

California

NMTC Allocatee

Los Angeles Development Fund
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L.A. Prep / Kitchen

L.A. Prep is a New Markets Tax Credit (NMTC) financed project in Los Angeles that will serve as an incubator for 50 small- to medium-sized food producers that have outgrown their startup spaces. The anchor tenant of the project is L.A. Kitchen, which is a commercial kitchen and produce processing hub that prepares meals and nutritious snacks for seniors and low-income families. The concept for the L.A. Kitchen tenant is based on a similar nonprofit organization in Washington, D.C. created by Robert Egger. That organization, D.C. Kitchen, has provided over 25 million meals for low-income and at-risk peoples in the 25 years since it was established.

The project involved the acquisition and renovation of 56,000 square foot former warehouse in the Lincoln Heights neighborhood. In order to finance the deal, Los Angeles Development Fund and UrbanAmerica provided \$16 million in NMTC allocations to fill in the needed financing for the project to be realized. Capital Impact Partners provided \$11 million in leveraged debt, with \$5.1 million in equity provided by U.S. Bancorp CDC. Civic Enterprise Development, real estate development firm focused on revitalizing emerging urban neighborhoods, developed the project.

In collaboration with the developer, the L.A. County Health Department established special guidelines in the health code for this new and innovative type of facility, which allows for small food businesses to obtain their health permit and begin operations onsite within a week. L.A. Prep tenants receive: an exclusive production space; flexible cold, dry and frozen storage; a demonstration kitchen; co-working space and more; a staffed warehouse to assist with receiving and logistics.

The anchor tenant, L.A. Kitchen will also provide job training for 80 to 100 individuals per year. The 15-week, culinary arts job training program is focused on engaging emancipated foster youth and older adults exiting the prison system. In addition, the Kitchen ensures healthy food access for 1,000 low-income seniors (estimated for its first year of operations).



Community Profile

Los Angeles, CA

Poverty Rate	43%
Median Income	37.7%
Compared to AMI	
Unemployment Rate	12.5%

Project Highlights

- Investor: U.S. Bancorp Community Development Corporation
- Co-Allocatee: UrbanAmerica
- NMTC: \$16M
- Jobs: 36 construction jobs, 210 full-time permanent jobs
- East Los Angeles State Enterprise Zone, Cornfield/ Arroyo Seco Specific Plan Area