

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 Second Round**

**November 17, 2021**

Saybrook Apartments, located at 4390 47th Avenue in Sacramento, requested and is being recommended for a reservation of \$2,020,380 in annual federal tax credits to finance the new construction and rehabilitation of 87 units of housing serving large families with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by Jamboree Housing Corporation and will be located in Senate District 6 and Assembly District 9.

Saybrook Apartments is a re-syndication of an existing Low Income Housing Tax Credit (LIHTC) project, Saybrook Apartments (CA-02-239). See **Resyndication and Resyndication Transfer Event** below for additional information. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

**Project Number** CA-21-180

**Project Name** Saybrook Apartments  
Site Address: 4390 47th Avenue  
Sacramento, CA 95824 County: Sacramento  
Census Tract: 47.020

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$2,020,380	\$0
Recommended:	\$2,020,380	\$0

**Applicant Information**

Applicant: Saybrook Housing Partners LP  
Contact: Katherine McFadden  
Address: 17701 Cowan Ave, Suite 200  
Irvine, CA 92614  
Phone: (916) 545-2442  
Email: kmcfadden@jamboreehousing.com

General Partner(s) / Principal Owner(s): JHC-Saybrook LLC  
General Partner Type: Nonprofit  
Parent Company(ies): Jamboree Housing Corporation  
JHC-Saybrook LLC  
Developer: Jamboree Housing Corporation  
Investor/Consultant: California Housing Partnership Corporation  
Management Agent(s): Domus Mangement Co.

**Project Information**

Construction Type: New Construction / Rehabilitation-Only  
Total # Residential Buildings: 4  
Total # of Units: 88  
No. & % of Tax Credit Units: 87 100%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: HUD Section 8 Project-based Vouchers (60 units - 69%)  
HOME / CDBG

**Information**

Set-Aside: N/A  
 Housing Type: Large Family  
 Geographic Area: Capital Region  
 TCAC Project Analyst: Jonghyun(Tommy), Shim

**55-Year Use / Affordability**

<b>Aggregate Targeting</b>	<b>Number of Units</b>	<b>Percentage of Affordable Units</b>
At or Below 30% AMI:	15	15%
At or Below 35% AMI:	22	25%
At or Below 40% AMI:	15	15%
At or Below 50% AMI:	19	20%
At or Below 60% AMI:	16	15%

**Unit Mix**

8 SRO/Studio Units
33 1-Bedroom Units
24 2-Bedroom Units
23 3-BedroomUnits
<b>88 Total Units</b>

<b>Unit Type &amp; Number</b>	<b>2021 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
2 SRO/Studio	30%	\$476
7 1 Bedroom	30%	\$510
2 2 Bedrooms	30%	\$612
2 3 Bedrooms	30%	\$706
2 SRO/Studio	35%	\$555
10 1 Bedroom	35%	\$595
7 2 Bedrooms	35%	\$714
3 3 Bedrooms	35%	\$824
1 SRO/Studio	40%	\$563
5 1 Bedroom	40%	\$680
1 2 Bedrooms	40%	\$816
1 2 Bedrooms	40%	\$816
7 3 Bedrooms	40%	\$942
5 1 Bedroom	50%	\$850
5 3 Bedrooms	50%	\$1,178
1 2 Bedrooms	30%	\$612
1 3 Bedrooms	30%	\$706
3 SRO/Studio	50%	\$688
2 1 Bedroom	50%	\$850
2 2 Bedrooms	50%	\$1,020
2 3 Bedrooms	50%	\$1,178
4 1 Bedroom	60%	\$940
9 2 Bedrooms	60%	\$1,224
3 3 Bedrooms	60%	\$1,413
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$4,500,000
Construction Costs	\$7,235,947
Rehabilitation Costs	\$10,246,000
Construction Contingency	\$1,526,836
Relocation	\$420,000
Architectural/Engineering	\$1,265,000
Const. Interest, Perm. Financing	\$1,109,549
Legal Fees	\$142,500
Reserves	\$233,857
Other Costs	\$1,400,496
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$30,280,185</b>

**Residential**

Construction Cost Per Square Foot:	\$229
Per Unit Cost:	\$344,093
True Cash Per Unit Cost*:	\$340,684

**Construction Financing**

Source	Amount
Banner Bank	\$15,187,135
SHRA Assumed Loan	\$2,794,672
SHRA - HOME	\$4,150,000
SHRA - CDBG	\$2,400,000
SHRA - AHF	\$950,000
SHRA - HTF	\$950,000
Seller Contribution	\$276,783
Existing Reserves	\$78,464
Deferred Cost	\$1,677,254
Deferred Developer Fee	\$300,000
Tax Credit Equity	\$1,515,877

**Permanent Financing**

Source	Amount
Banner Bank	\$1,309,000
SHRA Assumed Loan	\$2,794,672
SHRA - HOME	\$4,150,000
SHRA - CDBG	\$2,400,000
SHRA - AHF	\$950,000
SHRA - HTF	\$950,000
Seller Contribution	\$276,783
Existing Reserves	\$78,464
Deferred Developer Fee	\$300,000
Tax Credit Equity	\$17,071,266
<b>TOTAL</b>	<b>\$30,280,185</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis (Rehabilitation):	\$17,268,202
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$22,448,663
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,020,380
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.84495

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**  
Final: **63.049%**

**Significant Information / Additional Conditions:** None.

**Resyndication and Resyndication Transfer Event**

Prior to closing, the applicant or its assignee shall obtain TCAC's consent to assign and assume the existing Regulatory Agreement (CA-2002-239). To be eligible for a new award of tax credits, the owner must provide documentation with the Form 8609 request (the placed in service submission) that the acquisition date and the placed in service date both occurred after the existing federal 15 year compliance period was completed.

As required by the IRS, the newly resyndicated project will continue to use the originally assigned Building Identification Numbers (BINs).

The newly resyndicated project shall continue to meet the rents and income targeting levels in the existing regulatory agreement(s) and any deeper targeting levels in the new regulatory agreement(s) for the duration of the new regulatory agreement(s). Existing households determined to be income-qualified for purposes of IRC §42 credit during the 15-year compliance period are concurrently income-qualified households for purposes of the extended use agreement. As a result, any household determined to be income qualified at the time of move-in under the existing regulatory agreement (CA-02-239) is a qualified low-income household for the subsequent allocation (existing household eligibility is “grandfathered”).

The project is a resyndication where the existing regulatory agreement requires service amenities. The project shall provide a similar or greater level of services for a period of at least 15 years under the new regulatory agreement. The project is deemed to have met this requirement based on TCAC staff’s review of the commitment in the application. The services documented in the placed in service package will be reviewed by TCAC staff for compliance with this requirement at the time of the placed in service submission.

The project is a resyndication occurring concurrently with a Transfer Event without distribution of Net Project Equity, and thus is waived from the requirements under TCAC Regulation Section 10320(b)(4)(B).

**Local Reviewing Agency**

The Local Reviewing Agency, Sacramento Housing and Redevelopment Agency, 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.

TCAC 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 TCAC.

The applicant must pay TCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC 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, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, 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 TCAC 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 TCAC 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 points for sustainable building methods (energy efficiency) must submit the certification required by Section 10325(c)(5) at project completion. 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 1/8 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 3/4 mile of a public elementary school	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
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>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>
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.**