

Treehouse California: An Innovative Intergenerational Community for Children Who've Experienced Foster Care, Their Families and Seniors

2017 Prospectus and Invitation for Investors

Executive Summary

The Treehouse Foundation was founded on the belief that every child deserves a home in a permanent, loving family; that every senior deserves an opportunity to live a life of purpose and meaning; and that, if given the right environment and support, these diverse generations will together help meet one another's needs. Treehouse is committed to searching for and developing innovative solutions that address the challenges found in both the child welfare system *and* aging population – seeking approaches that are collaborative, sustainable and become catalysts for systemic change.

Treehouse Easthampton, the first planned intergenerational community, opened in 2006 in western Massachusetts. On Treehouse Circle, families adopting children and youth from foster care live in a close-knit neighborhood where housing is affordable and people of all ages invest in one another's health and well-being. At Treehouse children receive the support and services necessary to overcome the educational and social/emotional challenges so often caused by early neglect, abuse and trauma.

"Treehouse is a vibrant community where our knowledge about what children need for healthy futures is applied every day. Treehouse programs are exciting, bold, and transformative."
-- Harold Grotevant, Chair, Rudd Adoption Research Program, UMass Amherst

After ten years of experience and evaluation; multiple national awards and honors; and tremendous outcomes for the children, parents and elder community members, Treehouse is ready to replicate in both California and in other parts of Massachusetts. In California, Treehouse has partnered with MidPen Housing, one of the state's largest and most established non-profit developers of affordable housing, to bring this innovative model to the San Francisco Bay Area. We invite you to be a part of this inspiring endeavor!

The Crisis and the Opportunity

I. Too few permanent families and homes for children in foster care

If we've learned anything from our longest-served youth in the child welfare system, it's that we can provide millions of dollars of services to them throughout their childhoods and they can become homeless within hours of aging out of foster care...

A child enters foster care having been removed from their family due to abuse, abandonment, or neglect. Over 60% are separated from their brothers or sisters, adding to their trauma, because there aren't enough homes that can accommodate sibling sets. For about half of these children, this situation is temporary and they are reunited with their biological families within a year. However, for approximately 30% of these children, reunification is not possible and foster care becomes a never-ending limbo with multiple moves. Often placements fail because foster families don't receive the support that they need and children bounce from home to home. The longer they remain in the system, the harder they become to place and the less likely their placements will be permanent.

Dire Outcomes

In California each year over 3,500 youth are "emancipated" from foster care having never received a permanent home. Statistically, the odds are stacked against them at this point. Reports tell us that within two years, close to 50% of them will be homeless, incarcerated or worse. Over 60% will have parented a child and the cycle continues as their offspring become the next generation of abandoned, neglected and abused children.

Moreover, youth placed in foster care have the poorest educational outcomes of any group of students in the nation. They are much more likely than their peers to perform below grade level, to be held back, or be in special education classes. Foster youth also have significantly more absenteeism and disciplinary actions, and drop out of high school at much higher rates than any other group of students. Less than 10% will ever attend college. As a result, thousands of youth exiting foster care are unable to earn a living because they lack adequate education.

While well intentioned, this system is clearly flawed and is not working for a significant subset of the children it aims to serve. It is time for a change!

II. An unprecedented number of seniors entering retirement

Meanwhile, additional challenges are emerging for another growing population: retirement aged adults. With the impending retirement of more than 76 million baby boomers, it is estimated that within 20 years over 25% of our society will be over the age of 60! Americans are expected to spend a third or more of their adult life in retirement. In recent years, awareness of the impending demographic revolution has grown and brought with it a wave of concerns about the societal consequences. The medical community and the social service sector are focusing a great deal of research on preparing for the problems likely to arise from this trend.

However, along with concern over the potential problems that an aging society may bring, comes the realization of a tremendous opportunity which is, as of yet, virtually untapped. Retirement frees up 25 hours a week for men and 18 hours for women. How do many older Americans currently spend their time? They watch more television than any other group does – a staggering half of all elders' free time. Many lament the loss of usefulness after retirement, which often translates into decreased mental and physical health and increased medical problems. Conversely, numerous studies link social connection and community engagement to prolonged physical and mental health in old age.

America's older population may, indeed, contain the key for revitalizing our communities provided we can develop compelling new opportunities enabling them to make a genuine contribution while benefiting them in the process. At present, too few such opportunities exist.

III. A severe lack of affordable housing

The San Francisco Bay Area is experiencing a housing crisis unlike any we've ever known. Rents have increased drastically while renter incomes have declined or remained stagnant, resulting in a shortfall of tens of thousands of affordable homes. The lack of affordable housing is driving working families into poverty and substandard, overcrowded living situations. Many families are literally one paycheck away from homelessness.

While this crisis affects our entire region, it especially impacts children in foster care – many of whom need to be moved to counties outside of the Bay Area because of the lack of housing affordable to families who would be willing to open up their homes and hearts to a child or sibling group. Seniors on fixed incomes are also particularly at risk as more and more of them are being priced out of the region where they have worked and raised their families.

An Innovative Solution

Treehouse addresses all three of these crises through affordable, innovative, intergenerational community– the first of which, in Easthampton, Massachusetts, is home to nearly 125 community members.

Since it opened in 2006, dozens of children who otherwise were at risk of languishing in the foster care system have received permanent, loving homes through adoption, kinship care, or guardianship. Those families, in turn, have been supported by elders who have become “honorary grandparents” to the children they babysit, mentor, tutor and help in a variety of other ways through volunteer service. Onsite services and programs facilitate connections and encourage supportive relationships among neighbors. The result: lives of meaning and connection for the elder adults, and an entire neighborhood designed to help vulnerable children grow up in a secure and nurturing environment.

Community as Intervention – the concept at Treehouse is unique in that, unlike what is often found in traditional foster care, it does not merely provide programs and services to help a child; it equips and empowers a caring, committed intergenerational community to meet the needs of its own members – children, their foster/adoptive parents and the seniors. In this way, the need for and cost of extensive services is significantly decreased.

Creating Hubs of Innovation for Greater Impact – Treehouse Easthampton has become a hub of innovation for both child welfare and senior services. The Re-Envisioning Foster Care in America (REFCA) movement, launched by The Treehouse Foundation in 2010, has brought together universities, public agencies, other non-profits and faith-based organizations, and foster care alumni to create widespread foster care and intergenerational innovation throughout New England and beyond. Through

this network, an additional 3,000 children and youth have been served by programs launched through Treehouse.

Outcomes for the children living at Treehouse – compared to their counterparts (see stats on page 2) the lives of children and youth at Treehouse are on an entirely different trajectory.

Children and Youth at Treehouse Easthampton 2006 – 2017 (N=100)		
	National Averages for Foster Youth	Treehouse Youth
High School Graduates (of those age appropriate)	58% ¹	95%*
Attending College or Vocational Training for 2+ years	< 10% ^{2, 3}	100%**
High School Drop Outs	(annually) 8 -14% ¹	(total over 10 yrs.) 5%
Children Repeating One or More Grades in School	33 – 46% ⁴	0
Arrests	46% ⁵	0
Teens/Young Adults Parenting	48% ⁶	2%***
Failed Placements / Children Returning to DCF	16% ⁷	0

* 95% of those age eligible to graduate have graduated

** Of high school graduates, 100% have gone on to college or vocational training for two or more years.

As of May 2017, four are college graduates.

*** Of those age 13 or older

1 – 7 See Appendix for citations

The first ten years at Treehouse Easthampton clearly illustrate the positive outcomes of permanency, community connections and providing a supportive environment where children’s learning and educational needs are met. Research overwhelmingly demonstrates that educational success is a positive indicator for future success in college and in life and, aside from the obvious benefits to the children themselves, these results translates into significant savings for the public.

Savings from Moving Children out of Foster Care

According to the National Council for Adoption, when a child is adopted out of foster care, the public saves \$15,480 annually. In California, where there are currently 60,000 children in care, this represents a potential taxpayer savings of **nearly \$930 million** a year.

Moreover, moving a child out of foster care decreases the costs associated with the horrific outcomes from “aging out”. In fact, according to a recent report issued by the Jim Casey Youth Opportunities Initiative, on average, for every young person who ages out of foster care, taxpayers pay \$300,000 in social costs like public assistance, incarceration, and lost wages over that person’s lifetime. In California where over 3,500 youth exit care each year that amounts to **well over \$1 Billion** of public funding that would be saved each year if those youth had been placed in permanent families, which is the primary aim of Treehouse.

Outcomes for the seniors – in an age group where health declines over a 5-year period would be expected, seniors at Treehouse showed little or no decline in mental, physical or emotional health. Moreover, they showed significant improvement in other key indicators:

- Significant increases in quality of life, self-esteem and life satisfaction
- Ability to live independently on fixed or decreasing incomes
- Reduced isolation and expanded social connections

These outcomes translate into significant cost savings associated with decreased need for costly health care and assisted living support, which might otherwise be required.

Award-winning and nationally recognized – since 2006, Treehouse has been the recipient of numerous national and prestigious awards for both housing excellence and social innovation. (See Appendix B for a full list.)

Treehouse California: Expanding the Model to the West Coast

I. Overview

Building on the success of the first community in Massachusetts, Treehouse has partnered with MidPen Housing to develop the first Treehouse California – an affordable housing community where children who have experienced foster care find permanent, loving families; these families receive integrated wraparound support; and seniors find meaningful purpose as valued members of the community. Treehouse California will expand the model to include Transition Aged Youth ages 18 – 24 that have aged out of the foster care system.

We are currently working with regional leaders in housing, social services and public policy. Our intent is to build the first Treehouse California community in Santa Clara County with an eye towards replication in other San Francisco Bay Area counties.

II. Goals

- Dissolve the foster care pipeline of the next generation of poor and homeless Californians
- Provide additional homes and families for children from the public foster care system who need permanency – particular for siblings in order to keep them together
- Increase long term success rates for children who have experienced foster care
- Create a new paradigm for “aging in community” for a growing population of older adults
- Create a new paradigm for service delivery within the California Department of Social Services

“Treehouse has given me a renewed sense of purpose and a spring in my step. Being a part of this community and watching these children flourish and become more independent has been one of the greatest joys of my life!” Mary, Treehouse Elder

III. Target Population / Benefits

Who:	What They Receive at Treehouse:
<p>Children within the public foster care system in need of permanency (permanent families and homes) with a priority on sibling groups in order to keep them together</p>	<ul style="list-style-type: none"> – Permanent, loving parents – A safe neighborhood and caring neighbors – Honorary grandparents – Professional services for social/emotional development and healing – A robust educationally-based After School Program – College and post-secondary educational exposure, preparation and application support
<p>Adults who commit to providing a permanent, loving home to children and youth who have experienced foster care.</p>	<ul style="list-style-type: none"> – Elder neighbors who help care for their children – Onsite social workers – Professionally-led training and classes – Access and referrals to offsite community resources – A home they can afford – Neighbors who understand and respect their children
<p>Seniors (“elders”) who want to be a part of an intergenerational community with a mission to support children and youth who have experienced foster care</p>	<ul style="list-style-type: none"> – A community where their presence matters – Professionally led fitness and wellness programs – Onsite social, volunteer, and community activities – A home they can afford
<p>Transition Age Youth (TAY) ages 18 to 24 who are currently in foster care or have aged out of foster care and are now at risk of homelessness and in need of permanent, lifelong relationships</p>	<ul style="list-style-type: none"> – An entire neighborhood investing in their well-being – A stable home – Comprehensive supportive services to help ensure their successful transition into adulthood – Educational support and advocacy – Mentoring and tutoring to support college success – Job and life skill training; employment and internship opportunities

IV. The Community and Housing Model

- Target site: an affordable rental community on 2 – 5 acres
- Target unit mix: 18 family homes; 54 elder homes; 10 TAY studios
- Features: a large community room, commercial kitchen, computer lab/library, fitness center, common outdoor areas for playgrounds, community gardens, offices for program management
- Intergenerational activities: tutoring; lessons in music, cooking, arts, crafts, car repair and other skills; child care relief; providing transportation; coaching in recreational activities; reading programs; nutrition and wellness programs for all community members

V. Partnership Model

We have a four-pronged partnership guided by a highly collaborative, team approach. Each partner plays a distinct role to support the shared goal of developing a replicable California model:

Treehouse Foundation – provides visionary leadership, intergenerational programs, community building and facilitation, and catalyzes other key partnerships

MidPen Housing – assumes full responsibility for acquiring, developing and professionally managing the community. MidPen's Resident Services organization will provide additional services for all Treehouse California residents

County of Santa Clara Department of Social Services – serves as a thought-partner and provides referrals for the children and families as well as funding to cover onsite social workers

An Innovative Child Welfare Partner – (yet to be determined private agency) will provide onsite case management, child welfare services and supports for all Treehouse children, youth and TAY.

VI. Funding Model

MidPen Housing will secure development and construction costs through a combination of public and private sources, including tax credits. We are also exploring the use of social innovation bonds to fund the on-site community facilitation and elder services so vital to Treehouse success.

Annual Operating Costs: rental income will cover property maintenance and management; County Department of Children and Families will cover the cost of 3 full-time social workers. Through social impact investments, Treehouse will raise approximately \$265,000 annually to fund on-site services and realize the Treehouse mission and vision through vital partnerships, outreach and resource development.



Treehouse California 2017 Priorities

1. Secure \$795,000 to cover Treehouse's costs through 2019 for predevelopment, basic operating expenses and expansion into California.
2. Find a site (target Santa Clara County) and secure any funding required for the land.
3. Establish trusted relationships with leaders in the social sector, local government, the funding community, higher education, and other service agencies with whom we'll eventually partner.
4. Identify and form a partnership with a well-respected and visionary child welfare partner.

Invest in the Vision

If you are inspired by this innovative and proven concept and long to see it flourish in California, we invite you to become a Treehouse California seed investor. As stated above, we seek \$795,000 over three years (2017 – 2019) to accomplish our goals. We are also actively looking for land. In a region where land costs are at a premium, we hope that the compelling vision of Treehouse might inspire a land owner to consider donating their property toward this legacy or selling their property for below its current market value.

Both MidPen Housing and Treehouse are 501c3 non-profit organizations and so donations (monetary or gifts-in-kind) are fully tax deductible, as allowed by law.

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Appendix A: Organizational Overviews

About Treehouse

The Treehouse Foundation is a non-profit organization that promotes public investment in our nation's most vulnerable children. We seek to inspire, implement and support innovative child welfare practices to ensure that children who have experienced foster care find lifelong family relationships in supportive communities, which enable them to lead fulfilling and productive lives. We fulfill this mission through two key initiatives: Treehouse Communities are planned intergenerational neighborhoods where adoptive families, the children and elders invest in one another's lives. The Re-Envisioning Fostering Care in America (REFCA) movement is inspiring widespread child welfare innovation. For more information, visit www.refca.net

About MidPen Housing

It is the mission of MidPen Housing to provide safe, affordable housing of high quality to those in need; to establish stability and opportunity in the lives of residents; and to foster diverse communities that allow people from all ethnic, social, and economic backgrounds to live in dignity, harmony and mutual respect. Since 1970, MidPen has developed and professionally managed over 8,000 homes for low-income families, seniors and those with special needs. MidPen also provides extensive services and support for our residents through MidPen Resident Services Corporate, a separate non-profit organization. With offices in Foster City, Oakland, and Watsonville, MidPen works in 11 Northern California counties. For more information visit: www.midpen-housing.org

Appendix B: Treehouse Awards and Honors

Treehouse Foundation Leadership Awards

2017 Innovator of the Year Award, Massachusetts Council on Aging

2017 Program With Purpose / Successful Aging
Milken Institute "Best Cities for Aging Report"

2016 Innovation Excellence Award, Massachusetts Nonprofit Network

2015 Adoption Excellence Award
U.S. Department of Health & Human Services / Bureau of Children

2015 Citizen Activist Award (Judy Cockerton)
North American Council on Adoptable Children

2012 Myra Kraft Community MVP Award (Rosa Young, Treehouse elder)
New England Patriots

2012 Purpose Prize (Judy Cockerton, one of 5 awardees out of nearly 1,000 nominations)
Encore.org and AARP

2010 Congressional Angel in Adoption (Judy Cockerton)
Congressional Coalition on Adoption Institute

Treehouse Foundation Housing Awards

2008 NAA Paragon Award for Best Garden / Townhouse Community
National Apartment Association

2007 Charles L. Edson Tax Credit Excellence Award
Affordable Housing Tax Credit Coalition

2007 Community of Excellence Award
Rental Housing Association

2006 Best Special Needs Housing
Affordable Housing Tax Credit Coalition

2006 Best Family Housing – Finalist
Affordable Housing Finance

Appendix C: Treehouse National Media – Live Links

The Hero Effect, May 2017

A National United Way 30-minute docu-series on Oprah's OWN Network

<https://www.heroeffect.com/episodes/episode-7-treehouse-foundation/>

NPR's "Innovation Hub" Segment, January 2017

"Rebuilding Foster Care From the Ground Up"

<http://blogs.wgbh.org/innovation-hub/2017/1/20/treehouse-village-judy/>

AARP Bulletin, November 2016

"A Retirement Community of Care"

<http://www.aarp.org/work/retirement-planning/info-2016/the-good-life-in-massachusetts.html>

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Chronicle of Social Change, August 2016 (two articles)

"Judy Cockerton: Transforming Foster Care One Community at a Time"

<https://chronicleofsocialchange.org/child-welfare-2/judy-cockerton-transforming-foster-care-america-one-community-time/20584>

"Kindred Spirits Take Intergenerational Communities for Foster Youth West"

<https://chronicleofsocialchange.org/child-welfare-2/kindred-spirits-take-intergenerational-communities-foster-youth-west/20580>

Woman's Day Article, May 2016

"One Big Happy Family"

<http://www.womansday.com/life/a54243/treehouse-foundation/>

Boston Globe Article, December 2015

"In Easthampton Village, Everyone Helps the Children"

This link is to the front page story and has the video and photo gallery in one package.

<https://www.bostonglobe.com/metro/2015/12/20/village-raise-adopted-foster-children/GogaPelrxsZieXd39YMPkM/story.html>

Appendix D: Children and Youth Status Table References

Citations for evidence comparing Treehouse Foundation outcomes to national statistics on youth who have experienced foster care (table on page 4):

¹ *The Invisible Achievement Gap: Education Outcomes for Students in Foster Care in California Public Schools*; Center for the Future of Teaching and Learning; West Ed, 2013

² *Foster Youth Attending College – Information Packet*; Sara Cohn, Rachel Kelly, 2015
National Center for Child Welfare Excellence, Silberman School for Social Work

³ *Employment of Former Foster Youth as Young Adults: Evidence from the Midwest Study*; Jennifer L. Hook, Partners for Our Children, University of Washington and Mark Courtney, Chapin Hall, Partners for Our Children, University of Washington, 2010

⁴ *Risk for Arrest: The Role of Social Bonds in Protecting Foster Youth Making the Transition to Adulthood*; Judy R. Havlicek, Gretchen Ruth Cusick, Mark E. Courtney, 2012

⁵ *Pregnant and Parenting Teens in Foster Care: Prevention Efforts and Supportive Services to Meet the Needs of Youth in Care*; Anne Benedict and Janelle Bercun, National Resource Center for Permanency and Family Connections, 2013

⁶ *Adoption Disruption and Dissolution*; Child Welfare Information Gateway, 2012

⁷ *Adoption Disruption and Dissolution*; Child Welfare Information Gateway, 2012