

## **The Fortune Academy: Housing for Homeless Ex-Prisoners From Dream to Reality**

In 1997, The Fortune Society – a non-profit organization founded 30 years earlier and devoted to serving and advocating for men and women involved with the criminal justice system – embarked upon its most ambitious project to-date: opening a residential facility in West Harlem for recently released prisoners returning to New York City. Fortune had no prior experience in operating a housing program or in owning property and, along the way, faced tremendous obstacles in terms of funding for the project and resistance from the neighborhood. Despite these and other challenges, right on target with its five-year plan, Fortune opened the doors of its new housing facility in April, 2002, with the support of the community. The Fortune Academy houses 59 emergency and longer-term beds, provides an array of services and employs a caring, experienced staff who understand the complex needs of those coming out of incarceration. The innovative program model, the creative capital and operations financing for the project, and the strategy employed to “win over” the neighborhood have led to national interest in The Fortune Academy as a model for providing housing to the ex-prisoner population.

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### **The Dream**

In 1996, The Fortune Society began an intensive strategic planning effort that involved members of its Board, staff, clients and volunteers. The whole process lasted several years. In the first phase, Fortune hired two organizational psychologists who facilitated the sessions. The group met weekly every evening in one of Fortune’s large group rooms. While the ultimate purpose of the strategic planning effort was to articulate a vision and blueprint for the future of the agency, the consultants advised Fortune that the first piece of work for the group was to address the issues of management, leadership and trust that needed to be worked through in order to take the agency from a small organization run by a hands-on executive director to a large and growing organization that required a strong management team. This work was messy, difficult and necessary for the agency to move forward. It took months of often heated and emotional discussion that was facilitated by the consultants. When this phase ended, in part for financial reasons, the group continued to work on its own for many months. As the organizational dynamics were worked through, Fortune engaged the Community Resource Exchange (CRE) to provide the technical assistance needed to bring the strategic planning process to closure, with their services paid for by one of the agency’s government funding sources. The agency emerged from this process having made fundamental transitions in its management structure and culture, and with a set of priorities for the next five years.

In the discussions about the future direction of the agency and the unmet needs within its client population, the greatest service need cited by both clients and the primarily ex-offender staff who participated in the strategic planning initiative was safe, stable housing for those recently released from incarceration. Staff talked about how difficult it is to scour New York City on a moment’s notice looking for safe shelter when someone just released from prison who has nowhere to go lands on the agency’s doorstep. They described how the limited decent housing resources available often screened recent releasees out of eligibility because of requirements like months of “clean time” free of drugs, an impossible standard to reach for someone newly released, or because of exclusions based upon criminal record. Clients talked

about how important safe, stable housing is to retain a job or to remain free from substance abuse. Fortune had always known that safe, affordable housing in the context of life-stabilizing services such as counseling, substance abuse treatment and employment services is central to a former prisoner's reintegration to society. What crystallized for the organization during this process was the realization that we needed to create housing that was specifically crafted to include rather than to exclude the clients walking through the agency's doors, and to meet their special needs. The dream for what would ultimately become The Fortune Academy was born.

### **The Need**

What Fortune knows from its more than three decades of experience about the needs of those coming out of incarceration, and what was articulated by staff and clients during its strategic planning initiative, is supported by factual evidence: housing is among the most pressing needs of someone coming out of incarceration. Some studies suggest that 30 to 50% of parolees in New York City are homeless following their release.<sup>1</sup> Many others live on the edge of homelessness, as they return to unstable or short-term living arrangements. In New York City, finding housing is more difficult than in many other places across the country. According to a *New York Times* article in July 2000, the waiting list for public housing has 130,000 families; the list for rent vouchers has 215,000. Out of desperation, recent releasees often find their way into the New York City shelter system, which is plagued by violence and drugs. Many forego the shelters because they feel safer living on the street. Furthermore, as reported in the *NYT* article described above, the inflation-adjusted value of welfare's housing allowance has fallen more than half since 1975. Today, the City provides single welfare recipients with \$215 for rent, which does not come close to the monthly cost for an apartment, not even a studio apartment, in New York City. Minimum wage earners, like many of Fortune's employed clients who have little legitimate work experience and have to work their way up the career ladder, are not much better off. In fact, according to the National Low Income Housing Coalition, in New York City, a minimum wage earner (earning \$5.15 per hour) can afford monthly rent of no more than \$268, while the Fair Market Rent for a studio apartment is \$815. Locating suitable apartments is beyond difficult, especially for someone trying to make the transition from incarceration to the community.

Furthermore, the New York City housing subsidy system presents a specific problem to those who have full-blown AIDS and are eligible to receive HASA (HIV/AIDS Services Administration) rent enhancements because of their deteriorated health. There is significant delay in receiving the subsidy check. It can take as long as six to eight weeks for a client to qualify as HASA-eligible and even longer to receive a payment. This wait can mean the difference between a client securing livable housing or ending up in the shelter system or on the street. It is even more difficult to find housing for clients who are HIV-positive but not yet symptomatic, and therefore not eligible for enhanced subsidies. The inability to afford housing in the open market often has left Fortune clients remaining homeless or in severely substandard housing that jeopardizes their sobriety and their ability to stay out of jail or prison.

### **“Key Players”**

After getting the approval of its Board of Directors to explore the feasibility of developing a housing initiative, The Fortune Society began assembling “the team” of people needed to explore, develop and implement this housing project. JoAnne Page, Executive

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<sup>1</sup> Joan Petersilia. When Prisoners Return to the Community: Political, Economic, and Social Consequences. *Sentencing and Corrections*, November 2000.

Director, would lead the team through the entire project. **JoAnne Page**, Executive Director of The Fortune Society, began working with prisoners through the National Thresholds Volunteer Program when she was 18 years old. Ms. Page received a Bachelor of Arts degree from S.U.N.Y. Binghamton in 1976, and her Juris Doctorate from Yale Law School in 1980. During the summer after her first year of law school, she worked as a volunteer tutor and counselor trainer for The Fortune Society. Ms. Page's career in criminal justice work began full-time after law school. She spent three years as a staff attorney with The Legal Aid Society's Criminal Defense Division in Brooklyn. In 1983, she became Director of Court Programs at the Court Employment Project in New York, designing and managing the agency's felony alternative to incarceration programs. Ms. Page became Executive Director of The Fortune Society in 1989 and continues to serve in this capacity. In addition to her position as Fortune's Executive Director, Ms. Page has been extremely active in the criminal justice and human services fields, including having served as a Commissioner on the National Criminal Justice Commission and as a Board member for the New York State Defender's Association. She currently chairs the Executive Committee of the Milton S. Eisenhower Foundation Board of Trustees.

**Roland Nicholson, Jr.**, the Chair of Fortune's Board of Directors was also a key player in the development of the project. Mr. Nicholson has been on the Board of Directors of The Fortune Society for over 14 years and since 1998 has served as its chair. Mr. Nicholson received a B.A. from Morgan State University in 1970 and a J.D. from Hofstra University Law School in 1974. The following year he was a Reginald Heber Smith Community Law Fellow at Howard University Law School. From 1976 to 1977 he was Legislative Counsel to the New York State Assembly, responsible for advising the Assistant Majority Leader on issues related to health, welfare, and labor. For the last 16 years, Mr. Nicholson has served PCA Associates as a consultant on the mechanics of conducting elections and has lectured to various groups on election procedures. He has been a member of the Legal Advisory Committee of the Greater New York Hospital Association, the Board of Directors of the Albany Urban League and the New York State Coalition for Criminal Justice in Albany, which he also served as Vice Chairperson.

**Bruce Kiernan**, Senior Development Consultant to The Fortune Society, brought his wealth of experience developing capital projects for groups such as Housing Works, where he consulted from 1992-1995. Mr. Kiernan has spent more than 20 years working in human rights and social welfare organizations. In addition to his work with The Fortune Society, Mr. Kiernan is a senior consultant to a number of non-profits including the Hauser Foundation in New York City and the Pontifical North American College in Vatican City State, Rome. Mr. Kiernan has served as the Vice President for Development at the Union Theological Seminary and was the Director of Development for the Federation of Protestant Welfare Agencies in the 1980's. Mr. Kiernan is a member of the Board of Directors of the Center for the Independence of the Disabled in New York and the Milton S. Eisenhower Foundation in Washington, DC.

**Steve Aronson** is a New York City businessman with years of experience managing companies in the garment industry. He joined Fortune as a volunteer prior to the start of the strategic planning process, working as a tutor and advising the Executive Director on financial matters. His volunteer contributions included assisting the agency on two separate occasions in re-negotiating the rent that it paid for its downtown office space.

The first decision of the internal team was to hire a firm with extensive experience in developing housing. Fortune contracted with **Burchman, Terrio, Gephardt & Quist Urban Consultants**, a New York-based consultant group with more than twenty years experience in

developing residential facilities, including housing for low income and homeless people, persons and families living with HIV/AIDS, and disabled people. Burchman Terrio worked with Fortune on every aspect of The Fortune Academy project. They played a critical role in the shaping of the design of the program, participated in the interviewing of prospective architectural firms, developed budgets, identified funding streams, recommended a syndicator for the tax credits (described below), helped oversee the construction of the building and provided counseling on how to operate the facility.

Another critical member of “the team” was **Perkins Eastman Architects**. Perkins Eastman is an accomplished design firm that offers excellence in architecture, programming, planning and interior design. They have expertise in numerous areas, including civic, cultural and justice facilities, commercial development, urban design and planning, educational facilities, facilities for the aging, healthcare and housing. Perkins Eastman was hired early in the process and assisted Fortune in choosing a site, designing the facility and hiring a contractor. They were instrumental in ensuring that the project proceeded in a timely fashion and was completed near the projected budget.

After receiving tax credits that needed to be sold, Fortune hired the **Enterprise Social Investment Corporation** to syndicate the tax credits. Enterprise is a nationwide leader in developing low income and special needs housing projects. By signing on to syndicate Fortune’s tax credits, Enterprise took on a vested interest in seeing the project become successful. Enterprise became an important consultant and lent their decades of experience in building and operating housing facilities to The Fortune Society.

When it came time to renovate the Castle, Fortune interviewed a number of different contractors before choosing **Procida Realty and Construction**. Procida is a highly regarded construction firm headquartered in the Bronx. Procida worked in conjunction with Fortune, Burchman Terrio, Perkins Eastman, Enterprise and New York State to see that the building was restored properly and in a timely manner.

**The Greyston Foundation** also played a significant role in The Fortune Academy project. Greyston is an organization that provides jobs, housing, social services and healthcare to low-income residents in Westchester, New York. Early in the planning process, members of Fortune’s housing team visited Greyston’s housing complex to learn how they had designed and were operating their program. When construction was nearing completion, Fortune hired Greyston as a consultant to assist in designing and implementing its housing program.

**Diana Davila-Ross**, Deputy Executive Director of Programs, oversees services provided at The Fortune Academy. She and the Executive Director worked closely with the Greyston Foundation to design the housing program, including the complex requirements necessary to comply with tax credit regulations. Ms. Davila-Ross joined The Fortune Society in 1988 as a counselor and drew upon her personal experience with the criminal justice system and her counseling skills to help others with their transition from incarceration to the community. She now oversees services in the areas of housing, health, counseling, alternatives-to-incarceration, court advocacy and family services. She has a Bachelor’s degree from the State University of New York.

**Beth Finnerty** joined the agency as Deputy Executive Director of Finance and Administration during the pre-development stage of the project. Ms. Finnerty was primarily responsible for project oversight and worked closely with the project consultants, the architects and the construction company. She was instrumental in developing project budgets, managing the design process and hiring the contractor. Ms. Finnerty has a Master’s Degree in Economics

from CUNY and over 10 years of management experience overseeing budget and fiscal operations for local AIDS programs and the public sector. Before coming to Fortune, she was the Director of Finance at AIDS-Related Community Services (ARCS) and was an Associate Director at the Bureau of Management and Budget of the City of Yonkers.

**Michael Byrne** replaced Beth Finnerty in 2000 and took over managing the construction phase of the project until his departure in mid-2003. Mr. Byrne worked closely with the contractor and architect to ensure that the project was completed on time and within budget. He attended weekly construction meetings where he approved financial and construction changes to the project. Before coming to The Fortune Society, Mr. Byrne worked at the Vera Institute of Justice for nearly 20 years—the last nine of which he spent as Treasurer and Chief Financial Officer. He has a B.S. in Accounting from Seton Hall University and is a Certified Management Accountant.

### **The Purchase of the “Castle”**

With the help of Burchman, Terrio, Gephardt & Quist and Perkins Eastman, in the spring of 1998, The Fortune Society identified and purchased a property at 140<sup>th</sup> and Riverside Drive in Manhattan - known to the West Harlem community as “the Castle.” The cost of the building and the adjacent lot was \$1.28 million – Fortune was able to put \$380,000 down and secured a mortgage from Fleet Bank for the remaining \$900,000.

Six hundred thirty Riverside Drive is historically and architecturally significant as the former home of St. Walburga’s Academy of the Society of the Holy Child Jesus, a forward-thinking institution offering exemplary education for girls in the early twentieth century, and as a distinguished example of enlightened school construction of the period. The castle-like style structure was completed in 1913 and served as a boarding and day school for girls run by the Society of the Holy Child Jesus throughout the first half of the 20th Century. The structure is also historically significant to the neighborhood as it was built from schist excavated when New York City constructed the Interborough Rapid Transit subway, the first subway line in New York City. The structure bears resemblance to other structures in the neighborhood built at that time, including the City College of New York. The “Castle” briefly served as a Yeshiva in the mid-twentieth century and remained abandoned for most of the last 43 years.

The purchase of the Castle was the culmination of a long and exhaustive search. Fortune looked at a total of 22 sites in many neighborhoods: Downtown Manhattan, The Lower East Side, Harlem, Chelsea, The East Village, The West Side and Chinatown. Fortune also looked at other factors including zoning, the neighborhood, transportation, the suitability of the site based on our needs and price range. Using these factors as our guide, “The Castle” at 140<sup>th</sup> and Riverside was far and away the best site for The Fortune Society. It was affordable and had everything Fortune was looking for as well as the added feature of being a beautiful, historical structure.

### **The Capital Funding**

Procuring funding for the proposed project was an enormous challenge. Shortly after acquiring the building, the Team laid out a preliminary design for the project. The plan was to house a service center in the “Castle” and build a residence on the adjacent lot to provide housing. Originally, it was thought that The Fortune Society would fully operate out of this West Harlem site and would vacate the downtown offices. This idea was modified after extensive discussion,

with the goal of providing services both uptown and downtown to keep the ability to effectively serve a citywide population.

Along the way, it became apparent that obtaining funding for the service center was going to be far more difficult than raising the money for the housing. Fortune began to secure funding to build low-income housing in a relatively quick fashion, while funding for the service center lagged behind. As this scenario continued to play out, Fortune began to run up against deadlines. One funder, the New York State Office of Temporary and Disability Assistance, had a specific timeframe for their money to be spent, and the money would be forfeited if the timeframe were not met. In addition, Fortune received low-income housing tax credits that would expire if the agency did not begin providing housing by a certain date. Given these time-pressures and the difficulties in raising funding for the service center, The Fortune Society's Board of Directors elected to develop The Fortune Academy Residence and Service Center in two phases. Phase one would be the construction of the residence, while phase two would be the construction of a service center. Until the resources were available to build the service center, supportive services would be provided on site at the residence and at Fortune's downtown locations.

Following the decision to complete the project in phases, Fortune's Board of Directors further decided to shift the residence to the Castle (as opposed to building the service center in the Castle and constructing the residence on the adjacent lot, as originally planned). The advantages of this scenario were: 1) construction estimates indicated that rehabilitation of the Castle would be no more expensive than new construction; 2) light, air, and views in the Castle structure are significantly superior to those provided by the adjoining construction site; 3) it avoided construction of a new residential facility next to a vacant shell building; and, 4) it immediately addressed the community's concern and Fortune's promise that the Castle would be saved and rehabilitated to provide a stabilizing force in the neighborhood.

While the decision to shift the residence into the Castle offered numerous advantages, it also created a number of obstacles that needed to be overcome. The Castle was not as spacious as the planned new building and some of its space was not conducive to providing housing. To enable the Castle to accommodate the residence, Fortune altered its plan. The original plan called for shared emergency apartments but provided that all of the longer term ("phased-permanent") apartments would be single-occupancy. Because of space limitations, the new plan called for some of the phased-permanent apartments to be single-occupancy and some to be double-occupancy. This new design enabled Fortune to provide phased-permanent housing to more individuals than originally envisioned and to create a client flow that begins with emergency housing, and then moves to double-occupancy and single-occupancy phased-permanent housing. (The term "phased permanent," meaning permanent for this phase of the client's life, was coined by Burchman Terrio to describe a program model that would meet both Fortune's desire to move clients into independent housing once they were ready and the interest of funders in providing permanent housing to ensure that clients were not pushed out into renewed homelessness).

The initial budget for the project was produced in 1998. As the different phases of the project—site search, design, fundraising—moved forward, the cost of construction in New York City rose astronomically. In 1998, the estimated price to renovate the Castle was \$120 per square foot. By 2000 that cost had risen to \$160 per square foot. This added 33% to the total cost of the project, requiring Fortune to raise significantly more money. For these reasons, The Fortune Society decided to apply for historic tax credits and to use the money raised for the

capital campaign—which was originally designated for the service center—to renovate the castle for housing.

The Fortune Society had never undertaken a capital project in its history, so Burchman Terrio was instrumental in locating funding sources and in helping Fortune to prepare proposals that were likely to be funded. Surprisingly, nearly every grant proposal Fortune submitted was funded. The various sources of capital funding for the project are described below:

- **New York State Homeless Housing and Assistance Program (HHAP)** – The first grant Fortune applied for was through HHAP. The funding from HHAP totals \$4,286,000 and is in the form of an interest-free thirty-year loan. HHAP continues to monitor the project over the thirty-year period and, if Fortune continues to provide housing to homeless individuals, the entire principal of the loan will be forgiven. The HHAP loan got Fortune a little more than halfway to its overall budget of \$7.8 million (including over \$700,000 in pre-development costs).

- **The 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. Fortune applied for these tax credits and received an award in the amount of \$1.6 million. Ten years of tax credits are provided up-front to Fortune during a syndication process. The syndicator, the Enterprise Social Investment Corporation, has become Fortune’s limited partner on the project and will monitor the project to ensure the viability of the project for the entire ten years the tax credits cover. Part of the \$1.4 million, \$647,000, has been set-aside in an operating reserve account to help ensure project success by covering any budget deficits and paying for emergencies.

- **United States Department of Housing and Urban Development (HUD)** - This grant provided Fortune with \$1.2 million in additional funding over three years, of which \$300,000 was for use 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 earmarked to operate the facility and to provide supportive services.

- **Historic Tax Credits** - As mentioned previously, The Fortune Academy is a beautiful, nearly 100 year-old structure with a long and important history. Fortune wanted to restore the building as closely as possible to its original state, but was hampered by a very tight budget that did not allow for the cost of historical restoration, including replacement of the slate roof, custom windows, and repair of damaged terra cotta decoration. To help with the restoration, Fortune applied for Historic Tax Credits through the New York State Office of Parks, Recreation and Historic Preservation and the United States National Parks Service. Fortune received \$972,000 in additional funding to restore the exterior of the building to historic preservation standards and has applied for landmark status for the building (In 2003, Fortune was given the prestigious Lucy G. Moses Preservation Award by the New York Landmarks Conservancy for the renovation of the building).

- **Capital Campaign** - The last piece of the capital funding puzzle has been one of the most challenging. In 2000, after key pieces of the capital funding were in place, Fortune initiated a capital campaign to raise the last \$1 million. Michael Sinkus, Chair and CEO of Marts and Lundy, a renowned fundraising firm that specializes in capital campaigns, graciously donated his time to work with Fortune on its campaign. Under this firm’s guidance, the plan set in motion by the development office and spearheaded by Bruce Kiernan and JoAnne Page was to raise this money by soliciting Fortune’s trustees, 40-50 prospects from its donor base, and new prospects introduced to the campaign by trustees and other stakeholders. Almost immediately,

Fortune received its first major gift - \$300,000 - from one of its donors and raised another \$200,000 from its trustees, the Executive Director and several donors.

In April of 2001, Fortune applied for a capital grant from the Kresge Foundation, a highly reputable, national funder of capital projects. The Kresge Foundation grant selection process is highly competitive. Upon review of Fortune's proposal for funding, key Fortune staff were asked to fly to Detroit, Michigan for a meeting with the President of Kresge. Despite Fortune's best efforts, the Academy project was not awarded a grant.

One of the major challenges of this campaign has been continuing to fundraise after the construction was completed. The Academy opened in April of 2002—at the halfway point in the capital campaign. To respond to this reality, the capital campaign is being defined to include supporting costs associated with ongoing program development and implementation at The Fortune Academy and related supportive services for men and women coming out of incarceration.

The capital campaign has been a great challenge for The Fortune Society. It is the agency's first effort to raise capital money and Fortune does not have a traditional fundraising board as evidenced by the fact that, according to the organization's by-laws, one-third of its board must be ex-offenders. In addition, Fortune's mission has never been a popular cause and its client base largely consists of individuals who are amongst New York City's poorest and most disadvantaged residents. Despite these challenges, the campaign is progressing. The Fortune Society has a few dozen dedicated supporters with substantial resources, whom JoAnne Page and Bruce Kiernan have been approaching for gifts to the campaign. In March of 2003, Fortune secured a pledge of \$300,000 from one of its donors, bringing the campaign to its final stage, with roughly \$150,000 left to go.

### **The Operating Funding:**

As the capital funding was being put in place, Fortune began seeking funding to operate the facility. Part of the challenge of raising operating funds was the agency's commitment to having client needs and agency vision drive the program design and client eligibility criteria, rather than having these critical decisions driven by funder mandates. This meant a deliberate policy of "cross funding" the Academy's operating costs so that no single funder or group of funders would "own" the program, and to avoid funding that placed restrictions on the program that conflicted with agency values, mission and program design. This decision meant that the program initially operated in deficit while the needed funding streams were brought in. However, the result of this funding approach has been an enormous and almost unprecedented freedom of program design and continuous evolution, and an equally unusual ability to craft client eligibility requirements so broadly as to make it possible for the overwhelming majority of motivated jail or prison releasees who are homeless to be eligible for program admission if space is available.

As stated above, Fortune received \$900,000 from HUD to provide housing and supportive services to HIV-positive ex-offenders. Fortune also applied for and received a second grant from HUD to provide housing and services to substance abusers and persons with other disabilities. A third grant was secured from HUD to provide housing to additional HIV-positive individuals. The Fortune Society also received subcontracted funding through the New York City Department of Homeless Services (DHS) for seasonal money to provide housing for homeless persons during the winters of 2003 and 2004. Finally, Fortune has been awarded Shelter Plus Care funding to pay the difference between the standard public assistance allotment

for housing (\$215) and the actual price of an apartment for 40 residents, half of them within the Academy and half placed in apartments in the larger community. Bits and pieces of additional funding are provided through client emergency and housing line items in some of Fortune's other state, federal and city government funding, through small foundation grants, and through donated funds, clothing and furniture provided by Fortune's many community supporters.

The operating budget for the Academy is a work in progress, as we adjust the staffing lines and salary levels to match the evolving program design. Because of the commitment to ensuring a physically safe environment with intensive counseling intervention, the Academy has 24-hour, seven-day-a-week coverage by both security and counseling/case management staff.

### **The Program**

Once the decision was made to move forward, a great deal of thought and research went into developing a comprehensive program plan that would address the needs of homeless ex-offenders. Fortune wanted to develop a model for housing ex-offenders that could be implemented by the agency and replicated by other organizations across the country. This thought and research led to the innovative program design that was implemented at The Fortune Academy. This model features emergency and longer-term housing and includes a broad range of supportive services designed to stabilize the residents and assist them in building skills and attitudes to enable them to transition successfully from incarceration to the community.

The Fortune Academy Residence and Service facility houses fifty-nine formerly incarcerated persons. Eighteen beds are utilized for emergency housing clients—people returning from incarceration who have absolutely nowhere else to go for the night. These clients will generally remain in the emergency housing beds from a few days up to several months. There are also forty-one phased-permanent beds reserved for longer-term housing clients. These clients have graduated from the emergency beds and live in either single or dual occupancy housing units. They will remain in these units until they can be stabilized and linked to permanent housing—a process expected to take from six to eighteen months. Every room in the Academy has a bathroom and all of the longer-term units have a kitchenette. The facility also has an industrial kitchen, which is used to prepare meals for residents, and, in the future, will be used to train clients in food service jobs. The facility also has a community space that accommodates 118 people and is used as a lounge and meeting space for residents and for the local community.

The program model calls for a combination of housing to provide a stable foundation from which clients may simultaneously address their multiple needs and the provision of supportive services to help clients deal with the issues that led to their incarceration and build skills that will lead to a healthy, crime-free existence. All residents of The Fortune Academy are expected to engage in services, either at the Academy, at one of Fortune's downtown service centers or at a sister agency. These services include substance abuse treatment, HIV/AIDS services, independent living skills training, education, career development, counseling, family services, and recreation. Recently, thanks to donated computers from New York University, the Academy has installed a state-of-the-art computer lab. Eventually, The Fortune Academy facility will have education and career development programs on-site. Fortune is in the process of raising funds to support these services. The community space has moveable partitions, which can be used to create smaller spaces for multiple uses, such as classrooms and group rooms.

The Fortune Academy program also includes housing specialists. The overarching goal of the program is to provide clients with a seamless transition from incarceration to permanent

housing in the community. This seamless transition includes three stages of housing: 1) emergency housing; 2) longer-term housing for approximately six to eighteen months; and 3) permanent housing in the larger community. During their stay at the Academy, clients receive services to stabilize them and to meet any needs they may have. They also receive counseling from the housing specialist, who prepares them for their move to permanent housing.

Fortune's residential facility offers an innovative model of housing and supportive services designed specifically for people coming out of incarceration. One way in which the model differs from other available housing is that it is deliberately low-threshold in its eligibility requirements. Many of the other housing opportunities available to Fortune clients require either a period of time drug-free or exclude individuals with certain criminal convictions. Others have funding-based eligibility criteria such as requiring that clients have a full-blown AIDS diagnosis or be referred directly from the shelter system. Cross-funding has allowed the Academy to draw some of our residents from within the tighter eligibility requirements set by a number of restrictive funding sources (such as that persons be HIV+), but have allowed the program to keep some beds bound by no more than general requirements that clients be homeless at intake. While Fortune has high expectations once people are placed in our program, our only entry overall criteria is that prospective residents must be homeless released prisoners who pose no current risk of violence and are interested in and appropriate for services being provided. We describe our program as "low threshold, high expectation and high support."

There are a number of other aspects to the program that are innovative and distinctive. First, Fortune is serving ex-prisoners. The Fortune Society was one of the first organizations to recognize the need for housing for people returning from prison and jail in the face of the flood of prisoners being released as the consequence of the large increase in the prison population in the 1990s. This is an underserved population that is predominantly African-American and Latino, has a high prevalence of HIV/AIDS and is characterized by high levels of substance abuse. The program is also designed to fill gaps in services provided by other government and nongovernmental organizations. The housing program is inclusive of individuals who are not eligible for other programs, it provides rental subsidies for individuals who cannot afford market-rate housing, and it provides funding for moving expenses, which can be a serious impediment to individuals finding permanent housing. By knowing the needs of our clients and working closely with the other government and non-governmental organizations, Fortune designed a program that helps fill many of the gaps in existing services.

### **The Community**

Immediately following the purchase of the 630 Riverside Drive property in March of 1998, The Fortune Society scheduled meetings with every elected official who represented the newly purchased site. Fortune's Executive Director met with someone from each of their offices—sometimes the elected official, often times their Chief of Staff. The list included the U.S. Congressmen, New York City Councilmember, State Senator and State Assemblymember. Fortune wanted to inform them of our presence in the community and describe our plan for developing the site.

Fortune began attending local community board meetings and made presentations to explain the work of The Fortune Society and its plans for the property to the members of the West Harlem community. A number of the local community residents were unreceptive to The Fortune Society and did not want ex-offenders moving into their neighborhood. Some residents were vocal in their opposition to the proposed project. Fortune was determined to persuade the

community that we were good prospective neighbors and that the proposed initiative would be a positive influence on the neighborhood. To assist in this endeavor, Fortune hired a community relations consultant, Geto and DeMilly, to advise us on how to work with the community. With their assistance, Fortune persevered and continued to make presentations at different community board and tenant association meetings, dispelling rumors and meeting individually and in groups with concerned neighbors and community leaders. Community residents were invited to visit Fortune's other sites to see the programs and their "feel" first-hand.

In addition to describing the agency and the proposed project, Fortune listened to the community and heard their concerns about the project and made efforts to allay those fears through words and deeds. The community informed Fortune that an illegal parking lot was operating on the lot next to the Castle and was the site of extensive drug trafficking. Fortune quickly moved to close the lot. Neighbors complained that the site was an eyesore, so Fortune hired a company to clean up the site. Fortune was informed that drug dealing and use was taking place inside the shell of the building and that a homeless man had been living there for years. The agency responded by providing the man with case management services, finding him alternative housing, boarding up the building, fencing in the lot and hiring a security firm to patrol the premises. Community residents complained that snow and ice had not been removed from sidewalks in front of and alongside the property for the past twenty-plus years. Fortune dutifully sent employees to clear snow and ice during the winter season.

The biggest complaint Fortune heard was that many organizations come to the West Harlem community to "dump" their projects, but do not become a part of the community. Fortune's intention all along was to become an important part of its new community and devoted enormous time and energy to being good neighbors. Since purchase of the shell of the building in 1998 and continuing to this date, Fortune has attended six community meetings a month, including four community board meetings, the police precinct council meetings, and Friends of Riverbank State Park. Two Fortune staff members, Vaughn Jackson and Edmund Taylor, have been critical in this endeavor. Mr. Jackson and Mr. Taylor are both residents of the West Harlem community and have lived in the community their entire lives. They represent Fortune at the six monthly community meetings and were instrumental in allaying the fears of local residents and building constructive relationships with many community members. Fortune also continued to provide the community with updates on the progress of the project. As the project neared completion, Fortune assembled a Community Advisory Board. This board was formed to help keep Fortune apprised of community needs, to advise Fortune as it shaped and managed services at the Academy and to keep the community aware of the progress and endeavors of The Fortune Academy.

The West Harlem community is a group of neighborhoods that have been negatively impacted by crime and by the criminal justice system. A large percentage of its inhabitants have been incarcerated and returned to the community with little support. Fortune showed itself to be a resource for these community members by providing services to community members' loved ones who had been arrested or recently released from jail or prison.

An issue that arose shortly after purchase of the property (perhaps as a result of community opponents' efforts) was the attempted seizure of the property by the New York City School Construction Authority. Citing eminent domain, the School Construction Authority informed Fortune that they would be taking possession of the property to open a new school (with the likelihood that the Castle would be torn down and replaced by new construction). Fortune, which had already put a great deal of time and effort into planning, designing and

fundraising for The Fortune Academy, quickly assembled a team to fight the seizure of its property. The team included Geto & DeMilly, Fortune's Board Chair, Roland Nicholson, Jr., Bruce Kiernan, Sr. Consultant, Perkins Eastman Architects, Burchman Terrio, Fortune's Executive Director and the law firm of Weil Gotschal. Weil Gotschal was brought in to represent Fortune in this matter on a pro bono basis. Fortune decided on a two pronged strategy: to appeal to the School Construction Authority by describing the merits of the project and describing the time and effort that had already been put into the project; and to show Fortune's commitment to fight to keep the property. After much discussion about strategy, including the law firm's counsel that effort to fight eminent domain in the courts would ultimately be unsuccessful, Vaughn Jackson met with a school superintendent, whom he knew through another context, convincing him of the importance of the project to the community and the progress already made toward bringing it to fruition. This superintendent, Dr. Bertram Brown, set up a meeting with the school superintendent in The Fortune Academy's district, who got Fortune a meeting with representatives of the School Construction Authority. After a meeting with representatives with the School Construction Authority, the Authority changed its decision to claim the Castle and expressed its desire to work with Fortune in providing services in the community, especially to the family members of its younger students who were being released from incarceration.

Over the four years between building purchase and opening of the Academy doors, community members got to know Fortune as a neighbor and meeting participant, and witnessed the agency's commitment to the project, the neighborhood and the building. Many community residents began to recognize that Fortune had purchased a dilapidated building that was probably going to be torn down and was fighting to save it. Fortune takes great pride in the building and has had it listed on the National Register of Historic Places by the United States Department of the Interior. Getting the building listed on the National Register of Historic Places meant a great deal to many of the local residents who took pride in their neighborhood.

Slowly but surely, a shift in the position of many community members took place. They saw that Fortune was serious about becoming a permanent and constructive member of the community. They also saw that Fortune was determined to see the project through to fruition. In the end, Fortune was able to garner a great deal of support for the project from a community that was initially vehemently against it. Many of those most strongly opposed to the project at its inception now sit on its advisory board and are among its strongest supporters.

### **The Reality**

The Fortune Academy opened its doors in April of 2002. The first residents ranged in age from 18 to 67, having served terms of incarceration that ranged almost as widely, including one man who had just been released after serving 27 years. Almost from its opening, the Academy was seen as a national model for housing homeless released prisoners, and received extensive media attention. The Fortune Academy was featured in articles in *The New York Times*, the *New York Daily News*, *New York Observer*, *New York Newsday*, *Hoy*, *New York Amsterdam News* and the *New York Beacon*. The Academy was also featured on a number of television shows, including *WABC-TV News*, *Black Entertainment Television News*, *Telemundo* and on *WBAI* and *WNYC Radio* among others. It is described on the national HUD web site as a model for housing HIV positive releasees, is one of a small number of programs across the country being described as a model reentry program by the Urban Institute and is being featured in a video that they are producing for national distribution, and is cited extensively in a forthcoming book on providing

supportive housing for released prisoners. Presentations about its progress and the lessons learned have been made at a number of national conferences.

The program itself is a work in progress. A weekly meeting with residents and staff is held on Thursday nights to develop and implement the program model, tapping the knowledge and experience of those who know best what is working and what is not working: the residents who live in the building. At the same time, the meeting works to build the culture of the Academy community, seeking to create an environment that draws upon the life experience and skills of 59 adults who have learned the survival skills of living behind bars and turning those individuals into a community that gives its members the skills necessary to survive and thrive as constructive members of mainstream society.

The Academy is still very much in startup, facing challenges both of management and of program design. During this process, an enormous investment of executive and senior management time is being made in the program, and significant programmatic challenges still need to be thought through and addressed. Primary among them is the challenge of moving clients out into the larger community when their earning capacity is limited and New York City is desperately lacking in affordable housing. This challenge is especially vivid in the emergency housing component of the program, with very limited time available to maximize clients' sources of income.

The Fortune Society has deliberately taken on a project that addresses gaps in services that are not being addressed elsewhere for very good reasons including paucity of available funding and unresolved societal issues. The agency does not have the answers but does, in keeping with its history and mission, have a fierce commitment to supporting its clients in struggling with their issues and their life transitions.

## **The Future**

The Fortune Society has much to do to move the Fortune Academy from start-up to mature program. The agency is committed to evaluating both process and outcome, and to sharing the lessons that have been learned with others who wish to provide housing to released prisoners...

And we have a gleam in our eyes as we look at the empty lot behind the Castle...owned by The Fortune Society, zoned for development as housing and a service center...although there is not a penny in the bank for construction...

Soon it will be time to start a five-year plan for Phase 2.

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Fortune is glad to provide information about the Fortune Academy and its other services, and welcomes visitors. Our website, [fortunesociety.org](http://fortunesociety.org), provides an overview of the agency and its services.

Additional information may be obtained or arrangements for visits made through:

The Office of the Executive Director

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