



ROSA PARKS ELEMENTARY - PORTLAND, ORE.

Developers/Sponsors

Housing Authority of Portland and
Multnomah County School District: Portland Public
Schools

Project Type

New construction of an elementary school

Square Footage

66,863 square foot building on 2.5 acres

Investment

\$13.2 million

Description

Rosa Parks Elementary, a public school project, consists of a newly constructed, 55,792 square foot building for use as an elementary school for grades kindergarten through five in the city of Portland, Ore. The school building is part of the New Columbia HOPE VI project, a redevelopment of the former Columbia Villa which was the state's largest public housing development. It is anticipated that all of the children attending the school will live in the New Columbia HOPE VI area and many will come from low- and moderate-income households. The total school enrollment is expected to reach 660 students and a subsequent 11,000 square foot addition is planned to accommodate a Boys and Girls Club.



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Investment Type

Funding for the school project is the result of an innovative leveraged financing structure created by Bank of America and Enterprise. An upper tier fund was created to assemble capital that was enhanced using New Markets Tax Credits (NMTC). The fund includes:

- \$8,800,000 loan from Bank of America, N.A.
- \$2,725,000 from the Housing Authority of Portland (HAP)
- \$1,693,292 from Bank of America Community Development Corporation (BACDC)

The fund made a Qualified Equity Investment to ESIC New Markets Partners XII, the Community Development Entity (CDE), as required by the NMTC Program. New Markets Tax Credits flow to the upper tier fund, earning BACDC \$3,762,861 in New Markets Tax Credits as the tax credit investor.

In this leveraged transaction, \$13,218,292 in loans were made to the Qualified Active Low-Income Community Business (QALICB), which is the school and the owner of the project. The Portland Public School System (PSS), according to a lease agreement with the QALICB, leases the school, paying operating expenses and lease payments equal to the debt service. At the conclusion of the seven-year NMTC term, PSS has the option to purchase the school from the QALICB at a price essentially equal to the remaining debt on the \$8,800,000 loan and would then own the school building.

Market

Rosa Parks Elementary is part of a master-planned mixed-use community in the Portsmouth neighborhood of north Portland. Originally constructed in the early 1940s, the community began undergoing redevelopment in 2001. Upon completion, New Columbia will offer a total of 854 housing units as well as 20,000 square feet of retail/commercial space, over four acres of parks and the subject property, the elementary school. North Portland has traditionally provided relatively affordable workforce housing with convenient access to employment opportunities. The new development will be pedestrian-friendly and fully integrated with the surrounding community.

Community Impact

The New Columbia HOPE VI development is increasing the housing options in the neighborhood and improving its connection to the surrounding community. Rosa Parks Elementary provides additional

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capacity to absorb the students coming from the new development. These educational opportunities are vital for strengthening the fabric of this newly re-created community.

Developer

The Housing Authority of Portland (HAP) has developed over 4,000 housing units, ranks as one of the highest performing housing authorities in the country and is the largest provider of affordable housing in the Portland metropolitan area. HAP has expertise developing large scale projects and is providing a completion guarantee for the school project.

Investor

[Bank of America](#) is one of the world's largest financial institutions, serving individual consumers, small and middle market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk-management products and services. The company provides unmatched convenience in the United States, serving over 33 million consumer relationships with more than 5,800 retail banking offices, more than 16,700 ATMs and award-winning online banking with more than twelve million active users. Bank of America is the No. 1 overall Small Business Administration (SBA) lender in the United States and the No. 1 SBA lender to minority owned small businesses. The company serves clients in 150 countries and has relationships with 98 percent of the U.S. Fortune 500 companies and 85 percent of the Global Fortune 500. Bank of America Corporation stock (ticker: BAC) is listed on the New York Stock Exchange.