

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Qualified Private Activity Tax-Exempt Bond Project
December 10, 2025**

The project, 11939 Culver, located at 11939-11947 Culver Boulevard in Los Angeles on a 0.28 acre site, requested and is being recommended for a reservation of \$1,177,154 in annual federal tax credits and \$6,558,000 of tax-exempt bond cap to finance the new construction of 73 units of housing, consisting of 72 restricted rental units and 1 unrestricted manager's unit. The project will have 34 one-bedroom units, and 39 two-bedroom units, serving tenants with rents affordable to households earning 30%-80% of area median income (AMI). The construction is expected to begin in April 2026 and be completed in April 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-25-736

Project Name 11939 Culver
Site Address: 11939-11947 Culver Boulevard
Los Angeles, CA 90066
County: Los Angeles
Census Tract: 2752.00

| Tax Credit Amounts | Federal/Annual | State/Total |
|---------------------------|-----------------------|--------------------|
| Requested: | \$1,177,154 | \$0 |
| Recommended: | \$1,177,154 | \$0 |

Tax-Exempt Bond Allocation
Recommended: \$6,558,000

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: 11939-11947 Culver LP
Contact: Tommy Beadel
Address: 300 Spectrum Drive, Suite 1100
Irvine, CA 92618
Phone: 949-970-0833
Email: tommy@hvndevelopment.com

Bond Financing Information
CDLAC Applicant/Bond Issuer: CA Municipal Finance Authority
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Citibank, N.A.

Development Team
General Partners / Principal Owners: HVN 11939-11947 Culver LLC
IH 11939-11947 Culver Los Angeles 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 Housing Investments
Management Agent: Aperto Property Management, Inc.

Project Information

| | |
|---------------------------------|------------------------|
| Construction Type: | New Construction |
| Total # Residential Buildings: | 1 |
| Total # of Units: | 73 |
| No. / % of Low Income Units: | 72 100.00% |
| 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: | Amit Sarang |
| CTCAC Project Analyst: | Marilynn Thao |

55-Year Use / Affordability

| <u>Aggregate Targeting</u> | <u>Number of Units</u> | <u>Percentage of Affordable Units</u> |
|----------------------------|------------------------|---------------------------------------|
| 30% AMI: | 8 | 11% |
| 50% AMI: | 8 | 11% |
| 60% AMI: | 40 | 56% |
| 80% AMI*: | 16 | 22% |

*CTCAC restricted only

Unit Mix

| | |
|----|-----------------|
| 34 | 1-Bedroom Units |
| 39 | 2-Bedroom Units |
| 73 | Total Units |

| <u>Unit Type & Number</u> | <u>2025 Rents Targeted % of Area Median Income</u> | <u>Proposed Rent (including utilities)</u> |
|-------------------------------|--|--|
| 4 1 Bedroom | 30% | \$852 |
| 4 2 Bedrooms | 30% | \$1,022 |
| 4 1 Bedroom | 50% | \$1,420 |
| 4 2 Bedrooms | 50% | \$1,703 |
| 17 1 Bedroom | 60% | \$1,704 |
| 23 2 Bedrooms | 60% | \$2,044 |
| 8 1 Bedroom | 80% | \$2,272 |
| 8 2 Bedrooms | 80% | \$2,726 |
| 1 1 Bedroom | Manager's Unit | \$1,800 |

Project Cost Summary at Application

| | |
|------------------------------------|---------------------|
| Land and Acquisition | \$603,824 |
| Construction Costs | \$14,039,000 |
| Rehabilitation Costs | \$0 |
| Construction Hard Cost Contingency | \$1,434,100 |
| Soft Cost Contingency | \$341,602 |
| Relocation | \$356,679 |
| Architectural/Engineering | \$727,551 |
| Const. Interest, Perm. Financing | \$3,255,289 |
| Legal Fees | \$245,000 |
| Reserves | \$364,480 |
| Other Costs | \$1,294,043 |
| Developer Fee | \$2,952,727 |
| Commercial Costs | \$0 |
| Total | \$25,614,295 |

Residential

| | |
|---|-----------|
| Construction Cost Per Square Foot: | \$309 |
| Per Unit Cost: | \$350,881 |
| Estimated Hard Per Unit Cost: | \$168,284 |
| True Cash Per Unit Cost*: | \$326,820 |
| Bond Allocation Per Unit: | \$89,836 |
| Bond Allocation Per Restricted Rental Unit: | \$117,107 |

Construction Financing

| Source | Amount |
|-------------------------------|-------------|
| Citibank: Tax-Exempt | \$6,558,000 |
| Citibank: Recycled Tax-Exempt | \$2,300,000 |
| Citibank: Taxable | \$7,242,000 |
| SafeHold Inc. | \$2,993,000 |
| Deferred Costs | \$364,480 |
| Deferred Developer Fee | \$2,438,727 |
| General Partner Equity | \$2,800,000 |
| Tax Credit Equity | \$918,088 |

Permanent Financing

| Source | Amount |
|-------------------------------|---------------------|
| Citibank: Tax-Exempt | \$6,558,000 |
| Citibank: Recycled Tax-Exempt | \$2,300,000 |
| Citibank: Taxable | \$26,000 |
| SafeHold Inc. | \$2,993,000 |
| Deferred Developer Fee | \$1,506,412 |
| General Partner Equity | \$2,800,000 |
| Fee Waiver | \$250,000 |
| Tax Credit Equity | \$9,180,883 |
| TOTAL | \$25,614,295 |

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

Determination of Credit Amount(s)

| | |
|--|--------------|
| Requested Eligible Basis: | \$22,637,576 |
| 130% High Cost Adjustment: | Yes |
| Applicable Fraction: | 100.00% |
| Qualified Basis: | \$29,428,849 |
| Applicable Rate: | 4.00% |
| Total Maximum Annual Federal Credit: | \$1,177,154 |
| Approved Developer Fee (in Project Cost & Eligible Basis): | \$2,952,727 |
| 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 amount.

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 \$5,769 on agreement of the permanent lender and equity investor.

CDLAC Analyst Comments: None.

Resyndication and Resyndication Transfer Event:**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: 287.417%