

## **Pooled Money Investment Board (PMIB) -- Stalled Funds**

### **Story Template**

**Development Name: 36<sup>th</sup> Street & Broadway Apartments for Transition Aged Youth**

**Location: South Los Angeles**

**Type of homes (number of bedrooms -- apartments, condos, or single-family homes):  
Scattered Site Rehab Project – 27 Apartments (11 & 16 units each), 12 Studios, 10 1BR, 4  
2BR, 1 3BR**

**Status of the development (fully completed, nearly completed, mid-construction, shovel-ready): Shovel-Ready**

**What types of people/families would live there (population to be served): Transition Aged Youth who are Homeless or At-risk of Homelessness**

**Development needs a) someone to guarantee MHP's Loan (\$2.7M) b) MHP to convince construction lenders that funds will be available for repayment or c) \$2.7M to replace the committed MHP funds by April 13, 2009.**

**What will happen if the funds aren't received on time?**

The 36<sup>th</sup> Street Apartments and Broadway Apartments for Transition Aged Youth is a development partnership between Little Tokyo Service Center CDC and Coalition for Responsible Community Development. The project will serve 25 youth who are homeless or at-risk of homelessness.

The apartments are located in Los Angeles County Provider Area Six (SPA 6) which has the highest number of youth entering and aging out of the foster care in Los Angeles County, approximately 300 each year or 24% of the county total and an estimated 4792 homeless youth ages 18-24. Young people aging out of the foster care system and homeless youth are faced with an incredible challenge to find housing, employment, and educational opportunities without a support system or resources available to them. Furthermore with the widespread development in the area and the increasing housing costs, youth are at a greater disadvantage of receiving housing due to their lack of skills, credit and employment history, forcing young people to homelessness at a very early stage of their lives.

If funds are not received on time or a feasible alternate plan is not made available, 25 units of permanent supportive housing for homeless youth (TAY) will be jeopardized. From an economic standpoint, the project has already been committed nearly \$10M worth of funding from various sources. If we are unable to start construction by April 13, the project stands to lose a \$2.6M tax credit equity investment. Nearly \$3M of Federal HOME funds and \$2.4M in local affordable housing commitments are also in jeopardy. Finally, nearly \$3M worth of actual construction will be cancelled. This translates to 20-25 full time, prevailing wage jobs over the course of a year.

In addition to an economic loss within an already impoverished community, cancelling this project will have an extremely negative effect on the development of a downtrodden neighborhood. The buildings which the developers are proposing to rehabilitate are suffering from extreme deferred maintenance—however, as they were built in the 1880's and 1920's, there is much architectural character inherent in the structures. The restoration of these buildings would be a much needed improvement for this neighborhood and it will be quite unfortunate if these projects do not become a reality.

The lack of a solution to this problem will also have profound effects on the two organizations who are developing this project. The developers are accruing approximately \$15K worth of predevelopment/acquisition loan interest every month. Additionally, because of the poor condition of the buildings, the developers are quickly accumulating holding costs related to repairs and maintenance that can no longer be put off. Ultimately, if the non-profit organizations that are developing these projects are no longer able to carry these costs, the buildings could be foreclosed upon. This would also most likely result in a loss of jobs at these neighborhood based organizations as well as a significant reduction in services for the South Los Angeles community.

The effect on our organizations.

- Please describe as if you were talking to your next door neighbor or a friend who knows nothing about development.
- AVOID acronyms.
- Try to focus on the impacts on people/families *in addition to* the financial/economic impacts. The media will be more likely to pay attention if we "humanize/put a face to" the story.

In a narrative form, talk about:

- Jobs that will be lost (both construction-related and in your organization)
- Committed funding that will be lost
- Unexpected construction loan costs -- i.e. monthly interest of \$\_\_\_\_\_, and how long your organization can afford to pay the interest before foreclosure becomes likely.
- If you have a compelling story about a family who is impacted, be sure to include that as well.
- Any other quantifiable, compelling impacts

If possible, please include a photo of the development (either paste into your Story template or attach photo when you e-mail your story).

**E-mail completed stories to: Karen Naungayan, communications director,  
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