PRESS RELEASE
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FUND FOR SCHOOLS AND COMMUNITIES TO PROVIDE MUCH NEEDED FINANCING TO CALIFORNIA CHARTER SCHOOLS

Today, the Low Income Investment Fund (LIIF) and its nonprofit and corporate partners announce the creation of the $35 million Fund for Schools and Communities (FSC) to develop 5 to 7 new charter school facilities in low income neighborhoods throughout California. FSC paves the way for increased private sector involvement in supporting educational opportunities for underserved children.

“This cutting-edge approach to charter school facility financing,” says Nancy O. Andrews, LIIF’s President and CEO, “combines private capital, nonprofit support, and public investments to serve more than 2,500 students over the next 3 years.”

FSC is the result of several years of a successful collaboration with Citibank, Merrill Lynch, Prudential Corporation, Local Initiatives Support Corporation, Annie E. Casey Foundation, and LIIF. LIIF will manage the fund, which will concentrate primarily on schools in the San Francisco Bay Area, Sacramento, San Diego and Los Angeles.

"Especially now, when public school budgets in California are stretched thin, it is critical for businesses to find creative ways to help," said Andrew Ditton, director of Citibank Community Development and chair-elect of LIIF's board of directors. "Anything we can do to help schools ultimately benefits all of us in the community."

The investments in the fund are supported by a grant to LIIF from the U.S. Department of Education Credit Enhancement to Charter School Facilities Program, providing a safe and attractive mechanism for financial institutions to invest in charter schools.

Pacific Charter School Development (PCSD) will receive the first loan for $7.5 million from FSC. “LIIF’s continuous, dependable presence in and commitment to charter school facility financing allows its borrowers to plan and develop school campuses under the most optimal timelines and circumstances, saving significant costs and headaches along the way,” says Glenn Pierce, PCSD’s president and CEO. “LIIF truly understands the inherent difficulty in lending to
charter school operators during their early expansion years -- yet they consistently develop products (and programs) that effectively meet the needs of these nascent organizations.”

PCSD will develop a campus in Huntington Park that will house an Aspire Middle School for 400 students, and an Alliance for College Ready Public Schools High School for 500 students.

“This is an exciting project,” noted Andrews. “Both these schools are already outperforming similar California schools, and the closest middle and high schools each enroll more than 3,600 students. These schools are sorely needed and are likely to have tremendous impact on this underserved, low income community.”

Charter schools are public schools that are affiliated with school districts but have greater freedom to hire faculty and design curricula. Charter schools are accountable to their sponsors – usually a county or local school board – to produce positive academic results. Unlike traditional public schools, however, charter schools do not have access to dedicated streams of capital funding, municipal bonds, or tax levies – the typical methods to finance traditional public school facilities. The often must seek other sources of financing, such as FSC, to cover the costs of acquiring, leasing or building facilities.

LIIF is a nonprofit, community development financial institution (CDFI) that provides loans and technical assistance for affordable housing and community facilities, such as charter schools, that serve low income communities.

For more information on FSC, contact LIIF at 415-772-9094, or visit LIIF’s website at www.liifund.org.

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_A fact sheet with more details on the Funds for Schools and Communities is attached to this press release._