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Bill Perkins

Albany Charter Cash Cow: Big banks making a bundle on new construction as schools bear the cost

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Albany Charter Cash Cow: Big banks making a bundle on new construction as schools bear the cost

By Juan Gonzalez

Wealthy investors and major banks have been making windfall profits by using a little-known federal tax break to finance new charter-school construction.

The program, the New Markets Tax Credit, is so lucrative that a lender who uses it can almost double his money in seven years

In Albany, which boasts the state's highest percentage of charter school enrollments, a nonprofit called the Brighter Choice Foundation has employed the New Markets Tax Credit to arrange private financing for five of the city's nine charter schools.

But many of those same schools are now straining to pay escalating rents, which are going toward the debt service that Brighter Choice incurred during construction...

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