



Castle Gardens

The Fortune Society's second development is an expansion of the existing Fortune Academy complex (known as "the Castle") in West Harlem. As a **green**, integrated, mixed use – affordable and supportive -- housing project and service center, Castle Gardens provides 114 new construction affordable housing units, including:

- 50 furnished studio apartments for individuals who are homeless with incarceration histories
- 13 one, two- and three-bedroom units for homeless families with at least one member who is formerly incarcerated;
- 50 studio to three-bedroom apartments affordable to community residents and families earning 50-60% of Area Median Income and;
- 1 apartment for live-in superintendent.

Owner, Sponsor and Service Provider: The Fortune Society (Fortune)

Co-Developer: Jonathan Rose Companies

Tenant Profile: Formerly incarcerated homeless individuals with special needs or homeless families with at least one member who is formerly incarcerated with special needs (including substance abuse, mental illness, and/or a physical disability), and low-income households.

Service Approach: Fortune provides a comprehensive array of professional services to support individuals in establishing stability, to achieve full independence and re-entry into the community. All clients receive a service assessment and on-going case management and counseling to help them identify both their strengths and their unmet needs.

Key Features and Innovations:

- Provides affordable and supportive housing.
- Residents of Castle Gardens can access supportive and reentry services at the onsite 20,000 square foot Service Center. Services include counseling, case management, substance abuse treatment, financial planning and vocational education.
- Energy-efficient green design certified by LEED, based on standards that will lead to significant long-term health benefits and cost savings.
- Other Castle Gardens highlights include:
 - Computer lab and library
 - 725 square foot conference and event room with state-of-the-art technology also serves local community groups
 - Office and meeting space for Fortune's staff and program

CSH and the Sponsor

The Fortune Society is a nationally known non-profit provider of services for formerly incarcerated people in New York. CSH has publicized Castle Gardens to partners nation-wide in efforts to advance the concept of integrated reentry housing. CSH began its formal collaboration with Fortune in 2006 by providing the agency a \$15,000 MetLife feasibility grant and a \$50,000 Project Initiation Loan (PIL). CSH provided Fortune a \$647,000 predevelopment loan in 2007 for Castle Gardens.

As Fortune did not have the development expertise in house to identify capital funding, submit applications, oversee construction and generally manage the development process, they hired Jonathan Rose Companies (JRCo) to serve as their co-developer on this project. JRCo is a mission-based, for-profit real estate development company founded in 1989. CSH assisted Fortune and JRCo negotiate a good working relationship through understanding each other's roles and perspectives and provision of memorandum of understanding templates.

Financing Information

Capital

NYS Housing Finance First Mortgage	\$ 3,600,000
NYS Housing Finance Second Mortgage	\$ 4,000,000
Federal Home Loan Bank Affordable Housing Program	\$ 1,500,000
NYS Office of Temporary and Disability Assistance, Homeless Housing Assistance Program	\$ 5,500,000
NYC Supportive Housing Loan Program (SHLP)	\$ 8,300,000
Mayor's Fund	\$ 250,000
NY City Council	\$ 2,000,000
Borough President Capital Funds	\$ 1,000,000
NYS Energy Research Development Authority	\$ 239,390
Enterprise Green Communities	\$ 50,000
Low Income Housing Tax Credits	\$16,060,594
Deferred Developer Fee	<u>\$ 1,000,000</u>
Total	\$43,499,984

Operating and Service Sources

The operating budget is funded through Low Income Housing Tax Credit rent rolls and Project-Based Section 8 Vouchers.

The supportive services are funded by the Department of Mental Health and Hygiene New York/ New York III and a number of governmental and foundation funders.

About Fortune Society

The Fortune Society's mission is to support successful reentry from prison and promote alternatives to incarceration, thus strengthening our communities. Fortune does this by believing in the power of individuals to change, building lives through holistic service programs shaped by the needs of our clients and delivered by culturally-competent, professional staff, and changing minds to promote the creation of a fair, humane and truly rehabilitative correctional system. Fortune has served New Yorkers since 1967 and over the years, Fortune has evolved into one of the nation's preeminent reentry service organizations with a \$19 million annual budget. It serves approximately 3,000 new criminal justice clients each year, approximately 95% of whom are persons of color. This target population is generally poor, often chemically addicted, and disproportionately homeless or at risk of homelessness.

About Jonathan Rose Companies

Jonathan Rose Companies' mission is to repair the fabric of communities by working with cities, not-for profit organizations and private clients. The firm's development work focuses on building diverse, mixed-use, and transit-accessible, mixed-income communities or individual buildings that function as important components of communities. The firm focuses on projects that will be models and can be replicated by others. Projects range from housing for people with special needs to downtown mixed-use development.

About CSH

The Corporation for Supportive Housing (CSH) is a national non-profit organization and community development financial institution that helps communities create permanent housing with services to prevent and end homelessness. Founded in 1991, CSH advances its mission by providing advocacy, expertise, leadership, and financial resources to make it easier to create and operate supportive housing. CSH seeks to help create an expanded supply of supportive housing for people, including single adults, families with children, and young adults, who have extremely low-incomes, who have disabling conditions, and/or face other significant challenges that place them at on-going risk of homelessness. For more information about CSH, please visit www.csh.org.



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