

Project/Program Profile

Name: Professional Housing and Development Apartments (PHD Apartments)

Organization: Little Tokyo Service Center CDC (LTSC CDC)

Location of Project/Program: 1020 S. Kingsley Drive, 1400 S. Kenmore Avenue, 1401 S. Arlington Avenue, 1745 W. 20th Street, and 1910 S. Magnolia Avenue, Los Angeles, CA

Year Project Completed/Program Began Operation: 2011/under construction

Funding Sources: Bank of America, Los Angeles Housing Department-Affordable Housing Trust Fund, Tax Credit Allocation Committee – American Recovery and Reinvestment Act funds, Limited Partner Equity, deferred development costs

Populations Served: Current residents of the PHD apartments and low-income families and individuals

Number of Staff: 2 - 1 project manager, 1 construction specialist

Total Cost of Development/Operation: \$15,029,730 (estimated)

Partners: Koreatown Youth and Community Center (KYCC)

Services Provided: Renovate five existing affordable housing apartment buildings in Koreatown, preserve affordability of existing low-income housing units by buying and taking over the properties from private owners, reduce the environmental impact of the apartments

California Community Economic Development Exemplary Practices Project

REAL ESTATE DEVELOPMENT: Multi-Unit Low-income Rental Housing

(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. The project serves a need for low-income housing.
 1. *The project provides low-income housing in Koreatown, where affordable housing is limited.*
 2. *LTSC took on the project along with the Koreatown Youth and Community Center (KYCC) because the apartments were in danger of losing their affordability due to an expiring subsidy contract.*
- ii. If the project has a specific focus such as multifamily, it corresponds to a need in the community.
 1. *The PHD apartments provide affordable housing to low-income families, and family housing is needed by the Koreatown community.*

b. Market Study

- i. The market study confirms the need for, and viability of the project.
 1. *A market study was conducted to assess need and viability.*
- 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.
 1. *Since the project consists of existing apartment structures, they already fit the zoning of the sites.*
- ii. The project is compatible with local land use.
 1. *Since the project consists of existing apartment structures, they already fit the local land use.*
- 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.
- v. The project is in alignment with local city, county, state and/or federal housing goal(s).
 1. *The Los Angeles Housing Department supported the sale of the properties to LTSC CDC and approved the development financing.*

2. ORGANIZATIONAL READINESS

- a. The organization is willing and able to do this project.
 - i. *LTSC CDC is willing to take over the project along with KYCC to save the affordability of the apartments.*
- b. The project is in alignment with the mission of the organization.
 - i. *The mission of the LTSC CDC is to plan and support community development projects and to develop and maintain affordable housing.*
- c. The Board of Directors embraces a CED strategy and/or embraces the project as a part of the CED strategy.

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.
 - i. *The organization knows that developers have to act quickly when taking on this type of project and will experience obstacles such as construction coordination and avoiding displacement of tenants.*

2. DEVELOPMENT TEAM & PARTNERSHIPS

- a. The organization has assembled the best team for the project, including architects, project managers, property managers, contractors, and other third party consultants.
 - i. *A team of consultants has been assembled to ensure the completion of the project.*
 1. *Sponsor/Social Service Provider: Koreatown Youth & Community Center*
 2. *Financial Consultant: Paul Beesemyer, California Housing Partnership Corporation*
 3. *Legal Counsel: Scott Barshay, Gubb & Barshay*
 4. *Architect: Pedro Birba, The Birba Group*
 5. *Property Management: Jeff Levine, Levine Management Group*
 6. *Construction Management: Ruperto Albelda, A & G Partners*
 7. *Contractor: To be selected by bid*
- b. If the organization is lacking in any area (financial, experience), it has partnered with another entity to develop the project.
 - i. *The organization partnered with KYCC, which provides social services.*
- c. The project is supported by public sector, private sector, and community partners.
 - i. *The project is supported primarily by the public sector and is using almost all public funding.*
- d. Through an open dialogue with the community, the organization has sought and incorporated community input and approval.
 - i. *Through its partner, KYCC, the organization has been in continuous dialogue with the community.*

3. SITE CHARACTERISTICS AND PROJECT DESIGN

- a. The location makes sense for the project.
 - i. *The project is the renovation of pre-existing affordable apartment buildings and the location will not change.*
 - ii. *The five buildings are located in and adjacent to Koreatown. Koreatown has expressed a need for such affordable multi-unit housing to remain affordable.*
- b. The project is located near or adjacent to existing or future transit.
- c. ~~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 sites are not brownfields or historic structures.*
- d. The proposed project is the highest and best use of the site.
 - i. *The sites of the five buildings are already home to affordable housing. Maintaining these apartment buildings as affordable and low-income apartments is the best use of the site due to the needs of the community.*
- e. The design is compatible with the characteristics of the community and surrounding buildings.

- 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.
 1. *The project does not alter the size of the existing units.*
- iv. The design of the project and units are culturally appropriate.
 1. *The design of the units and exteriors of the apartments will not change. Only improvements in amenities, fixtures, and some seismic reinforcements will be made.*
- v. The project is located in close proximity to jobs and public transit.
- ~~vi. The project creates more jobs than required by the funding sources.~~
 1. *There are no jobs requirements from funding sources.*
- vii. There is deeper low and moderate income targeting than required by funding sources.
 1. *Due to the mission and nature of the project there is greater low and moderate income targeting than required.*

2. FUTURE PROJECTS

- a. The project strengthens the position (financial, political, capacity, experience) of the organization.
 - i. *The project strengthens the experience of the organization because the acquisition and rehabilitation process is very challenging.*
- 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.
 - i. *The project is expected to be a success story that helps to refine strategies and advance affordable housing preservation on a national level.*
- d. The community is happy with the project and will support more/similar development in the future.
 - i. *Residents in particular are very happy with the project.*
- e. The community is more knowledgeable about low-income rental housing.
 - i. *Through the process of coordinating construction with tenants in residence, the community became more knowledgeable about low-income rental housing.*

3. ENVIRONMENTAL IMPACT

- a. The project has less environmental impact than traditional projects during construction and during operation.
 - i. *The renovation incorporates sustainable development and design practices to reduce the environmental impact of the PHD apartments.*
- b. The project meets green building standards such as adaptive reuse or LEED certification.
 - i. *The project does not meet green building standards.*
- c. The project conserves energy and water.
 - i. *The project uses new water-saving fixtures.*
 - ii. *Renovation includes installation of new energy efficient windows.*
- d. The project has an effective recycling program.
 - i. *The project has a recycling program, but the organization does not yet know about the tenants' usage of the program.*
- e. The project fulfills the triple bottom line.

- f. The project has an educational component that teaches renters about using green features effectively.
 - i. *The organization's partner, KYCC, has a program that teaches renters about green features, but it is not specifically for this project.*
4. ECONOMIC IMPACT
 - a. The project will lead tenants to homeownership in the long-run.
 - i. *Homeownership for tenants is one of the ultimate goals of the project.*
 - b. The project will increase the independence of tenants.
5. FOOD SECURITY
 - a. The project contains a community garden, farmers' market, resident education, and/or urban gardening component.
 - i. *The project does not contain a community garden, farmers' market, resident education, and/or urban gardening component*
6. COMPREHENSIVENESS
 - a. There are multiple services provided by the project e.g. social services or education centers.
 - i. *Social services are provided as well as access to job placement services.*
 - b. There are complementary uses of the spaces created by the project.
 - i. *Complementary uses of the spaces are minimal. Many services are offered offsite.*
7. DIVERSITY
 - a. The project serves a mixed income clientele.
 - i. *The project serves only low-income clientele.*
 - b. The project encourages mixed age, gender, ethnic, etc. participation.
 - i. *Residents of the PHD apartments are ethnically diverse (mostly Asian, Latino, and African American).*
 - ii. *The Koreatown community is ethnically diverse.*
 - iii. *Many of the apartments are occupied by seniors.*
8. PROPERTY MANAGEMENT
 - a. Property management communicates in languages with which residents are familiar.
 - i. *If needed KYCC will help with communication with tenants.*
 - b. Property management maintains a good relationship with tenants.
 - c. Property management consistently collects rents in a timely manner.
 - d. Residents remain happy with the project after 1 year, 5 years, etc. of operations.
 - i. *It is expected that residents will remain happy with the project over the years.*
9. PUBLIC BENEFITS
 - a. The project provides affordable rents that fit the needs of the community.
 - i. *The project's goal is to preserve the affordable rents of the five PHD apartment buildings while also improving the facilities.*
 - b. The project creates spaces available for public uses (commercial, open, green).
 - i. *The project's spaces are only for tenants.*
 - c. The project removes blight in the neighborhood.
 - i. *The project does not make external changes to the buildings, but it prevents blight by continuing to operate the apartment buildings.*
 - d. The project improves neighborhood security.
 - i. *By reinvesting in the community, neighborhood security is achieved indirectly through neighborhood participation.*
 - e. The project stimulates long-term job creation.
 - i. *The project does not stimulate long-term job creation.*
 - f. The project stimulates housing development in the area.

