



## Designed to Work

Different approaches help residents find lasting employment and the support services they need

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Roughly one million families who reside in public housing or receive Section 8 rental assistance depend on welfare benefits for their survival. A quarter of these families live in privately owned apartments that receive project-based assistance.

Welfare reform, especially the new work rules and lifetime limits on cash benefits, has created tremendous challenges. To facilitate the transition, Congress has authorized \$3 billion in welfare-to-work funding, administered by the Department of Labor, to augment job related services provided by states with their Temporary Assistance for Needy Families (TANF) grants. Within the HUD budget, however, resources for this purpose are limited and have been focused on public housing residents. For the most part, assisted housing owners have had to design their own job initiatives and find a way to pay for them.

The Community Preservation and Development Corporation (CPDC) and The Noah Group, are pioneering different approaches to resident self-sufficiency. CPDC is a community builder; The Noah Group is a work force development company that targets affordable housing communities. Eugene F. Ford, founder and owner of Mid-City Financial Corporation and Edgewood Management Corporation, initially capitalized both companies. While both are independent, they continue to benefit from Ford's vision and commitment to urban revitalization.

**Community Preservation and Development Corporation** is a nonprofit development company founded in 1989 that serves Maryland, Virginia and the District of Columbia. It owns 13 Properties encompassing 1,846 units. CPDC undertook substantial redevelopment of five of these properties. This regional developer has created extensive resident service programs, including job readiness, employment training, placement and career counseling among others. This article profiles Edgewood Terrace in Washington, DC, where 28,700 square feet of commercial space is being transformed into a state-of-the-art center for learning and skill building, and supportive services.

The Noah Group is a for-profit company organized in 1996 by Mid-City and the Psychiatric Institute of Washington (PIW). The Noah Group offers comprehensive case management services with assessment, training, support and job placement components. The company is engaged in two HOPE VI communities (in Baltimore, Maryland, and Portsmouth, Virginia); is collaborating with six large public housing authorities on a new venture; and is working with the State of Missouri to establish a residential model of welfare-to-work in St. Louis. This article discusses Pleasant Homes, a Section 8

development located in Prince George's County, Maryland, which was The Noah Group's pilot site.

## **Edgewood Terrace**

Edgewood Terrace is a mix of high-rise, mid-rise and garden apartment buildings that encompass 884 units on 16 hilly acres. Located in a hard-pressed section of Northeast Washington, DC, Edgewood residents' median income is \$7,106 (40 percent of median income in the District of Columbia). Of the 610 households currently in residence, 45 percent receive welfare or other government subsistence benefits. Excluding children and senior citizens, 53 percent of the residents are unemployed. Among adult residents, 41 percent lack a high school diploma or GED certificate.

Mid-City developed 292-unit Edgewood Terrace I in the 1970s as a Section 221 (d)(3)(BMIR) project but sold it in 1983 to new ownership. A Mid-City partnership developed and still owns Edgewood Terrace II, a 258-unit Section 236 project next door. Mid-City developed Edgewood Terrace III under the turnkey program for the District of Columbia Public Housing Authority. It consists of a 292-unit senior citizen high-rise building and 72 garden apartments.

CPDC plans to acquire and renovate this distressed property in the future at a projected rehabilitation cost of \$14 million.

In 1995, CPDC bought Edgewood I for \$1 from HUD's property disposition inventory. Years of unsuccessful efforts to structure the financing and subsidies needed to acquire the property from its limited partnership owner eventually led to foreclosure by HUD. The property had experienced a steady decline in its physical condition and occupancy levels; 60 percent of the units were vacant when CPDC bought the property. The redevelopment planning actually began in 1991, when CPDC secured a HOPE II planning grant and commissioned a survey of resident goals and community needs. The residents ultimately concluded that homeownership was not feasible or desirable in the short-term. Instead, they supported a mixed-income approach with an emphasis on jobs.

The total development cost of Edgewood I was \$28.8 million; the rehabilitation is 80 percent complete. Most of the capital costs were defrayed through a HUD property disposition grant, with the balance covered through a first mortgage from First Union Bank and second mortgages from the District of Columbia and the Federal Home Loan Bank of Atlanta. Of the 292 units, 114 are reserved for existing residents who qualify for Section 8 assistance; 178 units are market rate.

CPDC saw the extensive commercial/retail space on the first three floors of Edgewood I's high-rise building as a potential cornerstone for rebuilding the community. A planned 20,000 square foot community service center called The Connection will link residents with existing services, organizations and opportunities. CPDC will fill in gaps with its own services. Already, 15 human service and employment organizations deliver services on-site.

The first floor of The Connection will house the Residents Association's offices, a day care center operated by Catholic Charities, a computerized recording studio and music lesson studio space to be staffed and operated by the prestigious Levine School of Music. The second floor, approximately 7,000 square feet, will be dedicated to children's programs that will include tutoring, mentoring, and recreational and cultural activities, with after-school and summer programming. The third floor is being configured for classrooms, conference and meeting spaces, interview and counseling rooms, and offices for social service agencies and employment organizations to use when on-site. CPDC also is evaluating the prospect of leasing space to a health care organization that would offer a variety of wellness programs and services to residents, including pre-natal care and parenting skills.

The Gateway@Edgewood Terrace, located in the same building as The Connection, will house a small business center and 3 networked computer labs containing more than 45 workstations, stocked with office software, personal productivity applications, educational resources and reference materials. All adult computer classes will be held here, including courses leading to Microsoft testing and certification. In partnership with The Catholic University of America, a satellite campus will be introduced this summer. The campus will provide remedial and college preparatory math and English courses as well as database design and network administration classes. When the rehabilitation of Edgewood I is complete, all of the apartments will be wired for access to a community Intranet and web site, and the Internet.

CPDC describes its employment program as job skill training with "bookends of service," including the following elements:

- Vocational assessment services, in cooperation with George Washington University and other partners, leading to an individual career track plan
- Job readiness workshops that focus on time management, resume writing, interviewing techniques and motivational issues
- A computerized enhancement program that teaches basic math and reading, and addresses job maturity and employability
- Business English skills courses in cooperation with The Catholic University of America
- Job skills training, with courses in computer and office skills provided by CPDC and by third party providers offering classes in other industries
- Job placement services through three nonprofit partners with an emphasis on technology, construction, hospitality and property maintenance
- Follow-up career counseling and ongoing support group counseling

Who pays for the staff, equipment and services at The Connection and Gateway@Edgewood? The capital cost was defrayed by a HUD construction, computer/office and nursing care industries. It has negotiated and entered into enforceable contracts with Marriott, Manor Care, IBM and others. The contracts address training criteria, wages and career development. If a company does not have a job-training program, then The Noah Group will secure the requisite training. Some companies, like Marriott, have their own training program (see page 00) and The Noah Group pays the company to train their participants. Once an individual is employed, The Noah Group enters into an agreement with the employer to provide employee assistance services for a minimum of one year. The employer pays for The Noah Group's post-job placement services.

Lining up individual employer commitments is only one of The Noah Group's approaches. Outsourcing arrangements, particularly in the banking and financial services area, are under development. In this emerging area, The Noah Group has taken the initiative. For example, it has approached federal regulators about giving financial institutions Community Reinvestment Act credit if they outsource work to former welfare recipients. Micro-business development is a third The Noah Group strategy under development. Adaptive reuse of a commercial building near a Baltimore HOPE VI project is under consideration as the pilot.

Pleasant Homes was not only The Noah Group's first site but also the impetus for creating the company. The property is located in Seat Pleasant, a township in Prince George's County, Maryland, that is roughly half a mile from the District of Columbia border. Older single family homes predominate in this community. A Mid-City partnership acquired and redeveloped Pleasant Homes in 1982, reducing the density to 286 garden apartments and securing 100 percent project-based Section 8 assistance. The property has a history of extensive "soft" social programs for children and for the elderly, who represent about 26 percent of the resident population.

Ford selected Pleasant Homes for an intensive self-sufficiency program targeted to employable adults for two reasons. First, there was a high concentration of welfare recipients. As of 1995, single, female headed households with children predominated, with 56 percent of all households reporting incomes below \$5,000, and another 40 percent with incomes between \$5,000 and \$10,000 annually. Second, the project had "locked up" residual receipts. HUD agreed that up to \$500,000 could be used for self-sufficiency programming.

In the fall of 1996, The Noah Group launched the evaluation and needs assessment phase, in which 110 Pleasant Homes residents have participated to date. In 1997, approximately 1,200 square feet of space was retrofitted with a computer learning center containing 10 networked stations. Job training started in January 1997, and initial job placements occurred that spring. As of February 1998, The Noah Group had 59 "committed participants" from Pleasant Homes. Of these, 36 residents have completed training and obtained permanent jobs with an average starting salary of \$7.70 per hour. Another 14 residents are in job training programs and an additional 8 residents have returned to school. These results have caught the attention of Prince George's County officials; discussions are underway about using public funds for job training and related The Noah Group services.

## **Conclusion**

In an interview for this article, Ford drew several conclusions based on CPDC's and The Noah Group's experiences to date. First, a place-based strategy-one that involves comprehensive management of self-sufficiency programs at the participants' residences-can make the delivery systems of all service providers more effective. Second, the integration of support systems into a totally managed process that includes specific job goals and a strong clinical element in both the initial assessment phase and in a post-job placement support group setting offers a promising approach for welfare-to-work initiatives. Third, the Edgewood and Pleasant Homes experience demonstrates that an

understanding and application of many skills and types of support from diverse sources is imperative.

Funds to supply these skills or even manage the coordination of support systems are not available in most assisted housing entities. Housing owners and managers may need to attract and facilitate the public and private organizations delivering the needed services.

Finally, the relationship between public funding sources and housing professionals who provide the on-site supervision and integration of services that will lead to resident self-sufficiency is nascent and evolving. Federal and state policy makers and housing organizations should foster more interaction between assisted housing owners, social service agencies, employment organizations and others. Coordinating current federal housing initiatives with welfare-to-work initiatives would be a good place to start.

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