

Project Profile

Name of Project/Program: Rio Vista Apartments

Organization: Abode Communities

Location of Project/Program: 3000 Verdugo Road, Los Angeles, CA 90065

Year Project Completed/ Program Began Operation: Under Construction (October 2011)

Funding Sources: Los Angeles Housing Department Affordable Housing Trust Fund, 9% Low Income Housing Tax Credits, California Department of Housing & Community Development – Infill Infrastructure Grant program, Federal Home Loan Bank of San Francisco Affordable Housing Program, Los Angeles Housing Department City of Industry funds, U.S. Bank, N.A., US Bancorp Community Development Corporation, federal funds from the American Recovery & Reinvestment Act

Populations Served: Families

Number of People Served: 50 units of housing

Number of Staff: 1 Property Manager; 1 Resident Services Coordinator

Total Cost of Development/ Operation: \$28.7 Million

Partners: Los Angeles Unified School District

Services Provided: Provides 50 units of affordable multifamily housing. Features on-site property management and resident services programming; on-site laundry facilities; a community room with warming kitchen; computer lab; rooftop community garden; security camera system; Los Angeles Unified School District Early Education Center; and shared subterranean parking.

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 housing for 50 families with 30%-60% of the Area Median Income.*

ii. If the project has a specific focus such as multifamily, it corresponds to a need in the community.

1. *The project focuses on housing for families.*

b. Market Study

i. The market study confirms the need for, and viability of the project.

1. *The organization was awarded this project from the Southern California Association of Nonprofit Housing through an RFP process. The Southern California Association of Nonprofit Housing and the Los Angeles Unified School District saw the need for this project.*

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. *The organization pursued a Conditional Use Permit ("CUP") from the City of Los Angeles in order to build affordable housing on the site, which is zoned for Public Facilities*

ii. The project is compatible with local land use.

1. *Adjacent residential uses and densities were used to determine the terms of the Conditional Use Permit, so the project is compatible with adjacent residential 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. *As part of the community outreach for the entitlements approval, the organization met with the Glassell Park Improvement Association and the Glassell Park Neighborhood Council, both of which supported the project.*

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

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 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 organization does not anticipate any cost overruns upon completion of the project.*
 - 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 multi-unit rental affordable housing.
 - b. Funding sources
 - i. There are enough sources of funding for the uses.
 - 1. *Financing partners include: US Bancorp Community Development Corporation; the Los Angeles Housing Department Affordable Housing Trust Fund; the Department of Housing & Community Development – Infill Infrastructure Grant program; Los Angeles Unified School District; US Bank, N.A.; and Federal Home Loan Bank of San Francisco – Affordable Housing Program.*
 - 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.
 - 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.
 - 1. *As part of the underwriting for this development, the organization had to demonstrate that the debt—both hard and soft—could be repaid within the term of the ground lease with the Los Angeles Unified School District.*
 - ii. The project minimally pays for itself over time. It has a sustainable cash flow.
 - 1. *As part of the underwriting for this development, the organization had to demonstrate that the building operating expenses could be supported in full and all of the debt—both hard and soft—could be repaid within the term of the ground lease with the Los Angeles Unified School District.*

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. *Abode Communities pioneered an innovative new model of joint-use development with the Los Angeles Unified School District.*

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.
- 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 the Los Angeles Unified School District, which developed the Early Education Center adjacent to the project.*
- c. The project is supported by public sector, private sector, and community partners.
- d. Through an open dialogue with the community, the organization has sought and incorporated community input and approval.
 - i. *The organization met with the Glassell Park Improvement Association and the Glassell Park Neighborhood Council, both of which supported the project.*

3. SITE CHARACTERISTICS AND PROJECT DESIGN

- a. The location makes sense for the project.
- 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 project is located on a former brownfield that was remediated by the Los Angeles Unified School District prior to Abode Communities' involvement in the project.*
- d. The proposed project is the highest and best use of the site
- e. The design is compatible with the characteristics of the community and surrounding buildings.
 - i. *Adjacent residential uses and densities were used to determine the terms of the Conditional Use Permit (CUP), so the project is compatible with the adjacent community.*
- f. The project does not "look" like an affordable housing project.
- ~~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. *The project is not located in a redevelopment area.*
- h. 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.
 - i. *The construction is proceeding on time.*
- 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.
 - i. *The organization expects all residents will move in November 2011.*
- ~~b. The project is fully occupied.~~
 - i. *The project is not yet complete.*
- c. Residents are provided with opportunities to participate in self-governance through structures such as resident associations.

- i. *Rio Vista residents will be given the opportunity to participate in a monthly Community Awareness and Safety Meeting which are open forums to bring suggestions, ideas and concerns to both the Property Manager and Resident Services Coordinator. This structure is meant to build community awareness.*
- ii. *A second opportunity that will be afforded to residents will be participation on 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.
- 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.
 - ii. The amenities provided by the project exceed minimum standards required by funding sources.
 1. *Amenities provided include on-site property management and resident services programming, on-site laundry facilities, a community room with warming kitchen, computer lab, rooftop community garden, and security camera system.*
 - iii. The sizes of the units exceed minimum standards required by funding sources.
 - iv. The design of the project and units are culturally appropriate.
 - 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.
 - vii. There is deeper low and moderate income targeting than required by funding sources.

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 low-income rental housing.

3. ENVIRONMENTAL IMPACT

- a. The project has less environmental impact than traditional projects during construction and during operation.
 - i. The project will receive a large rebate from Los Angeles Department of Water and Power's Solar Incentive Program for the photovoltaic system, as well as a rebate from the California Energy Commission's Go Solar Program for the solar thermal system.

- b. The project meets green building standards such as adaptive reuse or LEED certification.
 - i. *The project is expected to be certified as a LEED for Homes Platinum project.*
 - c. The project conserves energy and water.
 - i. *The project features energy efficient, sustainable design features such as drought-tolerant landscaping, Energy Star appliances, low-flow fixtures, and a rooftop garden.*
 - ii. *The project has a photovoltaic system and a solar thermal system.*
 - 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 renters about using green features effectively.
4. ECONOMIC IMPACT
- a. The project will lead tenants to homeownership in the long-run.
 - 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 features a rooftop community garden.*
6. COMPREHENSIVENESS
- a. There are multiple services provided by the project e.g. social services or education centers.
 - i. *A part-time services coordinator, after-school program, computer lab with instructor, job readiness workshops, youth internships, resident garden, health insurance access, health workshops, financial literacy workshops and resident council are all planned services to be provided at the project.*
 - b. There are complementary uses of the spaces created by the project.
 - i. *The project features affordable housing, Los Angeles Unified School District Early Education Center, and shared subterranean parking on one site.*
7. DIVERSITY
- a. The project serves a mixed income clientele.
 - i. *The project serves a mix of low-income residents.*
 - b. The project encourages mixed age, gender, ethnic, etc. participation.
8. PROPERTY MANAGEMENT
- a. Property management communicates in languages with which residents are familiar.
 - ~~b. Property management maintains a good relationship with tenants.~~
 - i. The project is still under construction
 - ~~c. Property management consistently collects rents in a timely manner.~~
 - i. The project is still under construction
 - ~~d. Residents remain happy with the project after 1 year, 5 years, etc. of operations.~~
 - i. The project is still under construction
9. PUBLIC BENEFITS
- a. The project provides affordable rents that fit the needs of the community.
 - i. *The project provides rents that are 30-60% of the Area Median Income.*
 - b. The project creates spaces available for public uses (commercial, open, green).
 - c. The project removes blight in the neighborhood.
 - i. *The project site sat vacant and undeveloped for years, with an unattractive fence around it. The project removed this blight and replaced it with housing and an educational facility.*
 - d. The project improves neighborhood security.

- 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.
- g. The project serves as a reinvestment/investment catalyst by incentivizing development as a result of the project's success.

10. REPLICABLE/SCALABLE

- a. This project can be replicated in other communities, regions, and/or states.
 - i. *Abode Communities pioneered a new model of joint-use with Los Angeles Unified School District for the development of affordable housing that can be replicated statewide.*

California Community Economic Development Exemplary Practices Project