

# A p p e n d i x F : P l a n n i n g a M u l t i - U s e C o m m u n i t y F a c i l i t y

Japantown’s community groups have identified a need for improved access to various types of facilities, including space for performing arts, intergenerational gatherings, and youth activities. In addition, a number of long-standing community organizations do not have permanent space in the community and could benefit from strategies to attain long-term leases or property ownership. There are a number of underutilized facilities currently owned or occupied by community organizations that may present an opportunity for meeting these needs. *Chapter 8: Community and Economic Development* recommends that the Better Neighborhood Plan Implementation Organization help inventory space utilization in buildings that are owned or occupied by Japanese American community organizations. The results of this inventory should be used to identify ways that organizations can use space more efficiently, both to provide for their own activities and to create space to support the community’s unmet needs.

Once the match between organizations’ needs and the facilities they occupy is improved, some organizations may find that extensive renovation or new construction projects are required to meet their space requirements. While the Implementation Organization can help with coordinating among the organizations involved in the project, the organizations themselves will need to take primary responsibility for planning and implementation. This appendix outlines the typical process that non-profits follow when planning the construction or rehabilitation of a community facility that will provide space for multiple organizations. Many of these steps are complex and time consuming, and would require legal and consulting assistance in order to implement. This appendix is therefore intended to serve as an introduction for non-profits to the idea of planning a renovation or development project, and not as a comprehensive guide.

## **F.1. Typical Planning Process for a Multi-Use Community Facility**

F.1.1. An organization with the capacity for leading a long-term planning and implementation process initiates the project planning. This lead organizations identifies which additional organizations the renovation or new multi-use building might serve, and invites those organizations to serve on an initial Planning Committee. For example, if the project were meant to provide additional performing arts space, the performing arts groups in the community who might use the space would be invited to serve on the Committee.

F.1.2. The lead organization works to educate the Planning Committee – including the organizations’ staff, Board of Directors, and members – about the risks and benefits of development. Non-profit organizations that have never experienced a significant capital improvement project, and are used to leasing space and operating on annual budgets, are likely to be unfamiliar with aspects of development such as:

- Length, complexity, and cost of the development process
- Potential ownership structures
- Potential financing mechanisms
- Capital and multi-year operating budgets

- Construction schedules
- Long-term loan management
- Property management
- Lease structures

In order to provide this education, the lead organization can circulate case studies and invite specialists to speak to members of the Planning Committee. These speakers might include architects, fundraising consultants, development consultants, real estate attorneys, property managers, and representatives from non-profits who have previously overseen development projects. The lead organization may work with City staff to identify speakers and models, or hire a development consultant (see C.1.6) to manage the education and outreach process.

F.1.3. Those members of the Planning Committee that wish to continue with the multi-use project retain an attorney to draft a memorandum of understanding (MOU) outlining the roles and responsibilities of each party. For example, the MOU would cover issues like which individuals or groups will take the lead on planning and fundraising, how decisions will be made, and how organizations can end their participation in the project if necessary.

F.1.4. The parties to the MOU (“parties”) designate a project manager, who will be responsible for the day-to-day management of the development project. The project manager could be a staff member from the lead organization, or a community volunteer who has experience in finance and development. Alternatively, for a more complicated project, the parties could hire a consultant to serve as the project manager.

F.1.5. The parties assemble funding to hire a consulting team to assist with planning and development (see C.1.5). In previous years, the Mayor’s Office of Community Investment has offered limited capital planning grants for multi-purpose community service centers. Private foundations may also offer grants for this type of planning, depending on the types of services to be provided. Banks are legally responsible for engaging in community reinvestment, and may be willing to provide small, general operating grants.

F.1.6. Once sufficient funding is assembled, the parties begin organizing a team of consultants to assist with planning and development. A typical development team might eventually evolve to include some combination of the following consultants and experts:

- Real estate attorney – Assists with real estate transactions and formation of an ownership structure. Hired early in the planning process.
- Fundraising consultant – Determines whether the organizations have the ability to raise the funds required for the project, and advises on a strategy for raising capital. Hired early in the planning process.
- Development consultant – Provides project management and/or technical advice on financing and building a facility. Usually hired when parties decide to sign an MOU and move forward with the project, but could be hired earlier to manage education process (C.1.2).
- Architect – Conducts an in-depth analysis of each organization’s spatial and programming needs, and designs a space to meet those needs. Hired as parties begin to look at spatial needs and potential sites for new construction or rehabilitation.
- Construction manager – Reviews architectural plans and identifies potential cost savings. Hired as the architect begins to refine the project design. The construction

manager may replace the development consultant when construction begins, or the development consultant may serve as construction manager.

- General Contractor – Responsible for construction. Hired after the site, architectural plans, and funding are in place.
- Property manager – Oversees day-to-day management of the completed project. Hired as the project nears completion.

Non-profit architecture firms, development consultants, lenders, and technical assistance providers may be able to fill some of these roles. In the past, the Mayor's Office of Community Investment has offered technical assistance grants that matched non-profits planning capital projects with Asian Neighborhood Design (a non-profit architecture firm) and Community Design Center (a non-profit that provides development consulting services).

F.1.7. The parties work with the architect to conduct an in-depth analysis of each participating organization's spatial and programming needs. For example, the architect might ask questions such as:

- What types of space do organizations require to conduct their activities (e.g., ground floor facilities and dedicated green space for a childcare center; dressing rooms and a stage for performing arts groups)?
- Can the organizations share administrative space (such as offices, conference rooms, reception areas, copying and printing areas)?
- Will organizations provide programming during different times of day or week, and if so, can the organizations share programming space ?

This analysis informs initial designs and cost estimates.

F.1.8. The parties work with the fundraising consultant to plan and conduct a capital fundraising campaign. Typical financing sources may include everything from donations and government and foundation grants to bank loans or tax credits.

F.1.9. As funding is raised, move forward with project implementation, including acquiring a site or building, refining the design, hiring a general contractor, and so on.

## **F . 2 . S o u r c e s**

Garcia, Christina (Capital and Economic Development Program Director, Mayor's Office of Community Investment), Interviewed by Strategic Economics, October, 2008.

Simon, Joshua (Director of Consulting and Grants, Northern California Community Loan Fund) Interviewed by Strategic Economics, February, 2008.

Sussman, Carl, Amy Gillman, and Cindy Larson, *Community Investment Collaborative for Kids Resource Guide: Developing Early Childhood Facilities*, Local Initiatives Support Corporation/Community Investment Collaborative for Kids, August 2006. Available at: <http://www.lisc.org/section/goals/education1/child>. Accessed October 20, 2008.