



EDUCATION NEWS

O.C. High School of the Arts lands \$30 million in financing

Farmers & Merchants Bank, Clearinghouse CDFI solidified the funding.

BY KRISTEN SCHOTT
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The Orange County High School of the Arts in Santa Ana's expansion efforts got a much-needed boost, thanks to a \$30 million financing deal from Farmers & Merchants Bank and the Clearinghouse Community Development Financial Institution (CDFI), among others.



The transaction, which closed on Friday, helped fund the nonprofit institution's purchase of the former O.C. Pavilion on Main Street, which has now become the OCHSA Center for the Arts and includes the new Margaret A. Webb Theatre, the school's main performance venue. The deal also included the purchase of a space south of the campus that will serve as the new visual arts facility, and the refinancing and renovation of three existing buildings.

"We are thrilled to have such committed community partners such as Farmers & Merchants Bank and Clearinghouse CDFI to help us undertake a project of this scale," said Ralph S. Opacic, president and executive director of OCHSA. "Rather than engaging in expensive new construction, we have chosen to engage in low-interest financing and adaptive reuse of commercial buildings in our neighborhood, a more fiscally prudent alternative that will also have a more immediate impact on our students."

The financing was made possible through the U.S. Treasury Department's New Markets Tax Credit Program, which seeks to boost revitalization efforts in low-income areas across the U.S.

Farmers & Merchants Bank, which is headquartered in Long Beach and operates branches throughout Orange County, acted as the deal's sole equity investor.

"When we were presented with an opportunity to powerfully enhance OCHSA's mission in support of arts education locally, and also play an instrumental role in the revitalization of the area landscape, we were thrilled with the opportunity to exemplify the same principles that have been critical to our own success for over 100 years," said W. Henry Walker, CEO of the financial institution.

Lake Forest-based Clearinghouse CDFI, a for-profit direct lender that provides economic opportunities for lower-income residents, acted as the Community Development Entity – an agency that invests in impoverished areas – under the program. A number of other private supporters of the school also played a part in the transaction.

Additionally, Opacic said the school hopes to raise \$21 million to repay the loans over the next seven years.

"This is an exciting time for us," he said, "but our pursuit of our dream is far from over.

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