

**NOTICE OF VOLUNTARY FILING  
FOR CONTINUING DISCLOSURE PURPOSES**

**NATIONAL CHARTER SCHOOL REVOLVING LOAN FUND REVENUE BONDS**

**CUSIP Prefix: 13035A, 04052F, 57563U, 021430A**

**Date: August 30, 2024**

Equitable Facilities Fund, Inc., a Delaware nonstock, nonprofit corporation (the “Program Administrator”), was established in 2017 to operate a pooled revolving loan program for the benefit of a class of public charities that operate to support public charter school facilities. The Program Administrator originates loans to qualifying public charter schools across the country, including a nine-step lending process from loan sourcing to portfolio management (“School Loans”), for the purpose of financing and refinancing the costs of the acquisition, construction, improvement, equipping, and furnishing of public charter school facilities.

Notice is hereby given that on August 30, 2024, the Program Administrator entered into a School Loan (the “KIPP NorCal Loan”) with KIPP Bay Real Estate. Upon closing, the KIPP NorCal Loan was sold to Equitable Revolving Fund LLC, a Delaware limited liability company (the “Revolving Fund”) for inclusion in the ESRF Loan Pool under the Master Trust Indenture. Capitalized terms used but not defined herein have the meanings set forth in the Official Statement relating to the Arizona Industrial Development Authority National Charter School Revolving Loan Fund Revenue Bonds, Series 2023A dated December 19, 2023.

Attached as Appendix A hereto is a summary of the KIPP NorCal Loan, including a description of the obligor’s charter contract, management and governance, enrollment information, academic performance, financed project, and financial information. ***None of the Revolving Fund, the Program Administrator, or their counsel has undertaken any responsibility for the accuracy or completeness of the information provided in Appendix A. Certain information may have changed since the KIPP NorCal Loan closing date and may be subject to future changes.***

**KIPP PUBLIC SCHOOLS NORTHERN CALIFORNIA**  
**Oakland, California**

**\$23,000,000 EFF Loan #4 / Closed: August 30, 2024/ Final Maturity: August 1, 2059**

**Obligor Overview**

KIPP Public Schools Northern California (“KIPP NorCal”), formerly known as KIPP Bay Area Public Schools (“KBAS”), is a California nonprofit corporation established in 2002 with the opening of the first KIPP school in the region, KIPP Bridge Academy in the City of Oakland. For the recently concluded SY23-24, the network operated 21 schools under 17 charters that educated more than 6,400 students in grades K-12. Until recently, all KIPP NorCal’s schools were located in the Bay Area, with the network expanding to Stockton in August 2021 with two separate charters launching in the past three years currently offering elementary and middle school grades. A high school is also expected to open in fall 2025. The legal borrower, KIPP Bay Real Estate (“KBARE”), is the real estate affiliate of KIPP NorCal.

Five schools, KIPP Bridge Academy (“KIPP Bridge”), KIPP Heritage Academy (“KIPP Heritage”), and KIPP Esperanza Academy (“KIPP Esperanza”), KIPP Stockton K-12 (Conway Homes), and KIPP Stockton K-8 (University Park) comprise the Obligated Group (OG), i.e., the portion of the network whose rent will be the source of debt repayment as paid to Seven Trees School LLC, 1700 Market School LLC, 1039 Garden Street LLC, Houston Avenue LLC, and 820 North American LLC (the “KIPP NorCal Obligated Group Members”).

KIPP NorCal’s 21 schools are located in seven demographically distinct communities:

- San Francisco;
- Oakland;
- San Jose;
- East Palo Alto;
- San Lorenzo;
- Redwood City; and
- Stockton

KIPP NorCal schools are authorized by 11 different local school district authorizers.

The mission of KIPP NorCal is *“Together with families and communities, we create joyful, academically excellent schools that prepare students with the skills and confidence to pursue the paths they choose—college, career, and beyond—so they can lead fulfilling lives and build a more just world.”*

The “KIPP difference” includes high expectations; safe, structured, and nurturing environments; highly effective teachers and leaders; focus on character; and KIPP Forward (previously KIPP Through College).

## Charter Contracts

The authorizers for the five Obligated Group charters, KIPP Bridge, KIPP Heritage, KIPP Esperanza, KIPP Stockton K-8, and KIPP Stockton K-12 are the Oakland Unified School District, the Franklin-McKinley School District, the Sequoia Union School District, and the Stockton Unified School District, respectively.

The KIPP Bridge charter expires on June 30, 2025, KIPP Heritage was renewed in 2018 for a five-year term ending June 30, 2024, with a two year extension to June 30, 2026, and KIPP Esperanza is in its first charter term with an expiration date of June 30, 2025, (with a two year extension to June 30, 2027). KIPP Stockton K-8 Charter and KIPP Stockton K-12 Charter have expiration dates of June 30, 2026, and June 30, 2027, respectively.

## Management & Governance

KIPP NorCal’s Board of Directors supports the mission of the network and seeks to ensure that its 21 directors represent a broad area of expertise and cross-section of the community at large. KIPP’s Board members are elected to serve three-year terms and may serve up to three consecutive terms. The KIPP NorCal Board has established five committees to enhance the operations of the Board and provide additional oversight [Finance and Investment, Governance, Audit and Risk Management, Grievance, and Executive].

Senior staff includes a Chief Executive Officer, Chief External Impact Officer, Chief People Officer, Superintendent, Chief of Schools, Chief Financial and Operating Officer, and Chief Equity and Strategy Officer. Biographies of Board members and senior staff are included on the [KIPP NorCal Website](#). KIPP NorCal’s founding chief executive officer departed at the end of SY20-21 but returned as CEO approximately two years later.

## Enrollment & Student Information

KIPP NorCal Obligated Group Schools’ student count for the past four fiscal years is as follows:

**KIPP NorCal Public Schools  
Obligated Group Schools  
Historical Student Enrollment  
FY21 – FY24**

FY21	FY22	FY23	FY24
1,122	1,233	1,298	1,555

For the recently concluded 2023-2024 academic year, the existing Obligated Group Schools had an enrollment of 1,555. Full enrollment of approximately 3,200 for the Obligated Group Schools is expected to be achieved in Fall 2028 when the network’s Stockton schools are projected to complete their expansion to full high school grades.

KIPP NorCal has waitlists representing approximately 21% of total enrollment. Student retention, another indication of demand, was 84% for the most recent period, which is line with the past 5 years.

KIPP NorCal serves a high needs population with 83% of its students qualifying for free and reduced lunch. In addition, 98% of the network’s students are non-white, 13% have Individual Learning Plans, and approximately 29% are English Language Learners.

### **Academic Program & Results**

KIPP NorCal Obligated Group Schools outperformed their peers in absolute and growth outcomes, including significantly higher in the Similar School Methodology. Specifically, the Similar School Analysis (3rd-8th grade) places KIPP NorCal (OG) in the 86th percentile (ELA) and 81st percentile (mathematics) across the State of California over the past two years. In addition, KIPP NorCal high school graduation rate for SY22-23 was 93%, exceeding the state average of 86%.

KIPP NorCal schools have recently received the following recognitions:

- Six KIPP NorCal schools were named to the 2024 California Honor Roll, recognized as public schools demonstrating high academic achievement, accelerating student success, and advancing educational equity, including KIPP Heritage;
- Two KIPP NorCal schools, KIPP Heritage and KIPP Summit, were named California Distinguished Schools for 2024;
- Four KIPP NorCal high schools ranked in US News & World Report’s 2024 Top US High Schools;
- KIPP NorCal students have an Advanced Placement Test passage rate that is more than twice the state average.

### **The Project**

Proceeds of the 35 year loan will to be used to (i) finance the construction of a Stockton elementary school at Conway Homes; and (ii) finance the construction of a middle school facility at University Park. This is the fourth loan that EFF has made to KIPP Northern California. Costs of issuance will be paid out of the approximately \$21 million of equity being contributed by the network.

One of the projects to be financed is a 30,000 square foot elementary school facility located at Conway



Homes, the site of a San Joaquin Housing Authority public housing project. This school falls under the charter for grades PK-12 and will be on the same campus as the middle school EFF financed in 2022.

The Conway campus is projected to serve a total of 850 PreK-8<sup>th</sup> grade students.

The University Park project represents the construction of a ~40,000 square foot middle school. The cost of this facility is expected to be approximately \$26.4 million. The facility will be constructed on 3.85 acres of leased property owned by the State of California with custody and control assigned to the California State University (CSU). The University Park campus is projected to serve a total of approximately 800 PreK-8<sup>th</sup> grade students.



**KIPP NorCal Financial Information**

Certain historical financial information for the KIPP NorCal Obligated Group Schools is listed below. These metrics will be updated and included in EFF’s continuing disclosure annual report.

**KIPP NorCal Public Schools  
Obligated Group Schools  
Historical Financial Information**

<u>Metric</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>
Total Revenue (TR)	\$18,939,983	\$23,435,072	\$31,404,009
Lease Coverage Ratio	2.62x	1.62x	1.52x
Lease Coverage Ratio (sub. management fees)	3.38x	2.33x	2.67x
Debt Burden (% of TR)	10.8%	15.5%	12.2%
Days Cash on Hand	132.0	141.0	170.4

**Rating:** S&P: “BBB” (Obligated Group)

**KIPP Northern California Public Schools  
Obligated Group Schools  
Security and Loan Covenants**

Security	First lien leasehold deed of trust on KIPP Stockton K-8 Charter (at University Park located at 820 North American St., Stockton, CA., 95202, KIPP Bridge Academy, located at 1700 Market Street, Oakland, CA 94607, KIPP Heritage Academy, located at 423 Los Arboles Street, San Jose, CA 95111, KIPP Esperanza High School, located at 1039 Garden Street, East Palo Alto, CA 94303, KIPP Stockton K-12 (Conway Homes] located at 742 Dallas Avenue, Stockton, California, 94206, and a pledge of and lien on Gross Revenues of the KIPP Northern California Public Schools Obligated Group Members
Debt Service Coverage Ratio	1.00x for KBARE; 1.10x for the KIPP NorCal Obligated Group Schools
Additional Bonds Test	Consolidated Base Rent Coverage Ratio of 1.20x for network
Liquidity Covenant	60 days cash on hand for network and Obligated Group Schools
Academic Covenant	<p>KIPP NorCal Schools will (i) maintain a minimum weighted average for all network students in the 70<sup>th</sup> percentile using a Similar Schools Methodology in both ELA and Math; or students proficient in ELA and Math on the state assessment shall exceed that of their respective host district at 40% or more of schools and 50% or more of schools beginning in the 2030-31 academic year; <b>and</b> (ii) maintain a weighted average proficiency rate for all socio-economically disadvantaged students, in both ELA and Math, that exceeds 110% of the State’s weighted average for all socio-economically disadvantaged students in each subject; <b>or</b> the percentage of socio-economically disadvantaged students shall exceed that of their respective host district at 60% or more of schools and 75% or more of schools beginning in the 2030-31 academic year.</p> <p>In addition, commencing in the 2024-25 academic year and for all academic years through 2026-27, for KIPP Stockton K-12, the Lessee shall achieve a minimum of five percentile point increase each year, compared to the previous year using the Similar School Methodology for all students in both Math and English Language Arts calculated separately <b>or</b> the Lessee shall exceed the percentage of all students or socio-economic disadvantaged students proficient in Math and ELA on the State Assessment in Stockton Unified.</p>
Enrollment Covenant	<p>For Obligated Group:  For FY25, a requirement of 1,561 students  For FY26, a requirement of 1,847 students  For FY27, a requirement of 2,161 students  For FY28, a requirement of 2,532 students  For FY29, a requirement of 2,843 students  For FY30 and thereafter, a requirement of 2,880 students; <b>and</b>  For Stockton Schools:  For FY25, a requirement of 541 students</p>

	For FY26, a requirement of 802 students For FY27, a requirement of 1,081 students For FY28, a requirement of 1,414 students For FY29 and thereafter, a requirement of 1,670 students
Other	Intercept of Lease Payments made by the Obligated Group Schools to the Obligated Group Members