



# Guide for Developing Housing for Ex-Offenders



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## Preface

In response to a need expressed by those throughout the offender reentry community and those who represent them, Cheri Nolan, Deputy Assistant Attorney General, Office of Justice Programs, U.S. Department of Justice, organized a focus group to examine the issues related to developing a guide for providing housing for ex-offenders. Represented in the group were people with a wide range of experience and commitment. The group indicated a willingness to look at innovative approaches, collaborative partnerships, and strategic plans for moving this initiative forward. The scale of the challenge of providing housing for ex-offenders requires developing new models. In response to the magnitude of the task, the focus group's discussions centered around not only exploring past research and experience but also pursuing new directions.

As anyone who has attempted to design and develop a major program such as this can attest, implementation is much more than simply identifying a group of stakeholders and selecting the program components to be applied. This guide is intended as a tool to help interested groups by presenting a step-by-step approach for developing housing for ex-offenders.<sup>1</sup> It is based on suggestions from people experienced in working with this and similar populations. There is not simply one best way to accomplish this task, rather there may be many paths that lead to successful operations. Some of the important variables in this equation are:

- The specific segment of the population to be served.
- The type of housing to be provided.
- Stakeholders to be included in each phase.
- Source and availability of funds.
- Management capacity for the program.



## Population To Be Served

This decision will be determined by several factors that should be carefully investigated.

### Housing Needs

Determine the greatest housing need based on the best available information about the prisoners expected to return to the community. This information, available from correction departments, parole offices, and other official sources, will provide specific data on people scheduled to be released and will be a valuable tool in planning the focus of your program.

### Available Housing Programs

Identify housing programs already in your area that serve ex-offenders. Careful research will provide vital information about programs currently in place: whom they serve, who operates them, the number of existing slots, and the types of collateral support services available.

### Key Stakeholders

It is important to understand the current situation in your community so that you can develop a coordinated strategy for collaborating with programs currently operating. To avoid competition with existing providers and to develop a coordinated approach that will leverage the local resources, you should initiate contact and full discussion early in the process. Competition for funds and other limited resources can often be avoided by strategic planning and developing collaborative relationships.



## Type of Housing

The first step in this component is to define your plans by deciding whether your focus will be on temporary, intermediate, or long-term facilities, or a combination of these.

The information gathered in the planning phase that deals with the characteristics of the population and the existing programs is an important step in this process. Housing for hard-to-serve populations has always presented challenges.

The rate at which prisoners are being released now will only exacerbate the housing problem. In the foreseeable future there will be a major gap between the need for housing for ex-offenders and the facilities available to respond to the demand; therefore, it is especially important to make good objective decisions at every step in the process.

In configuring your project and its size, there are several options for you to consider:

- Working with local service providers, the public housing authority and the U.S. Department of Housing and Urban Development (HUD), private and nonprofit developers, bankers, and corporate executives.
- Rehabilitating abandoned housing.
- Expanding existing local housing programs.
- Participating in consolidated planning strategies for affordable housing and homelessness (see [www.hud.gov](http://www.hud.gov)).

### Public Housing

The returning ex-offender may have lived in public housing before going to prison and may have family still living there. In this case the choice may be to return to public housing, but making these arrangements may be prohibited by local policies.

The local public housing authority may have vacant units and/or vouchers available; however, they may also have policies in place that prevent ex-offenders from living in their units. Negotiation at the local level will probably be the most effective method of addressing issues with the housing authority. Although HUD has certain jurisdictional responsibility relative to housing authorities, the local authorities set their own policies on matters such as resident selection.

In researching these issues with both HUD and some local public housing authorities, it is apparent that the real decisionmaking power is at the local level with the local public housing authority. Policies vary greatly throughout the country from one locale to another.

## Abandoned Property

If one of your goals is to rehabilitate abandoned housing, you will also have the opportunity to be a part of revitalizing the community as part of the process. The multiple components of this kind of project can make it an especially rewarding experience. It can not only supply housing and be a factor in neighborhood restoration, but it can also provide an opportunity for skills training and future employment for ex-offenders. Putting the various pieces together for this type of project will certainly present additional challenges because more connections must be established. However, these connections can add significant value to the project.

Obtaining the abandoned property can sometimes be a long process requiring extensive research: first to determine ownership and then to acquire the property. Local government can be helpful in

determining ownership of the property, taxes due, and any liens outstanding. It can also assist in the condemnation or forfeiture process if that is an appropriate option. Some departments of city and county governments that might be able to provide assistance are:

- Mayor's office.
- City manager's office.
- County executive's office.
- Economic development department.
- Code enforcement office.
- Tax collection department.
- City/county attorney.
- Housing and community development department.

Individual communities may have other specialized offices that can offer assistance.

Often, abandoned property already belongs to the city and can be obtained from the city with little or no investment, as it is in the best interest of not only the immediate neighborhood but the entire community to be rid of boarded-up properties. The city may even be willing to be a partner in the project if it can be shown that its involvement will provide a positive return to the local government.

### ***Skills-Training Component of the Abandoned Property Model Program***

A distinct advantage to a program that retrieves abandoned property is the opportunity that it affords to employ the ex-offenders directly in the

program. They can be major players in the program through a well-designed training program. A training program that helps participants develop construction and maintenance skills accomplishes two goals: (1) converting abandoned property into much-needed housing for the ex-offenders and (2) teaching ex-offenders basic skills that will help them find employment. The construction industry is one of the most willing segments of the economy to hire ex-offenders.

Funding and supervision for the training program may be available through the local Workforce Development Council. These councils operate in every locality throughout the country. They receive Federal funds for these programs to help people gain marketable skills that lead to employment and self-sufficiency. These funds originate in the U.S. Department of Labor, go through each State government, and then to the local councils. They can be helpful in a number of ways with training programs.

Don't overlook vocational and technical schools and labor unions in your area. They can help you design a curriculum and identify instructors. Labor unions, especially through their apprenticeship programs, may be an excellent partner in your efforts to develop a skills-training program. Other sources, unique to your community, may be of assistance with developing a training program. These groups will be important partners to identify.

Restoring abandoned property adds another dimension to your housing program, but as was stated earlier, it can produce extra benefits. If you are willing to extend your program in this direction, you can expect very positive returns.

## **Expansion of Existing Programs**

Regardless of the type of housing program you are developing, you will want to explore how it will complement existing programs in your area. You may decide to merely expand the types of programs that are currently operating, or you may want to develop a demonstration project to serve the ex-offender population at another step in its reentry.

This decision should be based on information about the returning population and the projected unmet needs. Always keep in mind the goal of presenting a continuum of service from the time the ex-offender first arrives in the community needing immediate housing through permanent stable housing for the long term.

Permanent housing may mean broadening your scope to include the needs of families and children of the ex-offender. Providing the opportunity to reunite families in decent housing can be an important way to help the ex-offender settle back into the community as a contributing member.





## Stakeholders

The list of stakeholders will probably be quite long and may vary greatly from one location to another and with the type of housing program you are developing.

Some of the stakeholders to be considered for inclusion are:

- Social service agencies.
- Community organizations.
- Faith-based groups.
- Foundations.
- Public housing agency.
- Continuum of Care contacts.
- Community development organizations.
- Private/public developers.
- Workforce development agency.
- Businesses.
- Bankers and corporate executives.
- Ex-offenders.
- Community residents.
- Health and mental health services (including public clinics).
- Community anticrime coalitions (e.g., Weed and Seed sites).

Every group in this list could be expected to make an important contribution to your program, although you may not need each of them and there may be others that you will want to include.

### **Involvement of the Neighbors**

One of the most challenging problems that you can expect to encounter is resistance from residents of the neighborhood where you plan to provide housing for the ex-offender population. Residents may be opposed to changes they perceive as not in their best interests especially before they have reliable information and become involved in the planning process.

It will be important that you prepare for neighborhood resistance by involving the residents early in the process and help them to understand the facts, thus neutralizing the fears and rumors that often circulate around these efforts. By letting the neighborhood residents know what kind of support services will be provided, what kind of safety measures will be in place, and any other protections that will be built into the program, you can help assuage their concerns.

You will want to make it clear that successful ex-offender reentry must involve the neighborhoods to which the ex-offenders will be returning. They have served their time and now need help in adjusting to a new life. Through the program that you are proposing, they will have a better chance of being successful as they return. This kind of outcome is in everyone's best interest.

If you are able to get the residents' cooperation, the program will have a much better chance of

succeeding. The optimum goal is to have them offer suggestions for what needs to be done and how they are willing to help. The neighborhood churches should also be involved. Having them assume a leadership role in the process can make a critical positive difference.

### **Involvement of the Ex-Offenders**

When identifying whom to involve in planning and developing your housing program, it is important to include the ex-offender population that is to be served. This group can help to inform decisions about their needs and the best way to design the program. Remember that when serving people, you want to do something with them, not to them or for them.

Experience has demonstrated that the population being served knows best what will work and what will not. You can save time and valuable resources by listening to their ideas and responding to their genuine concerns. Even though it may seem unnecessary to take this approach, in the long term it will provide real help in designing a successful program. This is a lesson that has been learned over time in serving many different groups, for example, low-income populations, immigrant groups, and people with disabilities. The same principles apply in designing programs for ex-offenders.



## Funding Issues

One of the first issues raised when discussing plans for developing a housing program is how to obtain the necessary financing. This vital and complex issue can be approached in various ways specific to each project.

### **Community Development Block Grants**

Government funding offers several options; however, the competition for these funds is great. Some government programs, for example, Community Development Block Grants (CDBGs), are not limited to housing assistance; therefore, you will be competing with other types of social and public works programs. Navigating through the maze of options will probably require professional assistance (see [www.hud.gov](http://www.hud.gov)).

### **HUD Section 8 Vouchers**

Housing authorities can assign up to 20 percent of their unused Section 8 vouchers to housing projects. This allowance can be 100 percent of the units in supportive housing projects. This provision makes units available to very low-income populations.

### **Emergency Shelter Grants Program**

This formula program provides grants to States, metropolitan cities, urban counties, and territories according to the formula used for CDBGs. Eligible activities include renovation, major rehabilitation, or conversion of buildings for use as emergency shelters for the homeless, as well as for food or transportation. This grant may also pay for activities to prevent an individual or family from becoming homeless.<sup>2,3</sup> Grants are awarded annually.

## **Continuum of Care Programs**

HUD believes the best approach for alleviating homelessness is through a community-based process that provides a comprehensive response to the different needs of homeless individuals and families. To this end, HUD has developed a concept to enable communities to share a comprehensive and coordinated housing and service delivery system called Continuum of Care. These funds can only be used for homeless individuals or families. HUD offers the following assistance programs (see [www.hud.gov/offices/cpd/homeless/index.cfm](http://www.hud.gov/offices/cpd/homeless/index.cfm)).

### ***Emergency Shelter Grants Program***

This formula program provides grants to States, metropolitan cities, urban counties, and territories according to the formula used for CDBG. Eligible activities include renovation, major rehabilitation, and building conversion for use as emergency shelters or transitional housing for the homeless. Grants are awarded annually.

### ***Supportive Housing Program***

This competitive program is designed to promote developing permanent and transitional housing and supportive services. Eligible activities include acquisition, rehabilitation, new construction, leasing, operating costs, and supportive services. Eligible applicants are States, local governments, other government agencies, private nonprofit organizations, and community mental health associations. Grants are awarded for up to 3 years.

### ***Shelter Plus Care (S+C)***

The purpose of this competitive program is to provide rental assistance for hard-to-serve homeless people with disabilities in connection with supportive services funded from sources other than this program. The four components of S+C are tenant-based rental assistance, sponsor-based rental assistance, single room occupancy for homeless individuals, and project-based rental assistance. Grants are awarded for up to 5 years.

### ***Section 8 Moderate Rehabilitation for Single Room Occupancy (SRO) Dwellings***

This competitive program is designed to bring more standard SRO units into the local housing supply and to use those units to assist homeless individuals. Eligible applicants are public housing authorities and private nonprofit organizations. Assistance may be used only for rental assistance and for administering the rental assistance. Grants are awarded for up to a 10-year term.

## **Federal Tax Credits**

Using Section 42—Low Income Housing Credits may be an attractive way to work with businesses interested in developing a package that will provide them with tax credits resulting from their support of your housing program.

Donating or selling surplus property at a very low price is another business incentive that has been used successfully.

## State Housing Finance Agencies

The largest source of funding for housing projects is the Housing Finance Agency (HFA). HFA funds come from the U.S. Treasury Department and are administered through State HFAs. The application process can be quite complicated and usually requires professional assistance; however, HFA funds are potentially an important resource for your project.

## Private-Sector Funding

Faith-based groups, businesses, and other organizations in your local area are also potential partners. Churches and other organizations with an active social agenda may already be providing housing and additional services to the ex-offender population. By combining efforts with these groups, it may be possible to leverage additional funding.

Foundations, both national and local, should also be researched as potential sources of funding for your project. Review the foundation's mission statement as well as the type of programs it has supported in the past. Prepare your application carefully, documenting your plans and demonstrating the accountability that is built into your program design. Again this process will be competitive.

The ideal financing arrangement will probably combine funding streams so that the program is not totally dependent on any one of them. There are advantages to having the flexibility that this arrangement can provide. There may be fewer restrictions on private funds, which may enable you to leverage the money and use it where it is most needed. A balanced financial plan should be developed early in the process.



## Management Capacity

Many of the stakeholders in your project will probably represent social service providers, community organizations, and faith-based groups. These are organizations with a mission and a commitment to serve people, and they will be critically important to the success of the program.

Equally important will be the capacity to manage the financial and operational issues that will be part of the organization structure. As you review the issues discussed in this guide, it will be obvious that this program contains all the elements of a business venture along with the service delivery aspects of a social program. The management challenges will be demanding. Without solid operational practices, accountability, and sound financial management, the program can quickly run into difficulty.

Neither side should be sacrificed for the other. Service providers are a necessary and essential component; so is a strong management structure. Coordinated strategic planning beginning in the startup phase of the program will provide a guide as the program develops.



## Checklist

This list is a reminder of what to include as you prepare to develop a housing program for ex-offenders.

### Leadership Issues

- Do the leaders have the commitment to operate and promote the program?
- Do the leaders have the experience to operate the program successfully?
- Do the leaders have a proven track record?

### Stakeholders

- Have the outreach efforts been successful in identifying stakeholders and bringing them together?
- Have sufficient time and effort been invested in ensuring that stakeholders have a commitment to the program?

### Financial Issues

- Is there a financial plan that includes an operating budget, an accounting system, and a long-range financial development guide?
- Has long-term funding been obtained that will sustain the program over time?

### Replication Issues

- Can this program design be readily replicated in other communities?
- Would the stakeholders be willing to share operating information and train others interested in replicating the design?

### **Reporting Systems and Monitoring**

- Is there a management information system designed to collect relevant data for essential program planning and management use? Does the system include the following elements?
  - Monitoring tool for the program.
  - Evaluation instrument for short- and long-term performance.

- Reporting process for stakeholders and funding sources.
- Experience-based report—what works and what doesn't.
- Communication plan.

### **Built-In Evaluation**

- Has an evaluation element been included in the program design?





## Case Study

### Harriet's House, Raleigh, North Carolina

Harriet's House,<sup>4</sup> a faith-based facility providing reentry services in Raleigh, North Carolina, is an example of a project that demonstrates many of the issues and concepts discussed in this housing guide. Harriet's House is based on strong community collaborative agreements among groups and individuals with shared goals and a strong sense of mission. The faith community has provided leadership for the project through a collaboration of 10 congregations representing a multiracial, multiethnic population.

The mission of Harriet's House is a straightforward statement of its purpose: *To strengthen low-wealth families and neighborhoods using a community economic development strategy that includes—helping families in transition; providing economic opportunities such as home ownership, job creation, and business development; providing affordable housing; and encouraging the spiritual well-being of the families and communities we serve.*

Harriet's House posed its challenge as a question: *How should reentry programs be integrated into low-resource neighborhoods (often the very, or similar, neighborhood the person lived in before entering prison)?* This is a complex question that cannot be answered by a single group. It requires many dedicated partners. The answer comes in a multilevel strategy that involves not only the people being served but also the community, faith groups, government agencies, and volunteers.

The primary goals of the Harriet's House strategy are to:

- Reduce recidivism.
- Assist mothers in regaining custody and care of their children.
- Help women obtain and maintain permanent, safe, and affordable housing.

- Help women obtain and maintain (living wage) employment.
- Help women return to the community and adopt a positive and responsible lifestyle.

The tasks associated with these goals represent a comprehensive set of progressive services including:

- An intensive wraparound case management system.
- Budgeting, credit, debt management, and savings assistance.
- Peer support, parenting classes, and Alcoholics Anonymous and Narcotics Anonymous meetings.
- Employment planning and support.
- Permanent affordable housing.

Challenges, issues, and threats to the success of Harriet's House include the following:

- Neighborhoods have limited resources.
- Initiatives like Harriet's House are new and still emerging.
- Drugs and prostitution continue to be prevalent, which can lead to a return to the old, negative behavior.
- Parole violations are common.
- Employment choices are limited.
- Housing inventory is limited—substandard housing is prevalent.
- NIMBY-ism (not in my backyard) views exist.

Opportunities to address these issues include:

- Developing a housing, employment, and services strategy.

- Providing intensive services.
- Providing opportunities for people to live on their own.
- Helping women learn personal living skills.
- Pacing ex-offenders' return to parenting until they have adjusted to being self-reliant.
- Adopting an intergenerational approach.
- Celebrating successes—family reunions, sisterhood retreats.

Harriet's House has divided its program into four phases so that the process is easier to manage. Recognizing that an early start will be important to its success, the program actually begins before phase I officially starts. The first contact is 3 months before release when the woman is referred by a prison social worker. (The woman must have custody of her children and have no charges of child abuse against her.) The referral is followed by an initial intake, which includes a face-to-face interview and a psychological assessment. A letter of acceptance is issued, and on the release date, a case manager or a parole/probation officer will transport the woman from the facility to Harriet's House.

### **Phase I: Supervised Living (First 6 Months)**

During this phase, which is called clustered community living, the women live together in shared, supervised living quarters. A case manager works with them onsite, and they are expected to:

- Seek employment.
- Begin a budgeting program.

- Obtain a general equivalency diploma (GED) or acquire new skills through vocational rehabilitation or job training.
- Participate in mental health counseling, substance abuse treatment sessions, and parenting group classes.
- Fulfill random urine screens and curfew checks. Begin weekend visits with children, resulting in longer visits.

## Phase II: Transitional Living (6–12 Months)

During this phase, the children are more involved in the total process:

- Women live in a clustered community, but in their own unit with their children under their supervision.
- Children are reunited with their mothers and are participating in community activities, attending and thriving in school, and attending family and individual counseling sessions as necessary.
- A housing analysis is conducted to determine the best type of permanent housing for independent living.
- Monthly housing inspections are conducted during this phase with random urine testing and case management continuing.

## Phase III: Community Living (6 Months)

In this phase, the women are much more independent but still receiving support:

- Women have secured permanent, affordable housing.

- Women are living independently in permanent housing units, fully employed.
- Women are still connected to the support system but with decreasing case management.
- Women, now fully employed, learn to navigate within peer networks and the community.

## Phase IV: Aftercare (6 Months)

The women are now in permanent housing. They are monitored in all areas of previous phases. The women in this phase should be managing all areas such as:

- Finances (paying rent on time, maintaining a savings account).
- Parenting.
- Staying “clean” and sober.
- Maintaining employment.

The current capacity of Harriet’s House operation limits its services to no more than 14 families each year, with the average residency period of 18 months.

Program administrators carefully track the successes in the program so that adjustments can be made where needed.

Year to date served: 64 women, 117 children

Recidivism: 5 arrests, 6 reconvictions (8–10 or 12 percent )

Number placed in permanent housing: 46 (77 percent)

Number employed: 50 (83 percent)

Homeowners: 4

The need for more slots is obvious, and Harriet's House is ready to respond when additional funding is available.

Harriet's House receives funding and support from various sources, including:

- HUD.
- North Carolina Department of Correction.
- Local churches.
- Corporations.
- Foundations.
- Individuals.

Longer term reentry issues identified by Harriet's House are:

- Providing access to resources for rehabilitation in the neighborhood.

- Developing permanent affordable housing in the neighborhood.
- Developing nonresidential interventions to assist men and women as they return to their neighborhood of origin.
- Creating economic opportunities and developing employment strategies in the neighborhood.
- Strengthening family and personal networks already present in the neighborhood.

Additional information about Harriet's House is available by contacting:

Jeanne Tedrow, Executive Director  
Harriet's House  
(919) 834-0666, ext. 230  
[www.passagehome.org](http://www.passagehome.org)



## Case Study

### The Fortune Society, New York, New York

The Fortune Society<sup>5</sup> is a large nonprofit organization that has been delivering services to and advocating on behalf of men and women within the criminal justice system since 1997. Its broad range of services has been developed over time in response to its clients' needs. It has collaborated with other agencies to obtain the best available services, and when service gaps have been identified, it has developed its own delivery system. The wraparound services include extensive counseling, GED preparation, skills training, job search assistance, job coaching, and myriad other services.

As The Fortune Society worked with larger numbers of people returning from incarceration, it became obvious that housing for this population was a basic need that was not being met. Without adequate housing, the goal of successfully reentering society was a nearly insurmountable task. A safe and secure place to live becomes a prime stability factor for people rebuilding their lives. Housing may be one of the most important issues for ex-offenders reentering society, but it also may be the hardest problem to solve. The issues associated with providing housing can be overwhelming, but The Fortune Society has demonstrated that it can be done and in the process has provided a model for others to follow.

#### Planning Phase

Although The Fortune Society has a long and successful history of serving people involved with the criminal justice system, it had never operated a housing program and never even owned property. It also lacked experience in obtaining funds and negotiating terms for capital projects. Recognizing the difficulty of the task it was about to undertake, The Fortune Society began a comprehensive planning process involving its board of directors, staff members, clients, and volunteers. It hired two organizational psychologists to facilitate the sessions and assist in defining a vision and a blueprint for the future. The consultants advised the group that other issues had to be worked out first.

## Management and Leadership

Management, leadership, and trust issues had to be resolved if The Fortune Society was to grow from a small organization under the direction of a hands-on executive director to a large, expanding, and dynamic organization. This was a difficult and stressful time with weekly meetings often filled with heated and emotional discussions facilitated by the consultants.

Partly because of financial restraints, this consultant phase of the process ended. The group continued to meet on its own, ultimately hiring another consultant to bring closure to the strategic planning process. The outcome of this process was a plan for a transformed management structure, a change in its culture, and priorities for the next 5 years.

## Property Search

After reviewing clients' needs, the board of directors agreed that The Fortune Society should search for property suitable for housing a significant number of ex-offenders. The organization began working with a real estate company in New York City. During the search process it toured more than 20 properties, although it found the one it wanted about halfway through the search. The organization continued to look to be certain it had the best possible site for the project. The property it selected is located at 140th and Riverside Drive, known in the West Harlem community as "the Castle."

The castle-style structure was built in 1913. Although New York City later acquired the property to convert it for institutional use, it sat vacant for 43 years. After so many years of neglect, the

building was essentially a shell that had been used by vagrants and was a place for drug activity. Despite the sad appearance of the property, when The Fortune Society had the building professionally evaluated, it was declared structurally sound.

## The Castle

The Fortune Society purchased the property for \$1.28 million, making a downpayment of \$380,000 and obtaining a mortgage from Fleet Bank for the remaining \$900,000. Now the task was to develop a design for the project and procure funding.

The Fortune Society board made some significant decisions during this entire process. It decided to keep its downtown location operational as well as developing the Castle property so that it could serve a citywide population. It also decided to develop a service center in the Castle and build housing facilities on the lot adjacent to it.

## Fundraising

It quickly became clear that obtaining funds for the service center was going to be much more difficult than raising funds for housing. As the organization obtained funds for housing from the State, it could see that grant deadlines were going to bring new pressures. In addition, the low-income housing tax credits it had received would expire if it did not provide the housing by a certain time.

In reviewing these issues, the board made a decision to divide The Fortune Academy Residence and Service Center into two phases, with the residence component being the first phase and the

construction of the service center the second. The board saw definite advantages to this plan: (1) construction estimates indicated that rehabilitation of the Castle would cost no more than new construction; (2) the light, air, and space in the Castle were much superior to those on the adjoining site; (3) it was better not to build a new structure next to a vacant shell of a building; and (4) it immediately addressed the community's concern and The Fortune Society's promise to save and rehabilitate the Castle as a stabilizing element in the neighborhood.

## Program Design

As well as advantages, there were also new obstacles with the change to a phased project. The Castle did not have as much space available for housing as the planned new building; however, The Fortune Society was able to develop a new design that would meet the needs. In the new design, emergency housing accommodations are dormitory style instead of shared apartments. The "phased-permanent" apartments are a mix of single and double occupancy rather than all single units as originally planned, although the new design actually provides more housing for phased-permanent residents than originally planned.

There are 18 beds available for emergency housing in a dormitory setting with each client having private storage space that can be locked. Throughout the facility, privacy and security for the clients and their possessions are important. Newly arrived residents begin in the emergency housing where they remain as long as necessary, sometimes a few weeks, usually less. At this time, they receive counseling and evaluation to help determine their needs and their individual abilities and hopes.

"Phased permanent" describes The Fortune Society program model, meaning permanent for this phase of the client's life with the ultimate goal being independent living for each one, but not moving them out to homelessness. Each apartment has its own bathroom, and the larger phased-permanent apartments have their own kitchenettes. The residents live from 6 to 18 months in phased housing while they also receive support services including substance abuse treatment, HIV/AIDS services, independent living skills training, education, career development, counseling, and family services.

During this time, residents are expected to work and/or attend training approximately 35 hours a week. They also perform community service 10 hours a week. Some of the classes are offered at the Castle; however, because of the lack of space most offerings are not onsite.

The Fortune Society wanted its program to be inclusive. The entrance requirements are simple: the person must be a homeless released prisoner who poses no current threat of violence and is interested in and appropriate for services being provided. The Fortune Society has high expectations once the person becomes a resident, but not high entrance requirements. The Fortune Society describes this as "low threshold, high expectation, and high support."

## Capital Funding

The Fortune Society had no prior experience in funding a capital project; therefore, it sought the best professional help it could find. Most of the grant proposals submitted were funded. The following list describes the various funding sources for the project.

- **New York State Homeless Housing and Assistance Program (HHAP).** The first grant applied for was through HHAP. This funding totals almost \$4.3 million and is in the form of an interest-free 30-year loan. HHAP will continue to monitor the project over the 30-year period. If The Fortune Society continues to provide housing for homeless individuals, the entire principal of the loan will be forgiven. The HHAP loan got The Fortune Society more than halfway to its overall budget of \$7.8 million including more than \$700,000 in predevelopment costs.
  - **New York State Division of Housing and Community Renewal (DHCR).** DHCR was the second major source of capital funding. DHCR distributes Federal tax credits to organizations that provide low-income housing. The Fortune Society applied for these tax credits and received an award for \$1.6 million. Ten years of tax credits are provided up front to The Fortune Society during a syndication process. The syndicator, the Enterprise Social Investment Corporation, has become The Fortune Society's limited partner on the project and will monitor the project to ensure viability for the entire 10-year period covered by the tax credits. The Fortune Society has set aside \$647,000 of the \$1.4 million in an operating reserve account to help ensure project success by covering any budget deficits and paying for emergencies.
  - **U.S. Department of Housing and Urban Development (HUD).** HUD provided The Fortune Society with \$1.2 million in additional funding over 3 years, of which \$300,000 was to be used to rehabilitate the facility. The other \$900,000 was to pay for housing and supportive services for HIV-positive individuals. This grant was later modified so that all \$1.2 million was available for operating the facility and providing supportive services.
  - **Historic Tax Credits.** The Castle is a beautiful structure with an almost 100-year history. One of the organization's goals was to restore the building as close as possible to its original state; however, the tight budget did not allow for the cost of historic restoration, for example, replacement of the slate roof, custom windows, and repair of damaged terra cotta decoration. The Fortune Society applied for historic tax credits through the New York State Office of Parks, Recreation and Historic Preservation and the U.S. National Park Service and received \$972,000 to restore the exterior of the building to historic preservation standards. In 2003, the organization received an award from the New York Landmarks Conservancy for the renovation of the building.
  - **Capital Campaign.** The last part of securing capital funds has been one of the most difficult. The Fortune Society enlisted the assistance of a well-known capital funding organization that donated its valuable guidance to develop a plan to raise the final \$1 million. With gifts from its trustees, its donor base, and others, there is only \$150,000 remaining toward its goal.
- The capital campaign was extremely challenging for The Fortune Society, which had no established experience in these efforts. It does not have a traditional fundraising board with one-third of its members mandated in the bylaws to be ex-offenders. The population that The Fortune Society serves does not have a large constituency of support; nevertheless, the end goal is in sight.

## Operations Funding

A campaign to raise funds for operations was conducted simultaneously with the capital campaign. The challenge for The Fortune Society was to ensure that the needs of the clients and the



agency's vision would drive the program rather than the funding sources assuming that role. It was important that they obtain "cross funding," thereby ensuring that no single agency would control the program. Having flexibility built into the program design meant that the organization had the ability to have broad entry requirements, making it possible to open its doors to more homeless ex-offenders.

With three separate grants from HUD, certain categorical groups were covered, for example, HIV-positive people, substance abusers, and people with disabilities. A grant from the State of New York was specifically targeted for providing services for homeless people in the winters of 2003 and 2004. Other grants from Federal, State, and local funding sources in addition to foundation grants and donations from community supporters have provided the base from which The Fortune Society operates.

## Community Relations

Although fundraising, both for the operating budget and for the capital improvements, was very challenging, the most difficult task for the organization was establishing good relationships with the community. The NIMBY (not in my backyard) factor was very strong. The neighbors did not want ex-offenders moving into their area, and some of them raised vocal protests. The community had been negatively impacted over the years by crime. They feared the project would be just another false start.

The Fortune Society hired a community relations consultant to advise them on how to work with

the community. It made presentations at different community meetings to dispel rumors and explain its plans. It also invited the neighborhood residents to visit its other sites to see the programs it provided. Representatives from The Fortune Society began attending six community meetings each month. That practice has continued to the present time. The organization has also made the space at the Castle available for neighborhood gatherings.

Gradually the mood has changed. The Fortune Society listened to the community and responded to concerns that were raised, which demonstrated that it cared about the neighborhood and intended to stay. The most difficult and sustained challenge to the project came from the neighborhood resistance, but with patience and perseverance The Fortune Society has made friends and gained supporters. It recognizes that gaining neighborhood acceptance and support is an ongoing process that it will have to continue.

## The Future

The Fortune Society is still developing the Castle site, evaluating both process and outcomes. It intends to continue adding to the program and services offered. Further, it wants to share the lessons learned and help others follow and expand on the model created at the Castle.

Additional information is available from:

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## Notes

1. The guide was prepared by Pat Gilbert under contract with the Executive Office for Weed and Seed, Office of Justice Programs.
2. Definitions of Homeless Individual and Chronic Homelessness: **Section 11302. General definition of homeless individual** (*pursuant to McKinney-Vento Act—Revised*); (a) In general, for purposes of this chapter, the term “homeless” or “homeless individual or homeless person” [1] includes: (1) an individual who lacks a fixed, regular, and adequate nighttime residence; and (2) an individual who has a primary nighttime residence that is (A) a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill); (B) an institution that provides a temporary residence for individuals intended to be institutionalized; or (C) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.
3. Chronic Homelessness (*as adopted by HUD, the U.S. Department of Health and Human Services, and the Veterans Administration*): An unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more or has had at least four episodes of homelessness in the past 3 years.
4. Description adapted by Pat Gilbert, who served as a consultant to the Executive Office of Weed and Seed (EOWS) in preparing this guide.
5. Condensed by Pat Gilbert from the full-length description of The Fortune Society’s housing program as posted on the EOWS Web site at [www.ojp.usdoj.gov/eows](http://www.ojp.usdoj.gov/eows).