

Investing in Your Community, in Your Neighborhood, in Your Future

Drew Charter School Integral in Atlanta Neighborhood Revitalization Success



Charles R. Drew Charter School, located in the historic East Lake neighborhood of Atlanta, GA, serves students Pre-K through 12th grade. The successful charter school was expanded this year with the help of the New Markets Tax Credit. Photo credit: Jonathan Hillyer

BY THE NUMBERS

Total Project Cost: \$68,500,000

NMTC Qualified Equity Investment: \$46,000,000

Total CAHEC NMTC Qualified Equity Investment: \$12,000,000

- Construction Jobs: 297
- Permanent Jobs: 85 projected
- New Seats Created: 600 high school and 400 pre-K–8th grade

Community Characteristics

- Poverty Rate: 20.7%
- Median Family Income: 69.8% of area median income
- Unemployment Rate: 13.4%

Located just four and a half miles from downtown, East Lake is one of Atlanta’s most historic neighborhoods. Although a popular vacation spot for the state’s affluent families in the early 1900s, the area began to fall into disrepair. By 1995, East Lake had a crime rate 18 times higher than the national average and was home to one of the country’s roughest housing projects. Now, a successful neighborhood revitalization plan lead by the East Lake Foundation has transformed this community into a model for cities around the country trying to rejuvenate struggling, crime-ridden neighborhoods.

The East Lake revival began with the development of a mixed-income apartment complex where, in order to maintain an economically integrated community, half of the 500-plus units are rented at market rate and half are rented to low-income families. The development team and project leaders recognized that in order to ensure stability for residents, the revitalization plan needed to include a quality school. This vision lead to the opening of Charles R. Drew Charter School – Atlanta’s first charter school for students in kindergarten through fifth grade – in August of 2000.

As the school continued to see increasing success over the years, the need for a middle and high school became more apparent. CAHEC New Markets, LLC, which was awarded \$45 million of New Markets Tax Credit allocation authority in the 2012 allocation round, provided \$12 million of NMTC funding for the expansion of the high-achieving Charles R. Drew Charter School. The new 205,000 square foot middle and high school, which welcomed students for the 2014-2015 academic year, created 1,000 new student seats.

The significant academic achievement the students have accomplished over the years cannot be overstated. When the doors first opened in 2000, the school ranked 69 out of 69 public elementary schools. The elementary school and middle school are now ranked first and third, respectively, among Atlanta Public Schools.



Photo credit: Jonathan Hillyer



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Charles R. Drew students are not only meeting state standards in testing, but are exceeding them in many subjects. In addition, students compared favorably to the State of Georgia on the Georgia Department of Education College and Career Ready Performance Index (CCRPI).

Drew's focus on STEAM (science, technology, engineering, arts and mathematics) is a step beyond the traditional curriculum of most public schools, and coupled with a project-based learning curriculum – teaching and learning strategies based on critical thinking, collaboration, creativity, invocation, and problem solving – students are becoming better equipped to use their knowledge in real life settings. The new middle and high school will enable students to continue their strong academic performance, which will help the school fulfill its "Cradle-to-College" mission and help achieve their goal of ensuring that every student graduates with a college acceptance in hand.

Last month, The Education Trust awarded Charles R. Drew Charter School the "Dispelling the Myth Award," which is given to schools helping to bring high achievement to minority or low-income students. Recognition like this solidifies the school's role as the cornerstone of the East Lake neighborhood revitalization project. While many similar projects are struggling to maintain stability among residents, East Lake is far from having this issue. It should come as no surprise that cities across the country are emulating this very same model and striving for the same success.

What Is the NMTC?

Created by Congress as part of the Community Renewal Tax Relief Act of 2000, the New Markets Tax Credit Program incentivizes private-sector capital investments in businesses, real estate projects, and community facilities located in low-income urban and rural communities. The program is based on the idea that there are viable business opportunities in low-income communities and that a federal tax credit would provide attractive incentive to venture capitalists. Through Qualified Equity Investments in Community Development Entities, investors are able to claim a federal tax credit based on 39% of the investment amount. Community Development Entities use this investment capital to make loans or equity investments to qualified businesses located in economically distressed communities. The tax credit, which is 39% of the original investment amount, is claimed by investors over a period of seven years.

Named as one of the *Top 25 Innovations in American Government* by the Ash Center for Democratic Governance and Innovation at the John F. Kennedy School of Government at Harvard University, the NMTC Program leverages \$8 of private capital for every \$1 of federal investment. In addition, since its creation, the program has helped create or retain over 560,000 jobs.

Who Is CAHEC?

Headquartered in Raleigh, NC, CAHEC is one of the nation's leading nonprofit tax credit syndicators. CAHEC works with investors and developers in eleven states and the District of Columbia to help develop and foster healthy neighborhoods by raising equity capital and investing in affordable rental housing and community revitalization projects. CAHEC New Markets, LLC, a subsidiary of CAHEC, has received two NMTC awards totaling \$75 million of allocation and has used the allocation to finance highly impactful community and economic development projects throughout the Southeast and mid-Atlantic region.

Financing & Development Partners

- Charles R. Drew Charter School
- East Lake Foundation
- CF Foundation
- CAHEC New Markets, LLC
- PNC
- SunTrust
- Low Income Investment Fund
- Urban America Advisors
- Two9Three Consulting



All photos provided by: Jonathan Hillyer



919.420.0063 • www.cahec.com

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