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Oakland, Calif., Charter School Leverages NMTCs for New Campus

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Vincent Academy charter school in Oakland, Calif., is doing so well that it has more than doubled its student body since its establishment in 2011. However, Vincent Academy's exponential growth and limited space at its current facility forced the school to temporarily drop its transitional kindergarten program, a California initiative that bridges preschool and kindergarten. Fortunately for students, Vincent Academy will reinstate its transitional kindergarten program and add a fifth grade once it moves into its new home this summer, six blocks from its current location.

Expected to be completed in time for summer 2015 classes, the school will have 21,500 square feet of space spread over three buildings, with room for as many as 350 students. That includes 17 classrooms, a multipurpose room, an art room, a dining hall, a library, a storage room and administrative offices. Students will also have access to a new play structure and basketball court, whereas the only outdoor space available at its current facility is a small area that was once part of the parking lot.

The campus is designed to meet the school's programmatic and security needs. "It's a tough neighborhood, so we designed the school with safety as a priority," said Jean Driscoll, Vincent Academy's president of the board. A fence encloses the entire campus and a receptionist can regulate visitors entering and exiting the front gate. All classroom windows are situated above sight level, so that outsiders can't look into the buildings.

The project's developer, BRIDGE Housing, owns the land on which the new facility is being built. The site is adjacent to BRIDGE Housing's Chestnut Linden Court Apartments, a 151-unit mixed public housing and affordable housing complex. Leaders at BRIDGE Housing initially considered turning the Vincent Academy site into a live-and-work housing property, but found that the market wasn't strong enough for that type of development. Cynthia Parker, president and chief executive officer of BRIDGE Housing, said her group then saw the opportunity to use the space for Vincent Academy as a way of furthering the education of the children who lived in the neighborhood. "[Vincent Academy] was really adding value to the neighborhood and population base," said Parker.

Vincent Academy was established four years ago with the unanimous approval of the local school board. Driscoll said the school opened with just a kindergarten and first-grade program for 60 children. It expanded to include additional grades and it now offers classes through the fourth grade. Vincent Academy also provides academic remediation and family support services and partners with a third-party service provider to offer mental health services.

Financing

In addition to the \$2.6 million in capital campaign proceeds and \$50,000 provided by the Northern California Community Loan Fund, the new campus will be funded by leveraging new markets tax credits (NMTCs). BRIDGE Housing's community development entity, BRIDGE

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Photo: Courtesy of BRIDGE Housing

In November 2014, a groundbreaking ceremony was held in Oakland, Calif. for the new permanent home of Vincent Academy charter school.

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Community Development Inc., was the sole NMTC allocatee in the project, providing \$9.5 million in tax credit allocation.

Chase Community Development Banking provided \$3.075 million in NMTC equity. "Early education is incredibly important to community development because of the lasting effects it has for generations to come," said Corinne Ingrassia, vice president of Chase's NMTC group. "[This] makes the expansion of [Vincent Academy] one of particular importance to continue creating sustainable impact on the Oakland community."

One of the challenges was securing debt for an organization that was still relatively new. NMTCs helped with that and BRIDGE Housing acted as the guarantor. "The leverage that the NMTC provided was amazing,"

said Parker. She said that many of the donors provided funding after they learned that the project would involve NMTCs.

The NMTC financing also helped make the project more feasible by lowering the amount of debt needed and by giving the qualified active low-income community business (QALICB) enough equity to meet the debt requirements, said Cecile Chalifour, director for the California region at the Low Income Investment Fund (LIIF), which provided a \$2.9 million term loan. She said that because Vincent Academy is a relatively new operator, it couldn't take on much debt. "The tax credits really made it all possible," said Chalifour.

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Expanded Opportunities

All in all, administrators anticipate the new facility will expand the student body from 143 to as many as 350 students. The project is expected to create 120 construction jobs, 22 full-time permanent jobs and 12 part-time permanent jobs.

"I see our future as expansion on one hand and on the other hand, a deepening of roots in the community," said Driscoll. "We're growing out and growing deep."♦

VINCENT ACADEMY FINANCING

- \$9.5 million in new markets tax credit (NMTC) allocation from BRIDGE Community Development Inc.
- \$3.075 million in NMTC equity from Chase Community Development Banking
- \$2.9 million loan from the Low Income Investment Fund (LIIF)
- \$2.6 million in capital campaign proceeds
- \$50,000 from the Northern California Community Loan Fund

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