

Project/Program Profile

Name of Project/Program: Carlton Court Metro Hollywood Apartments

Organization: McCormack Baron Salazar (MBS)

Location of Project/Program:

- Carlton Court (Phase 1 of the project): 5443 Carlton Way, Hollywood, CA 90027
- Metro Hollywood (Phase 2): 1672 N. Western Avenue, Los Angeles, CA 90027

Year Project Completed/Program Began Operation: Carlton Court: 2000; Metro Hollywood: 2004

Funding Sources:

- Carlton Court:
 - o First Mortgage: \$2,349,000
 - o Equity: \$3,141,000
 - o Local City/State Funds: \$5,100,000
- Metro Hollywood:
 - o First Mortgage: \$2,899,000
 - o Equity: \$7,497,000
 - o Local City/State Funds: \$2,397,000

Populations Served: Targets households 50% and 60% of the area median income

Number of People Served: Carlton Court : 61 units; Metro Hollywood: 60 units

Number of Staff: 5

Total Cost of Development/Operation:

- Carlton Court: \$10,878,000
- Metro Hollywood: \$14,122,000

Partners:

- Carlton Court: Hollywood Community Housing Cooperation (community based nonprofit)
- Metro Hollywood: Hollywood Community Housing Cooperation, Los Angeles County Metropolitan Transportation Authority, and City of Los Angeles Community Redevelopment Agency

Services Provided:

- 2 phase development connected by a courtyard, with Metro Hollywood directly above the Western/Hollywood subway station
- Carlton Court:
 - o Development amenities: electronic entry system, monitored fire sprinkler system, hydraulic elevator, a community room, courtyard with a tot lot, underground parking
 - o Unit amenities: wall-to-wall carpeting, sheet vinyl flooring, central air conditioning, wood kitchen cabinets, refrigerator, range/oven and hood, dishwasher, disposal, washer and dryer, six panel interior doors, window treatments, pre-wired telephone and cable outlets
- Metro Hollywood:
 - o Development amenities: 4,000 square feet day care center, 9,000 square feet of prime retail space, underground parking, courtyard with a tot lot
 - o Unit amenities: wall-to-wall carpeting, full kitchen with refrigerator, range and hood, dishwasher, disposal, washer and dryer
 - o Residents have immediate access to Metro Red Line trains, which operate every four minutes during peak commute periods. Additionally, seven Metro Bus Lines serve the area: Metro Bus 163, 180, 181, 212 and 217 along Hollywood Boulevard and Buses 207 and 357 on Western.

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. *Low-income housing was needed in the higher-income neighborhood of Hollywood.*
- ii. If applicable, the project serves a need for commercial space.
 1. *The project provides approximately 9,000 square feet, which equals 4 retail spaces divisible into five. Tenants are community-serving retail that complement the Transit Oriented Development nature of the development and feature a bank, thrift store and bicycle shop. A child care center is also located on the ground floor.*
- ~~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 does not provide a community facility.*~~

b. Market Study

- i. The market study confirms the need for, and viability/competitive advantage of the project.
 1. *The market study confirmed the market demand for additional affordable housing units in the general market area.*
 2. *The market study confirmed that the 60% AMI that would be the highest charged in the project would still be at least 10% below market rents.*
- 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.
- 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. *The development was part of a larger redevelopment effort by the Los Angeles Community Redevelopment Agency, which held community meetings open to the public to solicit input on all proposed redevelopment plans. Community members supported the project.*
- v. The project is in alignment with local city, county, state and/or federal housing and development goal(s).
 1. *The project was in alignment with the local redevelopment agency's goals.*

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.

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. *For Carlton Court, the partner was a community based nonprofit, Hollywood Community Housing Cooperation.*
 - ii. *For Metro Hollywood, partners were Hollywood Community Housing Cooperation, Los Angeles County Metropolitan Transportation Authority, and City of Los Angeles Community Redevelopment Agency.*
 - c. The project is supported by public sector, private sector, and community partners.
 - i. *The public sector partners supported the project, the private sector provided funding for the programs, and the community and a community organization supported the project.*
 - d. Through an open dialogue with the community, the organization has sought and incorporated community input and approval.
 - i. *Community input and approval for the project was solicited by the Los Angeles Community Redevelopment Agency.*
3. SITE CHARACTERISTICS AND PROJECT DESIGN
 - a. The location makes sense for the project.
 - 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. *Metro Hollywood is located directly above the Western/Hollywood subway station, and Carlton Court is adjacent to Metro Hollywood.*
 - 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. *Limited soil contamination was encountered and remediated during the construction phase of 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.
 - i. *The project is well-designed with a modern look.*
 - h. If applicable, the project does not “look” like affordable housing.
 - i. *The project is well-designed with a modern look.*
 - 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 was located in the Hollywood redevelopment area and received financing from the Los Angeles Community Redevelopment Agency.*
 - j. If the project does not comply with the underlying zoning and land use intensity, the timeline and budget for entitlement have been extended.
4. CONSTRUCTION

- a. Project met major construction milestones and was completed on 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.
 - c. Tenants are provided with opportunities to participate in the management and/or operation of the project.
 - i. *There are no resident groups formed at this property at this time.*

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.
- 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.
- 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.
 - 1. *The project exceeds minimum construction standards mandated by funding sources for unit sizes, unit amenities and project amenities.*
 - ii. The amenities provided by the project exceed minimum standards required by funding sources.
 - 1. *The project exceeds minimum construction standards mandated by funding sources for unit sizes, unit amenities and project amenities.*
 - iii. The sizes of the units exceed minimum standards required by funding sources.
 - 1. *The project exceeds minimum construction standards mandated by funding sources for unit sizes, unit amenities and project amenities.*
 - iv. The project creates more jobs than required by the funding sources.
 - 1. *There was no job creation requirement from the funding sources at the time.*
- f. The design of the project and units are culturally appropriate.
- g. The project is located in close proximity to jobs and public transit.
 - i. *Metro Hollywood is located directly above the Western/Hollywood subway station, and Carlton Court is adjacent to Metro Hollywood.*

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. *By constructing housing near nodes of mass transit with project amenities such as retail and child care it encouraged people to reduce their carbon footprint by reducing the amount of vehicle miles traveled and increases a healthier lifestyle by encouraging people to walk and ride bicycles.*
 - b. The project meets green building standards such as adaptive reuse or LEED certification.
 - i. *The project was new construction and was not an adaptive reuse of an existing building. LEED for Homes was not available at the time of construction.*
 - c. The project conserves energy and water.
 - i. *Phase I of the project just recently installed photovoltaic panels for house loads.*
 - d. The project has an effective recycling program.
 - e. The project fulfills the triple bottom line.
 - f. The project has an educational component that teaches tenants about using green features effectively.
 - i. *Residents are encouraged to recycle and utilize energy consuming appliances efficiently.*
 - ~~g. The project stimulates green job creation.~~
4. ECONOMIC IMPACT
- a. The project will increase the independence of tenants.
5. FOOD SECURITY
- a. The project contains a community garden, farmers' market, education, and/or urban gardening component.
 - i. *The project does not contain a community garden, farmers' market, 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. *The Assistance League of Southern California provide on-site child care services.*
 - b. There are complementary uses of the spaces created by the project.
7. DIVERSITY
- a. The project serves a mixed income clientele.
 - i. *The project targets households 50% and 60% of the area median income.*
 - b. The project encourages mixed age, gender, ethnic, etc. participation.
 - i. *The project is located in a very diverse community with Latinos, Armenians, Russians, Thais, Koreans, and more all living within close proximity of each other.*
8. PROPERTY MANAGEMENT
- a. Property management communicates in languages with which tenants are familiar.
 - i. *Since the property opened, site management has had staff that speaks various languages including Spanish, Russian and Armenian.*
 - b. Property management maintains a good relationship with tenants.
 - c. Property management consistently collects rents in a timely manner.
 - d. Tenants remain happy with the project after 1 year, 5 years, etc. of operations.
9. PUBLIC BENEFITS
- a. The project serves the community's need for community facilities, commercial space, and/or housing.
 - b. The project creates spaces available for public uses (commercial, open, green).
 - c. The project removes blight in the neighborhood.
 - d. The project improves neighborhood security.

- e. The project stimulates long-term job creation.
 - i. *The project stimulates long-term job creation through the commercial spaces on the ground floor.*
 - f. The project stimulates small business creation.
 - i. *The project stimulates small business creation through the commercial spaces on the ground floor.*
 - g. The project supports minority businesses.
 - i. The project supports minority businesses through the commercial spaces on the ground floor.
 - h. The project results in local employment.
 - i. *The project results in local employment through the commercial spaces on the ground floor.*
 - 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.
 - i. *Increased security presence by the local law enforcement agencies was a public benefit resulting from the project.*
10. REPLICABLE/SCALABLE
- a. This project can be replicated in other communities, regions, and/or states.