

Project/Program Profile

Name: Homeownership/Job Training Program (NSP/CHDO/YouthBuild Model)

Organization: Community Service & Employment Training, Inc. (CSET)

Location of Project/Program: Multiple locations in Tulare County

Year Project Completed/Program Began Operation: Since 2010

Funding Sources: U.S. Department of Housing and Urban Development's Neighborhood Stabilization Program 1, State of California Department of Housing and Community Development, City of Visalia Community Housing Development Organization funding, County of Tulare, City of Porterville, City of Lindsay

Populations Served: Residents of Tulare County

Number of Staff: 4 staff, plus a work crew of 5 for construction

Total Cost of Development/Operation: \$914,000

Partners: County of Tulare, City of Visalia, City of Porterville, City of Lindsay

Services Provided: Helps fulfill the local need for affordable single-family housing by joining with a youth employment program to teach youth construction skills while the participants work towards a GED or high school diploma.

REAL ESTATE DEVELOPMENT: Single Family Homeownership Housing
SERVICES: Employment Training

(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. *Tulare County's poverty rates are about twice as high as the national average, therefore low-income housing is needed.*
- ii. The project serves a need for single-family housing.
 1. *There is an ongoing need in the community for more affordable single-family housing.*
- iii. There is high unemployment and/or underemployment.
 1. *Tulare County has one of the highest rates of unemployment in California.*
 2. *The seasonal nature of the agriculture industry plays a large role in the unemployment level.*

b. Market Study

- i. The market study confirms the need for, and viability of the project.
 1. *A housing needs assessment was conducted, and it confirmed the need for more low-income housing.*
- ii. The market study informs the organization about competition, demographics of the area, and barriers to entry.
 1. *The needs assessment informed CSET of the demographics of the area.*
- iii. There are no other employment training programs in the area that can work with the target population.
 1. *The program works specifically with at-risk youth between the ages of 18 and 24 and helps them learn construction skills while working towards a high school diploma.*

c. Local Support

- i. The beneficiaries of the program support the program.
- ii. Neighbors and local community members support the program.
- iii. The program is in alignment with local city, county, state and/or federal development goal(s)
 1. *The program is not only a youth job training program, but is also in alignment with development goals because it results in the development of low-income housing and promotes community service.*

d. Local Support & Initial Site Assessment

- i. The project fits the zoning of the site.
 1. *In the program, foreclosed properties, which are already zoned, are purchased for the purpose of rehabilitation and resale.*
- ii. The project is compatible with local land use.
 1. *In the program, foreclosed properties, which are already zoned, are purchased for the purpose of rehabilitation and resale.*

- 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 project is in alignment with Tulare County goals because it provides needed affordable housing.*

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 mission of CSET is to strengthen the community and help provide a way for residents to achieve the American Dream. By helping to provide more affordable housing, the project is in alignment with this mission.*
 - ii. *CSET's mission includes strengthening the community's youth through employment training and strengthening the community through housing.*
- c. The Board of Directors embraces a CED strategy and/or embraces the project as a part of the CED strategy.
 - i. *CSET embraces a CED and has combined its NSP1 housing program with the YouthBuild model in order to work towards its CED strategy through the creation of affordable housing.*
- d. The organization and/or its partners have a track record of completing similar projects.
 - i. CSET has a record of providing many other housing services such as foreclosure counseling, utility assistance, and home weatherization.
 - ii. CSET offers other employment training programs.
- e. The organization has the financial and operational capacity to undertake the proposed development and program.
 - ~~i. The organization can support the additional debt (if any) created by the project.~~
 - 1. *There is no debt.*
 - ii. The organization has qualified staff that can undertake the project.
 - 1. *CSET has qualified staff and has been certified by the City of Visalia as a Community Housing Development Organization.*
 - 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.
 - ~~ii. If the total development cost is not readily available, the project is phased.~~
 - 1. The project is not phased.
 - iii. The contractor or operator providing the cost estimates is qualified and experienced in single-family housing.
 - 1. *The NSP1, CSET, and Tulare County agreement states that the contractor is required to be licensed and in good standing with the State of California.*
- b. Funding sources
 - i. There are enough sources of funding for the uses.
 - 1. The program is funded by the U.S. Department of Housing and Urban Development's Neighborhood Stabilization Program 1, State of California Department of Housing and Community Development - \$248,000, City of

Visalia Community Housing Development Organization funding, and County of Tulare - \$630,000 contract.

- ii. The developer 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.
 - 1. *When CSET needs funds to be dispersed, CSET is required to submit a written request to the city including specific information and documents so that funds will be disbursed on time and in sync with project needs.*
 - iv. The developer is aware of the compliance implications of each source.
 - 1. *Compliance implications and requirements are stated in the agreement between NSP1, CSET, and Tulare County and in agreements with other funding sources.*
- c. Cash flow
- i. The project produces enough cash flow to support the proposed debt structure.
 - 1. *When a developer fee is included in the project, it produces enough cash flow to support the debt.*
 - ii. The project minimally pays for itself over time. It has a sustainable cash flow.

Level 2: Operating Considerations

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

MARKET BARRIERS

- ~~a. The organization understands why past programs have not worked and instead addresses prior issues in innovative and alternative ways.~~
 - ~~i. *NSP1 is a first-time, unprecedented program.*~~

2. DEVELOPMENT TEAM & PARTNERSHIPS

- a. The organization has assembled the best team for the program, including vendors, employees, trainers, outreach coordinators, management staff, architects, project managers, contractors, and other third party consultants.
 - CSET places significant importance on assembling caring and competent staff.*
- b. If the organization is lacking in any area (financial, experience), it has partnered with another entity to operate the program.
 - CSET works work other jurisdiction, realtors, escrow officers, appraiser, pest inspectors, etc.*
- c. The program is supported by public sector, private sector, and community partners.
 - The program is supported by public sector funding.*
- d. Through an open dialogue with the community, the organization has sought and incorporated community input, approval, and participation in the program
 - The County of Tulare had a public hearing before they provided funds for the program, as did the City of Visalia.*

3. SITE CHARACTERISTICS AND PROJECT DESIGN

- a. The location makes sense for the project.
 - The program serves the county in which the participants live.*
- b. The offices, training sites, and project are 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 homes are not brownfields or historic structures.*
 - d. The proposed project is the highest and best use of the site.
 - i. The best use is to take foreclosed homes and rehabilitate them.*
 - e. The design is compatible with the characteristics of the community and surrounding buildings.
 - f. The project does not “look” like an affordable housing project.
 - i. The houses are made to blend in with surrounding houses.*
 - ~~g. 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. Many of the projects are not in redevelopment areas.*
 - ~~h. If the project does not comply with the underlying zoning and land use intensity, the timeline and budget for entitlement have been extended.~~
 - i. The projects are compliant with zoning and land use.*
- 4. CONSTRUCTION
 - a. Project met major construction milestones and was completed on schedule.
 - b. Construction timeline was in sync with financing requirements.
 - i. Project timeline and construction period are part of the agreement between NSP1, CSET, and Tulare County.*
 - ~~c. Construction loan was converted to permanent loan on time.~~
 - i. Construction loans are never converted to permanent loans. The houses are sold and the money is returned to the jurisdiction and recycled for future projects.*
- 5. RENT UP, MANAGEMENT & OPERATION
 - a. Upon construction, the house was sold within the expected period of time.
- 6. PROGRAM DESIGN & OPERATION
 - a. The program is run in the appropriate language(s) for the clientele in the area.
 - b. The program is culturally appropriate to the clientele in the area.
 - c. The program is tailored to the specific geography of the clientele in the area.
 - d. The program teaches skills that prepare participants for employment.
 - i. The program teaches basic life skills.
 - 1. *The program emphasizes the development of leadership skills.*
 - 2. *The program integrates life skills with academics.*
 - 3. *The program teaches decision-making and time-management skills.*
 - ii. The program teaches occupational skills.
 - 1. *The program teaches construction skills.*
 - iii. The program provides job readiness.
 - 1. *The program prepares youth for jobs by developing leadership skills, allowing them to work towards their GED or high school diploma, and teaching them construction/occupational skills.*
 - 2. *Through the program, participants develop career plans and prepare for job interviews.*
 - iv. The program teaches skills that are in demand by local employers.
 - 1. *Tulare County experienced a large increase in number of construction jobs in past years, but many of these jobs have been lost due to the economic crisis.*
 - e. The program places graduates of the program into employment.
 - i. Jobs provide a living wage.
 - ii. Jobs are for local hires.
 - iii. Jobs are for low and moderate income individuals.

- iv. Jobs provide life skills.
- v. Jobs provide health benefits.
 - 1. *The program tries to help place graduates into employment with benefits.*
- vi. Jobs have potential for upward mobility.

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 project uses NSP, a new program and funding source. The program combines funds from YouthBuild and HUD housing programs.*
- b. Each funding source was heavily leveraged to gain further resources.
- c. Certain features of the program were adapted to capture funding, but the project was not completely changed in order to capture one particular funding source.
 - i. *The program captures both NSP funding and employment training funding.*
- d. There are multiple stakeholders providing funding, and this mix of funding sources maximizes the feasibility of the program.
 - i. *Funding is provided by NSP1, the County of Tulare, and the Cities of Visalia, Porterville, and Lindsay.*
- 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 program meets required standards, but does not exceed them.*
 - v. There is deeper low and moderate income targeting than required by funding sources.
 - 1. *The program meets required standards, but does not exceed them.*
- 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. *Project location depends on each particular construction site.*

2. FUTURE PROJECTS

- a. The program strengthens the position (financial, political, capacity, experience) of the organization.
 - i. *The program strengthens the capacity and experience of the organization because CSET uses a unique approach to solving the need for affordable housing by combining its YouthBuild program with its NSP1 program.*
- b. Through the program, the reputation of the organization was enhanced. Issues that the staff faced were dealt with in a diplomatic manner, enabling future programs.
- c. The success of the program will enable future funding on other programs.
- d. The community is happy with the program and will participate in more/similar programs in the future.
- e. The community is more knowledgeable about low-income homeownership housing and employment training programs.

3. ENVIRONMENTAL IMPACT

- a. The project has less environmental impact than traditional projects during construction and during operation.
 - i. *The project is not a green project.*
 - 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 does not conserve energy and water.*
 - d. The project has an effective recycling program.
 - i. *The project does not have a recycling program*
 - e. The project fulfills the triple bottom line.
 - i. *The project is not a green project.*
 - f. The project has an educational component that teaches new owners about using green features effectively.
 - i. *The project does not have an educational component.*
 - g. The program provides green job training.
 - i. *The program teaches participants how to build homes, weatherize homes and sustain an urban forest.*
4. ECONOMIC IMPACT
- a. The project will increase the independence of residents who otherwise would not have been able to purchase homes.
 - b. The project will remain affordable during its lifetime, regardless of changes in ownership.
 - i. *The project will remain affordable for a designated time, usually 5 years or 15 years.*
 - ii. *The project has no way of ensuring that it will remain affordable once it changes ownership.*
 - c. The project builds the credit of the homeowners.
 - i. *The project has the potential to build the credit of homeowners.*
 - d. The project preserves affordability in the event of the owner exiting.
 - i. *Jurisdictions place Affordability Covenants on each home sold.*
 - e. The project promotes neighborhood involvement of the homeowners through activities, advisory structures, etc.
 - i. *The project does not promote neighborhood involvement.*
 - f. The program attracts new businesses to the area.
 - i. *The program does not attract new businesses to the area.*
 - g. The program helps retain existing businesses.
 - i. *The program does not help retain existing businesses.*
 - h. The program improves matching of employees with employers.
 - i. *The program improves matching by training youth in home construction and weatherization, making them easy to match with employers looking for employees with these particular skills.*
 - i. The program encourages development, redevelopment, and investment.
 - i. *The program encourages development and redevelopment of local real estate.*
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. The organization provides or connects to other programs that provide multiple services e.g. social services.
 - i. *CSET provides other services such as foreclosure assistance and other job training programs.*
- b. There is a continuing support network for the homeowners.
- c. Services such as credit counseling and homeownership training were provided prior to ownership.
 - i. *CSET provides homeownership education.*

7. DIVERSITY

- a. The project encourages mixed income, age, gender, ethnic, etc. presence in the community.
 - i. *The housing program's purpose is to benefit low-, moderate-, and middle-income members of the community. Only families with gross incomes less than 80% of the area median are eligible to purchase the rehabilitated properties.*
- b. The program serves a mixed income clientele.
 - i. *The job training program serves primarily low-income youth who are unemployed and undereducated.*
- c. The program encourages mixed age, gender, ethnic, etc. participation.
 - i. *The program includes mixed gender and ethnic participation.*
 - ii. *CSET has an equal employment opportunity policy.*
- d. The program supports minority businesses.
 - i. *The program does not support minority businesses.*

8. PUBLIC BENEFITS

- a. The project provides affordable housing that fit the needs of the community.
 - i. Yes, the project provides needed affordable single-family housing.
- b. The project removes blight in the neighborhood.
 - i. Yes.
- c. The project improves neighborhood security.
 - i. The project helps improve neighborhood security and decrease violence by helping to keep the community's youth out of gangs.
- d. The program stimulates long-term job creation.
- e. The project stimulates housing development in the area.
- f. The project serves as a reinvestment/investment catalyst by incentivizing development as a result of the project's success.
- g. The program provides job training that is needed in the neighborhood but is currently lacking.
 - i. *There is a need for a youth job training program in the area because there are many at risk youth who are exposed to violence and gang influence and who want a way to start a new life.*
- h. The program provides a skilled labor market for local employers.
 - i. *The program provides local employers with a young labor force who have not only received a High School Diploma, but also know 75% of the trades required to build and weatherize homes.*
- i. The program results in other positive physical impacts.
 - i. *The program will help bring youth off the streets and out of gang activity.*
 - ii. *The program will improve affordable single-family housing in the area.*
- j. The program results in other positive economic impacts.

- i. The program helps improve the local economy by helping to provide affordable housing while also teaching the youth of the area valuable employment skills for construction jobs.*
- k. The program results in other positive social impacts.
 - i. The program emphasizes community service and provides additional opportunities for community service besides the building of homes.*
 - ii. The program helps remove youth from gang involvement.*
 - iii. The program helps decrease the number of youth on probation or parole.*
 - iv. The program helps counter high-school drop out rates by providing an alternative way to obtain a high school diploma.*

9. EVALUATION

- a. The organization reevaluates the program periodically and adapts to the changing needs of the community.
 - i. The program is young, but the organization will reevaluate the program periodically in the future.*
- b. The organization edits the curriculum and materials as necessary.
- c. The program tests whether skills are really gained, not just taught.
 - i. The program does not test skills taught.*

10. LONGITUDINAL DATA

- a. The program tracks financial indicators of its participants (e.g. # of participants who have gone on to open savings accounts)
 - i. The program does not track financial indicators of participants.*
- b. The program track job retention/employment status after completion of the program.
 - i. The program tracks job retention of participants for 9 months after completion of the program.*

11. REPLICABLE/SCALABLE

- a. This program can be replicated in other communities, regions, and/or states.
 - i. The YouthBuild model has been used in other communities, but CSET's approach is unique because the organization combines the YouthBuild program with its NSP program.*