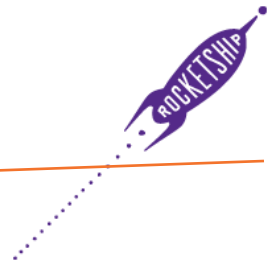




Financing Goals and Strategy

Capital Finance – Types of Financings



Short Term Financing

- **Predevelopment, Acquisition, Construction.**
- **CDFIs (All) , Banks (Constr. Only)**
 - Banks are generally unwilling to take short term risk on predev or acquisition loans unless the LTV is very low.

Mini Perm / NMTC

- **3 – 7 years, post-construction**
- **Bank and CDFIs – NMTC Programs**
 - Banks are more conservative on LTV and terms here as well.

Long Term / Permanent

- **Tax Exempt Bonds – Public Offering or Private Placement**
- Longest terms possible, avoids costs of frequent refinancings, can achieve lowest rates with good FS and student outcomes

Capital Finance – Traditional Sequencing



Financing Sequence

6 to 12 Mos.

Predevelopment

Sources:

**Org Capital
CDFIs**

3 - 7 Yrs.

NMTC – Bridge
Loans

Sources:

**Banks, CDFIs
allocations of NMTC
can provide affordable,
flexible options.**

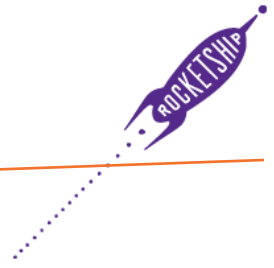
30+ Yrs.

Permanent

Sources:

**TE Bond Market exists
to refinance operating
properties**

Determining Project Financing Goals



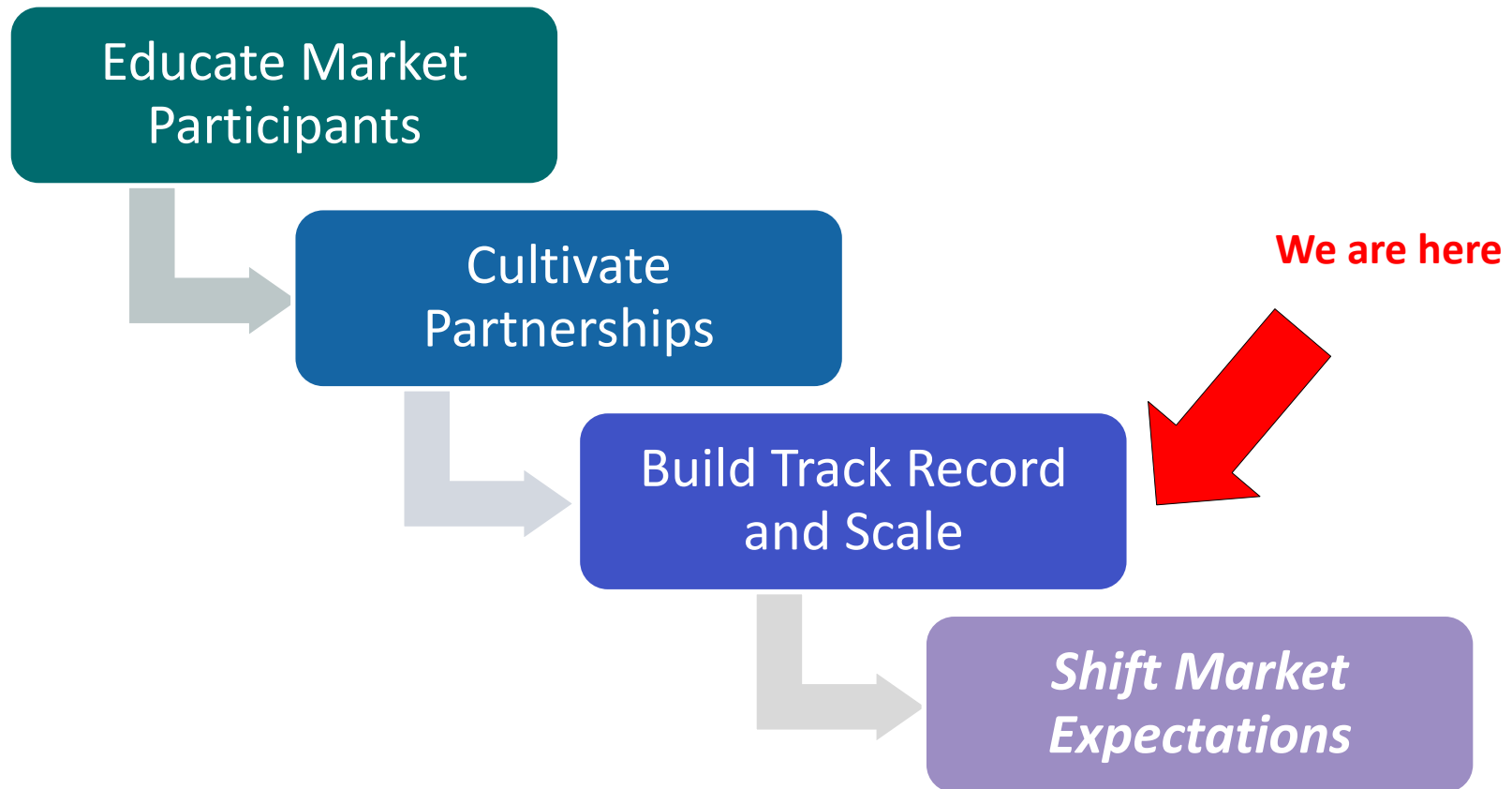
1. Efficiency & Scale – One financing per project
2. Structure – Feasible and standardized compliance requirements
3. Structure – Allow seasoned schools to help new schools access long term debt in Year 1
4. Lower Pricing – More affordable rates over time

Still working on these!!

Finding Scalable Capital Finance Solutions



The tax-exempt bond market is the right long-term solution for Rocketship; but required 3+ years to shift market expectations to achieve more favorable pricing and structure



Past Financing History at RS

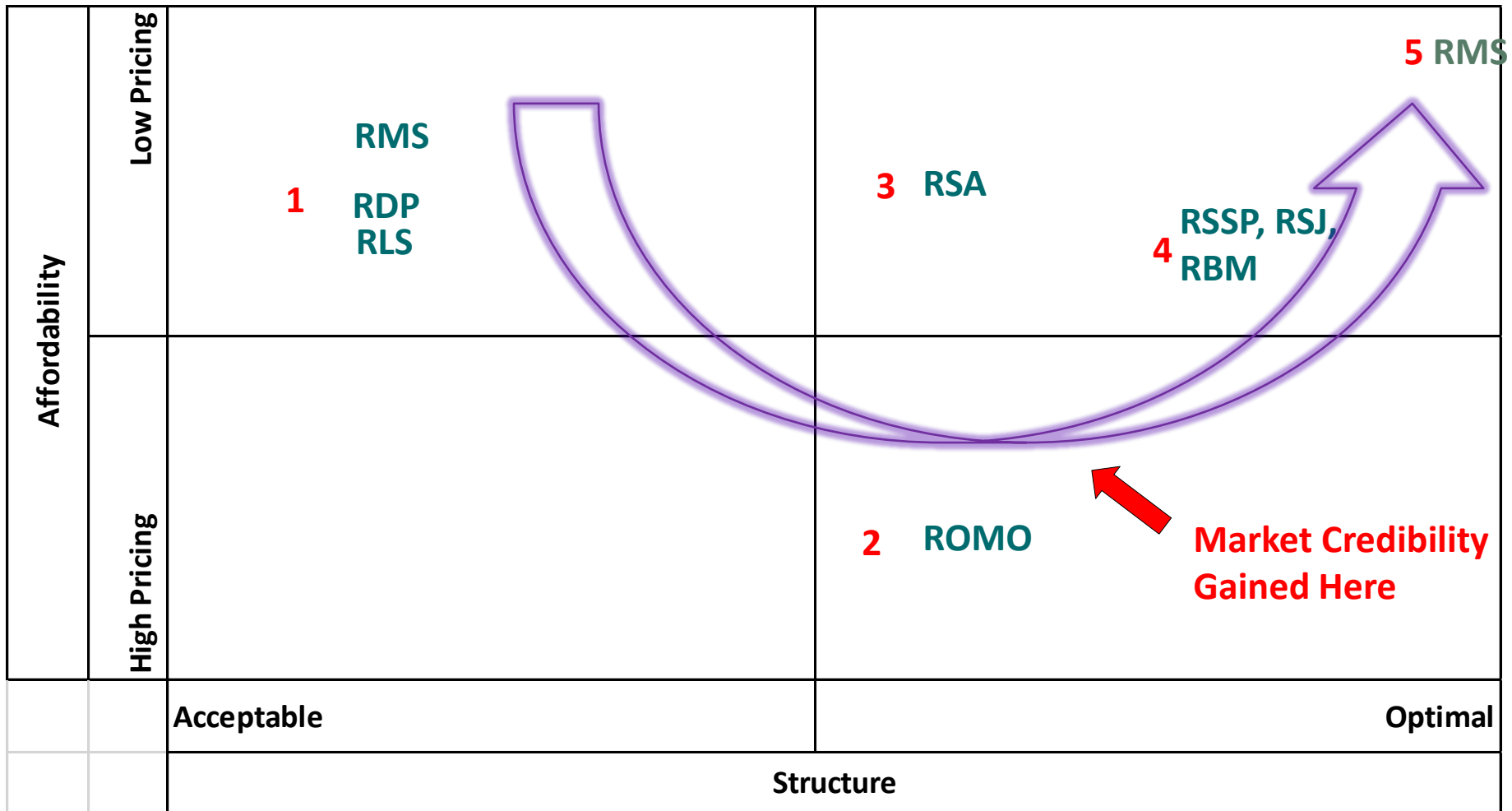


2008-10

2011-12

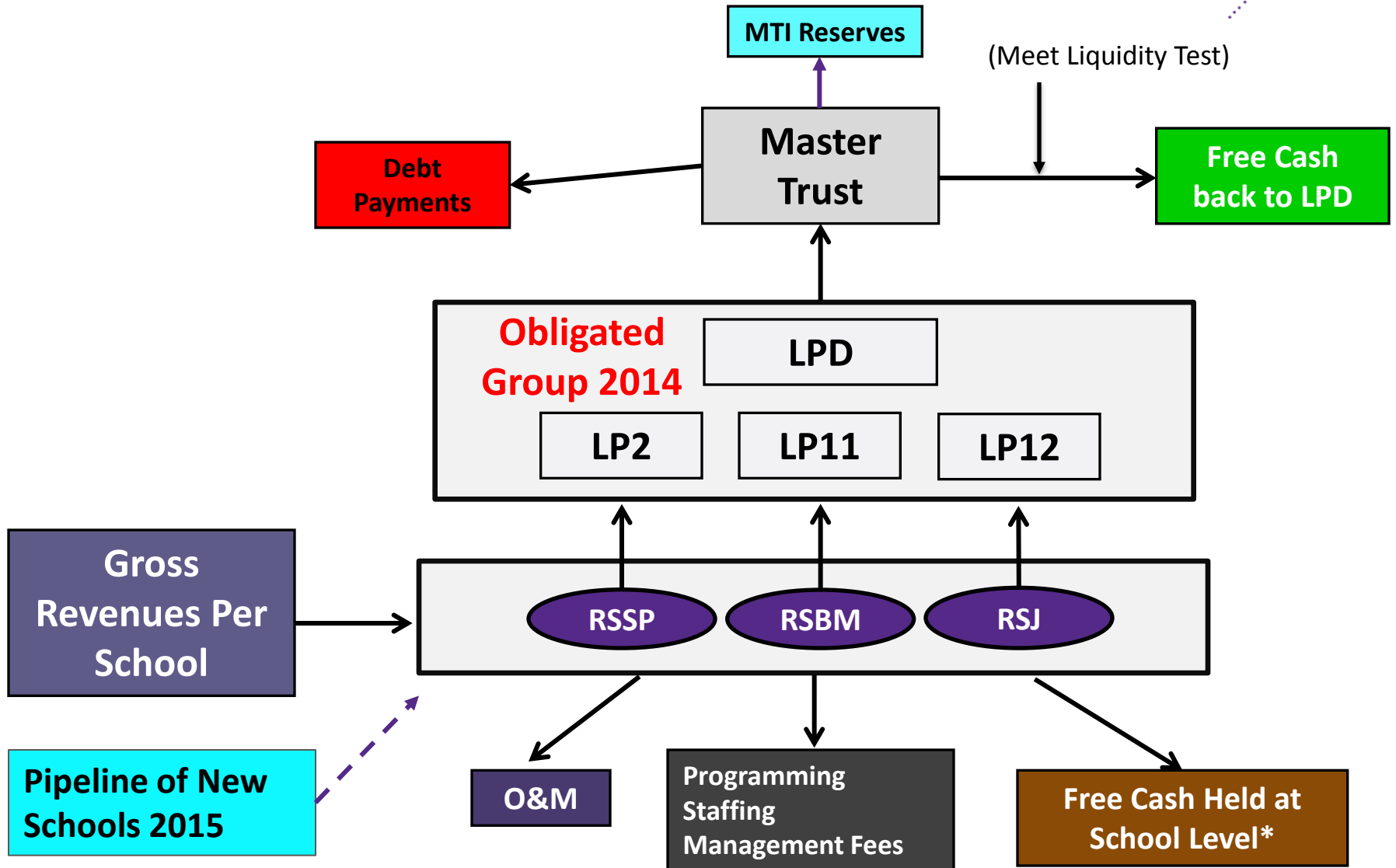
2013-14

2015



1-NMTC 2-Traditional Bonds 3-Traditional Bonds 4-Obligated Group Bonds 5- Refi of NMTC in OG

New Platform – The Obligated Group at Scale



*Restricted to be used locally

Rethinking elementary school from the ground up.

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