

NMTC CASE STUDY: A Path Forward

Chicago's Salvation Army Freedom Center *By Mark Fogarty*

Projects, like the Salvation Army's Freedom Center in Chicago, partially financed by New Markets Tax Credits, are changing the way people think about issues, like homelessness, substance abuse and the reintegration of prisoners into society.

Take Princess. Princess, who works in the maintenance department of the Center, which is in the West Humboldt Park neighborhood of Chicago, lived in a homeless shelter with her children when she started her job with the Salvation Army. Now, after receiving job training at the Center and getting hired there, she no longer lives in a shelter but would like to own one.

With Princess' formidable work habits, it seems unwise to bet against her achieving this unusual goal. She would get up in the shelter by 4:00 AM each day to get her children to their babysitter and then continue the long bus ride to work. Now, she and her children live in their own apartment.



Princess has gone from living in a homeless shelter to wanting to own a homeless shelter.

"Before I started the training program, I was applying for 40 jobs a day. Nobody wants to hire a single mother that lives in a homeless shelter. Coming here, they give you all the tools you need for a job. If you show them you want to work and you're a hard worker,



The Salvation Army Freedom Center consists of three interconnected buildings in the Humboldt Park neighborhood of Chicago.

they will find the resources for you. They will do whatever it takes to get you here," according to Princess.

Aspirational Housing

Peter Giles, vice president at Cinnaire, a Lansing, MI-based community development financial institution, which used an allocation of \$8.8 million in NMTCs to help finance the Freedom Center, says unanticipated things, like Princess' new aspirations, happen all the time there.

In addition to the main Salvation Army programs combined in the Center, called Harbor Light (residential/outpatient substance abuse) and Pathway Forward (residential work-release program for up to 210 ex-prisoners) "they also have a community center," says Giles.

"They have developed different programs there that weren't exactly contemplated at the original finance closing that have been a direct response to the needs of the community around them. Things, like dental services for the community and food pantries that have engaged the community. They have a Meals on Wheels program and a health clinic there. All very community facing.

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"It's not just a halfway house for transitioning ex-convicts," says Giles, who heads Cinnaire's NMTC efforts. "It also is a program that reengaged that community and sought to engage some of its local needs."

Total cost of the 188,000 square-foot center, which has three interconnected buildings, was \$61.7 million. According to Giles, the balance of the financing came from Salvation Army capital. The Salvation Army says 319 jobs were created or retained at the Center, which it estimates will serve 25,000 people a year.

Cinnaire got involved with this project because it also helped develop an earlier project for the Salvation Army in Chicago, the 127,000 square-foot Kroc Center, which provides recreational and performing arts facilities, including an indoor sports complex, an aquatic center, outdoor stadium, a fitness center and a 600-seat performing arts center in the West Pullman neighborhood of Chicago.

"We just had a good relationship," Giles says. "Salvation Army leadership reached out to us to let us know about the project. It was a very large project so it took some time for everything to fall into place, both on the financing side and the real estate development side. That's common with New Markets projects given their scale and complexity. They can take a long time to mature."

Giles says, "One thing that drew us to the project, and that we saw in the Kroc Center, was the Salvation Army's engagement in the community. The Kroc Center was very responsive to the Pullman neighborhood. We saw the same sort of engagement in the Freedom Center."

Harbor Light, "is a residential, as well as outpatient substance abuse treatment center," says Giles. "They provide a very holistic approach, case management, education support groups and they do a lot of training and services for family members of the individuals going through treatment."

One such individual who saw his family helped through the program was Tim, a long-term substance abuser who was brought to the Center by his family after a serious physical attack.

"Tim credits the Freedom Center with saving his grandson's life," according to the Salvation Army. "His grandson attended the Back-to-School Health Fair at the center, where he was diagnosed with diabetes – a condition that had never been diagnosed or treated."



Tim, a client of the Freedom Center's substance abuse program, saw additional services provided to family members save his grandson's life.

"They also have located there the Pathway Forward program, which is a reintegration program for formerly incarcerated individuals," says Giles. "Basically, it's a halfway house providing case management and life skill training for people coming out of federal incarceration."

The Freedom Center, "is also the base of operations for the Salvation Army's outreach ministry – mobile feeding and mobile outreach," the group says. "Every day, the mobile feeding unit makes 24 stops throughout Chicago, providing a hot meal for homeless men, women and children. The mobile outreach teams provide emergency transportation to shelters, enrollment in Salvation Army programs or referral to services needed, such as medical care."

Cinnaire has received a total of six NMTC allocations, totaling \$304 million. It has \$550 million of NMTC allocations under management.

"We've really done a variety of projects," Giles says. "We do both rural and urban projects. A combination of manufacturing and industrial site projects, like foundries and paper mills, meat curing and processing facilities, but we've also done some rural community centers, YMCAs and health clinics.

"Most of it has gone to urban projects, the sort that provide some sort of social service or social benefit to the low-income population of a community. Also, training facilities that work to address unemployment or under-employment for low-income people. We've done a couple of culinary arts training facilities, a hospitality-focused trade school for people with disabilities, also health clinics and schools."

Perhaps one day Cinnaire will help finance Princess' homeless shelter. **TCA**

STORY CONTACT:

Peter Giles, Vice President, NMTC, Cinnaire
(517) 364-8944