Building Hope

BY THE NUMBERS (2012)

- Jobs Created or Retained: 1,100
- Number of Community Revitalization Projects Assisted: 20
- Square Feet of Commercial or Retail Space Developed: 660K
- Total Dollar Amount Loaned: $14M
- Total Dollar Amount Leveraged: $88M

Building Hope provides early-stage charter schools with financing and technical assistance to develop school facilities. By offering loans with below-market interest rates, often in a subordinate position, Building Hope fills a niche in the charter school lending sector. It provides critical financing to schools that rarely have the credit history necessary to borrow from traditional lenders.

Building Hope has financed facilities acquisitions and improvements, the acquisition and development of buildings and sites to be leased to public charter schools, and extension of credit guarantees to facilitate financing. Building Hope also provides development services, including site selection, school design, lease and purchase negotiations, legal counseling, and facilities financing. In addition to direct lending and credit enhancements, Building Hope leverages its industry knowledge to provide technical assistance to charter schools in the facility planning and development process. Currently, the majority of its investments are in Washington, D.C. and Florida.

Since 2003, Building Hope has leveraged its balance sheet—including a $750,000 Community Development Financial Institution (CDFI) Fund award—to provide over $100 million in loans and $35 million in credit enhancements to secure more than $820 million in financing from banks to assist schools with facilities. To date, Building Hope has provided financing to 90 public charter schools, serving over 54,000 students.

Through this approach, Building Hope creates a double-bottom line return. Not only does it provide a financial return, but it creates a social return by closing the achievement gap among low-income students, many of whom achieve at the highest levels and then move on to attend college. The CDFI Fund’s commitment to Building Hope has allowed it to secure new investments and increase opportunities for children in low-income communities.

Eagle Academy Public Charter School

Eagle Academy Public Charter School (Eagle Academy) is a high-performing charter school in Washington D.C. that provides an innovative academic program for children, ages 3 years old through 3rd grade. The school is located in the renovated and expanded former McGogney Elementary school site in a Ward 8 neighborhood that struggles with unemployment and poverty. In 2011, Bloomberg News reported that the jobless rate in Ward 8 was higher than in any comparable U.S. metropolitan area, climbing to 25.2 percent. Over 50 percent of the population earns less than 50 percent of the Area Median Income (AMI).

In 2012, Building Hope provided a $1.25 million subordinate loan, with the support of a CDFI Fund Financial Assistance award, to help finance the $20 million renovation project. The school now includes expanded classrooms, cutting-edge technology, and a new community gym and pool.

Eagle Academy employs 70 people and is fully enrolled with 610 students. Over 90 percent of the students are African-American and 63 percent of students qualify for free or reduced-price meal plans. Eagle Academy’s students perform well, according to state benchmarks. In fact, two-thirds of students scored proficient in mathematics and half scored proficient in reading. This has made the school very attractive, and it has consistently had a waiting list of at least 100 students.