

CASA DE ESPERANZA

Fort Worth Housing Solutions and Ojala Partners, Fort Worth, TX

WRITTEN BY MARY TINGERTHAL FOR THE NATIONAL ALLIANCE TO END HOMELESSNESS

PROJECT OVERVIEW

Casa de Esperanza, Fort Worth, TX's largest permanent supportive housing development, opened in December of 2020 with the support of Fort Worth Housing Solutions (FWHS – the City's public housing authority, managing a wide variety of housing programs); development partner Ojala Partners, LP of Dallas; the City of Fort Worth; and a coalition of agencies that care for people who are homeless.

Casa de Esperanza was converted from a Home Towne Suites with 122 units into 119 units of permanent supportive housing. The three-story, L-shaped building has 49,674 square feet, and had last been renovated in 2000. The units are approximately 250 square feet, and include full-size beds, TVs, and wi-fi service; baths; and kitchenettes with microwaves, cookware, a sink and a refrigerator. The property has several interior and exterior community spaces, as well as surface parking spaces.

Units are available to people who have been homeless for 12 consecutive months or more, are disabled, and are either 65 years or older or have health conditions making them vulnerable to COVID-19. Prospective residents are referred from a coordinated entry list managed by the Tarrant County Homeless Coalition.

Located in the Melody Hills neighborhood on the north side of Fort Worth, the area around Casa de Esperanza contains a combination of hotels, restaurants and light industrial properties, and the property is served by a regular bus route.

ACQUISITION AND REHABILITATION OF THE PROJECT

FWHS and the City of Fort Worth began working together in the summer of 2020 to identify a potential extended-stay hotel that could be converted to permanent supportive housing for individuals who had been chronically homeless and at risk of contracting or spreading COVID-19. Ojala Partners assisted FWHS in sifting through dozens of potential properties to identify one that would be most suitable for the target population and could be successfully converted to housing within the deadlines for spending of the CARES Act Coronavirus Relief Funds (CRF). When they had identified the property that would become Casa de Esperanza, FWHS requested \$9.3 million in CRF dollars for the acquisition of the property, which the Fort Worth City Council approved in August 2020.

FWHS issued a Request for Proposals to select a development partner for the project, which was designated to receive project-based vouchers for all of the units. Ojala Partners was selected to work with FWHS to structure the transaction, acquire and rehabilitate the property, and prepare it for occupancy as permanent supportive housing. FWHS worked with numerous homeless service providers to identify individuals who were eligible to become tenants at the property. They also worked with individuals who had been living at the hotel to assist them in finding alternative housing. The property is owned by an affiliate entity of FWHS.

The total cost of acquisition and rehabilitation of the property was approximately \$10 million, (\$9.3 million for acquisition and \$700,000 for renovations), or approximately \$84,000 for each of the 119 units. The City of Fort Worth provided most of the financial resources for the project from funds available through the federal CARES Act in the form of a forgivable loan.

Scope of Rehabilitation Work

The rehabilitation of the property was accomplished over a short eight-week period in October and November 2020. The major renovations to the property included:

- Creation of community space. Three hotel units on the main floor were demolished to make room for a leasing center, case worker office space, and an open clubhouse area. Exterior work created outdoor community spaces including a pergola lounge area, outdoor grill, resident garden space and a pet park.
- Improvements to units. New refrigerators and microwaves were installed in the kitchenettes, and new bed sets and TV systems were provided for all units, along with necessary clean-up and repairs to the units.
- General building repairs. The building interior was re-painted, the elevator was modernized, security cameras and a gate were installed, a wi-fi system was upgraded, and safety hazards were identified and corrected.

Regulatory matters

At the time that the City Council approved the CARES Act funds for Casa de Esperanza, it also approved a zoning change to allow permanent supportive housing in the area. It used a fast-track process to allow the approvals to be finalized in a timely manner so that the funds could be expended and occupancy begun by December 30, 2020.

Neighboring property owners welcomed the conversion of the building to permanent housing because the property was in need of maintenance and had not been well-managed for some time.

The entire process, from acquisition to rehabilitation to permitting and occupancy, took five months.

PROPERTY OPERATIONS AND SERVICES

The property is now being operated by FWHS, and is listed on its website. Roscoe Property Management was selected to manage the property. A property manager is on-site during the day, and the property has a leasing agent and maintenance specialist. FWHS also provides private security overnight, and works closely with the Fort Worth Police Department to ensure the safety of the residents and the community.

With project-based vouchers for all of the units, the property is able to support all of its operating costs with rental revenue.

FWHS worked with the Tarrant County Homeless Coalition to identify the initial residents of Casa de Esperanza. The director of FWHS estimates that about half of the initial residents were referred from shelters and the remainder had been living unsheltered. After the first six months of operation, all of the initial residents were still living at the property.

FWHS works with several service providers to provide case management for all residents at the property. Service partners include Tarrant County Homeless Coalition, Presbyterian Night Shelter, My Health My Resources of Tarrant County, and JPS Health Network. Case managers are onsite five days a week during business hours to assist residents as they stabilize their households and work toward self-sufficiency.

Contact Information

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KEY SUCCESS FACTORS

- With a portfolio of more than 7,000 rental housing units, FWHS has developed a track record of working with private development partners to develop a wide range of affordable and mixed-income housing in Fort Worth, while also continuing to serve as the public housing authority for the City. This experience allowed FWHS to move quickly when Ojala Partners was selected as its development partner for Casa de Esperanza.
- As the public housing authority, FWHS was able to quickly develop the Request for Proposals process necessary to award both mainstream and regular project-based vouchers for all of the units at Casa de Esperanza.
- Ojala Partners used its real estate market expertise to lead a search process for the most suitable property, reviewing more than 100 potential properties before recommending the site that would become Casa de Esperanza.
- Staff from FWHS met with adjoining property owners to gain their support for the project.
- Multiple service partners teamed up to quickly identify the people who would become the residents at Casa de Esperanza, and to provide the services needed by those residents.

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