

## Illinois Facilities Fund

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### **Illinois Facilities Fund + Federal Grant + Wall Street Financing = High-quality Charter School Choices for Inner-city Chicago Parents**

**CHICAGO** – The Illinois Facilities Fund (IFF), through its Illinois Charter Capital Program (ICCP), is the first and only financial institution in the United States to leverage an \$8 million grant from the United States Department of Education's Credit Enhancement for Charter School Facilities Grants Program to attract \$18.7 million in Wall Street investments for charter schools.

The IFF, a nonprofit finance organization, announces that its federal grant will be used as additional credit enhancement for 25 year tax-exempt bonds for charter schools. Two schools—Noble Network of Charter Schools, and UNO (United Neighborhood Organization) Charter School Network—were the first to draw on a portion of the credit enhancement grant to borrow a total of \$18.7 million for renovation of four buildings.

The IFF, through the ICCP, is significantly reducing the risk of investing in charter schools by improving their independent credit rating. This provides access to private financing that otherwise wouldn't be available to most charter schools, enabling the schools to borrow larger amounts of long-term capital at lower interest rates.

“Through this program, we are attracting long-term, private investment in facilities that will improve the opportunities for low-income students,” said Trinita Logue, president and CEO, Illinois Facilities Fund. “Chicago parents will have additional education options for their children.”

Acquiring or renovating facilities in neighborhoods with the greatest need for better schools is a major barrier for Chicago's charter schools. Charter schools are independent nonprofit corporations that fund and manage most facilities projects on their own.

Ron Manderschied, president and CEO, Noble Network of Charter Schools said, “We want to focus on the children and providing a top-notch education. The IFF allows us to do just that. We would not have had access to this amount of financing for construction and renovation at this low cost without the IFF.”

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The IFF received the federal grant from the Department of Education in August 2005. One year later, thanks to the capital financing, charter school organizations opened the doors to new campuses. Noble Network of Charter Schools opened Rauner College Prep and Pritzker College Prep to serve 500 students each in grades 9-12. UNO Charter School Network's Bartolome de las Casas School and Carlos Fuentes School will serve 800 elementary students in Avondale and Pilsen.

The IFF's projections indicate that this much-needed program will ultimately help as many as 10,000 students receive quality education from more than 20 Chicago-area charter schools.

"The City of Chicago is committed to creating new schools so we can meet our goal of becoming the best urban school district in America. And, we are achieving this goal through public/private partnerships," said Mayor Richard M. Daley. "Thanks to the support of our business communities, Chicago continues to find new and creative ways of providing the best education possible for our children."

The IFF, with the support of the U.S. Department of Education's Credit Enhancement for Charter School Facilities Grants Program, the Archdiocese of Chicago, Chicago Public Schools, local government and private companies, has been assisting charter schools for ten years.

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*The IFF is a private nonprofit community development financial institution (CDFI) established in 1990 to meet the need for growth capital for nonprofits serving disadvantaged communities. The IFF is the only statewide CDFI in Illinois. In addition to loans and other financial products, the IFF offers real estate consulting services such as project feasibility studies, site selection, finance packaging and construction management. CDFIs are a designation by the U.S. Treasury, and are private-sector entities with community development finance as their primary mission.*