

Redevelopment of J. F. Cook School

Meeting DHCD's Policy Objectives

Policy Objective Proposed by Applicant's Response to Proposal

The Latin American Youth Center (LAYC), a not-for-profit organization incorporated in the District of Columbia, is seeking Low Income Housing Tax Credits (LIHTC) and DHCD/DMH funds for the purpose of developing supportive housing for a special needs population -- homeless youth (ages 16-24) who have mental health needs (Please see the letter of support from Steve Baron, DC Department of Mental Health Director, at Exhibit Q). The proposed project will create 24 units of supportive housing for runaway homeless youth at the J.F. Cook School.

Project Location and Design

The J.F. Cook School is located at located at 30 P. Street NW, in the Shaw neighborhood of Washington, D.C. – one of the Neighborhood Investment Fund target geographic areas that is undergoing rapid gentrification. The District of Columbia Public Schools recently closed the J.F. Cook School and awarded it to the Latin American Youth Center for development of a charter school and housing for homeless youth. The Cook School has three floors. The charter school will be located on the first floor and the housing units will occupy the second and third floors. LAYC anticipates creating 25 units in total. One unit will be set aside for a residential adviser. We will allot 3,736 square feet in the building for administrative and program space. The remaining units will be reserved for young people. The design of the residential portion of the project is compliant with standards set by Enterprise Foundation's Green Communities program.

Youth as a Special Needs Population

Every year over 150 youth exit the District of Columbia's foster care system and, according to the Department of Youth Rehabilitative Services (DYRS), over 200 youth from the District's juvenile justice system re-enter their communities. Both these populations of young people often do not have family to support them and/or the skills to live independently. There are also youth that are not connected with either the foster care or juvenile justice systems who find themselves homeless because they lack the education or language capacity to obtain a well paying job. In the District the overall drop-out rate is approximately 42% and for non-English speakers has been recorded as high as 50%. According to data from Annie E. Casey Foundation's 2006 *Kids Count Data Book*, among 18-24 year olds in the District of Columbia, 16% are not working and not attending school. These youths are disconnected from the mainstream, and therefore isolated from the habits, responsibilities, and learning that takes place in the job, school and at home. They are more likely to become homeless, commit crimes, and to develop mental and/or substance abuse disorders.

In general the substance abuse and mental health problems among young people in the District of Columbia is alarming. The substance use profile for District youth suggests early initiation is highest among African American and Latino youth born in the U.S. DC students reported the following: by high school age (and many times much earlier), 55.5% had tried cigarette smoking; 66.1% drank at least one drink of alcohol; 41.7% had used marijuana; 6.2% had used any form of cocaine; and 8.8% had used ecstasy.

The District of Columbia Public Schools (DCPS) participates in the Youth Risk Behavior Study (YRBS) which monitors six categories of risky behaviors and attitudes among middle and high school students. Data from the mental health portion of that study show a disturbing increase in the percentage of students who "felt sad or hopeless;" 26.8 % of high school students reported feeling that way when asked that in 2007 (up 5% from 2005). In 2007, 14.9% of high school students said that they had seriously considered suicide, which was up 4 % since 2005. Statistics were similar in middle school students, 23.9% said they had seriously considered killing themselves and 13.1% said that they had even made a suicide plan; both of these percentages increased since 2005.

HIV/AIDS rates are also higher amongst homeless young people because of their vulnerability to risky behaviors and the prevalence of prostitution as a means of support. Half of all new HIV infections annually occur in young people under 25 years of age (Centers for Disease Control, 2008).

The Need for Housing with Supportive Services

LAYC, Sasha Bruce Youthworks, and Covenant House are the largest three providers of housing for homeless youth in the District of Columbia. While LAYC operates the only bilingual, community-based housing service in the District, all three organizations provide educational programs, HIV testing and counseling, medical and mental health care, and job training and placement to their homeless population. That said, among the three organizations there are only 81 beds for homeless young people. The DC Alliance of Youth Advocates reports that on any given day the demand far exceeds the supply of beds -- over 2,000 homeless youth seek services in D.C. each year. Consequently, 80%, or four out of five, of homeless youth in DC are denied access to shelter or housing support each year.

In addition, resources that were once available to a portion of the homeless youth population no longer exist. A youth exiting the foster care system used to receive funds from the D.C. Child and Family Services Agency (CFSA) to pay for initial housing and living expenses. Unfortunately, these funds are no longer available. Therefore, a youth emancipating from CFSA's care leaves without any financial support whatsoever.

Recruitment of Youth to the Program

LAYC will refer young people that are on waiting lists at other LAYC operated residential programs to the Cook School. LAYC's Street Outreach Program will also identify youth living on the streets for the program. Additionally, LAYC will partner with Sasha Bruce and Covenant House to select and refer young people to the program.

Capacity of Latin American Youth Center to Provide Supportive Services

In addition to housing, LAYC intends to provide the following supportive services to the residents living at the Cook School: education; job training; health services; mental health services; HIV testing and counseling. LAYC will partner with the D.C. Charter School Board, the D.C. Department of Mental Health and several local not-for-profits. LAYC counts on program support

from The D.C. Addiction Prevention Recovery Administration (APRA) and the Substance Abuse and Mental Health Services Administration (SAMHSA), a division of the U.S. Department of Health and Human Services (HHS).

Education and Job Training – LAYC’s YouthBuild Public Charter School (YouthBuild PCS) will expand to a second campus at the J.F. Cook School. Four years ago the Latin American Youth Center founded the first campus of the YouthBuild PCS in Columbia Heights. The Charter School provides classes in both Spanish and English and gives young people who have dropped out of the District’s public school system a second chance to finish their high school education. The Charter School operational expenses (non-facilities) are funded through the D.C. Residential Charter School Board per pupil allocation for 2010 is \$14,909 according to the DC Charter School Board’s website (<http://www.dcpubliccharter.com/pcschools/nonrestitution.html>).

The new campus will provide the residents at the Cook School with the opportunity to receive their GED or a high school diploma. Students at the school will also receive construction training and job preparation instruction. Most likely, young people from the YouthBuild’s PCS original campus will help in the construction of the housing units at the Cook School campus. Moreover, while attending school and construction training the students will be paid a stipend.

Health Services – LAYC will enroll all the residents in the school in Medicaid or Alliance health care insurance programs. Moreover, LAYC will partner with both Unity Health Care and Mary’s Center, not-for-profit health care providers in the District, to provide health services to the residents of the Cook School (Please see letters of support from Unity Health Care, La Clinica del Pueblo, and Children’s Hospital at Exhibit S). Unity Health Care’s Walker Jones Health is approximately 4 blocks from the Cook School site – making it easy and convenient for youth to have regular appointments.

Mental Health Services –LAYC is a D.C. Department of Mental Health (DMH) Certified Core Service Agency. Currently LAYC has a 3 year contract with DMH to provide mental health services to young persons residing in the District of Columbia (Please see letter from DMH at Exhibit Q). LAYC intends to extend the services provided through this contract to the residents at the Cook School.

Substance Abuse Services -- LAYC is a certified out-patient level one substance abuse and addictions program. LAYC currently has a contract with APRA to treat youth with substance abuse problems in the District of Columbia.

HIV/AIDS Testing and Counseling –LAYC currently has a grant from SAMHSA to provide HIV/AIDS testing, counseling, and referrals. In addition, program staff provide HIV/ AIDS/ STI/ SA prevention workshops.

Capacity of the Development Team

Latin American Youth Center

LAYC, one of the nation's leading youth development agencies, has for almost 40 years provided wrap-around educational, job training, counseling, and other services to low-income immigrant and minority youth. LAYC programs have helped thousands of young people make the transition to successful young adulthood.

LAYC has founded two public charter schools that lease space inside of LAYC-owned facilities: the Next Step Public Charter School and the YouthBuild Public Charter School (LAYC YBPCS). The Next Step Public Charter School is situated on the second floor of LAYC's anchor site located at 1419 Columbia Road, NW. The site was formerly an apartment building. In 1997, LAYC bought and renovated the building for use as a youth-development facility. The second floor was built to suit the specific needs of the Next Step Public Charter School and has a separate certificate of occupancy for use as a public charter school facility. LAYC currently provides property management services to the Next Step.

LAYC founded LAYC YBPCS in 2005 as a public charter school and continues to provide oversight and support to the school. LAYC YB PCS is located in Columbia Heights, one of DC's neighborhoods with a large Latino population. In addition to serving Latino youth in this neighborhood, the school serves young people from all over the city, with most coming from nine high-poverty census tracts.

LAYC YBPCS as school and program has over 12 years proven ability to track and report outcomes such as placement rates and GED attainment rates to multiple stakeholders and funders, including the federal government, private foundations, and local school district. The school has a culture of reporting internally on outcomes on a daily, weekly, monthly and yearly basis to assess where to target resources in order to improve. For example, attendance, an interim indicator of outcomes such as literacy and numeracy gains and GED attainment rates, is tracked daily by the school's Student Attendance Specialist and e-mailed to all staff by 10:00 a.m. Staff call students by 1:00 pm to find out why they are absent. A student who is unreachable by phone for three days receives a home visit by a case manager. These visits often discover a major issue in the student's life that is impeding educational success, e.g. the family is about to be evicted. Schoolwide academic testing is done every three months by the Director of Testing. Test scores are documented in student files, tracked on spreadsheets and in databases, and reported to the Board of Trustees and funders. Job placement and retention data is collected by the Placement Specialist, maintained in spreadsheets and databases, and reported to the Board of Trustees and funders.

Academic classes at LAYC YBPCS are grounded in competency-based learning standards required for students to pass the GED and be prepared for college. These standards include synthesis of information, analysis of data, and utilization of scientific concepts. The standards are broken into five areas of study that correspond to the GED: Math, Science, Social Studies, Writing, and Literacy. In Math, for example, students review and learn decimals, fractions, percentages, ratios, tables and graphs, measurements, basic Algebra, and word problems. Students who enter at higher reading and math levels will also study Geometry and Algebra II. In Writing and Literacy,

students review and practice grammar fundamentals, learn to write essays and research papers, and read short stories and at least one novel. Students demonstrate mastery of the skills taught by completing portfolio work that shows proficiency and the ability to apply the standards in real-life settings. Students are tested using the CASAS test upon entry to the school and every three months thereafter to track outcomes and to provide information to teachers so they can focus on students who are not advancing and modify teaching techniques as needed.

LAYC's experience in development projects: LAYC has been a consistent force for economic development and revitalization in the District of Columbia. Since 1996, LAYC has successfully redeveloped District of Columbia properties totaling over 63,000 square feet for use by community-based organizations and low-income youth. To complete those projects, we have worked with several developers and raised over \$8 million dollars in public and private financing. We were the first nonprofit to renovate a dilapidated structure on Columbia Road between 14th and 15th Streets NW, which now serves as our anchor site. We have renovated four houses on 15th Street between Columbia Road and Irving Street NW. Two of the houses offer a safe and stable home-like environment in which formerly homeless or runaway youth learn the life skills necessary to lead successful adult lives. A city bond enabled us to rehabilitate the third house into units for teen parents and their young children; the first residents are expected by early 2009. The fourth renovated facility serves LAYC's Art + Media House.

The following three examples detail LAYC's experience with comparable development projects.

Example #1: Renovation of basement space in condominium at 1401 Columbia Road NW to expand public charter high school.

Project and impact: LAYC YouthBuild Public Charter School (LAYC YBPCS) was founded by LAYC to serve youth ages 16 – 24 who have dropped out or been expelled from traditional public high schools. LAYC YBPCS helps these young people transform themselves through education, job training on a construction worksite where students rehabilitate housing for low-income families while learning the construction trade, and leadership development. Since 2001, 224 young people have completed the program.

The school has consistently had more applicants than it is able to serve due to space constraints. Accordingly, LAYC purchased and is in the process of renovating the west wing of the basement of 1401 Columbia Road NW, which has been vacant for more than 10 years. The space is in a state of disrepair with water leakage, faulty electrical wiring, and structural damage to the ceiling. Successful renovation of the basement west wing will allow LAYC YBCS to serve 100 out-of-school at-risk youth a year, up from its current capacity of 60. Construction is scheduled to be completed in early 2009. Students will begin classes in the space in March 2009.

The completed project will have positive impact on youth and the larger community. In addition to the measurable outcomes of increased youth educational and job placement success, moving disengaged gang-involved young people off the streets and into a productive educational and work-training program such as that offered by LAYC YBPCS is crucial to the revitalization of the neighborhood and the safety of residents. As well, LAYC is transforming vacant square footage that could be a magnet for undesirable activity into a site of productive activity, engaging and educating out-of-school unemployed youth. A further example of the benefit to the neighborhood, 16 LAYC YBPCS students have been hired to work after school at Target, Best Buy, and Marshall's located at the new mall on 14th St. NW. Thus, LAYC YBPCS is providing a crucial link

between education and job-training, connecting youth with the economic development needs of businesses in the community.

Visual Documentation: Below please find photos of basement of 1401 Columbia Rd NW.

Comparable Aspects: This project was rehabilitation of a condominium basement into classroom space for LAYB YBPCS, which is comparable to the use for which some of Cooke School would be rehabilitated. Financing for the project required a combination of bond financing, private foundation and corporate funds paid for the cost of the project.

Professional Reference: Bob Lynch, Director of Construction and Design, Manna, Inc., e-mail: blynch@mannadc.org; phone: 202-832-1845

Project's Success, including relevant metrics: LAYC raised almost \$3 million for renovation from a variety of public and private sources including DC Neighborhood Investment Fund, a District bond,



and Wal-Mart.

Example #2: Renovation of 1419 Columbia Road NW to turn unused, dilapidated five-story building into anchor site of community-based youth service agency.

Project and impact: LAYC was the first nonprofit to renovate a dilapidated structure on Columbia Road between 14th and 15th Streets NW, which now serves as our anchor site. Completed in 1996, this multi-million dollar renovation by a leading District non-profit substantially increased the District's capacity to provide services to young people. Currently, LAYC provides services to 4,000 young people annually. The project's impact was not only quantitative, but resulted also in numerous qualitative impacts on young people in areas ranging from academic achievement to healthy lifestyles.

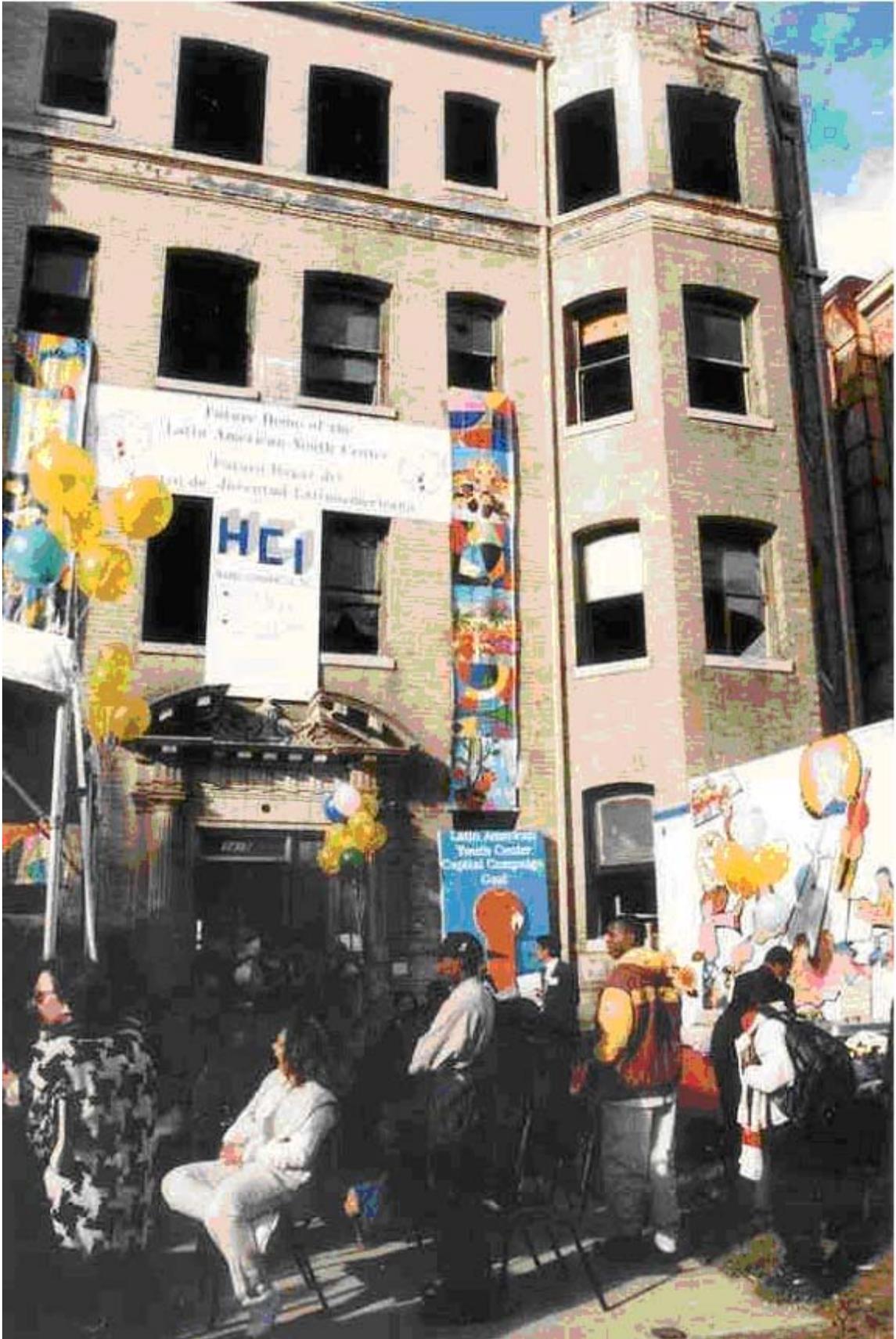
Visual Documentation: Below please find photos of 1419 Columbia Road as renovated by LAYC.

Comparable Aspects: This project required rehabilitation of a five-story building of approximately 5,000 sq. ft. per floor or 25,000 sq ft total, which is of comparable size to the proposed Cooke School renovation. Financing for the project came from a capital campaign made up of multiple public and private sources.

Professional Reference: Robert L. Moore, Columbia Heights Community Development Corporation, rmoores@dcch.org, 202-483-4986.

Project's Success, including relevant metrics: LAYC's purchase and renovation of this building in the late 1990s had several major successes: (1) providing expanded space for high quality youth development programs; (2) serving as the first and thus a model for renovation by a nonprofit in the Columbia Heights area; well before anyone envisioned the current building boom in Columbia Heights, LAYC had created an anchor site at the center of the neighborhood; (3) demonstrating the ability of a community-based organization to carry out a substantial (\$3 million) capital campaign; (4) demonstrating ability of LAYC to renovate square footage similar to that of the requested site. **1419 Columbia Rd NW—after renovation (please see photos on the next two pages):**





Example #3: Renovation of dilapidated and unused row house at 3045 15th St. NW into housing for teenage parents and their young children.

Project and impact: LAYC is scheduled to complete rehabilitation of this site in November 2008, as units for homeless teen parents and their young children. The target population is immigrant or minority runaway / homeless youth between the ages of 16 and 21 who have one child under the age of five and are raising the child alone or young women who are pregnant. Each young parent or parent-to-be will receive an individualized needs assessment, family care case plan, and upon completion of the family care case plan, a long-term plan for independent living. Program services will include education, referrals for physical (including pre-natal and pediatric care) and mental health care, job training and placement, cultural and recreation activities, and referrals for services such as child care and substance abuse and mental health treatment as needed. As with LAYC's other successful residential facilities, this project will have multiple impact: on parents, their children, and the community: Young parents and their children will no longer be living on the streets or "couch surfing." Parents will improve their parenting and employment skills, as well as their academic level. All parents will participate in an IDA program, thereby saving money for their future needs. The benefits to the District community of helping youth become better parents, more educated and employable adults are obvious.

Visual Documentation: Attached please find photos of 3045 15th St. NW as currently under renovation.

Comparable Aspects: The project involved financing derived from multiple public and private sources including tax-exempt bond financing, foundation support, and private donations. The proposed Cooke School renovation would require a similarly complex financing mix.

Professional Reference: Bob Lynch, Director of Construction and Design, Manna, Inc., e-mail: blynch@mannadc.org; phone: 202-832-1845.

Project's Success, including relevant metrics: LAYC successfully raised over \$800,000 for this project from public and private sources, including District bond financing.

Renovation in progress at 3045 15th Street NW, to be finished October 2008:



Indoor renovation in progress at 3045 15th Street NW:



Development Partners: Wiencek and Associates, Hamel Builders, Evans Consulting and Development, and Katie Groen, Consultant.

Michael A. Wiencek, Jr., AIA, PRESIDENT, *Wiencek and Associates*. Mr. Wiencek is a recognized expert in master planning and developing complex, urban multi-family projects in tight settings. These have often involved integration of new building elements with the existing built environment. Working on a vast array of project types over the last 28 years, Mr. Wiencek has successfully navigated projects through all phases of planning, design, and construction, including site investigations, programming, planning and designing construction documents, specifications, bid document development, permitting, and construction administration. His firm's successes are a direct result of his ability to combine expertise and attention to detail without sacrificing the quality of service he provides to clients within the increasingly strict demands of schedule and cost. Mr. Wiencek has lead teams on several significant historic projects. Many of these projects have involved Historic Tax Credits requiring the approval of local, state and Federal authorities.

Hamel Builders: With over 20 years experience in contracting federally and state funded projects throughout the Greater Washington area, Hamel Builders has gained the necessary experience to meet all Section 3 hiring requirements and all existing federal, state, and local laws and regulations. Recent projects meeting Section 3 requirements include: Cavalier Apartments – renovation 230 units; The Residences at Georgia Avenue – new construction 72 units; Langston Lane Apartments – renovation 118 units; MLK Cooperative – renovation 73 units; Solea – new construction 59 units; Mayfair Mansions Apartments – renovation 410 units. Please see Appendix 4 for more information on Hamel Builders qualifications and examples of their past projects.

Evans Consulting and Development LLC specializes in real estate development services and the overall development of strong neighborhoods and communities. She is a nationally recognized expert in the field of affordable housing finance and has more than twenty-five years of affordable housing finance and development experience locally and nationally working with both nonprofit and for-profit developers, including William C. Smith, Enterprise, Community Preservation and Development Corporation, Fannie Mae Foundation and US Department of Housing and Urban Development. Evans Consulting and Development LLC has creatively financed and developed multi-million dollar affordable residential developments in DC.

Katie Groen is an affordable housing and community development professional and independent consultant with over 10 years of experience in multifamily real estate development and neighborhood revitalization. Ms. Groen has developed over 1100 units units of multifamily affordable housing representing over \$175 million in investment. She has particular technical expertise with public and private sector financial tools including: Low Income Housing Tax Credits (LIHTC), Tax-Exempt Bond Financing, FHA-Insured Multifamily Loan Programs, DC Housing Production Trust Funds, Community Development Block Grant (CDBG) funds, Federal Historic Tax Credits and HUD affordable housing programs including Section 8 and Section 236. Most recently, Ms. Groen was a Senior Development Officer with Community Preservation and Development Corporation (CPDC), one of the largest nonprofit affordable housing developers in Washington DC and the Mid-Atlantic.

Financial Feasibility

LAYC proposes to redevelop the Cook School using a variety of funding sources. The total development costs for the housing and charter school are approximately \$13.1 million. The school classrooms are well suited to the creation of small living units and complementary program activity space. It is expected that the school will be ground leased for a nominal annual amount. The housing and the school will have separate owners. The rental housing development costs is approximately \$8.5 million and the total development cost for the school is approximately \$4.6 million.

LAYC expects that the residents of the housing units will be extremely low-income and will be able to pay little to no rent for their units. Therefore, LAYC intends to cover the rental costs associated with the units by obtaining contracts or grants that would provide assistance to youth in residential charter school care, young people in or exiting the foster care system, youth leaving the juvenile justice system, and homeless youth.

Youth in Residential Charter School Care – The D.C. Charter School Board provides per pupil allocations for students in residential charter schools. Please see the document labeled page D-55 of the D.C. Public Charter Schools budget Per Pupil Funding Analysis for FY10 at Exhibit X. These allocations include room and board. The YouthBuild PCS Cook campus will be a residential charter school.

Youth in the Foster Care System or Exiting the Foster Care System – LAYC recently applied for a “human care” contract with CFSA to provide independent living accommodations for young people learning to live on their own prior to leaving the foster care system (Please see the acknowledgement of this contract at Exhibit X). If awarded, LAYC will initially rent scattered site apartments with these funds. However, once the Cook School housing is completed, those funds can be used to pay for the rental costs of the units. The Freddie Mac Foundation has indicated a strong interest in providing funding to support housing for youth emancipating from the foster care system. Please see LAYC’s previous contract with CFSA and a combined letter of support from the Freddie Mac Foundation and D.C.’s Local Initiatives Support Corporation (LISC) all included at Exhibit X.

Youth Leaving the Juvenile Justice System -- The D.C. Department of Youth Rehabilitation Services (DYRS) is the District agency that provides services to Youth in the juvenile justice system has been a long-time funder and supporter of LAYC (Please see letter of support from DYRS at Exhibit S). Prior to the completion of the housing units, LAYC would negotiate a contract with DYRS to provide housing and support services to youth re-entering the community after time in the juvenile justice system.

Homeless Youth – Currently, LAYC has a contract with Community Partnership for the Prevention of Homelessness with funds from the D.C. Department of Human Services (DHS) to provide housing to homeless young people. Prior to the completion of the housing units LAYC would negotiate with DHS for funding for the Cook School project. (Please see a letter of support from DHS at Exhibit S).

In addition to the rental income described above, Freddie Mac Foundations and others will be providing approximately \$1.5 million to create a sinking fund to further subsidize these units. Financing for the housing will consist of a first mortgage loan of \$579,862 based upon an 8% interest amortized over thirty years along with a soft second mortgage from DHCD/DMH with an interest rate of .5% amortized over 30 years. National Equity Fund will be providing \$5,299,223 in equity through syndication of Low Income Housing Tax Credits. Finally, the developer is deferring 10% of the developer's fee which will be funded from cash flow. The charter school will also be owned by a separate LAYC entity and will be financed with a combination of first mortgage financing, equity through New Market Tax Credits and grant funds.