

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Qualified Private Activity Tax-Exempt Bond Project
September 1, 2026**

The project, 1928 Federal, located at 1928 - 1932 Federal Avenue in Los Angeles on a 0.28 acre site, requested and is being recommended for a reservation of \$962,196 in annual federal tax credits and \$6,048,517 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 January 2027 and be completed in September 2028. The project will be developed by HVN Development LLC and will be located in Senate District 24 and Assembly District 51.

Project Number	CA-26-570
Project Name	1928 Federal
Site Address:	1928 - 1932 Federal Avenue Los Angeles, CA 90025
County:	Los Angeles
Census Tract:	2677.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$962,196	\$0
Recommended:	\$962,196	\$0

Tax-Exempt Bond Allocation	
Recommended:	\$6,048,517

CTCAC Applicant Information	
CTCAC Applicant/CDLAC Sponsor:	1928 Federal LP
Contact:	J.P. Sciammarella
Address:	300 Spectrum Center Drive, Suite 1100 Irvine, CA 92618
Phone:	949-979-0833
Email:	jp@hvndevelopment.com

Bond Financing Information	
CDLAC Applicant/Bond Issuer:	California Municipal Finance Authority
Bond Counsel:	Orrick, Harrington & Sutcliffe LLP
Private Placement Purchaser:	PNC Multifamily Capital (PNC Bank, National Association)

Development Team

General Partners / Principal Owners:	HVN 1928 Federal LLC IH 1928 Federal Los Angeles LLC
General Partner Type:	Joint Venture
Parent Companies:	HVN Development LLC Affordable Housing Alliance II, Inc.
Developer:	HVN Development LLC
Investor/Consultant:	Veloce Partners
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
Set Aside:	N/A
Project Analyst:	Rachel Bursk

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
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

Unit Type & Number	2025 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
4 1 Bedroom	30%	\$852
4 1 Bedroom	50%	\$1,420
26 1 Bedroom	60%	\$1,704
4 2 Bedrooms	30%	\$1,022
4 2 Bedrooms	50%	\$1,703
14 2 Bedrooms	60%	\$2,044
16 2 Bedrooms	80%	\$2,726
1 2 Bedrooms	Manager's Unit	\$1,800

Project Cost Summary at Application

Land and Acquisition	\$3,460,000
Construction Costs	\$11,178,178
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$566,159
Soft Cost Contingency	\$361,625
Relocation	\$30,750
Architectural/Engineering	\$638,200
Const. Interest, Perm. Financing	\$3,489,479
Legal Fees	\$329,000
Reserves	\$354,468
Other Costs	\$1,036,482
Developer Fee	\$2,413,535
Commercial Costs	\$0
Total	\$23,857,876

Residential

Construction Cost Per Square Foot:	\$248
Per Unit Cost:	\$326,820
Estimated Hard Per Unit Cost:	\$136,731
True Cash Per Unit Cost*:	\$321,060
Bond Allocation Per Unit:	\$82,856
Bond Allocation Per Restricted Rental Unit:	\$108,009

Construction Financing

Source	Amount
PNC Bank: Tax-Exempt	\$6,048,517
PNC Bank: Taxable	\$14,326,483
Deferred Costs	\$354,468
Deferred Developer Fee	\$377,970
General Partner Equity	\$2,000,000
Tax Credit Equity	\$750,438

Permanent Financing

Source	Amount
PNC Bank: Tax-Exempt	\$4,948,517
PNC-B Bond: Tax-Exempt	\$1,100,000
PNC Bank: Taxable	\$7,884,483
Deferred Developer Fee	\$420,498
General Partner Equity	\$2,000,000
Tax Credit Equity	\$7,504,378
TOTAL	\$23,857,876

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$18,503,774
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$24,054,906
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$962,196
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,413,535
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.

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 \$6,013 on agreement of the permanent lender and equity investor.

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 and the terms of the bond and tax credit award as presented in the application and summarized in this staff report. CTCAC will verify the project complied with all terms of the award at placed-in-service review.

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).

CA-26-570 / 1928 Federal

Points System	Max. Possible		Points Requested	Points Awarded
	New Const.	Rehab.		
New Construction Density and Local Incentives	10	0	10	10
Project density is at least 100 bedrooms/net acre	10	0	10	10
Exceeding Minimum Income Restrictions	20	20	20	20
Tax Credit Units: 10% @ <=30% AMI & 10% @ <=50% AMI	20	20	20	20
Exceeding Minimum Rent Restrictions	10	10	10	10
Average targeted affordability is 43% below market comparables	10	10	10	10
General Partner & Management Company	10	10	10	10
General Partner Experience	7	7	7	7
Management Company Experience	3	3	3	3
Housing Needs	10	0	10	10
Readiness to Proceed	10	10	10	10
Access to Opportunity	10	0	9	9
10% @ 30% AMI, 10% @ 50% AMI	9	0	9	9
Service Amenities	10	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES; NON-TARGETED				
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3	3
Cost Containment	12	12	12	12
Project eligible basis is 70% less than the CDLAC adjusted TBL; 1 pt per %	12	12	12	12
Site Amenities	10	10	10	10
Within ½ mile of transit, service every 30 minutes in rush hours	5	5	5	5
Within ½ mile of public park or community center open to general public	3	3	3	3
Within ½ mile of public library	3	3	3	3
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5	5
Within ½ mile of medical clinic or hospital	3	3	3	3
Within ½ mile of a pharmacy	2	2	2	2
Total Points	112	102	111	111

Tie Breaker:

283.933%