

ELEVATING EQUITY

A Toolbox for
Transit Oriented Development
in LA County



A solid green horizontal bar.

OUR APPROACH

LA LISC is dedicated to helping nonprofit community development organizations transform underserved neighborhoods into healthy and sustainable communities- good places to work, do business, and raise children.

We provide local organizations with loans, grants, and equity investments; local, statewide and national policy support; and technical assistance to achieve local visions for community development. LA LISC seeks to create investment opportunities with local partners that build on existing community assets and proven strategies.

Given the planned transit expansion throughout the region, we know it is now more important than ever to work with local nonprofits and CDC's to attract strategic investments that meet the long-standing needs of the local community.

As such, we've developed this toolbox that focuses on the various ways the LA LISC office has and can support our partners in both developing and/or preserving commercial corridors and affordable housing around existing and future transit hubs throughout Los Angeles County.

THE OPPORTUNITY

Los Angeles County recently passed Measure M — the largest transportation plan in the country. Over the next 50 years, Metro will invest over \$120 billion in light rail expansion, walking and biking projects, better bus operations, and countywide connectivity.

LA LISC's transit-oriented development tools aim to leverage this game-changing opportunity to ensure that current and future generations of low-income families, and the small businesses that serve them, benefit and thrive along with Measure M investments, by focusing on three strategies:



LEGACY
BUSINESS
PRESERVATION

"GROUND UP"
CORRIDOR
DEVELOPMENT

AFFORDABLE
HOUSING
PRESERVATION

THE TOOLBOX

LEGACY BUSINESS PRESERVATION

LISC supports local entrepreneurs and small businesses with flexible lending products that can help retool and expand their existing businesses or help them start a new one.

SBA LENDING PRODUCTS	MICRO-LENDING PRODUCTS
<p>SBA 504 Loans: \$400,000-\$5 Million</p> <ul style="list-style-type: none"> LISC combines New Market Tax Credits (NMTC) with SBA 504 first mortgage loan capital to provide businesses with below-market financing to buy, build, or expand facilities. The 504 loans must be located NMTC-eligible census tracts (where poverty rates exceed 20% and/or median family income is less than 80% AMI). 	<p>Quick Execution MicroLoan: \$10,000-\$50,000</p> <ul style="list-style-type: none"> Addressing the need for small working capital loans of LA LISC offers a microloan product that can be approved in two weeks. Fixed at 7% interest with a five-year term, the product is a safe alternative to online predatory lenders.
<p>SBA Community Advantage Loans: \$50,000-\$250,000</p> <ul style="list-style-type: none"> LISC is one of three lenders with a Community Advantage license from the SBA to make loans for working capital, equipment/ inventory, debt refinancing, and tenant improvements. We prioritize women- and minority-owned businesses, and businesses less than two years old. 	<p>Kiva Zip Loans: Up to \$10,000</p> <ul style="list-style-type: none"> LISC partners with Kiva, an online crowdfunding program where borrowers can access 0% interest, fee-free loans up to \$10,000. LISC offers a 1:1 match for the loan. Kiva uses a borrower's character as a measure of creditworthiness, rather than credit score, cash flow, or collateral, making this product unique.

THE TOOLBOX

LEGACY BUSINESS PRESERVATION

LISC provides free digital advisory services and other capital resources to help level the playing field for long-time business owners and increase the technical expertise of community development corporations that support them.

ADVISORY SERVICES FOR BUSINESSES	CAPACITY BUILDING FOR CDC's
<p>Business Advising Online Services</p> <ul style="list-style-type: none"> • We've partnered with Pacific Community Ventures to match our clients with experienced business advisers who provide tailored, one-on-one assistance. • They share their expertise in marketing, operations, strategic planning, and financial analysis to help entrepreneurs grow their businesses and create new jobs. 	<p>Kiva Trustee Certification</p> <ul style="list-style-type: none"> • Trustees are organizations that recommend borrowers and endorse them publicly on the Kiva Zip website. • Although trustees are not financially or legally liable for any loan that they endorse, they do vouch for an entrepreneur's character and the viability of her business.
<p>LISC INSIGHT Financial Tool</p> <ul style="list-style-type: none"> • We offer a free online tool called LISC INSIGHT to help company's better understand their financial health and make informed business decisions. • Allows users to analyze financial metrics including business cash flow, net income, company valuation, business spending and trends, business strengths and weaknesses, and more. 	<p>HUD Section IV Grants \$10,000-\$50,000</p> <ul style="list-style-type: none"> • LISC awards grants on an annual basis to enhance the capacity and ability of CDCs to carry out local economic development strategies that benefit low-income communities. • Resources are restricted to indirect program costs such as staff salaries, consultants, and professional development opportunities.

THE TOOLBOX

GROUND UP CORRIDOR DEVELOPMENT

Due to historic disinvestment, many of our neighborhood's commercial corridors are lacking a diversity of amenities and services. Communities can leverage the coming transit investments to both attract new businesses to the area and preserve those that are integral to the economic and social fabric of the neighborhood. We aim to support our partners in tailoring smart economic development strategies for specific, local places that help communities take the reins of their economic futures.

TECHNICAL ASSISTANCE

LISC MetroEdge Market Scans

- The MetroEdge program offers technical assistance to help a spectrum of community stakeholders and investors revive neighborhood commercial districts.
- The scans analyze market research based on local and national data; perform on-the-ground assessments that highlight investment potential and market readiness; and generate hyper local economic development strategies for commercial corridors.
- To date, LISC and our partners have completed market scans in the neighborhoods of Boyle Heights, Pacoima, Crenshaw and along the historic Central Ave corridor.

Creative Placemaking

- LISC's core creative placemaking goal is to leverage the unique power of arts and culture to empower people to build vibrant, resilient and socially connected communities.
- We offer technical assistance for local community groups that are looking to integrate the arts and culture into their revitalization activities.
- The program combines capital resources with research and national best practices to support equitable placemaking strategies.

THE TOOLBOX

GROUND UP CORRIDOR DEVELOPMENT

LISC has special funds to help both for-profit and nonprofit entities establish businesses that meet long-standing health needs of local communities including quality grocery stores, sit down restaurants, and access to health care.

HEALTH LENDING PRODUCTS

Healthy Foods Fund: \$50,000-\$3 Million

- LISC has a dedicated fund to support both non-profit and for-profit operators of healthy food businesses including retail food stores, farmers markets, food coops and other healthy food production or distribution activities.
- Funds can be used for pre-development, acquisition, construction, mini-perm and business loans that increase access to healthy food.
- The fund prioritizes retail outlets in designated food deserts.

Community Health Centers: \$50,000-\$6 Million

- LISC offers a loan product specifically for Federally Qualified Health Centers, community health centers, special purpose entities or subsidiaries managed by health care centers in the Southern California market.
- The funds are for bridge, working capital, predevelopment, acquisition, construction, mini-permanent and permanent loans for the planning, development and/or improvement of community-based health care facilities in low-income areas.

THE TOOLBOX

AFFORDABLE HOUSING PRESERVATION

LISC helps make quality, affordable housing available to low-income residents in both hot real estate markets that threaten to edge out longtime residents, as well as in “legacy” markets, where the flight of industry has left a vacuum of disinvestment and where housing can stimulate economic growth. We achieve this through flexible financing products and capital resources.

DEVELOPMENT LENDING	PRESERVATION LENDING
<p>Predevelopment Loans \$50,000-\$1 M</p> <ul style="list-style-type: none"> • These funds are to pay for for due diligence expenses, deposits, and other predevelopment costs. • The projects we support are rental housing; for-sale housing; community facilities; commercial and mixed-use projects. 	<p>Acquisition Loans \$100,000-\$6M</p> <ul style="list-style-type: none"> • These funds are to pay for the purchase price and closing costs for property acquisition. • The projects we support are rental housing; for-sale housing; community facilities; commercial and mixed-use projects.
<p>Construction Loans \$100,000-\$6M</p> <ul style="list-style-type: none"> • These funds are to pay for hard and soft construction costs of new construction or renovation projects. • The projects we support are rental housing; for-sale housing; community facilities; commercial and mixed-use projects. 	<p>Mini-Perm Loans \$100,000-\$6M</p> <ul style="list-style-type: none"> • These funds are to provide longer-term loans for projects requiring stabilization or interim financing. • The projects we support are rental housing; for-sale housing; community facilities; commercial and mixed-use projects.

THE TOOLBOX

AFFORDABLE HOUSING PRESERVATION

DEVELOPMENT LENDING	PRESERVATION RESOURCES
<p>Permanent Loans \$1 M-\$6M</p> <ul style="list-style-type: none"> • These funds are to provide long-term, fully amortizing financing for the following projects: rental housing, health centers, and charter schools 	<p>Working Capital \$100,000-\$6M</p> <ul style="list-style-type: none"> • These funds are to provide flexible capital to meet organizational cash flow needs or pay project-based expenses • These funds are applicable for the following projects: rental housing, for-sale housing, community facilities, commercial and mixed-use projects
<p>Bridge Loans \$100,000-\$6M</p> <ul style="list-style-type: none"> • The purpose of these funds are to bridge the timing gap between project or program costs and receipt of cash from committed or anticipated sources • Applicable projects include rental housing; for-sale housing; community facilities; commercial and mixed-use projects 	<p>HUD Section IV Grants \$10-\$50,000</p> <ul style="list-style-type: none"> • LISC awards grants on an annual basis to enhance the capacity and ability of CDCs and non-profit affordable housing developers that develop and preserve affordable housing • Resources are restricted to indirect program costs such as staff salaries, consultants, and professional development opportunities.



HOW TO APPLY

For more information about any of our lending products, please contact:

Alexandra Dawson
adawson@lisc.org
213-250-9550 x118

To learn more about our capacity building resources for non-profits and CDC's, please contact:

Miranda Rodriguez,
mrodriguez@lisc.org
213-250-9550 x136