ADAMS & CENTRAL
LOS ANGELES, CA

NEW MARKETS TAX CREDIT PROGRAM

Building a mixed-use project to stimulate redevelopment in Los Angeles

PROJECT BASICS

Type:
Real Estate – Retail, Residential

Total Development Cost:
$9.7 million

LISC New Markets Tax Credit Allocation:
$10.0 million

PROJECT STAKEHOLDERS

LISC Program:
Los Angeles LISC

Investor:
Bank of America CDC

Lender:
Bank of America

Sponsor/Developer:
Meta Housing Corporation

Other Key Stakeholders:
City of Los Angeles Community Redevelopment Agency

COMMUNITY NEED

- **37.5% Poverty Rate**
- **Unemployment rate 1.55 times the national average**
- **Family income 47.2% of the area median**

COMMUNITY IMPACT

- **19,074 sq. ft. of retail space**
- **23 permanent jobs**
- **200 construction jobs**

Project Snapshot:

- Located in the Downtown/South Los Angeles area, the Adams & Central project involves the construction of a mixed-use building on the corner of Central Avenue and Adams Boulevard.
- The project is a cornerstone in the redevelopment of the Downtown/South Los Angeles area. It removed an underutilized vacant lot and replaced it with much needed new housing and commercial space. LISC's NMTC financing was used to finance the retail portion of the project.
- The project provided 19,074 square feet for a Fresh & Easy Neighborhood Market and two smaller non-anchor tenants, 80 units of affordable housing, and supportive services aimed at empowering low-income residents.
- This project also modeled a number of the City's new mixed-use ordinances and addresses three critical needs for the neighborhood: more affordable housing, access to quality grocery shopping options and employment opportunities.

Project Background:

- While Adams Boulevard and Central Avenue are both major traffic arteries, the retail and housing that lines these streets has been in a state of disrepair. The project developer worked with the Los Angeles Community Redevelopment Agency and Council Office to develop a plan to help alleviate the problems plaguing the area. The Adams and Central project is large and well situated to make a profound impact on the reshaping of the neighborhood.
- Meta Housing Corporation has been in operation since 1969, and has developed more than 10,000 single-family and multifamily residential units in southern California. Meta focuses it activities on three main project types: urban infill, family housing, and senior housing. This was Meta's first NMTC transaction.

Leveraging Solutions through New Markets Tax Credits (NMTC):

- Located in an economically distressed area, the project faced obstacles to obtaining adequate financing under viable terms. These obstacles created a gap between the lease rate needed to make the project financially feasible and the rate that the primary tenant could afford to maintain a profitable operation. Our program offered a way to leverage available financing and close the gap.
- $10.0 million in NMTC allocation authority provided a custom product with many non-traditional and/or favorable terms including: a below-market interest rate, a longer than standard period of interest only payments, a longer than standard amortization period, and a higher than standard loan to value ratio.
- The undertaking of this project by a private entity supplemented the capacity of some of the smaller non-profits working in the area and enabled the pursuit of larger and more complex projects.