls, including operating policies, documentation, compliance review, and regular independent audits. The ongoing review and updates of policies, quarterly monitoring by the Board Audit Committee, adherence to GAAP, and publication of audited financial statements within a reasonable timeframe further demonstrate LIIF's commitment to sound financial practices. (e44-e45)

(3) The response highlights that LIIF has experienced capital losses of only ██████ of disbursed capital, with an even lower rate of ██████ in the education sector. This demonstrates LIIF's disciplined approach to lending and portfolio management, resulting in a historically strong performance and a consistently low delinquency rate in their portfolio. LIIF's strong policies and procedures are mentioned to protect against unwarranted risks in loans to all borrowers and to govern loan underwriting, servicing, and monitoring activities. LIIF follows risk mitigation strategies, including board-approved limitations on loan size and borrower concentration. They also maintain a conservative loan loss reserve policy that is reviewed and updated annually, ensuring appropriate reserves based on loan type and borrower profile. These strategies demonstrate LIIF's proactive approach to managing risk and protecting against unwarranted risk. LIIF's loan monitoring efforts, including regular communication with charter schools, site visits, and staying updated on industry developments, showcase their commitment to proactive risk assessment. The mention of debt restructuring policies and procedures, along with a focus on working with borrowers to cure defaults before resorting to foreclosure, highlights LIIF's support for borrowers while balancing repayment recovery and risk mitigation. (e45-e48)

(4) By assessing curriculum effectiveness, organizational structure, board strength, and other evaluative markers, LIIF demonstrates a comprehensive approach to evaluating the likelihood of success for charter schools. By assessing parent engagement, social-emotional support, race-inclusive criteria, honors & AP enrollment, and school discipline, LIIF demonstrates a holistic approach to evaluating the likelihood of success and creating inclusive learning environments for students of color. The response mentions LIIF's partnerships with industry experts, which further strengthen their expertise in evaluating the likelihood of success for charter schools. Collaborating with experts allows LIIF to leverage additional knowledge and insights to make informed decisions and support successful and impactful charter school projects. (e48)

(5) The response highlights that LIIF maintains rigorous standards for a code of conduct and conflicts of interest. This demonstrates LIIF's commitment to ethical practices and the prevention of conflicts of interest within the organization. The mention of a Conflict of Interest Policy indicates that LIIF has specific guidelines and procedures in place to address conflicts of interest. Having a policy dedicated to this matter shows a proactive approach to managing conflicts and ensuring transparency in decision-making processes. The response mentions that LIIF's policies require the disclosure of direct and indirect financial or other interests. This indicates that LIIF promotes transparency and accountability by ensuring that employees and members of the board disclose any potential conflicts that may arise. The response states that LIIF's policies mandate disinterested decision-making. This implies that LIIF places importance on impartiality and making decisions that are free from personal interests or biases, thereby minimizing the risk of conflicts of interest influencing decision-making processes. (e48-e49)

(6) The response highlights LIIF's commitment to leveraging the expertise and collaboration of various key stakeholders, such as consultants, strong authorizers, and charter support organizations. This demonstrates LIIF's recognition of the importance of partnerships and the value they bring to the implementation and success of the grant project. The mention of LIIF's collaboration with New Schools for Alabama showcases a specific example of a strong partnership. By closely partnering with a reputable harbormaster and receiving a support letter from New Schools, LIIF demonstrates a concrete commitment to working with experienced organizations and leveraging their knowledge and resources. The response highlights that LIIF's collaborations with key stakeholders strengthen its assessment process and enhance its ability to make informed investment decisions. By tapping into the specialized knowledge and resources of these stakeholders, LIIF can effectively identify and support projects that align with their mission. (e49)

(7) N/A

(8) The response provides detailed information on LIIF's performance under previous grants, including the deployment of funds, the number of loans supported, and the creation of student spaces. (8) The applicant has previously received four Credit Enhancement grants totaling [REDACTED]. The most recent grant was awarded in 2017 in the amount of [REDACTED], which allowed the applicant to expand lending activities into Tennessee and Georgia. (e15) This demonstrates LIIF's track record of effectively implementing and managing grant projects in the charter school sector. The response highlights LIIF's ability to leverage the grant funds to attract significant private investment. The response mentions LIIF's collaboration with other loan participants and partners, such as the Tennessee Charter School Center (TCSC). This collaboration demonstrates LIIF's ability to work with stakeholders and leverage their expertise to support charter school development. (e15, e49-e50, e225-e258)

#### **Weaknesses:**

(1) The response focuses more on the amount of experience and track record rather than explicitly addressing the quality of experience in carrying out the proposed activities. Providing more information on specific outcomes achieved, success stories, or client testimonials would further strengthen the response and demonstrate the quality of LIIF's work. (e42-e44)

(2) The response mentions collaborations with organizations like the Charter School Financing Partnership but fails to provide specific information on the benefits or outcomes derived from these partnerships. Without elaborating on the nature of these collaborations and their contribution to LIIF's expertise and resources, the response lacks clarity and fails to demonstrate the tangible advantages gained from these partnerships. (e44-e45)

(3) No weaknesses noted.

(4) No weaknesses noted.

(5) No weaknesses noted.

(6) While the response mentions the collaboration with key stakeholders, it does not provide specific details on the resources contributed by each partner or grant project participant. Including information on the specific resources, such as financial contributions, expertise, or technical assistance, provided by each participant would strengthen the response. The response only mentions collaboration with New Schools for Alabama as an example. Including information on additional partners and their contributions would provide a more comprehensive understanding of the resources available for the project. (e49)

(7) N/A

(8) No weaknesses noted.

Reader's Score: 29

### Selection Criteria - Quality of Project Personnel

1. Quality of project personnel (15 points). In determining the quality of project personnel, the Secretary considers—

(1) The qualifications of project personnel, including relevant training and experience, of the project manager and other members of the project team, including consultants or subcontractors; and

(2) The staffing plan for the grant project.

#### Strengths:

(1) The response highlights the qualifications and relevant experience of key project personnel, including the project manager and other team members. It demonstrates that they possess expertise in charter school financing, lending, underwriting, and project management. The response emphasizes the leadership roles of individuals within LIIF, such as the President and Chief Credit Officer, who bring extensive experience in charter school financing and community development. Additionally, the involvement of board members with charter school financing expertise adds valuable insights and guidance to the project. (e50-e52)

(2) The staffing plan showcases a diverse team with expertise in various areas, such as project strategy and capital raising, outreach and underwriting, compliance, credit risk management, and reporting. This ensures that different aspects of the grant project are effectively covered by individuals with specialized skills. (e50-e52)

#### Weaknesses:

(1) While the response mentions the involvement of Jim Ford from Ford Research and Solutions, Inc., it does not provide detailed information on other consultants or subcontractors who may contribute to the project. Including information on their qualifications and roles would provide a more comprehensive understanding of the project team. (e50-e52)

(2) No weaknesses noted.

Reader's Score: 13

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**Status:** Submitted  
**Last Updated:** 08/11/2023 03:14 PM