

Project Profile

Name of Project/Program: Casa Dominguez

Organization: Abode Communities

Location of Project/Program: 15727 South Atlantic Avenue, East Rancho Dominguez, CA 90221

Year Project Completed/ Program Began Operation: 2009

Funding Sources: US Bancorp Community Development Corporation, Citibank, Community Development Commission of the County of Los Angeles, California Energy Commission's New Solar Homes Partnership

Populations Served: Low-income families, Transition Age Youth (TAY)

Number of People Served: 70 units, 185 people

Number of Staff: 1 full-time property manager; 1 full-time services coordinator

Total Cost of Development/Operation: \$28 Million

Partners: The Children's Collective, St. John's Well Child and Family Center, United Friends of the Children, Los Angeles Urban League, Community Development Commission of the County of Los Angeles

Services Provided: Provides 70 units of affordable housing - 10% of which is dedicated to Transition Age Youth (TAY) leaving the foster-care system in Los Angeles County; childcare facility; health clinic; and parent resource center.

California Community Economic Development Exemplary Practices Project

REAL ESTATE DEVELOPMENT: Mixed-Use Project

(Italicized portions offer further explanation. If the standard is not fulfilled by the project, it is noted in the italicized explanation. Crossed-out portions are not applicable.)

Level 1: Project Feasibility Assessment

These basic criteria determine the feasibility of a real estate development project. The focus is on the organizational and financial readiness of the project.

1. NEED

a. Community Need

- i. If applicable, the project serves a need for low-income housing.
 1. *The project provides housing for those earning at or below 50% of the Area Median Income.*
- ii. If applicable, the project serves a need for commercial space.
 1. *The project provides commercial space, which is leased to the childcare and health clinic providers.*
- ~~iii. If applicable, the project serves a need for industrial space.
 1. *The project does not provide industrial space.*~~
- iv. If applicable, the project serves a need for a specific community facility.
 1. The project provides a Family Development Center, which includes a childcare center and health care facility.

b. Market Study

- i. The market study confirms the need for, and viability/competitive advantage of the project.
 1. *The organization developed this project in response to a competitive RFP awarded by the Community Development Commission of the County of Los Angeles. The Commission was informed about the need and potential for success of the project since it issued the RFP.*
- ii. The market study informs the organization about competition, demographics of the area, and barriers to entry.

c. Local Support & Initial Site Assessment

- i. The project fits the zoning of the site.
- ii. The project is compatible with local land use.
 1. *Initially the question of jurisdiction was an issue because a portion the development site lies within the City of Compton, and the other, in an unincorporated portion of Los Angeles County (East Rancho Dominguez). The City of Compton ultimately ceded land use jurisdiction/authority to the County of Los Angeles.*
- iii. The project is not located in an area with a moratorium or interim control ordinance that cannot be bypassed.
- iv. Neighbors and local community members support the project.
 1. *Prior to the issuance of the RFP by the Community Development Commission of the County of Los Angeles, the Commission engaged the community to participate in a visioning process for the site. This process helped define the request for development proposals, which incorporated a mixed-use development including affordable housing.*
 2. *A key community stakeholder and supporter of the development was the East Rancho Dominguez Block Watch Group.*

- v. The project is in alignment with local city, county, state and/or federal housing and development goal(s).

- 1. *The project is in alignment with the goals of the Community Development Commission of the County of Los Angeles, the issuing agency for the RFP.*

2. ORGANIZATIONAL READINESS

- a. The organization is willing and able to do this project.
- b. The project is in alignment with the mission of the organization.
 - i. *The organization's mission is "to open new doors in people's lives through creative and responsible design, development and operation of service-enhanced affordable housing," and this project is such.*
- c. The Board of Directors embraces a CED strategy and/or embraces the project as a part of the CED strategy.
- d. The organization and/or its partners have a track record of completing similar projects.
 - i. *Abode Communities has successfully completed other child care facilities, including Villa Esperanza Child Care Center, the St. Vincent Building, New Harbor Child Care Center, and Hart Village Early Education Center.*
 - ii. *Abode Communities has successfully completed over 20 multifamily housing projects.*
- e. The organization has the financial and operational capacity to undertake the proposed development.
 - i. The organization can support the additional debt (if any) created by the project.
 - ii. The organization has qualified staff that can undertake the project.
 - iii. The organization has access to reliable, qualified vendors and service providers.

3. FINANCIAL FEASIBILITY

- a. Project cost
 - i. The project is affordable to the developer, and the cost is appropriate to the concept or design.
 - 1. *The Community Development Commission donated the land (through a long-term ground lease) and provided additional financing for the project. Change orders and unexpected costs were offset due to the donation of land and additional project savings during construction.*
 - ii. ~~If the total development cost is not readily available, the project is phased.~~
 - 1. *The project was not phased.*
 - iii. The contractor or operator providing the cost estimates is qualified and experienced in mixed use projects.
- b. Funding sources
 - i. There are enough sources of funding for the uses.
 - 1. *Funding for the project was provided by US Bancorp Community Development Corporation, Citibank, Community Development Commission of the County of Los Angeles, and the New Solar Homes Partnership.*
 - ii. The organization has endeavored to secure all available competitive and noncompetitive funding sources for which the project qualifies.
 - iii. The actual disbursement of each source is timely and in sync with the needs of the project.
 - iv. The developer is aware of the compliance implications of each source.
- c. Cash flow
 - i. The project produces enough cash flow to support the proposed debt structure (if any).

- ii. The project minimally pays for itself over time. It has a sustainable cash flow.
- iii. The organization has secured tenants for commercial and/or retail components.
 - 1. *The Children's Collective rents and operates the childcare space, and St. John's Well Child & Family Center rents and operates the clinic space.*

Level 2: Practical Considerations

These criteria are essential for further developing a successful, operating project.

1. MARKET BARRIERS

- a. The organization understands why past proposals have not worked and instead addresses prior issues in innovative alternative ways.

2. DEVELOPMENT TEAM & PARTNERSHIPS

- a. The organization has assembled the best team for the project, including architects, project managers, property managers, contractors, real estate brokers, leasing agents, and other third party consultants.
- b. If the organization is lacking in any area (financial, experience), it has partnered with another entity to develop the project.
 - i. *The Children's Collective and St. John's Well Child and Family Center rent the non-residential spaces.*
 - ii. *United Friends of the Children refer the TAY for whom 10% of the residential units are reserved.*
- c. The project is supported by public sector, private sector, and community partners.
 - i. *The public sector provided the site for the project.*
 - ii. *The private sector provided financing.*
 - iii. *Community partners rent space and provide referrals.*
- d. Through an open dialogue with the community, the organization has sought and incorporated community input and approval.
 - i. *Prior to the issuance of the RFP, the Community Development Commission of the County of Los Angeles engaged the community to participate in a visioning process for the site. This process helped define the RFP, which specified that the project would be a mixed use development including affordable housing.*

3. SITE CHARACTERISTICS AND PROJECT DESIGN

- a. The location makes sense for the project.
 - i. *The development was predetermined by the RFP process. The site's location is excellent for a mixed-use affordable housing development – its proximity to transportation, key amenities (park, grocery stores, schools, new library, etc.) as well as the L.A. River, will all serve as great amenities as part of an overall revitalization process.*
- b. The design makes sense for the targeted use (e.g. provides correct amount of parking).
- c. The project is located near or adjacent to existing or future transit.
 - i. *The pedestrian-friendly design facilitates convenient travel to the surrounding stores and employment, neighborhood parks and schools, and the region's transit system.*
- d. If the site is a known brownfield or historic structure, the project accounts for increased time, costs, and other issues associated with these environmental and/or historic considerations.
 - i. *The site was a known brownfield. The Community Development Commission of the County of Los Angeles purchased the property and completed the environmental remediation prior to Abode Communities taking over site control for the project.*
- e. The proposed project is the highest and best use of the site

- f. The design is compatible with the characteristics of the community and surrounding buildings.
 - g. If applicable, the project does not “look” like it offers rents lower than market.
 - h. If applicable, the project does not “look” like affordable housing.
 - i. If located in a redevelopment area or contains blighted or dilapidated structures, the project accounts for increased costs and also takes advantage of resources for redevelopment projects.
 - i. *The project is located in the East Rancho Dominguez Redevelopment Project Area.*
 - ~~j. If the project does not comply with the underlying zoning and land use intensity, the timeline and budget for entitlement have been extended.~~
 - i. *There are no zoning or land use issues with the project.*
4. CONSTRUCTION
- a. Project met major construction milestones and was completed on schedule.
 - i. *The project was completed ahead of schedule.*
 - b. Construction timeline was in sync with financing requirements.
 - c. Construction loan was converted to permanent loan on time.
5. RENT UP, MANAGEMENT & OPERATION
- a. Upon construction, the lease up of the project was completed in a timely manner.
 - b. The project is fully occupied.
 - i. *The residential portion of the development was 100% leased within three days of receipt of the Certificate of Occupancy and continues to maintain high occupancy.*
 - ii. *The community facilities spaces are currently 100% occupied.*
 - c. Tenants are provided with opportunities to participate in the management and/or operation of the project.
 - i. *Casa Dominguez residents are currently participating in Community Awareness and Safety Meetings which meet every other month. These are open forums to bring suggestions, ideas and concerns to both the Property Manager and Resident Services Coordinator. Residents have begun to formulate the resident advisory council.*

Level 3: From Feasible to Exemplary

These criteria elevate a functioning project to an exemplary project.

1. FUNDING & FUNDING REQUIREMENTS

- a. The project uses a program or funding source that is new and innovative.
 - i. *The organization took advantage of rebates from the California Energy Commission' New Solar Homes Partnership and the Gas Company to help fund the project.*
- b. Each funding source was heavily leveraged to gain further resources.
- c. Certain features of the project were adapted to capture funding, but the project was not completely changed in order to capture one particular funding source.
- d. There are multiple stakeholders providing funding, and this mix of funding sources maximizes the feasibility of the project.
 - i. *There is a mix of private and public funding sources for the project.*
- e. The design of the project exceeds minimum standards required by funding sources.
 - i. The quality of the construction used on the project exceeds minimum standards required by funding sources.
 - ii. The amenities provided by the project exceed minimum standards required by funding sources.
 - iii. The sizes of the units exceed minimum standards required by funding sources.

- iv. The project creates more jobs than required by the funding sources.
 - 1. *The project does not stimulate job creation.*
 - f. The design of the project and units are culturally appropriate.
 - g. The project is located in close proximity to jobs and public transit.
2. FUTURE PROJECTS
- a. The project strengthens the position (financial, political, capacity, experience) of the organization.
 - b. Through the development process, the reputation of the organization was enhanced. Issues that the project team faced were dealt with in a diplomatic manner, enabling future projects.
 - c. The success of the project will enable future funding on other projects.
 - d. The community is happy with the project and will support more/similar development in the future.
 - e. The community is more knowledgeable about mixed-use projects.
3. ENVIRONMENTAL IMPACT
- a. The project has less environmental impact than traditional projects during construction and during operation.
 - i. *The project features many sustainable features, including formaldehyde-free cabinetry, low-VOC paints and floor coverings, recycled content carpets, restrooms and kitchens vented to the outside, and a pre-fabricated framing system to reduce construction waste.*
 - b. The project meets green building standards such as adaptive reuse or LEED certification.
 - i. *The project received a Platinum certification for Leadership in Energy and Environment Design (LEED) for Homes in July 2010, the highest rating bestowed by the U.S. Green Building Council (USGBC).*
 - c. The project conserves energy and water.
 - i. *The project features a graywater system, a geothermal system, solar energy system providing 100% of the common area electricity, a ground source heat pump, ENERGY STAR® appliances and lighting, high efficiency windows, use of natural light, naturally ventilated corridors, blown-in insulation, California-friendly landscaping, and low-flow plumbing fixtures. The project has an effective recycling program.*
 - ii. *The organization received a large rebate from the California Energy Commission's New Solar Homes Program (channeled through Southern California Edison), as well as a rebate from The Gas Company for meeting certain energy-efficiency targets.*
 - d. The project fulfills the triple bottom line.
 - e. The project has an educational component that teaches tenants about using green features effectively.
 - i. *As part of the LEED for Homes certification, Abode Communities developed a Green Living Guide for residents and provided orientation and education sessions during lease-up and early-stage operations of the development. The after-school program activities incorporate picking up trash on walks to the park and recycling programs. The after-school program participants have taken field trips to Franklin Canyon and other local nature parks, and they have been introduced to the Casa Dominguez energy web site. Presentations on green living products have been conducted at resident meetings*
 - f. The project stimulates green job creation.

i. Through the community facilities located on-site, the project results in local employment.

- i. The project stimulates housing development in the area.
- j. The project serves as a reinvestment/investment catalyst by incentivizing development as a result of the project's success.
- k. Public improvements that support the project such as bus routes and street improvements benefit the entire neighborhood.

10. REPLICABLE/SCALABLE

- a. This project can be replicated in other communities, regions, and/or states.

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