

**BRIEF ANALYSIS**

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## Charter Schools and Urban Development

by Danielle Georgiou

Charter schools are independent public schools exempt from many of the rules and regulations that impede innovation and flexibility in conventional public schools. Traditionally, charter schools are sponsored by churches, community centers or nonprofit organizations, and cater to lower-income or needy families. However, they are increasingly becoming a tool for non-profit and commercial builders to lure young families into urban and suburban housing developments.

**Educational Role of Charter Schools.** Charter schools typically are found in urban areas and offer parents educational options where previously they may have had none. Among the reasons students leave their assigned public school for a charter is a poor academic experience. It is important to remember that charter schools educate a higher concentration of at-risk and disadvantaged students, which makes charters look bad in simple comparisons with other schools. According to the Center for Education Reform:

- Charter schools are smaller than conventional public schools and serve a disproportionate and increasing number of poor and minority students.
- However, test scores at charter schools are “rising sharply” and out-gaining conventional schools.
- Charter school students are more likely to be proficient in reading and math than students in neighboring

conventional schools, achieving the greatest gains among African-American, Hispanic and low-income students.

- Charter schools that have been open for years boast even higher achievement rates; a Harvard University study found charter schools that have operated for more than five years outpace conventional schools by as much as 15 percent.

**Charter School Growth.** Since the first charter school opened its doors in St. Paul, Minn., in 1992, they have

become one of the fastest growing and most successful education reforms in the country. According to the Center for Education Reform:

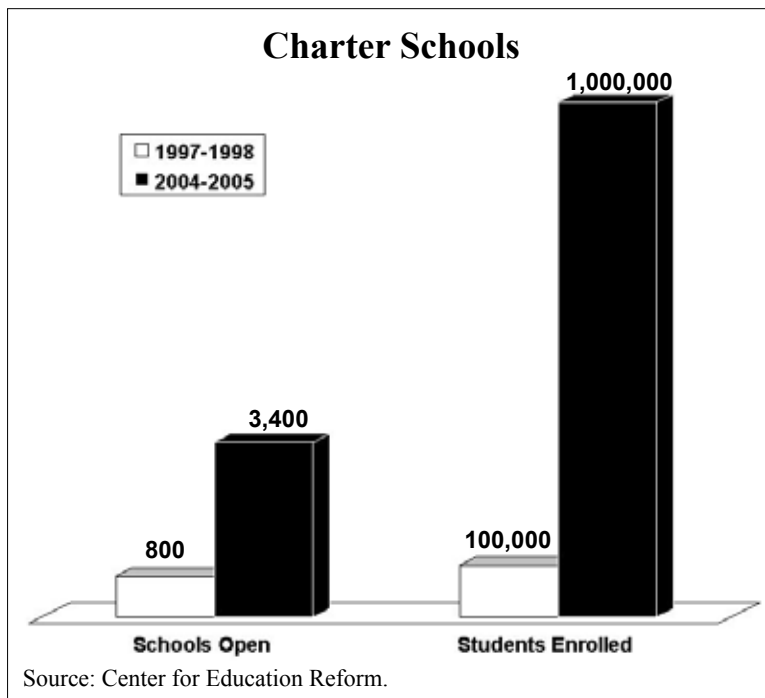
- By 1998, nearly 800 schools were open in 29 states and the District of Columbia, serving 100,000 students.

- During the 2004-05 school year, 3,400 schools were open across 40 states and the District of Columbia, enrolling almost a million students [see the figure].

A lack of capital, however, has been an impediment to charter

school growth. Construction of traditional public schools is funded by tax-exempt bonds that are repaid from taxes. Charter schools that are sponsored by school districts can also access those funds. Although taxpayers fund the operating expenses of independent charter schools, the independent schools typically depend on donated classroom space or privately financed construction. Hence, housing developers who perceive a demand for this amenity can make a major contribution to charter school growth.

**Charters and Housing Development.** Housing developers and community-based organizations are assisting



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charter schools by leasing, renovating or building new facilities. A charter school within a subdivision makes the development more appealing, thus increasing housing sales while lowering controversy and uncertainty over where children can go to school. Many of these new developments are in city centers, according to the *Journal of Housing and Community Development*. Better neighborhood schools in urban areas can reduce middle-class flight to the suburbs, a trend tracked through many states:

- In Massachusetts, the Lawrence Community Development Fund created a neighborhood charter school that runs a dual-language program for children in kindergarten through eighth grade.
- Universal Community Homes, which purchases abandoned properties and transforms them into affordable townhouses, sponsors the Universal Institute Charter School in south Philadelphia, Pa. In 2003 the school served 400 students; it now has a waiting list of another 400.
- In the North Lawndale community of Chicago, local developer Cecil Butler leased an unused building to LEARN Charter School. Currently, Butler and the school are involved in a \$6.6 million project to build a larger campus that will allow enrollment to expand from 108 to 450 preschool and elementary school students.
- New Jersey's New Community Corporation has helped build and revive charter schools, such as the New Horizons Community Charter School and the Lady Liberty Academy.

Chicago and other cities are planning to invest millions of dollars to rebuild local transportation lines to serve these schools.

The charter school building boom has spread from coast to coast. In 2004, Ken Lindholm decided to create a charter school for his new housing development in north High Point, N.C. He partnered with an existing charter, The Phoenix Academy, which will move to a new campus near his development, allowing it to increase

enrollment from 800 to 1,000. According to the *Greater Triad Area Business Journal*, the 100,000-square-foot school building on a 20.6-acre campus will create 200 to 300 new openings for area high school students. The \$13 million estimated project cost will be paid by leasing the facilities to the Academy.

In Los Angeles, Rob MacLeod renovated the Sheraton Townhouse Hotel into high-rise affordable housing. The \$18 million project includes 142 bedroom units for low-income seniors and families, stores, offices, a swimming pool and an on-site charter school.

**A Community-Based Organization Hot Spot.** Overall, the largest impact of charters on development can be seen in the South. The city of Pembroke Pines, Fla., originally partnered with Haskell Educational Services to build and operate its first elementary charter school; since then, six more schools have opened, serving a total of 5,200 students. But Miami-based Excel Development Corporation President Fernando J. Zulueta has had the biggest influence on charter school development. In 1997, he was the first Florida builder to put a charter school in a housing development. He built two 50-student facilities, each costing \$300,000; now he owns a chain of charter schools across the state.

A 2004 Florida law allows housing developers to steer impact fees that would otherwise have gone to school districts to charter schools in their developments. Supporters claim this will encourage developers to build new schools by donating land or money for construction. Today, nearly 300 charter schools are open in Florida.

**Conclusion.** Whether the new housing development charter schools are in urban or suburban areas, they will help improve public schools by providing competition. Thus, as the partnerships between charter schools and housing developments continue, urban renewal and neighborhood revitalization initiatives will stand to benefit families, developing inner cities and traditional public schools.

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