

Project/Program

Name of Project/Program: Central Kitchen

Organization: Community Action Partnership of Kern (CAPK)

Location of Project/Program: 3101 Mall View Road, Bakersfield, CA 93306

Year Project Completed/Program Began Operation: 1999

Funding Sources: CAPK's discretionary funds, bank loan

Populations Served: Economically disadvantaged Kern County residents, Food Bank Program participants

Number of People Served: Approximately 2,200 youth. In 2010, the program provided 2,592 children with a meal and/or snacks.

Number of Staff: 27

Total Cost of Development/Operation: Purchase price of \$550,000. Approximately \$2,700,000 for operational costs of the center including food and food supply costs.

Partners: Head Start, Nutrition Advisory Board, Kern High School (providing lunches to outlying areas), Bakersfield High School Districts (training for hearing impaired students), Fidelity Loss Control (safety training)

Services Provided: 23,000 square foot food bank. Meals for children ages 0-5 participating in Head Start, Early Head Start and State Department of Education child education and development programs throughout Kern County. Meals include breakfast, lunch and mid-morning and afternoon snacks. After-school and summer lunches to youth and community centers in Kern County.

REAL ESTATE DEVELOPMENT: Community Facility

(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 the specific community facility.

a. *The project serves the need for a central kitchen to prepare meals for participants in the 48 child education and development program locations throughout Kern County.*

b. Market Study

No market study was conducted for this project.

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

a. *Although no market study was conducted, CAPK knew of the need for the kitchen because it was for its own child care programs.*

ii. The market study informs the organization about competition, demographics of the area, and barriers to entry.

a. *The kitchen had a built in, captive market in the 48 child care centers operated by CAPK.*

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.

a. *The facility is located in a retail mall area. Although not in the mall itself, the central kitchen is adjacent, and the community appreciates the utilization of an otherwise vacant property. The neighbors of the project are local businesses that appreciate the retail traffic generated for the kitchen's operation.*

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

a. *The project supports the preschool needs of the community, which is much needed. Use of vacant buildings also supports development goals for the city and county. With the tremendous decline in property values, Kern County has experienced a tremendous rate of vacancies in the retail and commercial market. The continued operation by CAPK of this Central Kitchen facility has been welcomed.*

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.

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.

- ii. The project minimally pays for itself over time. It has a sustainable cash flow.
- iii. ~~The organization has secured tenants.~~
 - a. *The site is used solely for the central kitchen.*

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. In previous attempts to develop a central kitchen, CAPK faced investments up to \$1 million. *CAPK was able to find the current site and equipment at a much lower price of \$550,000.*

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. *CAPK partners with Head Start, Nutrition Advisory Board, Kern High School to provide lunches to outlying areas, Bakersfield High School Districts to train hearing impaired students, Fidelity Loss Control to provide safety training.*
- 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. *There was no community participation for this project. CAPK believes that it was not necessary because the project helped revive a declining mall.*

3. SITE CHARACTERISTICS AND PROJECT DESIGN

- a. The location makes sense for the project.
 - i. *The former Olive Garden restaurant was available and could meet program needs. The 48 childcare centers served through the Central Kitchen are located throughout Kern County some as far as 100 miles from the kitchen. The exact location of the facility was not the major concern as much as the capacity of the facility to serve the programs purposes. So long as the facility was central to the County of Kern, the exact location was not critical.*
- 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.
- 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 is not a brownfield.*
- e. The proposed project is the highest and best use of the site.
 - i. *The central kitchen is a much better use than the vacant building that existed before.*
- f. The design is compatible with the characteristics of the community and surrounding buildings.
- ~~g. The project does not "look" like it offers rents lower than market.~~
 - i. *There are no tenants in the building other than CAPK.*

- h. 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.*
 - i. 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 project complies 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.
 - 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 project is not leasing out space.*
 - 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 tenants.*

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 does not use any new or innovative funding sources.*
- 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.
 - 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.
- ~~f. The design of the project and units are culturally appropriate.~~
 - i. There is no cultural aspect to the central kitchen.
- 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.
 - i. *The reputation of CAPK has been enhanced with the completion and operation of the facility. What was once a vacant building is now operational facility employing nearly 50 staff.*
- 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 community facilities.
3. ENVIRONMENTAL IMPACT
- a. The project has less environmental impact than traditional projects during construction and during operation.
 - i. *The environmental impact is undetermined.*
 - 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.
 - d. The project has an effective recycling program.
 - e. The project fulfills the triple bottom line.
 - i. *The project does fulfill the triple bottom line.*
 - f. The project has an educational component that teaches tenants about using green features effectively.
 - i. *The project does not have an educational component.*
 - g. The project stimulates green job creation.
 - i. *The project does not stimulate green job creation*
4. ECONOMIC IMPACT
- ~~a. The project will increase the independence of tenants.~~
 - i. There are no tenants.
5. FOOD SECURITY
- a. The project contains a community garden, farmers' market, education, and/or urban gardening component.
 - i. *The project does not have a community garden, farmers' market, education, and/or urban gardening component, but it provides food security by providing meals to children in Kern County.*
6. COMPREHENSIVENESS
- a. There are multiple services provided by the project e.g. social services or education centers.
 - i. *The project primarily serves one purpose.*
 - b. There are complementary uses of the spaces created by the project.
 - i. *The project primarily serves one purpose.*
7. DIVERSITY
- a. The project serves a mixed income clientele.
 - i. *The project serves low-income children.*
 - b. The project encourages mixed age, gender, ethnic, etc. participation.
8. PROPERTY MANAGEMENT
- ~~a. Property management communicates in languages with which tenants are familiar.~~
 - i. *There are no tenants.*
 - ~~b. Property management maintains a good relationship with tenants.~~
 - i. *There are no tenants.*
 - ~~c. Property management consistently collects rents in a timely manner.~~
 - i. *There are no tenants.*
 - ~~d. Tenants remain happy with the project after 1 year, 5 years, etc. of operations.~~
 - i. *There are no tenants.*
9. PUBLIC BENEFITS

- a. The project serves the community's need for community facilities.
- b. The project creates spaces available for public uses (commercial, open, green).
 - i. *The project does not creates spaces for public uses.*
- c. The project removes blight in the neighborhood.
- d. The project improves neighborhood security.
- e. The project stimulates long-term job creation.
- f. The project stimulates small business creation.
 - i. *The project does not stimulate small business creation.*
- g. The project supports minority businesses.
 - i. *The project does not support minority businesses.*
- h. The project results in local employment.
- i. The project stimulates housing development in the area.
 - i. *The project does not stimulate 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.
 - i. *The project does not directly incentivize development, but it revitalizes a failing commercial area.*
- 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.

qualify for foster care and for low-income families

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. *There is a need for low-income housing for youth transitioning out of foster care.*
- ii. If the project has a specific focus such as multifamily, it corresponds to a need in the community.
 1. *The project provides special needs housing for youth transitioning out of foster care who are at risk of homelessness.*
 2. *The project also serves the need for affordable housing for low-income families.*

b. Market Study

- i. The market study confirms the need for, and viability of the project.
 1. *A market study was conducted in the early 1990s and confirmed the need and viability of the 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.
- 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.
- v. The project is in alignment with local city, county, state and/or federal housing goal(s).
 1. *The project is in alignment with the City of Los Angeles' goal of creating more affordable housing. It specifically creates special needs 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 Little Tokyo Service Center CDC is to plan and support community development projects and to develop and maintain affordable housing for the Little Tokyo neighborhood.*
 - ii. *Little Tokyo Service Center CDC also works in other communities such as South Los Angeles through its Affordable Housing Collaborative program through which Little Tokyo Service Center CDC partners with community based organizations that do not have the requisite real estate experience to develop affordable housing on their own.*
- c. The Board of Directors embraces a CED strategy and/or embraces the project as a part of the CED strategy.

- i. The project produces enough cash flow to support the proposed debt structure.
 1. *The project is expected to produce enough cash flow to support any debt.*
- ii. The project minimally pays for itself over time. It has a sustainable cash flow.
 1. *The project is expected to have sustainable cash flow.*

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 project is very difficult to develop. There are a lot of red flags that investors shy away from.*
 - ii. *Because it is a small development of only 27 units, the project does not produce enough equity to satisfy many investors.*
 - iii. *Funding sources have been changed a lot due to these issues.*

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. *The organization only considers qualified and reputable people for these positions.*
- b. If the organization is lacking in any area (financial, experience), it has partnered with another entity to develop the project.
 - i. *Little Tokyo Service Center CDC was approached by the Coalition for Responsible Community Development to be a partner in the project. Fiscal responsibilities are shared.*
- 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. *Little Tokyo Service Center CDC's partner, the Coalition for Responsible Community Development, has been incorporating community input.*

3. SITE CHARACTERISTICS AND PROJECT DESIGN

- a. The location makes sense for the project.
 - i. *Since the project redevelops existing buildings for affordable housing for emancipated foster youth from the community, the location makes sense.*
- b. The project is located near or adjacent to existing or future transit.
 - i. *The project is located near local bus lines.*
- 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 property is historic and will be renovated for sustainability and quality of life enhancements.*
- 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. *The design renovates the existing historical properties in accordance with the characteristics of the surrounding buildings.*
- f. The project does not "look" like an affordable housing project.
 - i. *The design does not look like an affordable housing project because it is the renovation of existing historical properties.*

- 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 consists of redeveloping existing buildings and removing blight.*
 - ii. *Costs for redevelopment have been taken into account.*
 - ~~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 project complies with zoning and land use.*
4. CONSTRUCTION
- a. Project met major construction milestones and was completed on schedule.
 - i. *The project construction has been delayed due to funding issues.*
 - b. Construction timeline was in sync with financing requirements.
 - i. *The timeline will still meet financing requirements, but the funding delays have made the project more expensive.*
 - ~~c. Construction loan was converted to permanent loan on time.~~
 - i. *There is no permanent loan for the project.*
5. RENT UP, MANAGEMENT & OPERATION
- a. Upon construction, the lease up of the project was completed in a timely manner.
 - i. *The lease up is expected to be completed in a timely manner.*
 - b. The project is fully occupied.
 - i. *The project is expected to be fully occupied.*
 - c. Residents are provided with opportunities to participate in self-governance through structures such as resident associations.
 - i. *A tenant council will be started.*

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 does not use an innovative funding source. The project utilizes the typical affordable housing financing resources.*
- b. Each funding source was heavily leveraged to gain further resources.
 - i. *Funding sources were leveraged very much to gain more 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.
 - i. *Certain features were not adapted to capture more funding, but the specific population served attracts certain funding. It made sense to build for this population.*
- d. There are multiple stakeholders providing funding, and this mix of funding sources maximizes the feasibility of the project.
 - i. *There is a diverse mix of funding sources, including private and public funding.*
- 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 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.~~
 - 1. *There is no requirement for the creation of jobs.*
- 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 will add another successful project to the organization's portfolio.*
- 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.
 - i. *The project is expected to enhance the reputation of Little Tokyo Service Center CDC.*
- 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.
 - i. *It is expected that the community will be happy with the project and support future developments.*
- 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 apartments are designed to meet the Enterprise Green Communities Criteria.*
- b. The project meets green building standards such as adaptive reuse or LEED certification.
 - i. *The apartments are designed to meet the Enterprise Green Communities Criteria, the first national standard in green affordable housing.*
- c. The project conserves energy and water.
 - i. *By meeting the Enterprise Green Communities Criteria, the project will be conserving water and energy.*
- 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.
 - i. *The project provides only rental housing but will provide access to money management counseling and supportive services so it can indirectly lead tenants to homeownership.*
- b. The project will increase the independence of tenants.
 - i. *Tenants are given the opportunity to receive financial literacy training and counseling.*
 - ii. *Tenants are given the opportunity to receive job training and placement services.*

5. FOOD SECURITY

- a. The project contains a community garden, farmers' market, resident education, and/or urban gardening component.
 - i. *The project does not feature a food security component.*

6. COMPREHENSIVENESS

- a. There are multiple services provided by the project e.g. social services or education centers.
 - i. *Support services provided include case management, job training and placement services, financial literacy training and counseling.*
 - ii. *At the Broadway building, there is a drop-in center on the groundfloor, which serves as service space for the youth.*
- b. There are complementary uses of the spaces created by the project.
 - i. *The project provides open spaces for communal activities.*
 - ii. *The project provides laundry facilities.*

7. DIVERSITY

- a. The project serves a mixed income clientele.
 - i. *The project only serves low-income clientele: youth transitioning out of foster care who are either homeless or at risk of homelessness, and low-income families.*
- b. The project encourages mixed age, gender, ethnic, etc. participation.
 - i. *The project focuses on former foster youth in their transition stage out of foster care (18 to 25 year-olds), but also includes some low-income families.*

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. *However, since Little Tokyo Service Center CDC is also a social service agency, the policy is that eviction is always a last resort.*
- ~~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 affordable housing for youth transitioning out of foster care and for low-income families.*
- b. The project creates spaces available for public uses (commercial, open, green).
 - i. *Open spaces are available for communal activities.*
- c. The project removes blight in the neighborhood.
 - i. *Expected community benefits include the elimination of blight.*
- d. The project improves neighborhood security.
 - i. *The project is expected to improve public safety.*
- e. The project stimulates long-term job creation.
 - i. *The project is estimated to create 2 permanent jobs and 25 construction jobs.*
- f. The project stimulates housing development in the area.
 - i. *The project sparks interest for other developers, and will hopefully attract more commercial components to 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.