



September 23, 2013

“The Finch Group Announces Arbor Park Upgrades and Restructuring”

The Finch Group, the Managing General Partner of Arbor Park Village (together “TFG”), the 629 unit, \$115,000,000 affordable housing development located between East 35th and East 40th and Community College and Woodland Ave., in Cleveland’s Central neighborhood, announced that it has successfully completed the financial restructuring of the first phase ownership and will finalize the restructuring of the second phase by the end of the year. By completing the refinancing, and in a special understanding with Councilwoman Phyllis Cleveland, Mayor Frank Jackson and the City’s Department of Community and Development, The Finch Group has made pledges and promises, most of which have already been implemented, to:

- Totally rehabilitate and upgrade, at a cost of \$120,000, its onsite Computer Learning Center including the Center’s twenty computers to state of the art technology.
- Committed \$40,000 per year for an initial period of three years to Tri-C Community College to pay for a mentor/teacher/tutor to provide daily instruction at the Computer Learning Center.
- Working with the Cleveland Foundation committed up to \$100,000 per year for three school years (commencing with September, 2012) to the Stepstone Academy, a unique Charter School located at 2121 East 32nd St., one of the first charter schools in the U.S. to integrate aspirational, no excuses culture with a wide array of learning supports and family guidance. The financial commitment is to provide financial support to the school for the education of children living at Arbor Park who attend Stepstone.
- Additionally, TFG is providing funding for a summer camp program for Arbor Park kids attending Stepstone and for after school tutoring during the school year.
- TFG has created and completed over one half of a \$2.5M physical improvement program at Arbor Park with a focus on energy and water use efficiencies.
- TFG is installing a new state of the art security system utilizing an optical fiber backbone and high definition panoramic cameras capable of 180° and 360° coverage throughout the property.
- In coordination with Case Western Reserve University’s School of Medicine Weatherhead Institute for Family Medicine and Community Health and the CARE Alliance, TFG has committed to \$150,000 of funding over three years to create a Medical and Educational Clinic for the residents of Arbor Park, that will provide free services.

- TFG has implemented a new staff alignment dedicated to working with the residents in explaining the necessity of certain governmentally mandated resident filings. This new direction is to affirmatively and proactively meet with every resident and clarify the Federal and State requirements for occupancy at Arbor Park.

The above items are some of the new endeavors taking place at Arbor Park. These add to an already impressive array of TFG's commitment to the Central Neighborhood.

Since TFG acquired the Longwood project in 1999, it has been totally rebuilt, TFG joined with St. Vincent's in establishing a family educational program and with Catholic Charities in operating a day care center; gave Tri C, at our cost, excess land allowing Tri C to expand; coordinated (and now financially support) a state of the art computer learning center and currently pay Tri C for educational tutors and mentors and filled in when the City cutback its police coverage by spending an average of over a half million dollars a year on our own security services.

ARBOR PARK HISTORY

In January, 1999 Longwood Estates was in a condition of severe distress:

- Fiscally – According to its audited financial statements, the property had lost \$3,636,292 in the two prior years.
- Physically – There existed an estimated 4,800 outstanding health and safety code violations. Criminal and civil complaints against the property partnership owner and general partner were outstanding.
- Functionally – Even if substantial funds were spent to correct the code violations, Longwood's overall site layout, building designs, building systems, unit sizes and mixes made it obsolete.

Starting in January, 1999 TFG worked closely and successfully with many stakeholders and interested parties including the residents, former Governor Bob Taft, former Senators George Voinovich and Michael DeWine, current Senator Sherrod Brown, the former Cuyahoga County Commissioners, Mayor Frank Jackson, (who, when we started, was the Councilman for Ward 5), current Ward 5 Councilperson Phyllis Cleveland, former Director of Community Development Linda Hudacek, current director of Community Development Daryl Rush, Cuyahoga Metropolitan Housing Authority, HUD, Fannie Mae, Cleveland Tenant's Organization, Cuyahoga Community College, numerous employees of the City of Cleveland, Cleveland and CMHA Police Departments and other Central neighbors.

A steering committee was established made up of representatives of the above individuals and entities, called The Longwood Group. Its purpose was to be a public forum to provide direction for the redevelopment process and garner support for the challenging work involved. This was important because of the conspicuous and sensitive nature of the undertaking, and the estimated cost to the public, TFG wanted to make sure that each step of the process was

subject to significant public scrutiny and input. From the outset, The Longwood Group and TFG had two critical missions:

- To develop a plan, scope of work and funding mechanism for dealing with the existing property's sub-standard conditions and environmental/social challenges.
- To prepare a well-researched, well documented, vetted plan for the redevelopment of Longwood Estates and the creation of Arbor Park Village for the benefit of its current residents, future families of modest means and the City.

Arbor Park Village has been a huge success for the City and the Central Neighborhood. The redevelopment reduced the number of units from 820 to 629 units but increased the number of bedrooms to fit the current needs of the residents. It was originally programmed to be built in a four (4) phase schedule. The relocation process and construction proceeded so smoothly that it was reduced to three (3) phases. In 2013 Phase 1 is 11 years old, Phase 2 is 10 and Phase 3 is 8 years old. It is hard work to maintain, but the property looks as good today as when it was finished. It has averaged 98% occupancy. We are also pleased to report that over 25% of our residents are original ones. For low income housing in the Central Neighborhood, we think this stability is both remarkable and a testament to the quality of Arbor Park's overall housing environment.

While the current catch phrase "Choice Neighborhoods," which HUD uses to define its commitment to utilize housing as a platform for improving resident families quality of life by coordinating housing with excellent education and health care, may be relatively new, it embodies the concepts that The Finch Group has implemented at Arbor Park for over a decade.

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