

# CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

## Project Staff Report

2025 First Round

June 18, 2025

Cypress Point, located at Carlos Street and Sierra Street in Moss Beach, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$8,333,445 in total state tax credits to finance the new construction of 70 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by MidPen Housing Corporation and will be located in Senate District 13 and Assembly District 23.

The project financing includes state funding from the Multifamily Housing Program (MHP) and Joe Serna Jr. Farmworker Housing Grant (FWHG) programs of HCD.

**Project Number** CA-25-042

**Project Name** Cypress Point  
Site Address: Carlos Street and Sierra Street  
Moss Beach, CA 94038  
County: San Mateo  
Census Tract: 6136.00

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$2,500,000	\$8,333,445
Recommended:	\$2,500,000	\$8,333,445

\* The applicant made an election to sell (Certificate) all or any portion of the state credits.

### Applicant Information

Applicant: MidPen Housing Corporation  
Contact: Abigail Goldware Potluri  
Address: 303 Vintage Park Drive, Suite 250  
Foster City, CA 94404  
Phone: (650) 515-6358  
Email: agoldware@midpen-housing.org

General Partner / Principal Owner: MP Moss Beach Homes, LLC  
General Partner Type: Nonprofit  
Parent Company: MidPen Housing Corporation  
Developer: MidPen Housing Corporation  
Investor/Consultant: California Housing Partnership  
Management Agent: MidPen Property Management

### Project Information

Construction Type: New Construction  
Total # Residential Buildings: 16  
Total # of Units: 71  
No. & % of Tax Credit Units: 70 100%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: None.

**Information**

Set-Aside: Rural  
Housing Type: Large Family  
Geographic Area: N/A  
CTCAC Project Analyst: Cynthia Compton

**55-Year Use / Affordability**

<b>Aggregate Targeting</b>	<b>Number of Units</b>	<b>Percent of Required Affordable Units</b>
At or Below 30% AMI:	14	20%
At or Below 40% AMI:	11	15%
At or Below 45% AMI:	11	15%
At or Below 50% AMI (Rural):	11	15%
At or Below 60% AMI:	23	30%

**Unit Mix**

16	1-Bedroom Units
37	2-Bedroom Units
18	3-Bedroom Units
71	Total Units

<b>Unit Type &amp; Number</b>	<b>2024 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
4 1 Bedroom	30%	\$1,101
2 2 Bedrooms	30%	\$1,322
2 3 Bedrooms	30%	\$1,527
1 1 Bedroom	30%	\$1,101
3 2 Bedrooms	30%	\$1,322
2 3 Bedrooms	30%	\$1,527
2 1 Bedroom	40%	\$1,469
7 2 Bedrooms	40%	\$1,763
2 3 Bedrooms	40%	\$2,036
4 1 Bedroom	45%	\$1,652
4 2 Bedrooms	45%	\$1,983
3 3 Bedrooms	45%	\$2,291
1 1 Bedroom	50%	\$1,836
1 2 Bedrooms	50%	\$2,203
1 3 Bedrooms	50%	\$2,545
4 1 Bedroom	50%	\$1,836
3 2 Bedrooms	50%	\$2,203
1 3 Bedrooms	50%	\$2,545
4 2 Bedrooms	60%	\$2,644
3 3 Bedrooms	60%	\$3,054
12 2 Bedrooms	60%	\$2,644
4 3 Bedrooms	60%	\$3,054
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$6,167,622
Construction Costs	\$47,544,284
Rehabilitation Costs	\$0
Construction Contingency	\$2,976,399
Relocation	\$0
Architectural/Engineering	\$3,944,595
Const. Interest, Perm. Financing	\$7,084,126
Legal Fees	\$830,000
Reserves	\$366,054
Other Costs	\$4,381,920
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$75,495,000</b>

**Residential**

Construction Cost Per Square Foot:	\$782
Per Unit Cost:	\$1,063,310
True Cash Per Unit Cost*:	\$1,051,780

**Construction Financing**

Source	Amount
U.S. Bank	\$41,284,118
HCD: FWHG	\$4,244,992
County of San Mateo: AHF <sup>1</sup>	\$21,360,243
Waived Fees	\$818,624
Deferred Costs	\$1,960,754
Tax Credit Equity	\$5,826,269

**Permanent Financing**

Source	Amount
U.S. Bank	\$5,717,000
HCD: FWHG	\$4,716,658
HCD: MHP	\$13,147,136
County of San Mateo: AHF <sup>1</sup>	\$21,360,243
Waived Fees	\$818,624
Tax Credit Equity	\$29,735,339
<b>TOTAL</b>	<b>\$75,495,000</b>

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

<sup>1</sup>Affordable Housing Funds

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$27,778,150
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$27,778,150
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$8,333,445
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Federal Tax Credit Factor:	\$0.91526
State Tax Credit Factor:	\$0.82245

The "as if vacant" land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

**Tie-Breaker Information**

First:	<b>Large Family</b>
Self-Score Final:	<b>94.871%</b>
CTCAC Final:	<b>94.871%</b>

**Significant Information / Additional Conditions**

Staff noted a per-unit development cost of \$1,051,780. The applicant noted that the per-unit cost is attributed to steep grading changes resulting in high sitework costs, sparse and expensive infrastructure, and design constraints due to project location in a coastal zone.

**Resyndication and Resyndication Transfer Event:** None.

**Local Reviewing Agency**

The Local Reviewing Agency, County of San Mateo, has completed a site review of this project and strongly supports this project.

**Standard Conditions**

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within 1/3 mile of transit station or public bus stop	4	4	4
Within 1 mile of public park or community center open to general public	3	3	3
Within 1/2 mile of a neighborhood market of at least 5,000 sf	4	4	4
Within 3/4 mile of a public elementary school	3	3	0
Within 1 mile of medical clinic or hospital	3	3	3
Highest or High Resource Area	8	8	8
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES</b>			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
<b>SPECIAL NEEDS, SRO HOUSING TYPES</b>			
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**Please Note:** If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

**DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.**