

Project/Program Profile

Name of Project/Program: Prosperity Center

Organization: New Economics for Women (NEW)

Location of Project/Program: 303 S. Loma Drive, Los Angeles, CA 90017

Year Project Completed/ Program Began Operation: May 2008

Funding Sources: Economic Development Administration, Los Angeles Community Development Department loans, Los Angeles Community Development Department loans through the Mayor's Office, California Endowment, State of California Department of Health Services' Child Health and Disability Prevention Program

Populations Served: Lowest-income Latino populations of Los Angeles

Number of People Served: 1,700 patients and 5,100 visits in the 1st year

Number of Staff: 3 during development, 60 as NEW's corporate headquarters

Total Cost of Development/Operation: \$7,500,000

Partners: Arroyo Vista Family Health Center, Angelworks (architects), FastTrack Construction, b. Dixon Company, Inc, and Tower Engineering

Services Provided: Provide quality, culturally-competent primary and preventative care services in the poorest Latino areas of Los Angeles with a health clinic, wellness center with alternative care services, Well Baby and health education workshops, Healing through Play program and training area.

REAL ESTATE DEVELOPMENT: Community Facilities

(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.

- 1. *The Pico Union/Westlake area of Los Angeles County, including most of the NEW service area, is a Medically Unserved Area (MUA).*

b. Market Study

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

- 1. *After surveying the community, the project understands the specific health concerns of the Latino community*

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

- 1. *This project targets the specific population of the Latino community in the neighborhood.*

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. *Support is evident from the large numbers of patients and visits expected (1,700 patients and 5,100 visits in the first year alone).*

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

- 1. *NEW will be reporting to the City of Los Angeles Mayor's Office of Economic and Community Development Department.*

2. ORGANIZATIONAL READINESS

- a. The organization is willing and able to do this project.

- i. *NEW is an award-winning organization with the means to host the project.*

- b. The project is in alignment with the mission of the organization.

- i. *The mission of NEW is creating assets for low-income single parents and families. This project does just that by providing healthcare opportunities and creating jobs in the process.*

- c. The Board of Directors embraces a CED strategy and/or embraces the project as a part of the CED strategy.

- i. *The Board of Directors understands the CED strategy and reports to the mayor on progress on the CED strategy.*

- d. The organization and/or its partners have a track record of completing similar projects.

- i. *The organization has created other CED projects which have created jobs, homes, and other assets.*

- 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.
 - 1. *Rents will be charged on yearly leased contracts for other organizations to use the building.*
 - ii. The organization has qualified staff that can undertake the project.
 - 1. *By partnering with Arroyo Vista Family Center, there will be qualified staff with experience.*
 - iii. The organization has access to reliable, qualified vendors and service providers.
 - 1. *NEW is cooperating with Arroyo Vista Family Center as well as other organizations to sustain efficient ways of providing healthcare.*

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. *Through grants, the project has been made very affordable for NEW, and it is appropriate for the results of the project.*
- ii. If the total development cost is not readily available, the project is phased.
 - 1. *The project was done in phases. There are 3 floors and the floors were completed as the money became available.*
- iii. The contractor or operator providing the cost estimates is qualified and experienced in community facilities.
 - 1. *The contractors are Fast Track Construction, B. Dixon Company, Inc. and Tower Engineering.*

b. Funding sources

- i. There are enough sources of funding for the uses.
 - 1. *Construction: The sources for construction financing were the Economic Development Administration, multiple Los Angeles Community Development Department loans, and a loan from the Los Angeles Community Development Department through the Mayor's Office.*
 - 2. *Operation: A grant from the California Endowment is providing the lease subsidies for the first two years that Arroyo Vista Family Center operates the Health Clinic. After the initial two years, the project will qualify for funding by the State of California Department of Health Services' Child Health and Disability Prevention Program. The Wellness Center Programs are funded separately by yearly grants.*
- 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. *NEW has planned the timing of the disbursement of funds for the project, and the funding transitions should run smoothly.*
- iv. The developer is aware of the compliance implications of each source.
 - 1. *NEW will be reporting to various sources.*

c. Cash flow

- i. The project produces enough cash flow to support the proposed debt structure (if any).

- ii. The project minimally pays for itself over time. It has a sustainable cash flow.
 - 1. *The project produces cash flow from rents charged to tenants.*
- iii. The organization has secured tenants.
 - 1. *The tenants include Arroyo Vista Family Center, a Wellness Center, as well as other care services.*

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 Prosperity Center is successful because it has a broad concept and serves many needs.*

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. *The organization has partnered with Arroyo Vista Family Center to operate the Health Center for the initial two years.*
- 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.

3. SITE CHARACTERISTICS AND PROJECT DESIGN

- a. The location makes sense for the project.
 - i. *The project is in the heart of the population that the project targets.*
- b. The design makes sense for the targeted use (e.g. provides correct amount of parking).
 - i. *The facilities provide adequate infrastructure for the various services the project offers.*
- c. The project is located near or adjacent to existing or future transit.
 - i. *There are plenty of nearby bus stops.*
- ~~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 project is not located on a brownfield or historic structure.*
- 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. The project does not “look” like it offers rents lower than market.
- ~~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 did not face any zoning or land use issues.*

4. CONSTRUCTION

- a. Project met major construction milestones and was completed on schedule.
- b. Construction timeline was in sync with financing requirements.
 - i. *It was necessary as the funds relied on a specific schedule.*
- 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. *Arroyo Vista Family Center and other services were placed in the building upon construction.*
- b. The project is fully occupied.
 - i. *Each floor and part of the building is occupied with services.*
- c. Tenants are provided with opportunities to participate in the management and/or operation of the project.

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 variety of government grants that it qualifies for, including an innovative plan to use Arroyo Vista Family Center until it can receive funding for its own Health Clinic.*
- b. Each funding source was heavily leveraged to gain further resources.
 - i. *The public funding sources were maxed out.*
- 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. *The project was designed to satisfy EDA grant requirements.*
- d. There are multiple stakeholders providing funding, and this mix of funding sources maximizes the feasibility of the project.
 - i. *Multiple government agencies are involved with this 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.
 1. *The directors must report the number of jobs created to ensure the continuation of funding sources.*
- f. The design of the project and units are culturally appropriate.
 - i. *The design provides specific assistance to the predominately Latino surrounding community.*
- g. The project is located in close proximity to jobs and public transit.
 - i. *Bus stops are nearby.*

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.
 - i. The project effectively promotes many of the other programs that the organization offers. Apart from the other services that NEW provides, the organization tapped into a whole new service sector in healthcare services.*
 - 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. The community has access to healthcare that it normally would not have been able to access.*
 - 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 project was an adaptive reuse project.*
 - b. The project meets green building standards such as adaptive reuse or LEED certification.
 - 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 recycles paper.*
 - e. The project fulfills the triple bottom line.
 - f. The project has an educational component that teaches tenants about using green features effectively.
 - i. NEW's janitorial/maintenance company conducts their trainings onsite at the Prosperity Center. The company uses green features.*
 - g. The project stimulates green job creation.
 - i. NEW's janitorial/maintenance company conducts their trainings onsite at the Prosperity Center. The company uses green features.*
4. ECONOMIC IMPACT
- a. The project will increase the independence of tenants.
 - i. The project promotes jobs, which will allow for further independence.*
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. Multiple services include a Health Clinic, a Wellness Center with alternative care services, Well Baby and health education workshops, Healing Through Play program and training area.*
 - b. There are complementary uses of the spaces created by the project.
 - i. Much of the space can be used for other services.*
7. DIVERSITY
- a. The project serves a mixed income clientele.
 - i. The project serves mainly a low-income population.*

- b. The project encourages mixed age, gender, ethnic, etc. participation.
 - i. *The project primarily serves the Latino population surrounding the building.*
8. PROPERTY MANAGEMENT
- a. Property management communicates in languages with which tenants are familiar.
 - i. *NEW does its own property management and communicates in the languages of their tenants.*
 - b. Property management maintains a good relationship with tenants.
 - c. Property management consistently collects rents in a timely manner.
 - i. *There is a set schedule of fund influx.*
 - 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.
 - i. *The community needed the healthcare services provided by the project as many other healthcare options do not exist.*
 - b. The project creates spaces available for public uses (commercial, open, green).
 - i.
 - c. The project removes blight in the neighborhood.
 - d. The project improves neighborhood security.
 - e. The project stimulates long-term job creation.
 - i. *A funding contract requires that 200 full-time jobs be created.*
 - f. The project stimulates small business creation.
 - g. The project supports minority businesses.
 - h. The project results in local employment.
 - i. *The project results in 200 local jobs.*
 - i. The project stimulates housing development in the area.
 - i. *The project also serves as NEW's headquarters and houses its real estate development division.*
 - 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. *There were no public improvements made for this project.*
 - l. The project results in other positive social impacts.
 - i. *The project promotes healthier living in the community.*
10. REPLICABLE/SCALABLE
- a. This project can be replicated in other communities, regions, and/or states.
 - i. *With the right funding, location, and medically-knowledgeable staff, this project can serve many as healthcare is very expensive.*