

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

NATIONAL CHARTER SCHOOL REVOLVING LOAN FUND REVENUE BONDS

CUSIP Prefix: 13035A, 04052F

Date: April 28, 2021

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 April 28, 2021, the Program Administrator entered into a School Loan (the “KIPP NorCal Loan”) with KIPP Bay Real Estate (KBARE), the real estate affiliate of the KIPP Public Schools Northern California, a California not-for-profit corporation. 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 2020A and the California Infrastructure and Economic Development Bank National Charter School Revolving Loan Fund Revenue Bonds, Series 2020B, dated August 12, 2020.

Attached as Appendix A hereto is a summary of the KIPP NorCal loan, including a description of the obligor’s charter contracts, management and governance, enrollment information, academic performance, financed project, and financial information. ***None of the Revolving Fund, the Program Administrator, or their counsels 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

\$11,733,266.48 EFF Loan / Closed: April 28, 2021 / Final Maturity: March 1, 2056

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. Today, the network operates 16 schools that educate more than 6,500 students. Of these schools, two are elementary schools, seven are middle schools, two are TK-8, and five are high schools—all in Northern California. Five additional schools are expected to open in Stockton, including a middle school scheduled to open in Fall 2021 with subsequent openings, one each year, until the fifth school is open in 2025. The legal borrower, KIPP Bay Real Estate (KBARE), is the real estate affiliate of KIPP NorCal.

Two schools, KIPP Bridge Academy (“KIPP Bridge”) and KIPP Heritage Academy (“KIPP Heritage”) currently 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 and 1700 Market School LLC (the “KIPP NorCal Obligated Group Members”). A third school, KIPP Esperanza High School, the network’s newest operating school will join the OG upon closing of the EFF loan.

While KIPP NorCal’s 16 schools are all located in the same region, they are located in six demographically distinct communities:

- San Francisco;
- Oakland;
- San Jose;
- East Palo Alto;
- San Lorenzo;
- Redwood City; and
- Stockton (starting Fall 2021)

KIPP NorCal schools are authorized by 10 different authorizers, nine of which are local school districts with the California State Board of Education the authorizer for two schools.

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 a sense of belonging, academic excellence, family and community partnerships, college and career guidance, and teacher support and growth.

Charter Contracts

The authorizers for the three Obligated Group Schools, KIPP Bridge, KIPP Heritage, KIPP Esperanza are the Oakland Unified School District, the Franklin-McKinley School District, and the Sequoia Union School District, respectively.

The KIPP Bridge charter was renewed in 2017 for a five-year term ending June 30, 2022. KIPP Heritage was renewed in 2018 for a five-year term ending June 30, 2024, and KIPP Esperanza is in its first charter term with an expiration date of June 30, 2025.

Management & Governance

KIPP NorCal’s Board of Directors supports the mission of the network and seeks to ensure that its 19 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 (founding CEO), Chief of Schools, Chief Financial Officer, Chief Operating Officer, Chief Equity and Inclusion Officer, Chief External Affairs and Communications Officer, Chief People Officer, and Chief of Growth, Real Estate, Advocacy, and Community Engagement. Biographies of Board members and senior staff are included on the KIPP NorCal website. In September 2020, KIPP NorCal’s founding chief executive officer announced her departure effective the end of the current school year. The network’s Chief of Schools is also stepping down at the end of the current school year. The network has launched a nationwide search to fill the CEO and Chief of Schools roles. The new CEO is expected to be announced by April 30th with the current CEO likely to stay on in a part-time advisory capacity through December.

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
FY18 – FY21**

<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>
1,017	989	999	1121

For the current 2020-2021 academic year, the existing Obligated Group Schools had an enrollment of 1,016. Adding the new high school to the OG brings (upon closing) the total student count to 1,121. Full enrollment of 1,695 for the Obligated Group Schools is expected to be achieved in Fall 2024 when KIPP Esperanza is projected to complete its high school grade expansion efforts.

KIPP NorCal has waitlists representing one-third of total enrollment. Student retention, another indication of demand, was 94% for the most recent period, up from 90% in School Year 2019-20.

KIPP NorCal serves a high needs population with 78% of its students qualifying for free and reduced lunch. In addition, 98% of the network’s students are non-white, 11% have Individual Learning Plans, and approximately 28% are English Language Learners.

Academic Program & Results

KIPP NorCal schools performed five percentage points above the State average in ELA and by seven percentage points in math in the most recent year of available testing (2018-2019). In addition, 94% of KIPP NorCal students graduate from high school (compared to 76% nationally) and 83% of students matriculate to college—nearly double the national average of 46% for students from low-income

communities. KIPP NorCal students are over three times more likely to graduate from college than their peers.

KIPP NorCal schools have recently received the following recognitions:

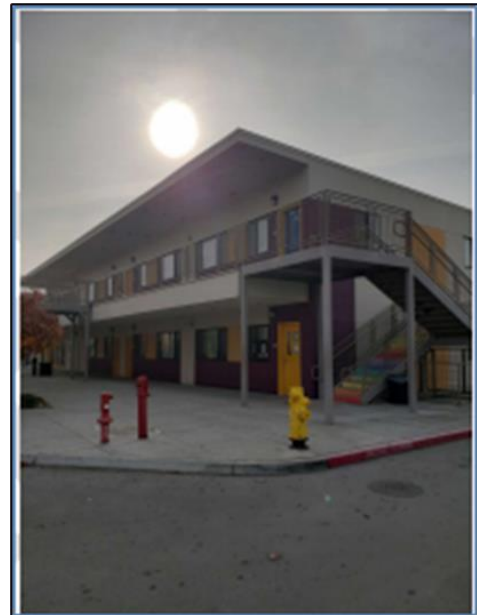
- Six KIPP NorCal schools were designated as high-performing by the California Department of Education in 2020;
- All three eligible KIPP NorCal high schools ranked in US News & World Report's 2020 Top US High Schools
- Six KIPP NorCal schools were named to the 2019-20 California Honor Roll, recognized as public schools demonstrating high academic achievement, accelerating student success, and advancing educational equity, including KIPP Heritage
- KIPP Summit Academy & KIPP King Collegiate were both named California Distinguished Schools for 2019

On an obligated group basis, KIPP Bridge 8th graders outperformed the State averages in both ELA and math by more than seven points (57.1% to 49.4%) and by 6 percentage points (42.9% vs. 36.6%), respectively. KIPP Heritage 8th grade results were even better with ELA scores more than 14 percentage points better than the State average (63.8% vs. 49.4%) and Math represented more than 16 percentage points better (53.2% vs. 36.6%).

The Project

Proceeds of the 35 year loan were used primarily to acquire an existing building to house a recently opened school, KIPP Esperanza High School (offering only grade 9 this year) in East Palo Alto that the network currently rents.

The East Palo Alto facility was owned by Aspire Public Schools as a middle school (grades 6-8) and was formerly a combined middle/high school. KIPP and Aspire entered a lease agreement that allowed KIPP to occupy the facility until the acquisition was finalized. Post facility acquisition by KIPP, Aspire continues to occupy roughly half of the building for the remainder of the current school year while it readies portables on a nearby Aspire property where it will move its displaced middle school students. The purchase price for the property was \$20.2 million with KIPP NorCal combining loan proceeds of about \$11.7 million with approximately \$6.2 million of equity to finance the purchase.



The high school property includes three buildings, two classroom facilities that were completed in 2011, and a gymnasium facility that was added in 2017. Total size is 40,386 square feet on 2.67 acres at 1039 Garden Avenue in the City of East Palo Alto. An appraisal conducted on January 10, 2019 concluded the market value of the property and improvements to be \$20.2 million—which equals the purchase price. This outlay compares to the total amount of \$17 million invested by Aspire for acquisition and development costs and reflects strong real estate market fundamentals in Silicon Valley and specifically, East Palo Alto. Facebook headquarters are about two miles from the property.

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

Metric	FY18	FY19	FY20
Total Revenue (TR)	\$10,274,424	\$11,933,595	\$13,516,119
Lease Coverage Ratio	1.19x	1.13x	1.69x
Lease Coverage Ratio (sub. management fees)	2.62x	2.04x	2.69x
Debt Burden (% of TR)	7.5%	10.6%	9.5%
Days Cash on Hand	141.5	155.5	115.7

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 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 and, to be delivered in the future, KIPP Bridge Academy, located at 1700 Market Street, Oakland, CA 94607 and a pledge of and lien on Gross Revenues of the KIPP Northern California Public Schools Obligated Group Members
Debt Service Coverage Ratio	1.10x for the Obligated Group Schools
Additional Bonds Test	Consolidated Base Rent Coverage Ratio of 1.20x for network
Liquidity Covenant	60 days cash on hand of Obligated Group Schools
Academic Covenant	At least (i) 50% of the Schools (as defined in the Master Indenture of Trust) will exceed the percentage of students proficient in math and ELA on the State assessment in their respective host district's State Assessment or (ii) 75% of the Schools will exceed the percentage of socio-economic disadvantaged students (i.e., SED Students) proficient in math and ELA on the State Assessment in their respective host district.
Enrollment Covenant	Through FY22, a minimum of 1,100 students for Obligated Group School; thereafter a minimum of 1,200 students.
Other	Intercept of Lease Payments made by the Obligated Group Schools to the Obligated Group Members