

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Qualified Private Activity Tax-Exempt Bond Project
November 19, 2025**

The project, 3608 Centinela, located at 3608 South Centinela Avenue in Los Angeles on a 0.21 acre site, requested and is being recommended for a reservation of \$758,159 in annual federal tax credits and \$4,315,000 of tax-exempt bond cap to finance the new construction of 49 units of housing, consisting of 48 restricted rental units and 1 unrestricted manager's unit. The project will have 1 studio unit, 18 one-bedroom units, and 30 two-bedroom units, serving tenants with rents affordable to households earning 30%-70% of area median income (AMI). The construction is expected to begin in April 2026 and be completed in January 2028. The project will be developed by HVN Development, LLC and will be located in Senate District 28 and Assembly District 55.

Project Number CA-25-732

Project Name 3608 Centinela
Site Address: 3608 South Centinela Avenue
Los Angeles, CA 90066
County: Los Angeles
Census Tract: 2719.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$758,159	\$0
Recommended:	\$758,159	\$0

Tax-Exempt Bond Allocation
Recommended: \$4,315,000

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: 3608 South Centinela LP
Contact: Tommy Beadel
Address: 300 Spectrum Drive, Suite 1100
Irvine, CA 92618
Phone: 949-979-0833
Email: tommy@hvndevelopment.com

Bond Financing Information
CDLAC Applicant/Bond Issuer: CA Municipal Finance Authority
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Citi Community Capital

Development Team

General Partners / Principal Owners: HVN 3608 South Centinela LLC
 IH 3608 South Centinela LLC

General Partner Type: Joint Venture

Parent Companies: HVN Development, LLC
 Affordable Housing Alliance II, Inc. dba Integrity Housing

Developer: HVN Development, LLC

Investor/Consultant: Raymond James Affordable Hsg Investments

Management Agent: Aperto Property Management, Inc.

Project Information

Construction Type: New Construction

Total # Residential Buildings: 1

Total # of Units: 49

No. / % of Low Income Units: 48 100.00%

Average Targeted Affordability: 60.00%

Federal Set-Aside Elected: 40%/60% Average Income

Federal Subsidy: Tax-Exempt

Information

Housing Type: Non-Targeted

Geographic Area: City of Los Angeles

State Ceiling Pool: New Construction

CDLAC Project Analyst: Erin DeBlaquiere

CTCAC Project Analyst: Jacob Paixao

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	5	10%
50% AMI:	5	10%
60% AMI:	18	38%
70% AMI*:	20	42%

*CTCAC restricted only

Unit Mix

1	SRO/Studio Units
18	1-Bedroom Units
30	2-Bedroom Units
49	Total Units

<u>Unit Type & Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
2 1 Bedroom	30%	\$852
3 2 Bedrooms	30%	\$1,022
2 1 Bedroom	50%	\$1,420
3 2 Bedrooms	50%	\$1,703
12 1 Bedroom	60%	\$1,704
5 2 Bedrooms	60%	\$2,044
2 1 Bedroom	70%	\$1,988
18 2 Bedrooms	70%	\$2,385
1 SRO/Studio	60%	\$1,590
1 2 Bedrooms	Manager's Unit	\$2,200

Project Cost Summary at Application

Land and Acquisition	\$776,231
Construction Costs	\$8,768,000
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$902,000
Soft Cost Contingency	\$223,923
Relocation	\$135,564
Architectural/Engineering	\$619,583
Const. Interest, Perm. Financing	\$2,143,544
Legal Fees	\$245,000
Reserves	\$250,091
Other Costs	\$1,005,446
Developer Fee	\$1,901,735
Commercial Costs	\$0
Total	\$16,971,117

Residential

Construction Cost Per Square Foot:	\$275
Per Unit Cost:	\$346,349
Estimated Hard Per Unit Cost:	\$156,856
True Cash Per Unit Cost*:	\$324,715
Bond Allocation Per Unit:	\$88,061
Bond Allocation Per Restricted Rental Unit:	\$154,107

Construction Financing

<u>Source</u>	<u>Amount</u>
Citibank: Tax-Exempt	\$4,315,000
Citibank: Recycled Tax-Exempt	\$1,525,000
Citibank: Taxable	\$4,360,000
SafeHold Inc.	\$2,850,000
HVN Development, LLC	\$1,300,000
Deferred Costs	\$250,091
Deferred Developer Fee	\$1,484,069
Tax Credit Equity	\$886,957

Permanent Financing

<u>Source</u>	<u>Amount</u>
Citibank: Tax-Exempt	\$4,315,000
Citibank: Recycled Tax-Exempt	\$1,333,000
HVN Development, LLC	\$1,300,000
SafeHold Inc.	\$2,850,000
Fee Refunds	\$200,000
Deferred Developer Fee	\$1,060,068
Tax Credit Equity	\$5,913,049
TOTAL	\$16,971,117

*Less Donated Land, Seller Carryback Loans, Waived Fees, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis:	\$14,579,973
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$18,953,965
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$758,159
Approved Developer Fee (in Project Cost & Eligible Basis):	\$1,901,735
Federal Tax Credit Factor:	\$0.77992

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

CTCAC Significant Information / Additional Conditions:

This Project's annual per unit operating expense total is below the CTCAC published per unit operating minimums of \$6,300. As allowed by CTCAC Regulation Section 10327(g)(1), CTCAC approves an annual per unit operating expense total of \$5,663 on agreement of the permanent lender and equity investor.

CDLAC Analyst Comments: None.

Resyndication and Resyndication Transfer Event: None.

Standard Conditions

The applicant shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 25% 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).

Point Criteria	New Const. Max. Points	Rehabilitation Max. Points	Points Scored
Preservation and Other Rehabilitation Project Priorities	0	20	0
New Construction Density and Local Incentives	10	0	10
Exceeding Minimum Income Restrictions	20	20	0
Exceeding Minimum Rent Restrictions	10	10	10
General Partner Experience	7	7	7
Management Company Experience	3	3	3
Housing Needs	10	0	10
Leveraged Soft Resources	8	8	8
Readiness to Proceed	10	10	10
Affirmatively Furthering Fair Housing	10	0	9
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
Total Points	120	110	119

The criteria for which points are awarded will also be incorporated into the Resolution transferring Allocation to the Applicant as well as the appropriate bond documents and loan and finance agreements.

Tie Breaker: 272.761%