CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 6, 2023

Monterey Park Senior Village, located at 1935 Potrero Grande Drive in Monterey Park, requested and is being recommended for a reservation of $1,799,881 in annual federal tax credits to finance the acquisition & rehabilitation of 113 units of housing serving seniors with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Central Valley Coalition for Affordable Housing and is located in Senate District 22 and Assembly District 49.

Monterey Park Senior Village is a re-syndication of an existing Low Income Housing Tax Credit (LIHTC) project, Monterey Park Senior Village (CA-2000-183). See Resyndication and Resyndication Transfer Event below for additional information.

Project Number CA-23-593

Project Name Monterey Park Senior Village
Site Address: 1935 Potrero Grande Drive
Monterey Park, CA 91755
County: Los Angeles
Census Tract: 4826.00

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$1,799,881	$0
Recommended:	$1,799,881	$0

Applicant Information
Applicant: Monterey Park Phase II, LP
Contact: Christina Alley
Address: 3351 M Street, Suite 100
Merced, CA 95348
Phone: 209-388-0782
Email: chris@centralvalleycoalition.com

General Partner(s) or Principal Owner(s): Central Valley Coalition for Affordable Housing
General Partner Type: Nonprofit
Parent Company(ies): Central Valley Coalition for Affordable Housing
Developer: Central Valley Coalition for Affordable Housing
Bond Issuer: CA Municipal Finance Authority
Investor/Consultant: CREA LLC
Management Agent: Barker Management, Inc.

Project Information
Construction Type: Acquisition & Rehabilitation
Total # Residential Buildings: 1
Total # of Units: 114
No. / % of Low Income Units: 113 100.00%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: Tax-Exempt

Information

Housing Type:	Seniors
Geographic Area:	Balance of Los Angeles County
CTCAC Project Analyst:	Brett Andersen

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	6	5%
35% AMI:	6	5%
40% AMI:	6	5%
45% AMI:	6	5%
50% AMI:	59	52%
60% AMI:	30	27%

Unit Mix

90	1-Bedroom Units
24	2-Bedroom Units
114	Total Units

Unit Type & Number		2023 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
6	1 Bedroom	30%	$709
6	1 Bedroom	35%	$827
6	1 Bedroom	40%	$946
6	1 Bedroom	45%	$1,064
53	1 Bedroom	50%	$1,182
13	1 Bedroom	60%	$1,419
6	2 Bedrooms	50%	$1,418
17	2 Bedrooms	60%	$1,702
1	2 Bedrooms	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$36,600,000
Construction Costs	$0
Rehabilitation Costs	$7,636,400
Construction Hard Cost Contingency	$673,000
Soft Cost Contingency	$50,000
Relocation	$457,624
Architectural/Engineering	$400,000
Const. Interest, Perm. Financing	$810,000
Legal Fees	$150,000
Reserves	$566,246
Other Costs	$138,353
Developer Fee	$3,000,000
Commercial Costs	$0
Total	**$50,481,623**

Residential

Construction Cost Per Square Foot:	$93
Per Unit Cost:	$442,821
True Cash Per Unit Cost*:	$279,086

Construction Financing

Source	Amount
Seller Carryback Loan	$23,994,104
Stifel, Nicolaus & Co., Inc.	$2,305,896
Stifel, Nicolaus & Co., Inc.[1]	$4,000,000
Prudential Mortgage[2]	$13,172,142
Prudential Mortgage[3]	$1,960,000
Deferred Developer Fee	$2,999,900
General Partner Equity	$100
Acquired Reserves	$566,246
Tax Credit Equity	$1,483,235

Permanent Financing

Source	Amount
Prudential Mortgage[2]	$13,172,142
Prudential Mortgage[3]	$1,960,000
Seller Carryback Loan	$13,889,930
Seller Carryback Loan[1]	$4,000,000
Deferred Developer Fee	$775,900
General Partner Equity	$100
Acquired Reserves	$566,246
Tax Credit Equity	$16,117,305
TOTAL	**$50,481,623**

*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee
[1]Bonds to be transferred to seller upon conversion to permanent financing as part of seller carryback loan
[2]Assumption of existing debt from the FHA 223(f) loan program
[3]Via the FHA 241(a) loan program

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$11,082,024
130% High Cost Adjustment:	No
Requested Eligible Basis (Acquisition):	$33,915,000
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$11,082,024
Qualified Basis (Acquisition):	$33,915,000
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	$443,281
Maximum Annual Federal Credit, Acquisition:	$1,356,600
Total Maximum Annual Federal Credit:	$1,799,881
Approved Developer Fee in Project Cost:	$3,000,000
Approved Developer Fee in Eligible Basis:	$3,000,000
Approved Developer Fee (in Project Cost & Eligible Basis):	
Investor/Consultant:	CREA LLC
Federal Tax Credit Factor:	$0.89547

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Significant Information / Additional Conditions
This Project's annual per unit operating expense total is below the CTCAC published per unit operating minimums of $5,500. As allowed by CTCAC Regulation Section 10327(g)(1), CTCAC approves an annual per unit operating expense total of $4,695 on agreement of the permanent lender and equity investor.

Resyndication and Resyndication Transfer Event
Prior to closing, the applicant or its assignee shall obtain CTCAC's consent to assign and assume the existing Regulatory Agreement, Monterey Park Senior Village (CA-2000-183). To be eligible for a new award of tax credits, the owner must provide documentation with the Form 8609 request (the placed in service submission) that the acquisition date and the placed in service date both occurred after the existing federal 15 year compliance period was completed. For resyndications that were originally rehabilitation and acquisition, the resyndication acquisition date cannot occur before the last rehabilitation credit year of the original credit period.

As required by the IRS, the newly resyndicated project will continue to use the originally assigned Building Identification Numbers (BINs).

The newly resyndicated project shall continue to meet the rents and income targeting levels in the existing regulatory agreement(s) and any deeper targeting levels in the new regulatory agreement(s) for the duration of the new regulatory agreement(s).

Existing households determined to be income-qualified for purposes of IRC §42 credit during the 15-year compliance period are concurrently income-qualified households for purposes of the extended use agreement. As a result, any household determined to be income qualified at the time of move-in under the existing regulatory agreement (CA-00-183) is a qualified low-income household for the subsequent allocation (existing household eligibility is “grandfathered”).

The project is a resyndication where the existing regulatory agreement requires service amenities. The project shall provide a similar or greater level of services for a period of at least 15 years under the new regulatory agreement. The project is deemed to have met this requirement based on CTCAC staff’s review of the commitment in the application. The services documented in the placed in service package will be reviewed by CTCAC staff for compliance with this requirement at the time of the placed in service submission.

The project is a resyndication occurring concurrently with a Transfer Event without distribution of Net Project Equity, and thus is waived from the requirements under CTCAC Regulation Section 10320(b)(4)(B).

Standard Conditions
If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee’s next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a reservation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by CTCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the CTCAC placed in service review, CTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

If points were awarded by CDLAC for housing type, the project shall comply with the housing type requirements at the time of CTCAC’s Placed In Service review. The housing type requirement shall be conditioned in the CTCAC Regulatory Agreement and CTCAC Compliance staff shall verify the project is meeting those housing type requirements, consistent with California Code of Regulations, title 4, section 10322(i).