



LITTLE TOKYO SERVICE CENTER

a community development corporation *est. 1979*



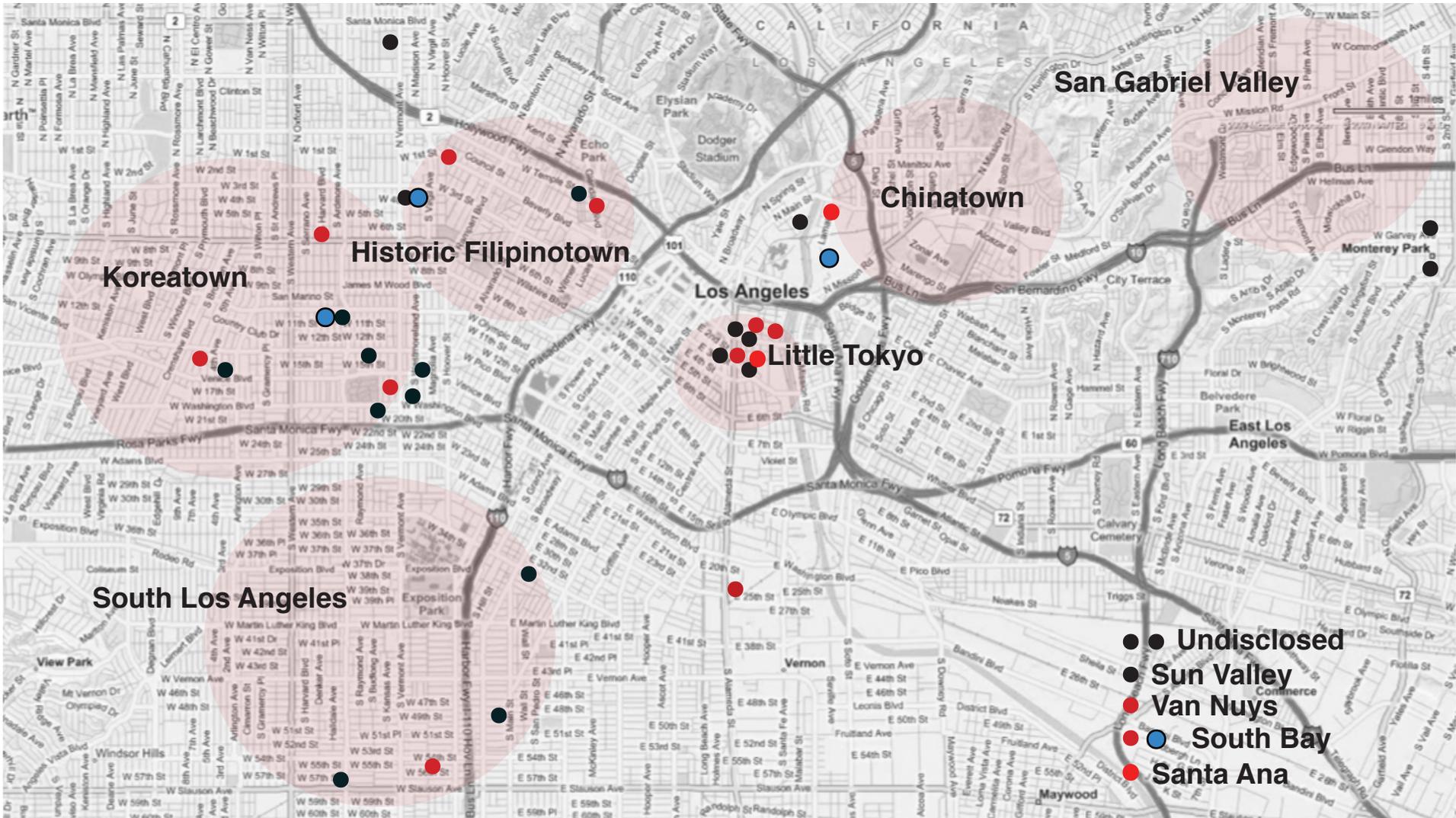
Helping People & Building Communities



Communities We Serve

- Little Tokyo
- Japanese American Community
- Other Low-Income Communities





Communities We Serve

- Completed
- Pipeline
- 3rd Party Managed





K I W A
Korean Immigrant Worker's Alliance

F A C L A
Filipino American Community of Los Angeles



Asian Pacific Family Center
Pacific Bridge



S.C.H.A.R.P.
SOUTH CENTRAL HEALTH
& REHABILITATION PROGRAM



華埠服務中心
Chinatown Service Center



United Methodist Ministries
Los Angeles District



LA's Affordable Housing Crisis

WHO IS BEING LEFT OUT OF THE LOS ANGELES RENTAL MARKET?

Average Asking Rent: \$2,016

Hours/week of work needed to afford average asking rent

Job Category

Mean Hourly Wage

Medical Assistants	\$16.47	94
Preschool Teachers	\$16.12	96
EMTs & Paramedics	\$16.00	97
Janitors & Cleaners	\$13.07	119
Retail Salespersons	\$12.89	120
Waiters & Waitresses	\$11.81	131

SOURCE: CHPC Analysis of 2014 Bureau of Labor statistics and 2015 Real Answers average rent data.

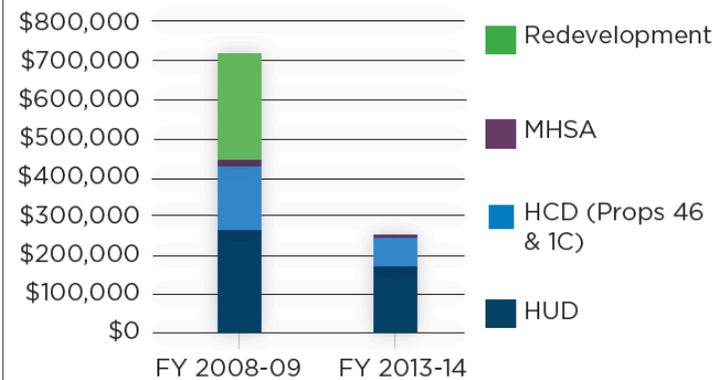
LA's Affordable Housing Crisis

FROM FY 2008-09 TO FY 2013-14 LOS ANGELES LOST 65% OF STATE AND FEDERAL FUNDING

FUNDING SOURCE	FY 2008/2009	FY 2013/2014	% CHANGE
HUD	\$260,516,144	\$176,180,592	-32%
HCD (Prop. 46 & Prop 1C)	\$167,197,962	\$72,988,250	-56%
MHSA	\$19,304,213	\$6,043,371	-69%
Redevelopment	\$274,787,841	\$0	-100%
TOTAL	\$721,806,160	\$255,212,213	-65%

SOURCE: CHPC tabulations of Redevelopment Housing Activities Report and HUD's CPD program formula allocations. State housing bond funding from Propositions 46 and 1C provided by HCD. MHSA program funding provided by CalHFA.

A LOSS OF \$466 MILLION FOR AFFORDABLE HOUSING IN LOS ANGELES



SOURCE: CHPC tabulations of Redevelopment Housing Activities Report and HUD's CPD program formula allocations. State housing bond funding from Propositions 46 and 1C provided by HCD. MHSA program funding provided by CalHFA.

Real Estate Development Process

[----- 2 to 5 years -----] [12 to 24 months] [55 + years]

		Acquisition & Predevelopment			Construction	Operations
		Concept	Feasibility	Deal Making		
Goals		Specific use of a site for an identified market by a dev team with a defined financial program.	Analysis of all assumptions re: site, dev. & op. budgets, financing, team & roles, political capital.	All elements of project are made definite (letters of commitment, contracts, loan docs).	Completely built, leased building, passing all inspections.	Effectively rented project, meeting financial and other project goals.
	Board Role	Approve Project Concept	Approve Project Concept	Pass resolutions to negotiate financing, enter into contracts and loans.	Solicit feedback on construction schedule & budget.	Intervene if decide to refi or sell.

How Housing is Made Affordable

- Rental Subsidies
- Capital Financing



Capital Sources: Preliminary

Type	Definition	Risk	Example
Acquisition	Short-term, recourse loan funds (24 to 36 months) to acquire property. Interest-only payments, principal due at maturity.	High risk. If project financing is not secured in 2 to 3 years, there will be additional holding costs and lenders may require principal down.	<ul style="list-style-type: none"> •CDFI' s (e.g. Enterprise, LISC, CSH, LIIF). •Banks (Wells) •Public/Private (New Generation Fund)
Predevelopment	Short-term funds to finance project costs until start of construction. <i>Typically</i> , non-recourse and deferred interest until construction.	High risk. There is no guarantee project will be developed. Could be low risk for org if structured as grants, but not very common today.	<ul style="list-style-type: none"> •CDFI' s •Banks (EQ2)

Capital Sources: Project Development

Type	Definition	Risk	Example
Equity	Capital developer or investor puts into project for a share of ownership.	Low risk. Most of funding is in place before equity comes in so high probability that the project will be completed.	<ul style="list-style-type: none"> •LIHTC Syndicators (NEF, Enterprise) •Foundation grants •Part of Developer Fees
Debt: Construction	Short-term, interest only, non-recourse loan that finances construction expenses. Re-payment covered by other sources not LTSC.	Med risk. Construction will start. Problems could arise if there are cost overruns or delays in schedule.	<ul style="list-style-type: none"> •Banks (All of them) •LAHD (no interest) •LA County CDD (no interest)
Debt: Permanent (residual receipts & fully amortized)	Final, long-term, non-recourse loan that usually takes out construction loan. Re-payment covered by building revenue not LTSC.	Low risk. Project is complete. Problems arise if operating expenses exceed rental income.	<ul style="list-style-type: none"> •Banks •LAHD (residual) •CA HCD (residual) •LA County CDD (residual)

Solving the Affordable Housing Crisis

- Increase in Funding
- Stronger Land Use Policy
- System Coordination





LITTLE TOKYO SERVICE CENTER

231 E Third Street G106 Los Angeles, CA 90013

t. 213.473.3030

f. 213.473.3031

