

Using Integrated Strategies to Promote Recovery

PRIMAVERA FOUNDATION
TUCSON, ARIZONA

Program Overview

High poverty areas require a holistic approach to promote recovery and revitalization. Standing alone, no one strategy will be effective. The Primavera Foundation (Primavera), a NeighborWorks® organization, is integrating stabilization, revitalization, and community engagement activities to create a neighborhood of choice within the city of South Tucson. An important feature of this approach is building partnerships with government, multi-sector community-based organizations, schools, health organizations, businesses and residents. “These collaborative partnerships create enormous synergy,” says Primavera’s Chief Executive Officer Peggy Hutchison. “That helps to support significant resource development and when we combine that with recent successes we see a renewed sense of energy, passion and commitment to engage community residents.” The result has been concrete changes in community conditions in a city that was struggling economically long before the foreclosure crisis swept the rest of the country into recession.

The Neighborhood Stabilization Program (NSP) is just one among several tools Primavera uses to effect neighborhood change. It was a subrecipient in the NSP1 funding through Pima County and participated in a successful NSP2 consortium application led by Pima County that received over \$39.5 million. Primavera also obtains funding from a broad range of public and private sources to support its work, often collaborating with other local groups.

Background

South Tucson is an incorporated city about 1.2 square miles in size, surrounded by the much larger



Primavera replaced this deteriorated house on West 38th Street with a new, attractive energy-efficient unit.

PROJECT SNAPSHOT

LEAD ORGANIZATION

Primavera Foundation

75 staff members

Founded in 1983

COMMUNITY REVITALIZATION PARTNERS

City of Tucson

Pima County

South Tucson Prevention Coalition

Arizona Children's Association

Pro Neighborhoods

John Valenzuela Youth Center

House of Neighborly Services

ASU School of Social Work

University of Arizona

Casa María Catholic Worker

Other faith-based organizations

FUNDING SOURCES

NSP1; NSP2; HOME

Corporation for Enterprise Development

NeighborWorks® America

Federal Home Loan Bank

National Foreclosure Mitigation Counseling

Financial Institutions

Community Financial Services Association

STRATEGY

To promote recovery in a high-poverty city through integration of revitalization, stabilization and community engagement activities.

OUTCOMES

NSP1- Purchased 5 properties and will create six units of affordable housing through renovation and new construction.

CONTACT INFORMATION

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metropolitan city of Tucson. Some 81 percent of its 5,500 residents are Hispanic. Roughly 9 percent are Native Americans, 2 percent African-American and the remaining 8 percent of other races and ethnicities. The unemployment rate is more than twice the national average and almost half (46.5 percent) of those with incomes fall below the poverty level. About 30 percent of the homes are distressed and need substantial rehabilitation or should be demolished and replaced.

Despite these and other challenges, South Tucson has many assets, including a strong sense of community with a distinct identity and cultural pride and strong youth involvement among multi-generational families who have chosen to live in South Tucson for many generations. Latin and Native American cultures are celebrated through local architecture, events and vibrant murals and mosaics that mark different blocks of the city.

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Primavera Foundation was founded in 1983 in response to the growing numbers of homeless people in Tucson. While it continues to support and provide housing for the homeless, Primavera has expanded its mission to include single- and multi-family housing development, workforce development and asset building programs combined with financial education, homebuyer education and foreclosure prevention. From 2008 to 2010 Primavera assisted more than 925 families experiencing delinquency and default and succeeded in helping 396 families keep their homes.

With the 2000 median income just \$17,600, Primavera recognized that people need jobs in order

to afford better housing. Thus it offers job training and placement and temporary employment services, as well as support for former prisoners to re-enter the community. Finally, Primavera offers a range of community-building activities such as creating community gardens, organizing neighborhood clean-ups, training in civic engagement and leadership and civil rights restoration. Its mission statement, to “provide pathways out of poverty through safe, affordable housing, workforce development and neighborhood revitalization,” reflects this comprehensive approach.

In addition to NSP1 and NSP2, Primavera recently used funding from the National Foreclosure Mitigation Counseling Program (NFMC) and the Homeless Prevention and Rapid Re-Housing Program (HPRP) to support its foreclosure-related and long-term rental assistance activities. Funds for community engagement have come from a variety of philanthropic sources, including the most recent grant from the Community Foundation of Southern Arizona.

Implementation

Stabilization

Pima County and city of South Tucson officials approached Primavera for help with issues surrounding distressed housing and foreclosed properties. Joel Gastelum, assistant planning manager for the city of South Tucson, comments on the alignment of interests between Primavera and the city. “Whatever we want to accomplish as a city, Primavera wants to do as a nonprofit,” he says. “Some nonprofits have wonderful ideas, but they don’t think things through or take the time to understand the community.” He appreciates that Primavera does its homework, including reaching out to neighborhood residents to find out what they want.

When Primavera began evaluating the foreclosure situation in South Tucson, the large gap between household incomes and the needs of the housing stock immediately became apparent. “We began to see that a lot of these homes had to be replaced, or needed over \$25,000 in renovations,” says Hutchison. “How can families afford to buy those if they only make \$10,000 a year?” One option was to use manufactured housing as replacements, which could help lower the per unit production costs. Primavera



A family wearing big smiles poses in front of a new home it purchased with assistance from Primavera and NSP1.

worked with a housing manufacturer to design a model with stucco siding that blended in well with surrounding homes. They brought the model to the neighborhood and held several open house events. The response was very positive, so Primavera set about finding the subsidy needed to fill the gap between the cost of the housing and what people could afford.

One of the sources was NSP1. Under a contract with Pima County, Primavera received \$485,000, which it used to purchase five properties with seven units. Primavera demolished two of the homes and replaced them with the manufactured homes described above. Two others were renovated and sold to eligible families and the remaining property, a duplex, was recently rehabbed and will be rented and added to Primavera’s rental property portfolio. NSP1 was combined with Federal Home Loan Bank (FHLB) funds to fill the gap between the housing costs and what the family could afford using no more than 30 percent of its income.

The existing homes average \$55,000 to acquire with renovation costs averaging \$46,000. Buyers obtained mortgages from \$30,500 for families with incomes at or below 50 percent of area median income (AMI) to \$74,000 for families at or below 80 percent of AMI. The gap is provided by NSP1 and FHLB downpayment assistance, which is



Before and after photos of house on West 27th Street. Primavera demolished and replaced using NSP1 funds.

structured as a second mortgage. The replacement Energy Star homes cost approximately \$80,000 and include 1,280 square feet with a complete HUD ground set foundation and landscaping. Added to the initial demolition costs, the total development cost averaged \$86,000. The buyers may receive NSP1 funds, a forgivable second mortgage through FHLB and third mortgage (if necessary) from the Primavera Foundation Revolving Loan Funds. All buyers were required to complete an eight-hour homebuyer education workshop offered by Primavera or another HUD-approved counseling agency.

Using funds from NSP2, Primavera plans to acquire and either renovate or demolish and replace 10

single-family homes. All of the homes will be sold to eligible buyers or added to Primavera's rental housing portfolio. In addition, Primavera plans to build a new multi-family rental property for kinship families. Kinship care refers to people raising another family member's child, such as grandparents who raise their grandchildren when the parents cannot. The rental will be built on a vacant lot. It will provide greater stability for the kinship families and at the same time restore the lot to productive use.

Revitalization

One of the issues confronting South Tucson is absentee landlords who just sit waiting for the rent checks to come in, while doing very little to maintain and improve their properties. To combat this, in 2008 South Tucson city officials decided they needed to strengthen their code enforcement ordinance. The result was Chapter 7 of the South Tucson City Code, which is titled Neighborhood Preservation.¹ Among other things, Chapter 7 addresses how the exteriors of properties should be maintained, defines vacant and dilapidated structures and describes how the city will handle. It also requires owners of residential rental property to register as a business with the city and state. If they reside out of state, they are required to designate a person in-state to serve as their representative. The ordinance specifically defines "slum" properties and sets forth the remedies available to the city once properties receive this designation. These include assessing penalties, appointing a temporary receiver, conducting annual inspections and charging the landlord the cost of inspections. Such provisions added teeth to the ordinance and made it a more effective tool for pressuring landlords to maintain their buildings properly.

Before adopting the ordinance, South Tucson city officials met with Primavera staff members to review the new provisions and solicit their input. It was adopted in early 2009 and the city and Primavera continue to stay in close communication regarding properties that are targeted for code enforcement. Primavera alerts the city of problem properties where the owner has been unresponsive to the com-

¹ Chapter 7, of the City of South Tucson can be viewed online: <http://www.southtucson.org/user/departments.php?choice=subdepartment&page=t&subdeptid=1>

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community's efforts to encourage repairs. The city keeps Primavera informed of progress on properties in active code enforcement status. Gastelum says that this partnership has been vital to persuading landlords to be more accountable for their properties.

Community Engagement

Primavera and its partners have learned that community engagement must begin at the grassroots level, which means that residents and stakeholders must be involved in all phases of community change, including planning, design, implementation and evaluation. To that end, Primavera and its partners are using Success Measures™ Data System Community Stabilization tools to gather baseline data from more than 500 residents in preparation for measuring community level outcomes. Youth residents from the John Valenzuela Youth Center have been trained and hired to carry out resident confidence surveys. The city of South Tucson code enforcement and planning staff are helping to carry out observation surveys of every single lot and parcel within the city. Once the primary and secondary baseline data are collected, residents will assist with analyzing the data. A variety of other projects will involve residents as key participants; examples include creating and sustaining a network of community gardens, neighborhood clean-ups, quarterly night out events and creation of bike/walking paths. The work of all residents, community groups and organizations and government will be honored and valued, which will sustain their involvement and help to build trust throughout the process. All this takes time but is critical for achieving desired recovery and revitalization outcomes.

Primavera has had some recent experience in partnering with residents in developing a community



garden and is hoping to apply the lessons learned to similar projects in the city of South Tucson. In Tucson, Primavera owned a vacant lot next to one of its Transitional Housing Programs and Primavera partnered with neighborhood residents to develop a community garden there. After meeting for several months to develop a vision and a plan for the garden, funding was secured to pay for replacing the irrigation equipment and enriching the soil. By August 2009, residents were able to rent plots and begin planting. The garden, christened "Tierra Anita," soon produced the organic fruits and vegetables residents had desired, but it has had other positive effects as well. It has become a community meeting place where more experienced gardeners can mentor those just starting out, and where everyone can learn about topics such as composting and nutrition at community workshops. There are

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still many challenges, such as figuring out how to pay for the increasing cost of water. Nevertheless, such projects are an important strategy that work at many levels to engage residents and to create positive, visible change in a neighborhood. Once they are drawn into a project they care about, residents become better acquainted and take better care of each other. They may also feel empowered to take on new challenges in their communities. Photos, videos and blogs about Tierra Anita can be found online at www.tierraanitacommunity.blogspot.com.

Lessons Learned

While any community can benefit from a holistic approach to addressing its problems, solving very serious problems such as South Tucson's wrenching

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poverty and deteriorated housing stock require a multi-faceted approach of stabilization, revitalization and engagement. Primavera searches for the tools and programs that can *stabilize* housing and the families that live in the units. NSP1 and NSP2 have been effective programs for addressing this, by supporting the substantial renovation or replacement of deteriorated units and their sale to income-qualified buyers. Primavera also reached out to residents to solicit their views on the design of the manufactured homes it proposed to replace demolished units.

Community *revitalization* cannot be successful if it relies on government to do it all. Private owners have to do their part, a primary reason Primavera is collaborating with the city of South Tucson on a code enforcement initiative aimed, in part, at pressuring

absentee landlords to maintain their properties. Ultimately, healthy neighborhoods rely on their residents to watch out for each other and work together to solve problems, celebrate achievements and figure out ways to meet emerging needs. Primavera and its community partners work with residents to identify projects that will *engage* more residents and grassroots partners who are committed to making their neighborhoods healthier and more vibrant places in which to live.

A common theme throughout all three—stabilization, revitalization and engagement—is multi-sector partnerships. However, Hutchison notes that they can be slow and time-consuming to form. "And sometimes you have to be willing to give up some things," she says. "It is important to be clear about what your guiding principles are and really follow those." Collaborations work when their members recognize they need each other in order to achieve a common vision, that they cannot do it alone. "If we all bring our strengths and assets together we can really make a difference," says Hutchison.

Nick Jones, the executive director of Old Pueblo Community Services, contends another key to success is to start at the top. "If you establish a relationship first with the CEO or the executive director," he explains, "then if problems occur later on it is easier to solve them." He cites as an example a grant that both his organization and Primavera were interested in pursuing, a Prisoner Re-Entry grant offered by the U.S. Department of Labor. Because Jones and Hutchison had a prior and good working relationship, it was easy to decide to apply jointly. They used Old Pueblo's mentoring expertise and Primavera's workforce development capacity as strengths and held joint meetings to design the program. Primavera became the lead applicant and administered the grant once it was awarded; Old Pueblo provided critical mentoring services for the program as a contractor.