

\$3.347M Grant: A Boon for Charter School Facilities

A strategic partnership among Build with Purpose, Nonprofit Finance Fund, and Boston Community Capital was awarded \$3.347 million to support the development of high quality charter schools facilities throughout the Northeast.

The grant funds come from the U.S. Department of Education Credit Enhancement for Charter Schools Facilities Program. The Credit Enhancement program helps to improve educational opportunities for students and parents by targeting funds to areas with the greatest need for public school choice.

“We are excited to have this new resource to help us advance the mission of high performing charter schools serving low-income families,” added Michelle Volpe, President of Boston Community Loan Fund, Inc., the lending affiliate of Boston Community Capital.

Credit Enhancement program funds will be used to help charter schools construct and renovate school facilities, guarantee leases for property, and identify potential lending sources for charter school facilities. Program funds will target projects in low-income areas and areas with a high percentage of at-risk students throughout the Northeast and Mid-Atlantic states.

“We have heard repeatedly from charter schools that access to affordable and suitable school facilities is their number one

challenge. This grant will enable us to help them with a greater breadth of services,” said Brian Keenan, President, Build with Purpose.

The program enables lenders to loan more money than they could under ordinary circumstances providing additional credit support by guaranteeing a portion of loans for charter school facility projects. The loan guarantee helps to mitigate the risks to the lender and is especially important for those charter schools where financing would be difficult to secure in the absence of the credit enhancement.

The credit enhancement can also be used to guarantee lease payments, providing an incentive for landlords to extend leases to younger, pre-renewal charter schools. The program helps “close the financing gap” in a transaction, allowing a school’s facility project to move forward. Usually, the credit enhancement results in lower borrowing costs for a school.

“Charter schools are a critical piece in the fight to improve children’s education. Yet many often struggle to access traditional financing, due to their shorter operating histories, need to achieve sustained enrollment, and challenges associated with government funding,” said Norah McVeigh, Managing Director of Financial Services at Nonprofit Finance Fund.

“Adequate facilities are essential for providing a high-quality education and a safe learning environment. The Credit Enhancement program supports charter schools and gives them more financial security – ultimately helping schools to attain facilities where they can engage students in learning.”

–U.S. Secretary of Education Arne Duncan



Dear Friends,

This newsletter will likely arrive in your mailbox with Thanksgiving close at hand, so a few words of thanks seem appropriate. Since our last newsletter, there is an awful lot to be thankful for, but here are a few of the highlights...

Thank you to our donors and volunteers who helped us to beautify streetscapes this summer. It’s amazing how even modest efforts to make our neighborhoods more attractive can have such a positive impact.

Thank you to recent funders including the US Department of Education and supporters including Gibbons PC and Metuchen Savings Bank for helping us to expand our work in new ways.

And last but not least thank you so much to the over 100 donors and volunteers who helped us to provide over 500 backpacks and school supplies to students in need in New Jersey, New York and Massachusetts. It’s hard to find the right words of thanks, so instead, we’ll borrow from one of the thank you letters that we received from a student in the Bronx. “Thank you for my backpack filled with generous supplies. Now my mom does not have to lose important money that she needs for other things.”

Brian Keenan,
Director and
President

Keith Timko,
Director and
CEO

Ten Keys to a Successful Real Estate Project

For ten years, Build with Purpose has been developing real estate for other nonprofits and has learned a thing or two about what makes for a successful project. Here are what we have determined to be the ten most important factors to a successful real estate project:

1. Sufficient real estate stock. Before you embark on a real estate project, determine if the community has sufficient land/buildings to meet your project's needs and objectives.

2. Management and board are on the same page. Real estate projects are long and tough, so it's important that management and the board are equally committed and share the same vision for the project. This will help keep the focus on what is important, reduce distractions and smooth over any bumps along the way.

3. Expectations are reasonable. Dreams are wonderful, but unless they are rooted in reality they will remain dreams. Many groups believe they can get grants and "free" money to develop their project. Instead, determine how much can be

funded by traditional lenders and then go looking for free money.

4. The organization can demonstrate quality product/services. If your organization cannot evidence a quality product or service, securing funding will be difficult. If this is the case, you should lease space and work to create great programs and a sound financial track record.

5. The project does not require extraordinary efforts to succeed. If your project requires the relocation of cemetery plots or the cleanup of a highly contaminated site, it is unlikely to be developed. The more challenges, the less likely the project will move forward.

6. The development budget is in line with industry standards. Nearly every project requires equity and lenders typically lend less than the value of the property. Ask lenders what their Loan-to-Value and Debt-to-Equity Ratio requirements are and how that will affect you.

7. The project's operating budget is in line with industry standards. You will

need to show that the loan can be repaid based on historical financial data, realistic revenue projections and industry standards.

8. The organization has been in business for at least five years. Lenders like to lend to successful businesses and one of the best ways to evidence success is your track record. You should only take on a real estate project once the organization is stable, has a track record and can commit the needed resources.

9. There is a reasonable amount of time to develop the project. Prior to construction, there are many steps that take time including securing financing, obtaining land use approvals and building permits and project design. Allot sufficient time and plan for delays.

10. The project has an in-house champion. While your team of professionals will guide you, an in-house champion is key to the project's success. This person should make timely decisions, balance mission with cost and manage the staff and board to ensure project completion.

HAPPENINGS AT BUILD WITH PURPOSE

BwP Welcomes its First Fellow

We are excited to welcome Fellow, Tiffany Pryce, who joined Build with Purpose in June 2012. The fellowship's



goal is to provide exposure to the various aspects of real estate and community development while expanding the fellow's professional

development opportunities. The fellowship program is a one year placement with the organization. Tiffany is a recent graduate of the Edward J. Bloustein School of Planning and Public Policy at Rutgers University with a Masters of City and Regional Planning. Tiffany is working on various real estate, marketing, and development projects.

Giving Back to our Community

As part of the "10 for 10" celebration of Build with Purpose's 10th anniversary, the staff participated in a "Beautifying Our Community" volunteer day. In June, two garden beds were planted in Metuchen, replacing formerly overgrown eyesores on Main Street. The planting was made possible through donations of local businesses and community members as well as volunteers from the community. The effort was a way of giving back to Metuchen



where Build with Purpose has been located since its inception. Thanks to all those who donated or volunteered their time and helped us to beautify the neighborhood by turning these public spaces into gardens!

Backpacks for Kids

This summer, Build with Purpose raised funds to provide 500 backpacks to students in low-income neighborhoods. With the help of generous donor support, the *Backpacks for Kids Campaign* provided over 500 backpacks stuffed with school supplies, so students were prepared with the materials they need to take on the new school year. The backpacks were distributed to students at four schools in New Jersey, New York and Massachusetts. Thanks to all those who supported the campaign and to Gibbons, P.C. who generously donated 50 backpacks filled with school supplies.



A New Home for Newark Volunteers

With the help of Build with Purpose, Jesuit Volunteers in Newark, NJ began their placement year in a new home—the Newark Volunteer House. Since the 1970's, Newark has been fortunate to have a Jesuit Volunteer (JV) community house, and each year the house is home to 5-6 young men and women who spend a year volunteering full-time at various Newark-based agencies that offer direct service to low-income individuals. However, the house that had been home to the volunteers for the past 30 years was in disrepair, unsafe and no longer habitable. The city of Newark, the nonprofits and individuals served by the JVs were at risk of losing the JV program.

With very limited resources, the Jesuit Volunteer Corps (JVC) turned to Build with Purpose to help secure a new home for the JVs. After an extensive search, Build found the perfect home and with financing from New Jersey Community Capital, purchased the home in August 2012, in time for the start of the new JVs placement year .

“The JVC has been an important part of Newark, NJ for decades. The volunteers provide a vital resource to organizations that could not otherwise afford to staff these positions.” said Brian Keenan, Director and President of Build with Purpose. The four-bedroom home is located in the Forest Hill section of Newark and

provides a location that is safe, close to public transportation and features a layout that has a community feel with ample gathering space as well as a backyard.

“We are so happy that the JVC has a new home and that they can now remain in Newark for the foreseeable future. Having a safe place to call home is critical to everyone. Without Build with Purpose’s help, I don’t think this would have happened,” said Rose Grummer-Strawn, a former Jesuit Volunteer.



With a commitment to social justice, simple living, community and spirituality, the five Jesuit Volunteers in residence spend their days working as teachers, social workers and community organizers. At home they share their faith and modest stipends and live together as a community.

Lady Liberty Academy Charter School Expansion: Newark, NJ

Since Fall 2011, Build has been working on the renovation and expansion of the former St. John’s Ukrainian School in Newark, NJ which upon completion will be the new home for Lady Liberty Academy Charter School’s 500 students and faculty. Located at 744 Sanford Ave in Newark, NJ, the existing structures include a 7,500 sq. ft. gym and 18,000 sq. ft. school building with 11 classrooms.

Build has entered into a long-term lease for the buildings and the surrounding property and will construct a 25,000 sq. ft. addition which will include additional classroom space, a cafeteria and community rooms. The \$11M project will be financed with tax-exempt bonds issued through the NJ Economic Development Authority and sold with the help of underwriting from the Royal

Bank of Canada.

The space will be the permanent home of Lady Liberty Academy Charter School which opened in 2001 and currently leases temporary space in Harrison, NJ. In 2011, Lady Liberty found themselves in a difficult facility situation when they were unable to renegotiate their lease for their Newark space and unable to rent or develop adequate space within city limits in time for the following school year. They were granted a temporary dispensation by the DOE to move to Harrison and subsequently sought Build with Purpose’s help to bring them back into the Newark where 87% of their student population resides. The project is currently slated for completion by September 2014.

All Saints Episcopal Day School: Hoboken, NJ

In April and May 2012, Build with Purpose worked with All Saints Episcopal Day School in Hoboken, NJ to develop a real estate plan to accommodate the school’s growth to 272 students from PreK-8th grade. Build is now working with the school as project manager for an addition of roughly 15,000 sq. ft. on the school’s Clinton St. site in Hoboken along with modest first floor renovations in the Washington St. school building.

Construction is expected to begin July 2013 with occupancy planned for August 2014. All Saints Episcopal Day School opened in 1985 as an outreach mission of All Saints Episcopal Parish and sought to create an education alternative for Hoboken youth. In its first year, 16 students were enrolled and that number has steadily grown to over 200 current students with plans to grow to 272 students over the next five years.



Build with Purpose

Real Estate for Social Change

224 Main Street, Metuchen, NJ 08840

RETURN SERVICE REQUESTED

NONPROFIT ORG
PRSRST STD
U.S. POSTAGE
PAID
NEW BRUNSWICK, NJ
PERMIT NO. 694

WWW.BWPURPOSE.ORG | PHONE: 732-635-1000 | FAX: 732-635-2000

OUR MISSION: Build with Purpose's mission is to build sustainable organizations and healthy, vibrant communities.

Build with Purpose is a full-service, nonprofit real estate development and consulting firm with a focus on community and economic development. Build with Purpose provides guidance and direct real estate development services to organizations seeking to develop real estate to meet their organizational and client needs.

Build with Purpose is a 501(c)(3) not-for-profit organization. To support Build with Purpose send your tax-deductible donation to Build with Purpose at the address above.

THANK YOU TO OUR FUNDERS

The Bodman Foundation
Edna Wardlaw Trust
Stop and Shop Foundation
The Hyde and Watson
Foundation
Walmart Foundation

BOARD OF TRUSTEES

Brian M. Keenan,
President

Jason Kirin, *Treasurer*

Jenny-Ann Kershner,
Secretary

Catherine Syslo, *Chair*

Michael J. Lubben, Esq.,
Trustee

David M. Scheck, *Trustee*

BUILD WITH PURPOSE TO OPEN ST. PETER'S RESIDENCE FOR SENIORS

To meet the growing need for senior housing and to improve affordable housing options for seniors in New Jersey, Build with Purpose is redeveloping St. Peter's convent in Bergen County into congregate supportive housing for independent seniors. St. Peter the Apostle Residence will provide housing for up to 25 individuals and will help fill the housing gap between living alone and assisted living. Please visit www.stpetersresidence.org for more information.

THANK YOU TO OUR SUPPORTERS AND VOLUNTEERS!

A huge THANK YOU to all who have supported our "10 for 10" events over the past few months. Thanks to your support we planted two community gardens in June, provided backpacks to 500 kids in need in time for the start of the school year, held an end of summer outdoor movie night and ice cream social in August and had a "Jeans for a Day" fundraiser supported by Gibbons, P.C. and Metuchen Savings Bank. Our current "10 for 10" focus is our annual appeal to raise funds in support of Build with Purpose's projects and programs. The staff and board of Build with Purpose thank you for your continued support and for helping us to have a greater impact on the communities and families we serve!

CHARTER SCHOOL FACILITY WORKSHOP: NOVEMBER 7, 2012 IN BOSTON

Build with Purpose, Boston Community Capital and Nonprofit Finance Fund are holding a workshop on charter school facilities, in Boston on November 7th. Panelists include experts in charter school law, architecture, finance and real estate development. See www.bwpurpose.org for details.