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From At-Risk Youth to Homeless Adults and Families, Leading CDFI IFF is Helping to Create New Beginnings

Kansas City, Missouri, October 24, 2013— For too many, the chance to start again, get back on the right track, and have another chance to succeed in life, almost never comes along. The loss or lack of employment, a debilitating health event, or an interrupted high school education— any one of these events can become a life sentence of incarceration poverty, addiction, and social isolation. But with the help of community development finance leader IFF, Kansas City nonprofits ArtsTech Youth Empowerment, Hope Academy Charter High School, and reStart, are demonstrating that providing second chances are a worthwhile investment -- not only for those served by their programs, but for the community at large.

ArtsTech: A Second Chance to Make It Right

In September 2011, community development financial institution (CDFI) IFF provided ArtsTech, a Kansas City nonprofit that serves at-risk youth, an affordable long-term \$1.1 million loan to replace an existing short-term, higher-interest loan.

ArtsTech uses an arts- and technology-based curriculum to build self-confidence, job, and social and health skills for at-risk youth aged 11-19. Part job training, part school, part youth center, the youth that come to ArtsTech have been through the ringer—most have gotten in trouble with the law, kicked out of school or both—and it is often their last hope at getting back on the right track.

Dave Sullivan, Executive Director of ArtsTech, describes how ***Sentenced to the Arts***, the organization's primary afterschool program, prevents youth from entering the juvenile justice system by providing a legal alternative to incarceration. Sullivan describes many of the youth who enter the program as, "hanging on by a thread," but notes that, "we don't consider them juvenile delinquents; these are courageous kids who keep fighting to achieve something."

A study of the ***Sentenced to the Arts*** program's impact, performed by the Kansas City Neighborhood and Community Services Department, found that the majority of youth that entered the program improved their grade point averages and stayed out of the system permanently.

The thinking behind the ArtsTech curriculum is centered on the premise that although the disciplines of art and technology do not necessarily require a formal education, they provide

meaningful skills that translate well in the job market, even for students who are behind in school.

Prior to IFF's loan to ArtsTech, the organization struggled to meet their loan payments, which left little extra for program expansion or capacity to serve more youth, and this created a constant state of financial uncertainty. "The uncertainty was hurting," Sullivan explained.

"The IFF loan stabilized us and helped us to focus on our programs instead of worrying about the debt." Sullivan continued, "In fact, this year, for the first time, we're focused on capacity building."

Hope Academy Charter School—Second Chance NOT to Become a Statistic

In August 2013, IFF provided Hope Academy Charter High School – the first drop-out recovery school in Kansas City – a \$1.5 million loan, allowing for the addition of a new campus located on the Paseo. The mission of Hope Academy is to provide students who have dropped out or who are on the verge of dropping out an opportunity for a quality, individualized education in an environment that "doesn't embarrass them in front of their peers."

"At Hope Academy, we address the barriers that impede students from graduation on a day-to-day basis," said Zach Bassin, COO of Hope Academy. "Many students drop out because they are the main bread winners in their family and work two part-time jobs to help put food on the table. Others may need to sacrifice school to help co-parent a sister or a brother, or may have a child of their own to support."

Whatever the barrier, or whatever the reason, the students of Hope Academy are there because they don't want to become another statistic. Youth who drop out of school are more than three times as likely to end up incarcerated. That not only means more tax dollars spent but also less revenue for states. One report by the Center for Labor Market Studies at Northeastern University found that male dropouts "run the highest risk of becoming recidivists and imposing large incarceration, probation, and parole costs on the rest of society."

To help students meet their goals, Hope Academy provides transportation and childcare solutions, on-site social services, and career and job counseling through a partnership with the Kansas City Full Employment Council. Students find their way to Hope Academy on their own, through outreach, or through referrals, by organizations such as ArtsTech, right down the street, or the Missouri Department of Juvenile Justice.

When asked what the best part of working with IFF was, Zach didn't hesitate: It's "IFF's local presence, being on the ground; they understand nonprofits and get the value, especially of education."

reStart: Second Chance at Self-Sufficiency

In March 2011, IFF provided restart – an interfaith ministry committed to providing shelter and supportive services to homeless men, women, youth and families – a \$1.4 million loan for the renovation of their primary facility.

As one of the primary homeless providers in Kansas City for nearly 30 years, reStart understands that homelessness is one of the most challenging social and economic conditions for nonprofit providers to address effectively.

“Providers need to think beyond emergency shelters, a hot meal and a change of clothes. They need to think about prevention and permanent, sustainable solutions that can be personalized for each individual,” said Evelyn Craig, Executive Director of reStart.

reStart accomplishes this by providing comprehensive services that include job training and placement, transitional housing, street outreach, permanent supportive housing, social and health services, and a “rapid re-housing” program that prevents homelessness for those who are at risk or those who have lost their homes suddenly, often due to a cascade of unforeseen events.

But key to the success of this approach is not to sacrifice quantity for quality. That means more resources or the ability to reduce overhead. “Providers need to be able to do all of this while still maintaining and growing the number of people they are able to serve. IFF’s loan, their flexibility, has been integral to our ability to do that,” added Craig.

IFF’s loan allowed reStart to respond to increased demand while saving on operating costs from reduced utility expenditures, and a manageable debt service. They have also been able to add a full-time therapist, two full-time outreach workers and a CFO.

“IFF gets it,” said Craig. “They understand housing and programming. With the new facility, the number of families exiting permanent supportive housing and entering the traditional affordable housing market has tripled.”

Since 2008, IFF, one of the Midwest’s leading Community Development Financial Institutions (CDFI), has provided more than \$14MM in below-market, long-term facilities financing to Kansas City nonprofits—financing that has been vital to the quality and quantity of services these nonprofits provide and to their ability to give those who need them, a second chance.

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IFF Stands for Comprehensive Community Development

One of America’s leading nonprofit community development financial institutions (CDFIs), IFF strengthens nonprofits and their communities through lending and real estate consulting that helps these organizations plan, finance, and build facilities that are critical to their success. Founded in 1988, IFF has total assets of more than \$235 million and serves nonprofits working with low-income communities and special needs populations in Illinois, Indiana, Iowa, Missouri and Wisconsin. To learn more about IFF, visit www.iff.org.