

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

**Project Staff Report
2025 Waiting List Project
September 30, 2025**

Mills Ranch Apartments, located at 691 Brandywine Lane, 235 & 147 Ermosa Way, and 260 & 164 Legacy Drive in King City, requested and is being recommended for a reservation of \$1,829,917 in annual federal tax credits to finance the new construction of 39 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Community Housing Improvement Systems and Planning Association, Inc. (CHISPA) and will be located in Senate District 14 and Assembly District 29.

The project financing includes state funding from the Joe Serna, Jr. Farmworker Housing Grant (FWHG), Affordable Housing and Sustainable Communities (AHSC), and Permanent Local Housing Allocation (PLHA) programs of HCD.

Project Number CA-25-093

Project Name Mills Ranch Apartments

Site Addresses:

Site 1	Site 2
691 Brandywine Lane	235 and 147 Ermosa Way
King City, CA 93930	King City, CA 93930
County: Monterey	County: Monterey
Census Tract: 113.05	Census Tract: 113.05
Site 3	
260 and 164 Legacy Drive	
King City, CA 93930	
County: Monterey	
Census Tract: 113.05	

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,829,917	\$0
Recommended:	\$1,829,917	\$0

Applicant Information

Applicant:	CHISPA Mills Ranch, L.P.
Contact:	Dana Cleary
Address:	295 Main Street, Suite 100 Salinas, CA 93901
Phone:	(831) 757-6251
Email:	dcleary@chispahousing.org
General Partner / Principal Owner:	CHISPA MR GP LLC
General Partner Type:	Nonprofit
Parent Company:	CHISPA, Inc.
Developer:	Community Housing Improvement Systems and Planning Association, Inc. (CHISPA)
Investor/Consultant:	Community Economics
Management Agent:	CHISPA Housing Management, Inc.

Project Information

Construction Type:	New Construction	
Total # Residential Buildings:	5	
Total # of Units:	40	
No. & % of Tax Credit Units:	39	100%
Federal Set-Aside Elected:	40%/60%	

Information

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

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	4	10%
At or Below 40% AMI:	10	25%
At or Below 50% AMI (Rural):	11	25%
At or Below 60% AMI:	14	35%

Unit Mix

20	2-Bedroom Units
20	3-Bedroom Units
40	Total Units

<u>Unit Type & Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
2 2 Bedrooms	30%	\$976
5 2 Bedrooms	40%	\$1,302
6 2 Bedrooms	50%	\$1,627
7 2 Bedrooms	60%	\$1,953
2 3 Bedrooms	30%	\$1,128
5 3 Bedrooms	40%	\$1,504
5 3 Bedrooms	50%	\$1,880
7 3 Bedrooms	60%	\$2,256
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1,415,456
Construction Costs	\$22,491,577
Rehabilitation Costs	\$0
Construction Contingency	\$1,324,579
Relocation	\$0
Architectural/Engineering	\$700,000
Const. Interest, Perm. Financing	\$2,892,907
Legal Fees	\$150,000
Reserves	\$214,781
Other Costs	\$1,049,393
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$32,738,693

Residential

Construction Cost Per Square Foot:	\$323
Per Unit Cost:	\$818,467
True Cash Per Unit Cost*:	\$808,559

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
JPMorgan Chase Bank	\$23,418,160	JPMorgan Chase Bank	\$3,657,600
HCD: FWHG	\$4,299,335	HCD: FWHG	\$4,299,335
HCD: AHSC-HRI ¹	\$238,968	HCD: AHSC	\$7,596,474
City of King: PLHA	\$126,187	HCD: AHSC-HRI ¹	\$238,968
Central California Alliance for Health	\$1,000,000	City of King: PLHA	\$126,187
Local Initiatives Support Corporation	\$14,408	Central California Alliance for Health	\$1,000,000
Waived Fees	\$96,324	Local Initiatives Support Corporation	\$14,408
General Partner Equity	\$100	Waived Fees	\$96,324
Tax Credit Equity	\$1,555,430	Deferred Developer Fee	\$300,000
		General Partner Equity	\$100
		Tax Credit Equity	\$15,409,297
		TOTAL	\$32,738,693

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

¹Housing Related Infrastructure

Determination of Credit Amount(s)

Requested Eligible Basis:	\$20,332,414
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$20,332,414
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,829,917
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Federal Tax Credit Factor:	\$0.84208

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:	Large Family
Self-Score Final:	59.791%
CTCAC Final:	58.828%

Significant Information / Additional Conditions

The project has a funding gap of \$2. Under CTCAC regulation section 10327(a) initial application errors of \$100,000 or less shall be deemed covered by the contingency line item. At the submission of the next required updated CTCAC application, and all subsequent submissions to CTCAC, the applicant must correct this funding gap.

Local Reviewing Agency

The Local Reviewing Agency, City of King, 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
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 2 miles of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1 1/2 miles of an adult education campus or community college	3	3	3
Within 1 mile of medical clinic or hospital	3	3	3
Within 2 miles of a pharmacy	1	1	1
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
After school program for school age children, minimum of 10 hours/week	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

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.