

2022 ARIZONA HOUSING FORUM

BRIAN MICKELSEN HOUSING HERO AWARD

Innovative

Supportive Housing

Program or Service

CENTER OF HOPE APARTMENTS
LA FRONTERA PARTNERS, INC.

Challenge:

There is significant need in the City of Tucson and the greater Pima County for affordable supportive housing units. The "Center of Hope Apartments" provides 100 Permanent Supportive Housing new units with rental assistance for persons at-risk of /or experiencing homelessness and persons with a Serious Mental Illness (SMI) within a campus offering extensive supportive services. The Center of Opportunity Campus and Center of Hope Apartments permanent housing project provides a "one stop" community resource center of non-profit agencies working together to serve low-income priority populations. The bottom floor of the hotel is set aside for on-site supportive services including behavioral health and substance-abuse recovery.



Solution:

La Frontera, under the leadership of Dr. Ranieri, was able to bring together many resources and community partners to bring the Center of Hope Apartments project to completion. The project had many challenges including the need for a massive and expensive mold remediation but all the hurdles were overcome. La Frontera made a significant financial investment for pre-development costs, including a \$1,000,000 acquisition price, early on and prior to any financing commitment being in place. The project was originally conceptualized in early 2018 thus it took nearly four years to bring the project to fruition.



Result:

In addition to the populations served, the location, and the supportive services available, the project is innovative due to the number of nonprofit organizations and municipalities working together and that there are case management and services onsite, including substance abuse recovery located on the ground floor. The financing includes layers of funds which demonstrate the collaboration of organizations working together to bring a needed housing opportunity to Tucson. The project was financed with 4% tax credits from ADOH, municipal bonds issued by the Pima County IDA, ADOH Housing Trust Funds, Pima County HOME funds, AHP funds from the Federal Home Loan Bank of Chicago, SMI Housing Trust Funds issued by AHCCCS through ADOH, a funding award from Arizona Home Matters, two rounds of Project Based Vouchers administered by the City of Tucson on behalf of Pima County, and rental subsidy for 12 SMI units by HOM, Inc. Additionally, Boston Capital purchased the tax credits and BMO Harris Bank purchased the bonds and issued construction and permanent financing. Lastly, Family Housing Resources, a non-profit agency, is the bond compliance monitor and also assisted by joining the long-term ownership to resolve lending conflicts that arose due to the many layers of financing. In addition, given the renovation and the age of the building, the development team was innovative with design, environmental mitigations, cost impacts and schedule challenges as it was developed during a pandemic year which resulted in labor shortages, supply chain challenges and significant cost increases. Lastly, the supportive services that are available onsite are unlike anything Tucson or Pima County currently have. The Center of Hope Apartments project is truly unique for Tucson.

