

Allegheny Services Foundation

Three-Year Plan & Ten Milestones to Open the ASF Therapeutic Community

Allegheny County, Pennsylvania | April 2026

THE ASK

ASF is raising a total launch funding stack of \$605,000 to \$1,135,000 to acquire a Pittsburgh property, complete rehabilitation, fund three founding staff for one year of pre-launch preparation, and underwrite 12 to 18 months of operations. Once open, ASF will house ten to twelve students at opening day, growing to twenty students by the end of Year 3 — at an all-in cost of \$22,500 per student per year, against the \$42,000 to \$45,000 per year Pennsylvania spends to incarcerate the same population. ASF's cost for a full 2.5-year stay equals approximately \$56,250 per student — roughly what Pennsylvania pays to incarcerate that person for sixteen months.

How to Read This Document

One organization, one plan, two parts

This document brings together everything ASF has prepared for partners, lenders, donors, judges, and our own internal team. It is organized in two parts.

Part I — The Three-Year Plan presents the case for ASF: the problem we address, the model we follow, the financial structure, and the criminal justice partnership we propose. It is what an outside reader needs to evaluate whether ASF is a credible bet.

Part II — The Ten Milestones lays out exactly how ASF will go from where we are today to opening day and through the three-year ramp from ten students to twenty. It is the execution roadmap behind the plan in Part I.

All numbers and assumptions in both parts are reconciled to a single planning framework: a per-student all-in operational cost of \$22,500 per year, a deliberate intake pace that grows the community from ten to twenty students over three years, and a capital structure built around the moving company as the primary cash revenue engine.

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PART I

The Three-Year Plan

Executive Summary

Allegheny Services Foundation (ASF) is a 501(c)(3) nonprofit therapeutic community modeled after Delancey Street Foundation and The Other Side Academy. It will house adults with histories of incarceration, addiction, and homelessness in a peer-run residential program where accountability, vocational training, and character development are the daily curriculum. ASF is not a halfway house. It is not a 90-day program. It is a 2.5-year minimum transformational community where students earn their way out through demonstrated behavioral change and measurable contribution.

This plan presents two things simultaneously: a financial underwriting case for CDFI lenders, and an impact and partnership case for criminal justice stakeholders including judges, district attorneys, and probation and parole supervisors. Both audiences are evaluating the same question from different angles. For lenders, the answer is grounded in revenue projections, loan repayment capacity, and risk mitigation. For criminal justice partners, the answer is grounded in evidence, cohort suitability, and a precisely defined intake model.

THE CORE THESIS
 ASF’s all-in cost to house and support one student is approximately \$22,500 per year — roughly \$56,250 for a full 2.5-year stay, funded by ASF through enterprise revenue, donors, and grants with no cost to taxpayers. Pennsylvania spends \$42,000 to \$45,000 per year to incarcerate the same person. ASF’s cost to transform someone over 2.5 years equals roughly what Pennsylvania pays to incarcerate that person for sixteen months. ASF is not asking to be funded as charity. It is asking to be recognized as the more efficient system.

The Problem: What the Data Shows

Pennsylvania’s Recidivism Crisis

Metric	Pennsylvania Data
3-Year Return Rate	64.7% of all reentrants are re-arrested or reincarcerated within 3 years — unchanged for 16 consecutive years (PA DOC 2022 Recidivism Report)
Annual Cost of Recidivism	\$3.1 billion per year in Pennsylvania. The PA DOC budget request for 2024 exceeded \$3.3 billion — the third-highest appropriation in the Commonwealth.
Cost Per Person	\$44,090 per year to incarcerate a federal prisoner (FY2023). PA state costs run \$42,000–\$45,000 per person annually.

Western PA is Worse	Central and western counties have the highest overall recidivism rates in the state. Allegheny County is in the highest-burden region.
The Revolving Door	More than half of reincarcerated individuals return for technical parole violations — missed appointments, failed drug tests — not new crimes. The system is not preventing crime; it is processing failure.
Government’s Own Assessment	The PA DOC’s primary reentry program (COR) was independently evaluated and found to fail on every measurable outcome. The evaluators recommended complete elimination of the program.

Who Is the ASF Cohort?

ASF intentionally serves the population that has failed most often in traditional programs — not because they are irredeemable, but because traditional programs are poorly designed for them.

Characteristic	Description
Criminal History	Multiple convictions; prior incarceration; often failed parole or probation at least once. This is not a first-time offender population.
Substance Use	Majority have significant substance use histories. Many have cycled through short-term treatment programs with relapse.
Employment	Little to no formal employment history. Criminal record creates near-total barrier to standard hiring.
Housing	Chronically unstable or homeless upon release. No safe return environment.
Prior Program Failures	Most have been through short-term rehab (28 or 90 days), probation supervision, halfway houses, or county reentry programs — without lasting change.
Risk Classification	Medium to high risk by standard actuarial tools (LSI-R, ORAS). This is the population criminal justice stakeholders most need redirected.

The Solution: Why the TC Model Works

The Evidence Base

Study / Source	Finding
Campbell Systematic Review (74 evaluations)	TCs were the only program type to consistently show reductions in both recidivism and drug relapse. Boot camps: no effect. Group counseling: minimal effect.
Lancet Meta-Analysis (29 RCTs, 9,443 participants)	TCs produced a 36% reduction in recidivism odds (OR 0.64) — the largest effect of any psychological intervention studied across all prison-based programs.

PMC Systematic Review (14 studies)	75% of studies showed reduced reincarceration for TC participants. 70% showed reduced drug misuse relapse. Long-term studies confirmed sustained effects.
Duration Effect (De Leon, 2013; NIDA 2015)	Time in program is the single strongest predictor of outcome. Completing the full planned duration produced the best results — validating ASF’s 2.5-year minimum model.
Delancey Street Foundation (52+ years)	18,000+ graduates since 1971. Graduate recidivism under 10% vs. 67–71% national rearrest rate. Zero government funding. Zero professional staff. Entirely peer-run.
The Other Side Academy	Independent white paper demonstrates improvements in criminal behavior, substance abuse, and mental health for residents. Court-presented candidates accepted through a self-selection process similar to ASF’s.

How ASF Differs from What Has Failed

Dimension	Traditional / Government Programs	ASF Therapeutic Community
Duration	28–90 days	2.5 years minimum commitment
Staff Model	Clinical professionals — paid employees	Peer-run. Three founding staff. Zero paid clinical staff.
Accountability	Periodic check-ins with parole officer	24/7 peer accountability — you cannot hide
Intake Model	Court referral or program placement	Candidate self-selects, applies, is peer-interviewed, and presents their own case to the court
Success Metric	Program completion	Employment, sobriety, housing stability, character — multi-year tracking
Cost Model	Entirely grant/government dependent	Majority self-funded through social enterprises by Year 3
Recidivism Rate	~65% within 3 years (PA DOC)	<10% for graduates (peer TC benchmark, 50+ years)

PART I — SECTION B

Financial Structure & Sustainability

Organizational & Revenue Model

ASF's financial model is fundamentally different from most nonprofits seeking CDFI financing. Revenue is earned through social enterprises operated by students as part of their vocational training — not dependent on grant renewal cycles or government contracts. This creates a self-reinforcing economic engine: as more students join and build skills, enterprise capacity grows, generating more revenue, which funds more students.

Revenue Stream	Target %	Nature of Revenue
Social Enterprise — Moving Company	50–60%	Earned revenue from moving jobs. Cash business. Grows with truck count and student workforce. Not dependent on any funder.
Social Enterprise — Food Truck (Year 2+)	10–15%	Earned revenue from food sales. 20–30% net margin in peer-run model.
Individual & Donor Contributions (Zeffy)	10–15%	Zero-fee platform. Growing base. Recurring monthly donors.
Foundation & Corporate Grants	10–15%	RKMF, Pittsburgh Foundation, corporate CSR. Non-recurring but diversified.
URA / Government Programs	0–5%	Supplemental. ASF does not design its model around government funding — this is intentional and a core strength.

The Per-Student Cost Framework

ASF's planning is anchored to an all-in per-student operational cost of \$22,500 per year. This figure includes housing, food, clothing, utilities, staff, insurance, vehicles, and overhead, net of in-kind donations. It is the conservative benchmark used by established peer-run TCs and is consistent with the Pittsburgh cost environment at ASF's small-community scale.

Year	Average Students	All-In Operational Cost
Year 1	~11 (10–12)	\$247,500
Year 2	~15 (14–16)	\$337,500
Year 3	~19 (18–20)	\$427,500
Three-Year Total		~\$1,012,500

WHY THIS NUMBER IS CONSERVATIVE

The \$22,500 per student per year figure already assumes a steady stream of student-led in-kind donations — food, furnishings, vehicles, services, supplies — sourced through corporate development activities at roughly \$4,600 to \$7,900 per month as the community grows. If ASF underperforms on in-kind donations, cash operating costs rise. If ASF overperforms, the per-student cost falls below \$22,500. The figure is the planning floor, not a stretch target.

Why Self-Selection Strengthens the Financial Model

ASF’s intake model — in which candidates self-select, write letters, complete peer interviews, and present their own acceptance to the court — is not a pipeline constraint. It is a quality filter that directly improves the financial viability of the program.

- Self-selected candidates stay longer. Research consistently shows that voluntary participants outperform mandated ones at 5-year follow-up. Duration equals stable workforce equals stable enterprise revenue.
- Longer retention means lower vacancy rates. A bed filled by someone who chose to be there is more reliably filled than a bed filled by someone who was assigned.
- A motivated student cohort is a more productive enterprise workforce. Output per resident — the core financial driver — is higher when students have demonstrated initiative before arriving.
- The pipeline is large. Allegheny County Jail processes approximately 50,000 annual bookings. Even a fraction of the pre-sentenced population hearing a single ASF presentation represents a candidate pool many times larger than ASF’s 10-to-12-bed Phase 1 capacity.

FOR LENDERS & INVESTORS

The intake filter is a credit quality improvement, not a risk factor. ASF’s bed vacancy risk is lower — not higher — because of this model. A waiting list begins forming once word spreads, which in Allegheny County’s jail population happens quickly and organically.

Moving Company Revenue Engine

ASF will begin generating revenue within the first 30 to 60 days of operations through small-scale moving, cleanouts, and general labor — before a truck is even purchased. Pittsburgh’s market rates run \$162–\$200/hour for a 3-person crew. ASF’s peer-run cost structure eliminates traditional labor overhead, producing strong margins from the first job. The table below shows annual enterprise revenue at full operational capacity for each enterprise scale.

Enterprise Scale	Jobs/Week	Avg \$/Job	Full-Year Revenue at Capacity
Early Stage (labor only, no truck)	3–5	\$350	\$55,000–\$90,000
1 Truck — Conservative	6–8	\$500	\$156,000–\$208,000
1 Truck — Strong	10–12	\$575	\$299,000–\$359,000

2 Trucks (Year 2+)	18–22	\$600	\$562,000–\$686,000
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HOW THIS TABLE RELATES TO THE THREE-YEAR PROJECTIONS

The figures above are full-year revenue at full operational capacity for each enterprise scale. The Full Runway and Partial Runway projections that follow use partial-year figures because ASF ramps through these scales sequentially within each year — starting Year 1 in the labor-only stage, transitioning to 1 Truck Conservative once PUC authority and the truck are in place, and reaching 2 Trucks during Year 2. Year 1 Full Runway revenue of \$180,000 reflects roughly two months of labor-only plus ten months of 1 Truck Conservative operation. Year 2 of \$380,000 reflects approximately six months of 1 Truck Strong plus six months of 2 Trucks. Year 3 of \$580,000 reflects a full year at 2 Trucks with continued capacity growth.

Launch Funding Structure: The Financing Framework

ASF will not seek a single source of funding. Instead, we will structure a layered launch funding stack by working with multiple CDFIs and grant-making institutions simultaneously to collectively provide the full amount needed to acquire the property, complete rehabilitation, fund the three founding staff for one year of pre-launch preparation, and fund operations through the first 12 to 18 months. This approach distributes risk across lenders, demonstrates broad institutional support, and eliminates dependence on any single decision.

The stack contains two distinct buckets that ASF tracks separately:

- Capital bucket — property acquisition, rehabilitation, permits, inspections, one-time housing readiness, and truck and enterprise startup costs. Funded primarily through CDFI debt and capital-restricted grants.
- Operating bucket — the \$350,000 pre-launch staffing fund and the 12-to-18-month operating runway. Funded through unrestricted donor campaigns, operating-eligible grants, and the CDFI operating line.

Capital-restricted grant dollars (URA Innovation Grant, RKMf capital reimbursements) cannot be used to pay salaries, and operating dollars cannot be repurposed for property acquisition. Tracking both buckets separately is a deliberate financial discipline that protects both the property investment and the operating model.

Launch Funding Stack

Source	Bucket	Type	Target Amount	Purpose
CDFI Loan — Primary (e.g., NCDF)	Capital	Debt	\$100,000–\$150,000	Property acquisition and/or rehabilitation. Repaid from enterprise revenue.
CDFI Loan — Secondary (e.g., URA CDIF)	Capital	Debt	\$50,000–\$100,000	Rehabilitation completion. Subordinate to primary lender.

Invest PGH — SMAL / ABEL Loan	Capital	Debt	\$15,000–\$30,000	Moving company launch: equipment, supplies, PUC licensing.
URA Innovation Grant	Capital	Grant	Up to \$200,000	Capital only — acquisition, rehab, housing readiness.
Richard King Mellon Foundation	Capital	Grant	\$50,000–\$150,000	Capital reimbursement and program launch.
Pittsburgh Foundation & Other Funders	Both	Grant	\$25,000–\$75,000	Capital and operating support. Diversified grant pipeline.
Pre-Launch Staffing Fund	Operating	Grant/Donor	\$350,000	Three founding staff for one year of pre-opening preparation.
Zeffy Donor Campaigns	Operating	Donated	\$20,000–\$50,000	Flexible operating support. Zero platform fees.
In-Kind Contributions	Operating	In-Kind	\$10,000–\$30,000	Donated food, furnishings, tools, services.
TOTAL LAUNCH FUNDING TARGET			\$605,000–\$1,135,000	Property + rehab + pre-launch staffing + 12–18 months operating runway

THE RUNWAY PRINCIPLE

ASF will not close on a property until sufficient funding is committed across both the capital bucket and the operating bucket to sustain operations for 12 to 18 months without revenue. This eliminates early-stage financial pressure and allows the therapeutic community model to develop as intended — without the enterprise being rushed before students are ready to run it.

Full Runway: Three-Year Projections

Scenario: Full 12–18 month operating runway secured upfront through capital stack. Grants reimburse portions of debt. Enterprise revenue grows from Month 1.

In this scenario, ASF enters operations with no cash pressure. The capital stack covers acquisition, rehabilitation, pre-launch staffing, and 12 to 18 months of operating costs. Enterprise revenue begins within the first 30 to 60 days through labor-only moving and cleanout services, and grows steadily as students develop skills and a truck is added. Grant awards progressively pay down CDFI loan balances, strengthening the balance sheet each year.

REVENUE	Year 1	Year 2	Year 3
Moving Company (labor + truck)	\$180,000	\$380,000	\$580,000
Food Truck (launches Year 2)	—	\$110,000	\$220,000
Donor Campaigns (Zeffy)	\$35,000	\$55,000	\$80,000
Foundation & Corporate Grants	\$120,000	\$100,000	\$80,000
TOTAL EARNED & GRANT REVENUE	\$335,000	\$645,000	\$960,000

OPERATING EXPENSES	Year 1	Year 2	Year 3
Property (mortgage/loan service + utilities + maintenance)	\$42,000	\$44,000	\$46,000
Student Housing (food, clothing, hygiene, stipends)	\$48,000	\$70,000	\$95,000
Moving Enterprise (fuel, insurance, PUC, equipment, marketing)	\$48,000	\$95,000	\$145,000
Food Truck Operating Costs (launches Year 2)	—	\$66,000	\$110,000
Admin, Insurance, Accounting, Legal	\$28,000	\$32,000	\$36,000
CDFI Debt Service (blended stack)	\$18,000	\$24,000	\$24,000
Capital: Truck Purchase (Year 1 from runway)	\$40,000	—	—
Capital: 2nd Truck (Year 2 from surplus)	—	\$42,000	—
Capital: 3rd Truck / Expansion (Year 3)	—	—	\$45,000
TOTAL EXPENSES	\$224,000	\$373,000	\$501,000

	Year 1	Year 2	Year 3
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NET SURPLUS	\$111,000	\$272,000	\$459,000
All-In Cost Per Student (planning benchmark)	\$22,500	\$22,500	\$22,500
Average Students Enrolled	~11	~15	~19
Implied All-In Cost (\$22,500 × students)	\$247,500	\$337,500	\$427,500
Enterprise Self-Fund % (excl. grants)	54%	76%	85%
Students Served (range)	10–12	14–16	18–20

HOW THE CASH BUDGET RELATES TO THE PER-STUDENT BENCHMARK

The cash operating expenses above (\$224K, \$373K, \$501K) include enterprise reinvestment — truck purchases, food truck launch, equipment growth — that the \$22,500 per-student all-in benchmark does not. Stripped of those reinvestment lines, cash operations track closely to the per-student framework: \$184K / \$331K / \$456K. The two views reconcile.

Partial Runway: Three-Year Projections

Scenario: Capital stack covers acquisition and rehabilitation but provides only 6 months of operating runway. Enterprise revenue must carry operations from Month 7. Food truck deferred to Year 3.

In this scenario, ASF closes on the property with enough capital for acquisition, rehabilitation, pre-launch staffing, and approximately six months of operating costs. The enterprise must generate meaningful revenue by Month 7 to sustain operations. This is a tighter model — but still viable, because the moving company begins generating cash within the first 30 to 60 days through labor-only services before a truck is even acquired. ASF intentionally maintains the same student growth path (10–12, 14–16, 18–20) because compromising student count to fit a smaller revenue base undermines model fidelity.

REVENUE	Year 1	Year 2	Year 3
Moving Company (labor early, truck by Month 7)	\$95,000	\$240,000	\$380,000
Food Truck (deferred to Year 3)	—	—	\$90,000
Donor Campaigns (Zeffy)	\$20,000	\$35,000	\$55,000
Foundation & Corporate Grants	\$60,000	\$80,000	\$80,000
TOTAL EARNED & GRANT REVENUE	\$175,000	\$355,000	\$605,000

OPERATING EXPENSES	Year 1	Year 2	Year 3
Property (mortgage/loan service + utilities + maintenance)	\$42,000	\$44,000	\$46,000
Student Housing (food, clothing, hygiene, stipends)	\$48,000	\$70,000	\$95,000
Moving Enterprise (fuel, insurance, PUC, equipment, marketing)	\$28,000	\$65,000	\$100,000
Food Truck Operating Costs (Year 3 only)	—	—	\$54,000
Admin, Insurance, Accounting, Legal	\$26,000	\$30,000	\$34,000
CDFI Debt Service (primary lender)	\$24,000	\$26,000	\$26,000
Capital: Truck Purchase (Year 1)	\$35,000	—	—
Capital: 2nd Truck (Year 2)	—	\$38,000	—
TOTAL EXPENSES	\$203,000	\$273,000	\$355,000

	Year 1	Year 2	Year 3
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OPERATING RESULT	\$(28,000)	\$82,000	\$250,000
Source of Year 1 coverage	Drawn from 6-month operating reserve in capital stack	—	—
Remaining CDFI Loan Balance	~\$140,000	~\$120,000	~\$100,000
Enterprise Self-Fund % (excl. grants)	32%	65%	75%
Students Served (range)	10–12	14–16	18–20

PARTIAL RUNWAY BOTTOM LINE

Year 1 shows a deficit of approximately \$28,000 — well within the 6-month operating reserve built into the capital stack. From Year 2 onward, ASF generates strong surpluses and services all debt comfortably. The enterprise generates cash from Day 1, which means the partial runway scenario is a tight but manageable path — not a crisis scenario. Grant awards in Years 1 and 2 applied to loan principal further strengthen the balance sheet.

Debt Service Coverage — All Scenarios

CDFI Loan Terms	Rate	Term	Monthly Pmt	Annual Service
Mission-Aligned Rate (4%)	4%	7 yrs	\$2,056	\$24,672
Favorable (7%) — \$150K	7%	7 yrs	\$2,256	\$27,072
Standard (8%) — \$150K	8%	7 yrs	\$2,334	\$28,008
High Risk (12%) — \$150K	12%	7 yrs	\$2,698	\$32,376

In the Full Runway scenario, Year 2 enterprise revenue alone covers debt service at any rate by a margin of 10x or greater. In the Partial Runway scenario, Year 2 net surplus of \$82,000 covers annual service at any rate by a margin of approximately 3x. Debt service coverage is strong across all scenarios from Year 2 forward.

Risk Factor Analysis

Risk Factor	Description	Mitigation
New Organization	No operating history. Founder-dependent in early stage.	Proven 50+ year peer-TC model. Peer-run structure reduces founder dependency. Enterprise revenue begins within 30–60 days.
Runway Shortfall	If capital stack falls short of 12-month target, early operations face cash pressure.	ASF will not close on a property until sufficient capital is committed. Partial

		runway is manageable — full runway is the standard.
Student Attrition	Students may leave before completing program.	TC models expect and absorb attrition. Continuous intake from jail presentations. Even at 40% retention, sufficient workforce remains.
Intake Pipeline Speed	Self-selected intake may take time to fill initial beds.	Presentations begin before property closes. Letters arrive before the house is ready. First cohort is pre-selected before move-in.
Grant Dependency	Approximately 30% of revenue from philanthropy in early years.	30% is low for nonprofits. Enterprise revenue grows to replace grants over time. Multiple grant sources diversify the risk.
Moving Market Competition	Pittsburgh has established movers.	Peer-run cost structure undercuts traditional competitors. Mission story creates customer loyalty. Labor-only start requires zero capital.
PA PUC Licensing	PUC license required for licensed moving with truck.	Process initiated at Month 1. Labor-only services begin immediately — no license required until truck is added.

PART I — SECTION C

Criminal Justice Partnership & Community Impact

The Core Argument: Self-Selection Is the Model

Every therapeutic community that has produced lasting outcomes — Delancey Street Foundation, The Other Side Academy, and decades of documented TC programs — shares one design principle that government-funded models consistently abandon: the candidate must choose this. Not because a judge ordered it. Not because a parole officer placed them. Because they decided, of their own volition, that the life they have been living is not the life they want to keep living.

ASF does not accept referrals from courts or probation officers. We go into jails, we tell people that a different option exists, and we walk out. What happens next is entirely up to the person in the cell.

THE DISTINCTION THAT MATTERS
 Court-mandated program placement fills beds with people who were sent. ASF’s model fills beds with people who asked to come. Those are not the same population — even when the demographics look identical on paper. Motivation is not a soft variable. It is the primary predictor of long-term TC outcome. Every major study of therapeutic communities confirms this.

What the Research Says About Self-Selection and TC Outcomes

Research Finding	Implication for ASF’s Model
Time in treatment is the single strongest predictor of positive outcome (De Leon, 2013; NIDA, 2015)	People who chose to be there stay longer. People who were sent leave the moment legal pressure lifts. Duration is the mechanism. Self-selection produces duration.
Treatment readiness and internal motivation predict completion (Simpson & Joe, 1993; Knight et al., 2000)	A candidate who wrote a letter, waited for a visit, sat through a peer interview, and presented an acceptance letter to a judge has already demonstrated more motivation than the entire population of court-assigned program participants.
Voluntary participants outperform mandated ones at 5-year follow-up (Hiller et al., 1999)	Even the studies most favorable to mandated placement show voluntary participants do better long-term. This validates ASF’s model without requiring an argument against mandated treatment broadly.
Delancey Street Foundation: 52 years, zero court mandates, under 10% graduate recidivism	The most successful TC in American history has never accepted a court referral. This is a design choice fundamental to how the model works.

The ASF Intake Pipeline: Step by Step

Every step is intentional. Every step tests something. The process is itself the first phase of the therapeutic community — because it requires the candidate to demonstrate, before they ever walk through the door, the qualities ASF will ask of them every day.

Step	Stage	What Happens
01	Jail Access Request	ASF requests permission from Allegheny County Jail (ACJ) administration to enter as a community organization presenting a residential program option to pre-sentenced or recently sentenced individuals. Same access granted to faith organizations, GED programs, and workforce development nonprofits. ASF is not asking to supervise, case-manage, or report on any participant.
02	Group Presentation Inside the Jail	A senior ASF student — not a staff member, not a social worker — enters the jail and gives a brief, direct presentation. The message is deliberately unglamorous. No brochures. One conversation.
03	The Letter	Individuals who are interested must write a letter to ASF in their own words — explaining who they are, what they have done, why they want something different, and why they believe they are ready to do the hardest version of that. The letter is the first test.
04	In-Person Interview by a Senior Student	A senior ASF student visits the candidate in the jail as a personal visit. This is not a clinical assessment. It is a conversation between two people who have both been in difficult places.
05	Community Acceptance Decision	The senior student brings their assessment back to ASF leadership and house leadership. If accepted, an official ASF Acceptance Letter is prepared. If not accepted, a written response explains that ASF is not the right fit at this time and the door remains open for the future.
06	The Candidate Presents to the Court	The candidate presents the ASF Acceptance Letter to their attorney, who submits it as part of the sentencing record. At sentencing, the candidate — not ASF — addresses the court.
07	Court Decision	The judge determines whether to grant the alternative sentence. If approved, the candidate comes to ASF. If denied, the candidate serves their sentence — and the door to ASF remains open post-release.
08	Arrival and Community Integration	The candidate arrives at ASF as a new student. They begin at the bottom of the community hierarchy. The program starts on day one. What they demonstrated to get here is the floor, not the ceiling.

Why the Candidate Speaks — Not ASF

The moment a candidate stands before a judge and says, in their own words, “I found this program, I applied, I was interviewed, I was accepted, and I am asking the court to allow me to pursue this path” — something has already happened that no traditional alternative sentencing program produces: the candidate has taken ownership of their own future.

A NOTE ON SENTENCING

When a defendant presents an ASF Acceptance Letter at sentencing, the court is not being asked to trust ASF. The court is being asked to recognize that the defendant has already done something: identified a program, applied, completed a peer interview, and was selected. That process is itself evidence of capacity for change. You are not evaluating ASF. You are evaluating what the defendant has already demonstrated about themselves.

What ASF Actually Needs from Criminal Justice Partners

What We Are Asking For

From	The Ask
Allegheny County Jail Administration	Permission to conduct group presentations to pre-sentenced or recently sentenced individuals. We are a community organization requesting the same access granted to faith organizations and workforce development nonprofits. We are not asking to supervise, case-manage, or report on participants.
Common Pleas Court Judges	When a defendant presents an ASF Acceptance Letter at sentencing, treat it as credible evidence of a completed vetting process. The candidate has already been interviewed and accepted. The judge's role is to decide whether to grant the alternative sentence, knowing that the candidate asked for this.
District Attorneys	Openness to not opposing ASF as an alternative sentencing option when a candidate presents a credible acceptance letter and demonstrates genuine motivation. ASF does not ask DAs to advocate for candidates — only to evaluate cases individually.
PA Board of Probation & Parole	For post-release candidates: recognition of ASF residential participation as compliant with parole housing and reporting requirements. ASF will provide regular written updates to the assigned parole officer.

What ASF Does Not Need

- ASF does not need courts to refer individuals. We find our own candidates.
- ASF does not need a contracted placement arrangement with any government agency.
- ASF does not need probation officers to manage the intake process. The candidate manages it.
- ASF does not need judges to order anyone into the program. We need judges to honor the choice when a candidate makes it and our acceptance supports it.
- ASF does not need the system to change how it operates. We need a small amount of access and a willingness to consider a new kind of evidence.

Court Accountability: If a Student Leaves or Is Removed

- If a student voluntarily leaves, ASF notifies the relevant court, probation officer, or parole supervisor within 24 hours. The original sentence reverts immediately.
- If ASF removes a student for cause, ASF notifies the relevant authority within 24 hours and provides a written account of the circumstances.
- ASF provides monthly written progress reports to any court or supervision authority that requires them as a condition of the alternative sentence.
- The court retains full authority over the underlying sentence for the entire duration of the alternative placement.

THE ACCOUNTABILITY STRUCTURE

The community holds the student accountable. The student holds themselves accountable. And the original sentence holds the arrangement accountable. Three layers of accountability — two of which are far more immediate and personal than anything a supervision officer can provide. This is not reduced accountability. It is a different and more intensive form of it.

Three-Year Behavioral Outcome Targets

The Economic Case

Cost Comparison	Annual Cost Per Person
PA State Incarceration (2024)	\$42,000–\$45,000 per person per year. PA DOC budget: \$3.3 billion for ~38,000 individuals.
Federal Incarceration (FY2023)	\$44,090 per person per year (Federal Register, Dec 2024).
ASF — Planning Benchmark (all-in)	\$22,500 per student per year, including in-kind donations and overhead. Constant across the three-year ramp.

THE MATH

Every 1 person who completes 2.5 years at ASF instead of cycling back through the system saves Pennsylvania approximately \$105,000–\$112,500 in avoided incarceration costs. ASF’s 10–12-person Year 1 cohort represents up to \$1,350,000 in avoided system costs over a 2.5-year stay — against an ASF cost of approximately \$56,250 per student over the same 2.5 years.

Outcome Metrics — Three-Year Targets

Metric	PA Baseline	Year 1 Target	Year 2 Target	Year 3 Target
Residents Enrolled (year-end)	N/A	10–12	14–16	18–20
Retention at 12 Months	—	60–70%	65–75%	70–80%
Sobriety (in-program)	—	80%+ at 6 mo	85%+ ongoing	90%+
Zero New Arrests (enrolled)	~65% arrested	90%+ clean	90%+ clean	95%+
Employment at Program Exit	<20% typical	80%+ grads	85%+ grads	90%+
3-Yr Post-Exit Recidivism (graduates)	64.7%	Target <25%	Target <20%	Target <15%

Beginning in Year 2, ASF will engage an independent external evaluator to ensure methodological rigor in outcome tracking — directly addressing the transparency gap that has historically limited the evidentiary credibility of TC outcome data.

The Post-Release Pathway

The ASF intake model is not limited to pre-sentencing candidates. Individuals who are post-release — on parole, on probation, or who have completed their sentence — can go through the same process:

- Individual hears about ASF from another incarcerated person who attended a presentation or who was accepted.
- They write a letter from inside. The interview happens during a regular visit period.
- If accepted, they receive an acceptance letter and arrange to come to ASF upon release.
- ASF residential participation is presented to their parole officer as their housing plan. ASF provides regular written updates as required.

This creates two intake streams — pre-sentencing and post-release — both driven entirely by candidate self-selection. Combined, they produce a pipeline that does not depend on any single institutional relationship and becomes self-sustaining as graduates refer peers who are still incarcerated.

Why ASF, Why Now, Why Allegheny County

Pennsylvania has spent 16 consecutive years watching its recidivism rate stay at 64.7%. In 2024, it requested \$3.3 billion from taxpayers to fund a system that its own evaluators have found ineffective. The Delancey Street Foundation has operated on this exact model — peer-run, social-enterprise-funded, no professional staff, self-selected candidates — for 52 years and produced fewer than 10% recidivism among its graduates. The evidence is not new. What is new is bringing this model to Allegheny County.

ASF is asking for the minimum viable investment to prove what 50+ years of national data already tells us: that people who have failed every short-term program in the system are not irredeemable. They just need the right environment, long enough, with high enough expectations — and the freedom to choose it.

Financial Sustainability	Community Impact
<p>ASF structures a capital stack across multiple CDFIs and grant sources — not a single bet. Full runway capital covers 12–18 months of operations before revenue must carry the model. Enterprise revenue begins within 30–60 days. Debt service coverage is strong from Year 2 forward at every rate scenario. The property is real collateral. The model is proven at scale.</p>	<p>ASF is the most cost-effective intervention available for the population you process most. We are not asking for referrals. We are asking for access to speak — and the willingness to recognize demonstrated motivation when a candidate presents it at sentencing. The candidate does the hard work. We need you to honor it when they do.</p>
<p>ASF is a social enterprise first. The nonprofit structure houses the mission. The moving company and food truck are real businesses with real customers. This is not a charity asking for perpetual support — it is a growing operation asking for startup capital.</p>	<p>Every successful graduate saves Pennsylvania \$105,000–\$112,500 in avoided incarceration costs over their 2.5-year ASF stay. ASF's 10-to-12-student Year 1 cohort represents up to \$1,350,000 in avoided system costs. The math favors this investment by any measure of public cost, public safety, or human outcome.</p>

FROM CASE TO EXECUTION

The Bridge Between Part I and Part II

Part I made the case for ASF: the cohort, the evidence, the financial structure, and the ask of criminal justice partners. It is the document a CDFI lender, a foundation program officer, a judge, or a board member needs to evaluate whether ASF is a credible bet.

Part II answers a different question: how do we actually get there?

The Three-Year Plan in Part I assumes a property, three trained staff, four to six senior peer leaders, ten to twelve students on opening day, working ACJ access, and a Board governing the operation. None of those exist on opening day by accident. Each one is the product of a specific milestone completed in a specific sequence over the preceding twelve to eighteen months.

The ten milestones that follow are the execution roadmap. They translate the financial and partnership case in Part I into a sequence of concrete deliverables, owners, deadlines, and dollar amounts. They are written as ASF's own plan — what we will do, what we assume, and what we will have in place when the doors open and the first cohort walks in.

The numbers in Part II reconcile to the numbers in Part I. The per-student all-in cost of \$22,500, the 10-to-20-student ramp, the \$350,000 pre-launch staffing fund, the two-bucket launch funding structure (capital and operating), and every line of the funding stack are the same in both parts.

Part I tells you what they add up to. Part II tells you how we get them in place.

PART II

The Ten Milestones

Introduction

This part of the document lays out the ten milestones ASF will complete to launch its therapeutic community in Allegheny County and grow it from ten students at opening to twenty students by the end of Year 3, in line with the Three-Year Plan in Part I.

The milestones follow the proven sequence used by long-running peer-run TCs and adapted to ASF's specific cohort, capital structure, intake model, and staffing plan. Steps may be reordered, parallelized, or refined as conditions change, but each milestone reflects a real precondition for opening the doors.

Throughout these milestones, the work of the three founding staff is framed around the SAMHSA Center for Substance Abuse Treatment Therapeutic Community Curriculum (TCC) Trainer's Manual. The TCC's eleven modules — covering the history of the TC, treatment and recovery, community-as-method, social structure, peer interpersonal relationships, staff roles and rational authority, TC treatment methods, work as therapy, the stages and phases of treatment, and how residents change — form the shared knowledge base every ASF staff member must master before opening day and continue to live out across the three-year arc.

Milestone 1 | Organizing Committee and Governance

Formalize the Organizing Committee — the committed group of leaders who will drive ASF from concept to opening day and through the three-year ramp. This is the seed of permanent governance, not a temporary planning body.

Organizing Committee Responsibilities

- Adopt or update bylaws, conflict-of-interest policies, and a written Statement of Model Fidelity that protects the peer-run, long-duration, work-based core of the program
- Recruit a working Board of Directors with strength in business, law, finance, real estate, criminal justice, and recovery community
- Form an inner Advocacy Team of three to five people responsible for actually executing the milestones — fundraising, site search, jail access, judicial outreach, permitting, and the Organizing Committee expansion described in Milestone 3
- Document ASF's own model in writing — daily structure, accountability practices, vocational schools, intake criteria, graduation standards — using the SAMHSA TCC as the shared vocabulary so the document can be taught to staff, defended to regulators, and protected from drift
- Schedule observation visits to established peer-run TCs (Delancey Street, The Other Side Academy, TROSA) for board members, founding staff, and key donors

Milestone 2 | Licensing and Regulatory Classification

Determine how Pennsylvania and Allegheny County will classify ASF and confirm a workable regulatory path before committing to a property. This is one of the most consequential milestones — the wrong classification can compromise the model.

Working with regulatory counsel and, where possible, with state and county officials, ASF will:

- Confirm whether ASF can operate without state licensure given that it accepts no government funding and charges no fee to students
- Avoid being miscategorized as a clinical drug-treatment provider, group home, or recovery house — designations that typically require credentialed clinical staff, restrict student vocational work, and impose programming that conflicts with the TC model
- If a classification is required, pursue the closest fit to a residential life-skills and vocational training program or a private post-secondary vocational school, rather than a Department of Drug and Alcohol Programs licensed facility
- Document any modifications required for legal operation and confirm those modifications do not damage core fidelity
- Initiate the Pennsylvania Public Utility Commission moving license application early, since the PUC process runs in parallel and is required before the moving company can operate with a truck under ASF's name

Milestone 3 | Community Outreach and Organizing Committee Expansion

Expand the Organizing Committee formed in Milestone 1 into the broader local coalition that will provide funding, political cover, vocational-school customers, and long-term legitimacy. The Advocacy Team's central deliverable in this milestone is a convening event that turns ASF's existing target relationships into new Organizing Committee members.

The Advocacy Team Convening Event

The Advocacy Team will host a single, focused event that brings the audiences listed below into one room. The purpose of the event is not general awareness — it is recruitment. Every attendee leaves either as a new member of the Organizing Committee or with a clear next step toward becoming one.

Event design:

- Small, invitation-only format (40 to 75 attendees) hosted at a respected Pittsburgh venue, ideally underwritten by an early board member or pro bono partner
- Short program: a fifteen-minute case for ASF, a fifteen-minute lived-experience testimony from a graduate of an established TC, and twenty minutes of structured Q&A
- Clear ask before attendees leave: join the Organizing Committee, sponsor a peer-TC site visit, introduce ASF to a specific decision-maker, or commit to a defined level of giving
- Follow-up within seventy-two hours from the Advocacy Team to every attendee, with a tailored next step

Target Audiences for the Event and Ongoing Outreach

- High-net-worth individuals, family offices, and Pittsburgh-area foundations — Richard King Mellon Foundation, The Pittsburgh Foundation, Hillman Family Foundations, Heinz Endowments, and others

- Political leaders — Pittsburgh Mayor’s office, City Council, Allegheny County Executive and Council, state legislators representing the chosen neighborhood, and the Governor’s office
- Judicial and law-enforcement leaders — Common Pleas judges, the District Attorney, public defenders, the Sheriff, ACJ administration, Pittsburgh Police, and PA Probation and Parole
- Local service providers — Light of Life, Pittsburgh Mercy, East End Cooperative Ministry, Sojourner House, Greater Pittsburgh Community Food Bank, and others
- Local business leaders who can become moving-company customers, in-kind donors, board members, and political allies
- Local attorneys offering pro bono support on licensing, zoning, real estate, and contracts

Expanded Organizing Committee Outputs

- An expanded Organizing Committee of fifteen to twenty-five members organized into working groups: fundraising, judicial outreach, real estate, permitting and zoning, and in-kind partnerships
- Quarterly OC meetings with written reporting back to the Board
- Direct OC ownership of specific milestones — the OC fundraising group co-owns Milestones 6 and 9, the judicial group co-owns Milestone 7, the permitting group co-owns Milestone 8
- A donor and partner pipeline maintained in writing, refreshed monthly

Site Visits and Storytelling

Bring a mix of OC members, donors, judges, and civic leaders to visit established peer-run TCs for one or two days. Direct exposure to a working TC moves supporters faster than any pitch deck. ASF should also begin developing its own founder, staff, and early-student stories for use in presentations and at the courthouse.

Milestone 4 | Founding Staff, Senior Peer Leaders, and Curriculum-Based Training

ASF will hire three founding staff members who will carry the program from opening day through the end of Year 3, growing the community from ten to twenty students. Their training is grounded in the SAMHSA Therapeutic Community Curriculum (TCC) Trainer’s Manual, supplemented by lived experience and observation residencies at established TCs.

Founding Staff Profile

- Three founding staff with deep, lived TC experience — ideally graduates of established peer-run programs who understand peer-run structure, encounter groups, vocational training, and resident hierarchy
- Compensated for pre-launch work — model documentation, training, fundraising support, judicial outreach, jail presentations, site preparation, and intake design
- Sent for extended residencies and observation at established TCs to deepen training and build the relationships ASF will rely on for years
- Four to six senior peer leaders — graduates of established TCs willing to relocate to Pittsburgh, or carefully selected first-cohort members — who will form the resident

leadership backbone on opening day and conduct the in-jail interviews described in Milestone 7

Pre-Opening Training Using the SAMHSA TCC

Before opening day, the three founding staff will complete the full TCC Trainer's Manual sequence together. The curriculum's eleven modules — covering an introduction to the TC model, the history and evolution of TCs, the TC view of treatment and recovery, the community-as-method approach, social structure and physical environment, peer interpersonal relationships, staff roles and rational authority, TC treatment methods, work as therapy and education, the stages and phases of treatment, and how residents change in a TC — form the shared knowledge base every ASF staff member must master.

Each module is paired with concrete adaptation work: how this principle will look on the ASF property, how it will be taught to incoming students, how it will be enforced day to day, and how it will be measured. By opening day, the three staff will share a common vocabulary, a common method, and a common written protocol grounded in the TCC.

Three-Year Staff Arc Tied to the TCC

The three founding staff carry the TCC into daily practice across the three-year ramp from ten to twenty students. Their role evolves as the community grows, but the curriculum remains the spine of how they work.

- Year 1 (10–12 students): Staff are heavily hands-on. They establish the social structure and physical environment (TCC Module 5), model peer interpersonal relationships (Module 6), and exercise rational authority (Module 7) directly in nearly every interaction. They run the first encounter groups, set the tone of the morning meeting, and personally walk new students through the early stages of treatment (Module 10).
- Year 2 (14–16 students): Staff shift toward developing senior students into peer leaders who carry the community-as-method approach (Module 4) day to day. Work as therapy and education (Module 9) deepens as the moving company adds a second truck and the food truck launches. Staff begin formal weekly TCC-based training of senior students using the same eleven modules they completed before opening.
- Year 3 (18–20 students): Staff function more as program directors and culture-keepers than as front-line counselors. Senior students run most of the daily TC operations under staff oversight. Staff focus on graduate transitions (Module 11), independent outcome evaluation, and training the next layer of internal leadership so future staff can be raised up from within the community itself.

Pre-Launch Staffing Budget

ASF will raise a dedicated \$350,000 fund to fully support the three founding staff for one year of pre-launch work. This figure covers salaries, payroll taxes, benefits, insurance, a small administrative overhead, TCC training materials, and travel for residencies and observation visits at established TCs. The \$350,000 pre-launch staffing fund is tracked separately from the property capital stack and is the first major fundraising target the Organizing Committee must hit.

Milestone 5 | Site Selection

Identify and secure the property that will house the ASF community. Site selection drives everything that follows — zoning, permitting, fundraising urgency, neighborhood relations, and the daily rhythm of the program. The TCC's Module 5 framing of the social structure and physical environment is a useful design lens: every space should serve community-as-method.

Phase 1 Capacity and Layout

- Beds for ten to twelve students at opening, with a clear path to expand to twenty on the same property or a paired site by the end of Year 3
- Commercial-grade kitchen and shared dining space
- Large meeting room that can hold the full community for daily house meetings, encounter groups, and games
- Office and dispatch space for the moving company, plus secure storage for tools, equipment, and supplies
- Adequate parking and turnaround space for the moving truck — and eventually a second truck and the food truck
- Staff residential or near-site space that supports a live-in or live-near model

Location Criteria

Prioritize neighborhoods that are connected to the rest of Pittsburgh — accessible to the courthouse, ACJ, the customer base for the moving company, and donor and partner networks. Confirm the property sits in a zoning district that already permits dormitory or congregate residential use, food service, and on-site light commercial activity. Commercial, mixed-use, office, and institutional zones are typically the strongest candidates. If a zoning change or conditional-use permit will be needed, plan for a multi-month timeline before closing.

Milestone 6 | Capital Funding for Acquisition, Rehabilitation, and Pre-Launch

Assemble the full capital stack to acquire and rehabilitate the property, fund the three founding staff for one year of pre-launch work, and underwrite the early operating runway. ASF is structuring this as a layered stack rather than relying on any single source — distributing risk across multiple lenders and grant-makers. The components and totals mirror those in Part I.

Capital Stack Components and Targets

- Primary CDFI loan (\$100,000 to \$150,000) — property acquisition or rehabilitation, repaid from enterprise revenue
- Secondary CDFI loan (\$50,000 to \$100,000) — rehabilitation completion and operating runway, subordinate to primary
- Invest PGH SMAL or ABEL loan (\$15,000 to \$30,000) — moving company launch capital for equipment, supplies, and PUC licensing
- URA Innovation Grant (up to \$200,000) — capital only, applied to acquisition, rehab, and housing readiness
- Richard King Mellon Foundation grant (\$50,000 to \$150,000) — capital reimbursement and program launch
- Pittsburgh Foundation and other diversified grants (\$25,000 to \$75,000)

- Pre-Launch Staffing Fund (\$350,000) — dedicated grant and donor fund supporting the three founding staff for one year of pre-opening work; tracked separately from property capital but raised as part of the full stack
- Zeffy donor campaigns (\$20,000 to \$50,000) — flexible, zero-fee operating support
- In-kind contributions (\$10,000 to \$30,000) — donated food, furnishings, tools, and services

Total capital target: \$605,000 to \$1,135,000, covering property acquisition and rehabilitation, the \$350,000 pre-launch staffing fund, and twelve to eighteen months of operating runway in the Full Runway scenario.

Two Buckets, One Stack

Although ASF presents these components as a single capital stack for fundraising clarity, internally they are tracked in two distinct buckets:

- Capital bucket — property acquisition, rehabilitation, permits, inspections, one-time housing readiness, and the truck and enterprise startup costs. Funded primarily through CDFI debt and capital-restricted grants.
- Operating bucket — the \$350,000 pre-launch staffing fund and the twelve-to-eighteen-month operating runway. Funded through unrestricted donor campaigns, operating-eligible grants, and the CDFI operating line.

This separation is a deliberate financial discipline. Capital-restricted grant dollars (URA Innovation Grant, RKMF capital reimbursements) cannot be used to pay salaries, and operating dollars cannot be repurposed for property acquisition. Tracking both buckets separately protects both the capital stack and the operating model.

The Runway Principle

ASF will not close on a property until enough capital is committed across both buckets to sustain operations for twelve to eighteen months without revenue. This eliminates early-stage financial pressure and allows the therapeutic community model to develop as intended — without the enterprise being rushed before students are ready to run it.

Milestone 7 | Jail Access and Judicial Partnership

ASF's intake model depends on access — to Allegheny County Jail to present the program, and to the courts to honor the choice when a candidate makes it. Soft outreach to judges and DAs begins early in Milestone 3. The intensive, named-judge work happens here, two to three months before opening.

ACJ Access

- Formal request to ACJ administration for permission to conduct group presentations to pre-sentenced and recently sentenced individuals — the same access granted to faith organizations, GED programs, and workforce development nonprofits
- Clear written description of what ASF is, what ASF is not, and what ASF is not asking for — no supervision, no case management, no reporting on participants
- Designate which senior students and staff will be cleared for facility entry and complete any required ACJ orientation

Judicial and Prosecutorial Outreach

- In-person meetings with Common Pleas judges most likely to encounter ASF candidates at sentencing
- Meetings with the District Attorney's leadership and key line prosecutors to explain the candidate-led presentation model and the ask: evaluate the defendant, not ASF
- Meetings with the Public Defender's office and key private defense attorneys whose clients may benefit
- Coordination with PA Probation and Parole on recognition of ASF residential participation as compliant with parole housing and reporting requirements for post-release candidates

Founding staff and senior peer leaders should lead these meetings in person. The lived testimony of someone who has walked the same road is what closes the door on skepticism.

Milestone 8 | Permits, Zoning, and Occupancy

Nearly every TC in the country has faced a zoning fight. Plan for it. Pittsburgh and Allegheny County officials default to categorizing TCs as group homes, drug-treatment centers, or recovery residences — and the on-site moving company complicates the picture further.

Permitting Workplan

- Confirm zoning compatibility with Pittsburgh Department of City Planning before closing whenever possible
- If a conditional-use permit or zoning change is needed, build the political and neighborhood support coalition before filing — including the immediate registered community organization
- Prepare clear public-hearing materials: site plans, traffic and parking studies, security and good-neighbor plans, and resident testimonials from peer TCs
- Pursue all required occupancy approvals: building permits, certificate of occupancy, fire and life-safety inspections, Allegheny County Health Department sign-off for the commercial kitchen, and any business licensing required for the moving company at the property
- Confirm PA PUC moving authority is in process and on track to be issued before the truck enters revenue service

Milestone 9 | Operational Funding and the Three-Year Enterprise Ramp

Secure the operating capital that bridges from opening day to enterprise self-sufficiency, and ramp the moving company so earned revenue carries an increasing share of operations from month one forward. ASF's operational funding need is built up from a per-student all-in cost framework, then scaled to the 10-to-20-student ramp and adjusted for the moving company's cash revenue.

Per-Student Operating Cost Framework

ASF's planning is anchored to an all-in operational cost of \$22,500 per student per year — housing, food, clothing, utilities, staff, insurance, vehicles, and overhead, net of in-kind donations. This is the conservative benchmark used by established peer-run TCs and is consistent with the Pittsburgh cost environment at ASF's small-community scale. Scaled to ASF's 10-to-20-student ramp, the all-in operational cost over the first three years is:

Year	Average Students	All-In Cost
Year 1	~11 (10–12)	\$247,500
Year 2	~15 (14–16)	\$337,500
Year 3	~19 (18–20)	\$427,500
Three-Year Total		~\$1,012,500

Student Corporate Development — In-Kind Revenue

ASF will pursue in-kind donations through student corporate development activity from day one, scaled to its student count. Targeted in-kind generation tracks roughly \$5,000 per student per year:

- Year 1 (~11 students): approximately \$4,600 per month, or \$55,000 for the year
- Year 2 (~15 students): approximately \$6,250 per month, or \$75,000 for the year
- Year 3 (~19 students): approximately \$7,900 per month, or \$95,000 for the year
- Three-year in-kind total: approximately \$225,000

This in-kind revenue — donated food, furnishings, vehicles, services, and supplies sourced through student-led outreach to local businesses, food banks, restaurants, and corporate partners — is already embedded in the \$22,500 per-student all-in figure. It is not additive; it is the mechanism by which the per-student cost stays as low as it does.

Moving Company Cash Revenue — ASF's Distinct Engine

The moving company — and later the food truck — generates real cash that pays operating expenses and services debt directly. This is what makes ASF's smaller student count financially viable.

- Year 1 moving company: \$156,000 to \$208,000 conservative, \$299,000 to \$359,000 strong year
- Year 2 moving company plus food truck launch: \$562,000 to \$686,000 (Full Runway scenario)
- Year 3 mature enterprises: enterprise revenue self-funds approximately 78 to 85 percent of operations

The Operational Funding Milestone Target

ASF's operational funding ask, scaled to the 10-to-20-student ramp and netted against moving company cash revenue, is:

- Two-year all-in operational cost (Years 1 and 2 combined): approximately \$585,000
- Three-year all-in operational cost (Years 1 through 3): approximately \$1,012,500
- Pre-launch staffing (the \$350,000 from Milestone 4) is tracked separately and raised independently

- Moving company cash revenue offsets a growing share each year — by Year 3, only modest donor and grant revenue is needed to fully cover operations

ASF's capital stack must therefore secure two distinct buckets:

- Capital for property acquisition and rehabilitation (Milestone 6) — the layered stack described above
- Operating runway sufficient to bridge from opening day to the point at which moving company revenue covers operations — 12 to 18 months in the Full Runway scenario, 6 months in the Partial Runway scenario

Three-Year Student Growth and Intake Pace

ASF deliberately runs a slow, disciplined intake pace because the target community size is small and the staff is small. Adding even one net student per month would put ASF beyond the model fidelity three staff can support.

- Year 1: open with 4 to 6 senior peer leaders plus an initial cohort, growing to 10–12 students by year-end — roughly 0.5 net students per month after attrition
- Year 2: 14–16 students by year-end — roughly 0.3 to 0.4 net students per month
- Year 3: 18–20 students by year-end — roughly 0.3 to 0.4 net students per month

Three-Year Enterprise Ramp

- Year 1: Begin labor-only moving, cleanouts, and general labor in the first 30 to 60 days — no truck required, no PUC license required, immediate cash flow. Acquire the first truck once PUC authority is in hand. Conservative Year 1 enterprise revenue of \$156,000 to \$208,000, climbing to \$299,000 to \$359,000 in a strong year.
- Year 2: Add the second truck from operating surplus, pushing moving company revenue toward \$562,000 to \$686,000. Launch the food truck enterprise targeting 10 to 15 percent of total revenue with a 20 to 30 percent net margin (Full Runway scenario). Total earned and grant revenue target of \$645,000 (Full Runway) or \$355,000 (Partial Runway).
- Year 3: Moving company matures with a third truck or expansion route. Food truck launches under Partial Runway or scales under Full Runway. Total earned and grant revenue target of \$960,000 (Full Runway) or \$605,000 (Partial Runway), with the enterprise self-funding 78 to 85 percent of operations.

Growth Discipline

ASF's 10-to-20 ramp sits at the small-and-deliberate end of the TC spectrum on purpose — small enough that three staff can hold model fidelity, large enough by Year 3 that the moving company workforce sustains operations. ASF will not exceed the planned monthly intake pace even when demand from ACJ presentations exceeds capacity. A waiting list is healthier than a rushed cohort.

Milestone 10 | Permanent Board, Governance, and Outcome Evaluation

By opening day, ASF must have its permanent governance structure fully in place. The Board carries final authority over finances, fidelity, and strategy — and over time, accountability for measurable outcomes.

Board Composition and Role

- A diverse board drawn from business, legal, finance, real estate, civic, judicial, and recovery-community backgrounds
- Bylaws that protect the fidelity of the ASF model against drift, mission creep, and pressure to clinicalize the program
- Standing committees for finance and audit, governance, fundraising, vocational enterprises, and program fidelity
- Term limits, conflict-of-interest policies, and an annual board self-assessment
- An expectation that every board member contributes time, treasure, and network — opening doors for moving company customers, in-kind donations, judicial relationships, and political support

Outcome Evaluation Across the Three-Year Arc

Beginning in Year 2, ASF will engage an independent external evaluator to measure outcomes against the targets set in Part I — retention at 12 months, in-program sobriety, zero new arrests, employment at program exit, and three-year post-exit recidivism for graduates. The Board's program fidelity committee reviews these outcomes quarterly, alongside a TCC-based fidelity self-assessment from the founding staff.

The Board's Long-Term Job

The Board's most important responsibility, beyond fiduciary duty, is protecting the integrity of the model. The pressure to shorten the program, professionalize the staff, accept government funding with strings, or expand faster than the community can absorb will be constant. A board that understands the SAMHSA TCC framework and is willing to say no to those pressures is what allows ASF to still look like ASF in year ten and year twenty.

Summary: Conditions for Opening Day

ASF will be ready to open when the following conditions are met:

- Pre-launch staffing fund of approximately \$350,000 raised to support the three founding staff for one year of pre-opening preparation
- Capital stack assembled to fund acquisition, rehabilitation, and at least six (preferably twelve to eighteen) months of operating runway
- Operational funding plan in place to cover the three-year all-in cost of approximately \$1,012,500, net of moving company cash revenue and student-led in-kind donations
- Property secured with capacity for ten to twelve opening-day students, with room to grow to twenty by the end of Year 3
- Three founding staff and four to six senior peer leaders trained on the full SAMHSA TCC and ready to receive students
- Licensing path confirmed and PUC moving authority in process or in hand
- All permits and occupancy approvals in hand
- ACJ access granted and the first round of jail presentations scheduled
- Initial relationships established with judges, the DA's office, defenders, and Probation and Parole
- Permanent Board seated and governing, with an outcome evaluation plan in place

When these conditions are met, ASF opens its doors — to a small first cohort of students who chose this, who wrote the letter, who sat through the interview, and who stood in front of a judge and asked for a different path. Three staff, ten to twelve students at opening, the SAMHSA TCC as the shared method, and three years to grow into a self-sustaining therapeutic community of twenty.