

## Project/Program Profile

**Name:** Casa Heiwa

**Organization:** Little Tokyo Service Center Community Development Corporation (Little Tokyo Service Center CDC)

**Location of Project/Program:** 231 E. Third Street, Suite G-106, Los Angeles, CA 90013

**Year Project Completed/Program Began Operation:** 1996

**Funding Sources:** California Equity Fund, Community Redevelopment Agency of Los Angeles, Federal Home Loan Bank of San Francisco Affordable Housing Program, Century Freeway Housing Program (State program), Bank of America Community Development Bank, in-kind services

**Populations Served:** Urban population of Little Tokyo: disabled, families, minorities, senior citizens, single adults, single-parent households, homeless

**Number of Staff:** Little Tokyo Service Center CDC Headquarters on ground floor, about 80 staff

**Total Cost of Development/Operation:** Development - \$18,103,430 (\$181,034 per unit), Operation-\$277,475 (\$2,774 per unit).

**Partners:** L.P.E. Limited Partnership

**Services Provided:** 100 units of low income housing, computer learning center, child care pre-school on-site, seniors association, garden club and partner plan for seniors who live alone, assistance mentoring program, transportation for seniors to appointments, translation services, immigration information, health screenings and referrals.

**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 replenishes the stock of affordable housing that was displaced by private development in Little Tokyo.*
- ii. If the project has a specific focus such as multifamily, it corresponds to a need in the community.
  - 1. *The project focuses on providing housing for the developmentally and physically disabled, families, immigrants, minorities, senior citizens, single adults, single-parent households, and the homeless.*
  - 2. *The project provides programs to help promote independent living and acquisition of skills.*

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.
  - 1. *The community supports 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 local city goal of creating more affordable housing.*

2. ORGANIZATIONAL READINESS

- a. The organization is willing and able to do this project.
  - i. *The project was successfully completed.*
- b. The project is in alignment with the mission of the organization.
  - i. *The mission of the 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.*
- c. The Board of Directors embraces a CED strategy and/or embraces the project as a part of the CED strategy.
  - i. *Little Tokyo Service Center CDC is very committed to CED and sees this project as part of their CED strategy.*
- d. The organization and/or its partners have a track record of completing similar projects.



- 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, Inc., has partnered with L.P.E. Limited Partnership, which owns the building.*
- 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. *Consulted focus groups including local churches, labor unions, and community organizations for the development of project plans.*

### 3. SITE CHARACTERISTICS AND PROJECT DESIGN

- a. The location makes sense for the project.
  - i. *The location fits the needs of the community.*
- b. The project is located near or adjacent to existing or future transit.
  - i. *The project is located near local bus lines and a subway stop.*
- ~~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 not a brownfield or historic structure.*
- 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. *Because of its location near Skid Row, the site has high security and protected recreation space. The design also lifts the residential units off of the street level and its courtyard is only accessible from inside the building.*
  - ii. *The design separates floors based on the type of unit to separate family units from the senior housing units.*
  - iii. *The building is designed in a "U" shape to provide limited access due to safety precautions.*
  - iv. *Ground level provides commercial and office space to be compatible with local commercial uses.*
  - v. *The project provides a lot of common space to make up for a lack of public space in the neighborhood.*
- f. The project does not "look" like an affordable housing project.
  - i. *Casa Heiwa has a contemporary design with Japanese influences.*
- 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 located in the Little Tokyo redevelopment area, and the organization received redevelopment funding for the project.*
- ~~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 complete on schedule.

- i. Delays were experienced due to unplanned changes in construction methods due to supply issues, and due to debris and environmental hazards uncovered during excavation.*
  - 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. Upon completion of construction, Casa Heiwa had many applicants. Lease up was completed in about 3 months.*
  - b. The project is fully occupied.
    - i. Occupancy rate is 100%*
  - c. Residents are provided with opportunities to participate in self-governance through structures such as resident associations.
    - i. An active resident council meets once a month.*

### 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 a state program, the Century Freeway Housing Program, which came out of a lawsuit.*
- b. Each funding source was heavily leveraged to gain further resources.
  - i. Funding was leveraged to gain further resources, starting with the local agency's funding, which provided commitment early.*
- 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. Design features were adapted to provide a certain unit mix to maximize competitiveness for state program funding .*
- 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 design of the project and units are culturally appropriate.
    - 1. *Japanese influences are used in the overall design. Some units have balconies shaped to resemble Buddhist temples and windows designed to resemble shoji screens.*
  - v. The project is located in close proximity to jobs and public transit.
    - 1. *The project is located in downtown Los Angeles, a major employment hub.*
    - 2. *The project is located near local bus lines and a subway stop.*
- ~~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 strengthened the position of the organization, especially in regards to experience.*
- 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 has been used as a model for later projects.*
- d. The community is happy with the project and will support more/similar development in the future.
  - i. *Neighbors view Casa Heiwa as a positive addition to the community.*
- 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 has the standard/normal environmental impact of traditional projects.*
- b. The project meets green building standards such as adaptive reuse or LEED certification.
  - i. *Casa Heiwa is not LEED certified, and it is not a green/sustainable building.*
- c. The project conserves energy and water.
  - i. *Casa Heiwa was retrofitted by the Los Angeles Multifamily Retrofit Pilot Program to increase energy savings. Retrofit upgrades include: high efficiency heat pumps, solar water heating, solar hot water heating pumps, Energy Star appliances, window replacement, and a roof replacement.*
- 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 does not fulfill the triple bottom line.*
- f. The project has an educational component that teaches renters about using green features effectively.
  - i. *The project does not have a green educational component, but the project recently received green retrofit funding and is currently going through implementation.*

## 4. ECONOMIC IMPACT

- a. The project will lead tenants to homeownership in the long-run.
  - i. *Some residents of Casa Heiwa have gone on to own their own homes.*
- b. The project will increase the independence of tenants.
  - i. *The organization offers budgeting classes and job training programs.*

## 5. FOOD SECURITY

- a. The project contains a community garden, farmers' market, resident education, and/or urban gardening component.
  - i. *The project includes a gardening area and Garden Club.*

## 6. COMPREHENSIVENESS

- a. There are multiple services provided by the project e.g. social services or education centers.
  - i. *The project provides a child-care center, a computer-learning lab for youth and job training, playgrounds, a mentoring program, and translation services.*

- ii. The project also provides social activities, youth programs, and outings.*
  - b. There are complementary uses of the spaces created by the project.
    - i. Community spaces can be used for a variety of social activities and services.*
- 7. DIVERSITY
  - a. The project serves a mixed income clientele.
    - i. The project serves homeless and low-income clientele.*
  - b. The project encourages mixed age, gender, ethnic, etc. participation.
    - i. The residents are very diverse (many immigrants and families mixed in with senior citizens) and are encouraged to interact through use of the common spaces and services.*
    - ii. Residents are multicultural.*
- 8. PROPERTY MANAGEMENT
  - a. Property management communicates in languages with which residents are familiar.
    - i. Property management provides communication in six languages, and provides translation services*
  - b. Property management maintains a good relationship with tenants.
    - i. Management is proactive at addressing problems.*
    - ii. No one has ever been evicted. Since Little Tokyo Service Center CDC is a social service agency, the policy is that eviction is always a last resort.*
  - 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.
- 9. PUBLIC BENEFITS
  - a. The project provides affordable rents that fit the needs of the community.
    - i. 20 units have a monthly rent at or below 35% of the area median income, 31 units have a rent below 40% of area median income, and 40 units have a rent at 50% of area median income.*
    - ii. Rents for senior citizens receiving Social Security are lower.*
  - b. The project creates spaces available for public uses (commercial, open, green).
    - i. Spaces such as the Heiwa Park, an outdoor park and garden, are created for the residents, but are not available to the general public.*
  - c. The project removes blight in the neighborhood.
    - i. The design of the project helps remove blight from the neighborhood.*
  - d. The project improves neighborhood security.
    - i. The residents are very involved in the neighborhood watch group, the Little Tokyo Public Safety Association.*
    - ii. Casa Heiwa gives residents a sense of ownership and makes them feel that it is their duty to protect their neighborhood.*
  - e. The project stimulates long-term job creation.
    - i. Some residents have been trained and hired by Little Tokyo Service Center CDC for the property management program and other programs.*
  - f. The project stimulates housing development in the area.
    - i. The redevelopment project area of which the project is a part helps stimulate more affordable housing units.*
  - g. The project serves as a reinvestment/investment catalyst by incentivizing development as a result of the project's success.
  - h. The project results in other positive economic impacts.
    - i. Residents contribute to local economy by shopping.
    - ii. The childcare center creates jobs.

- i. The project results in other positive social impacts.
  - i. *Neighbors view Casa Heiwa as a positive addition to the community.*
  - ii. *Academic and social support programs are provided to the youth that live in Casa Heiwa that help create better students.*

10. REPLICABLE/SCALABLE

- a. This project can be replicated in other communities, regions, and/or states.
  - i. *Casa Heiwa has proven that it is possible to integrate diverse populations and many different languages to form a working community by promoting communication and providing activities and services.*

California Community Economic Development Exemplary Practices Project