

Build with Purpose
Formerly known as Real Estate Advisory & Development Services (READS)
ED ABSTRACT NARRATIVE

Organization Name: Build with Purpose formerly known as Real Estate Advisory & Development Services (READS)
Address: 224 Main Street; Metuchen, NJ 08840
Contact Person: Keith Timko
Phone Number: 732-6350-1000, Ext 152
Fax Number: 732-635-2000
E-mail: KTimko@bwpurpose.org
Project Title: Capital Access Program (CAP) Consortium

Award Amount: \$4,652,157

Build with Purpose, formerly known as Real Estate Advisory & Development Services (READS), Nonprofit Finance Fund (NFF) and Boston Community Loan Fund (BCLF) as nonprofit Consortium Members propose the Capital Access Program (CAP) with the goals of: a) assisting charter schools with practical real estate development and technical assistance as well as developing charter school facility projects directly via a nonprofit real estate developer; b) providing clear assessments on the education and organizational performance of applicant schools; c) enabling charter schools to access sufficient capital and with favorable terms to undertake leasehold improvements for start-up schools and acquisition, renovation and ongoing improvements for growing and established schools; d) expanding the supply of loan funds through extensive networking and advocacy among traditional lenders and other sources of capital; e) promoting education reform by targeting the credit enhancement to communities in need due to chronically failing public schools; f) marketing and replicating the program in other geographies to raise additional capital that can serve as credit enhancement to supplement the ED program. These goals all come with a commitment to the timely delivery of services and deployment of capital to charter schools to finance facility projects helping schools to achieve their academic and growth goals.

The expected outcomes for CAP against which we will measure success include: achieving a leverage ratio of at least 8.5:1 on average (consistent with the ED program's history); providing approximately 30 schools with feasibility studies and technical assistance during the first three years of the program; assisting at least six start-up schools and twelve to fifteen established schools with credit enhancement supported financing during the first three years; working with those same schools to develop detailed organizational, financial and academic assessments; providing flexible loan terms including higher LTVs, below market equity requirements and a willingness to lend to start-up charters; and leveraging the grant proceeds to attract more and diverse sources of private capital to charter schools including banks, CDFIs, and foundations along with senior, traditional bank debt. We also expect to leverage grant dollars to facilitate the use of New Market Tax Credits on at least three charter school facility projects.