

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE  
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE  
Project Staff Report  
Qualified Private Activity Tax-Exempt Bond Project  
May 12, 2026**

VTA Capitol Station, located at West Capitol Expressway and Narvaez Avenue in San Jose on a 2.68 acre site, requested and is being recommended for a reservation of \$6,572,158 in annual federal tax credits, \$15,925,764 in total state tax credits, and \$49,738,047 of tax-exempt bond cap to finance the new construction of 203 units of housing, consisting of 201 restricted rental units and 2 unrestricted manager's units. The project will have 31 studio units, 68 one-bedroom units, 51 two-bedroom units, and 53 three-bedroom units, serving families with rents affordable to households earning 30%-60% of area median income (AMI). The construction is expected to begin in October 2026 and be completed in October 2028. The project will be developed by MidPen Housing Corporation and will be located in Senate District 15 and Assembly District 25.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The Project financing includes state funding from the Affordable Housing and Sustainable Communities (AHSC) program of HCD.

**Project Number** CA-26-443

**Project Name** VTA Capitol Station  
Site Address: West Capitol Expressway and Narvaez Avenue  
San Jose, CA 95136  
County: Santa Clara  
Census Tract: 5120.05

**Tax Credit Amounts**

	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$6,572,158	\$15,925,764
Recommended:	\$6,572,158	\$15,925,764

**Tax-Exempt Bond Allocation**

Recommended: \$49,738,047

**CTCAC Applicant Information**

CTCAC Applicant/CDLAC Sponsor: MidPen Housing Corporation  
Contact: Abigail Goldware Potluri  
Address: 303 Vintage Park Drive, Suite 250  
Foster City, CA 94404  
Phone: 650-356-2900  
Email: agoldware@midpen-housing.org

**Bond Financing Information**

CDLAC Applicant/Bond Issuer: California Municipal Finance Authority  
Bond Counsel: Jones Hall, A Professional Law Corporation  
Private Placement Purchaser: Chase Bank

**Development Team**

General Partners / Principal Owners: MP Capitol Station I LLC  
 General Partner Type: Nonprofit  
 Parent Company: MidPen Housing Corporation  
 Developer: MidPen Housing Corporation  
 Investor/Consultant: California Housing Partnership Corporation  
 Management Agent: MidPen Property Management Corporation

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 1  
 Total # of Units: 203  
 No. / % of Low Income Units: 201 100.00%  
 Average Targeted Affordability: 44.13%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers  
 (71 units - 35%)

**Information**

Housing Type: Large Family  
 Geographic Area: Bay Area Region  
 State Ceiling Pool: New Construction  
 Set Aside: Homeless Set Aside  
 CDLAC Project Analyst: Brandon Medina  
 CTCAC Project Analyst: Sardar Habib

**55-Year Use / Affordability**

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	57	28%
40% AMI:	50	25%
50% AMI:	48	24%
60% AMI:	46	23%

**Unit Mix**

31	SRO/Studio Units
68	1-Bedroom Units
51	2-Bedroom Units
53	3-Bedroom Units
203	Total Units

<u>Unit Type &amp; Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
7 SRO/Studio	40%	\$1,407
12 SRO/Studio	50%	\$1,608
12 SRO/Studio	60%	\$1,608
38 1 Bedroom	30%	\$1,130
20 1 Bedroom	40%	\$1,507
10 1 Bedroom	60%	\$1,670
13 2 Bedrooms	30%	\$1,356
11 2 Bedrooms	40%	\$1,809
13 2 Bedrooms	50%	\$2,261
14 2 Bedrooms	60%	\$2,281
6 3 Bedrooms	30%	\$1,567
5 3 Bedrooms	40%	\$2,089
7 3 Bedrooms	40%	\$2,089
16 3 Bedrooms	50%	\$2,611
7 3 Bedrooms	50%	\$2,611
10 3 Bedrooms	60%	\$2,857
2 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$19,920,674
Construction Costs	\$109,588,655
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$10,257,270
Soft Cost Contingency	\$565,262
Relocation	\$0
Architectural/Engineering	\$3,818,659
Const. Interest, Perm. Financing	\$16,367,163
Legal Fees	\$129,176
Reserves	\$1,648,914
Other Costs	\$4,194,530
Developer Fee	\$21,559,587
Commercial Costs	\$978,900
<b>Total</b>	<b>\$189,028,790</b>

**Residential**

Construction Cost Per Square Foot:	\$800
Per Unit Cost:	\$925,681
Estimated Hard Per Unit Cost:	\$492,268
True Cash Per Unit Cost*:	\$885,526
Bond Allocation Per Unit:	\$245,015
Bond Allocation Per Restricted Rental Unit:	\$247,453

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Chase Bank: Tax-Exempt	\$49,738,047	Chase Bank: Tax-Exempt	\$30,522,000
Chase Bank: Taxable	\$77,455,738	HCD: AHSC	\$35,000,000
HCD: AHSC	\$1,238,743	HCD: AHSC STI <sup>1</sup>	\$1,828,515
Santa Clara County	\$11,571,000	Santa Clara County	\$11,571,000
City of San Jose	\$8,400,000	City of San Jose	\$8,400,000
BAHIF <sup>2</sup> : Mezzanine	\$6,700,000	BAHIF <sup>1</sup> : Mezzanine	\$6,700,000
BAHFA: Reap 2.0 <sup>3</sup>	\$3,000,000	BAHFA: Reap 2.0 <sup>3</sup>	\$3,000,000
Accrued Interest	\$1,238,743	Accrued Interest	\$1,238,743
Deferred Costs	\$13,673,103	Deferred Developer Fee	\$8,200,000
Deferred Developer Fee	\$8,200,000	General Partner Equity	\$8,284,588
Tax Credit Equity	\$7,223,644	Tax Credit Equity	\$74,283,944
		<b>TOTAL</b>	<b>\$189,028,790</b>

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

<sup>1</sup>Sustainable Infrastructure Funding

<sup>2</sup>Bay Area Housing Innovation Fund

<sup>3</sup>Bay Area Housing Finance Authority: Regional Early Action Plan 2.0

#### Determination of Credit Amount(s)

Requested Eligible Basis:	\$164,303,941
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$164,303,941
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$6,572,158
Total State Credit:	\$15,925,764
Approved Developer Fee in Project Cost:	\$21,559,587
Approved Developer Fee in Eligible Basis:	\$21,423,033
Approved Developer Fee (in Project Cost & Eligible Basis):	
Federal Tax Credit Factor:	\$0.93643
State Tax Credit Factor:	\$0.80000

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

The project will restrict 51 Low-Income Units (25% of the Low-Income Units) to serve Special Needs Population(s), as defined in CTCAC Regulations Section 10302(kkk).

**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 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-26-443 / VTA Capitol Station**

Points System	Max. Possible		Points Requested	Points Awarded
	New Const.	Rehab.		
<b>New Construction Density and Local Incentives</b>	<b>10</b>	<b>0</b>	<b>10</b>	<b>10</b>
Project meets CDLAC § 5105(c)(1)	10	0	10	10
<b>Exceeding Minimum Income Restrictions</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
Tax Credit Units: 10% @ <=30% AMI & 10% @ <=50% AMI	20	0	20	20
<b>Exceeding Minimum Rent Restrictions</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
Average targeted affordability is 34% below market comparables	10	10	10	10
<b>General Partner &amp; Management Company</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7	7
Management Company Experience	3	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>0</b>	<b>10</b>	<b>10</b>
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Access to Opportunity</b>	<b>10</b>	<b>0</b>	<b>10</b>	<b>10</b>
High or Highest Resource Area; 10% @ 30% AMI, 10% @ 50% AMI	10	0	10	10
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES; NON-TARGETED</b>				
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5	5
<b>SPECIAL NEEDS, SRO HOUSING TYPES; NON-TARGETED</b>				
<b>Cost Containment</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>
Project eligible basis is 102% less than the CDLAC adjusted TBL; 2 pts per %	12	12	12	12
<b>Site Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
Within 1/2 mile of transit, service every 30 min, 25 units/acre density	7	7	7	7
Residents provided free or discounted transit passes, 1 pass per unit	3	3	3	3
Within 1/2 mile of public park or community center open to general public	3	3	3	3
Within 1/2 mile of public library	3	3	3	3
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5	5
Within 1 mile of an adult education campus or community college	3	3	3	3
Within 1/2 mile of a pharmacy	2	2	2	2
Highest or High Resource Area	3	0	3	3
<b>Total Points</b>	<b>112</b>	<b>102</b>	<b>112</b>	<b>112</b>

**Tie Breaker:**

199.208%