

PR # S354A230014
Applicant: Pacific Charter School Development, Inc.
Contact Person: Scarlet Sy, CFO
Phone: 213-542-4704
Email: scarlet@pacificcharter.org
Project Name: Pacific Charter Facility Fund

Pacific Charter School Development, Inc., (PCSD) is a non-profit, full-service real estate development organization that was founded in 2004 to dismantle systemic inequality in education. PCSD works side-by-side with charter school partners and supports them in the early stages to develop a facility strategy from site search to predevelopment to construction to permanent facilities that are financially sustainable. For nearly 20 years, PCSD has sourced over \$1.03 billion in financing for school development projects for 110+ schools serving over 46,000 students in under-resourced communities across California, Massachusetts, Washington, and now Texas. Additionally, PCSD has deployed over \$208 million in the predevelopment, acquisition, and construction of new charter school facilities.

PCSD is requesting \$20 million from the Credit Enhancement program to support the creation of real estate facilities for early-stage, expanding, and replicating schools operating in California, Texas, and Washington using two strategies:

- 1) A \$12 million Loan Loss Reserve to leverage with \$35 million of PCSD equity to raise \$40 million of commercial debt with advantageous terms so that PCSD can build a \$75 million Pacific Charter Facility Fund (PCFF) to continue to provide low-cost capital for the development of new charter school facilities.
- 2) A \$8 million Debt Service Reserve to increase charter schools' access to financing and to incentivize lenders to provide financing, particularly for early-stage schools with terms they can afford.

Through the PCFF, PCSD will support at least 15 school facility projects within the first five years of the grant: 10 early-stage or expanding schools and 5 replicating schools. PCSD will leverage 25:1 of Debt Reserve to senior debt to secure financing with affordable terms for at least 10 school facility projects.

PCSD's goal is to show the impact of how the model of partnering with more philanthropic and mission-minded investors broadens the lending market for early-stage and expanding schools.