**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**
**Project Staff Report**
**2025 Second Round**
**September 30, 2025**

Marina Towers Annex, located at 575 Sacramento Street in Vallejo, requested and is being recommended for a reservation of $1,000,000 in annual federal tax credits to finance the acquisition and rehabilitation of 56 units of housing serving seniors with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Marina Annex Developer, LLC and is located in Senate District 3 and Assembly District 11.

Marina Towers Annex is a resyndication of an existing Low Income Housing Tax Credit (LIHTC) project, (CA-2001-847). 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 Contract.

| | |
|---|---|
| **Project Number** | CA-25-073 |
| **Project Name** | Marina Towers Annex |
| Site Address: | 575 Sacramento Street<br>Vallejo, CA 94590 |
| County: | Solano |
| Census Tract: | 2509.00 |

| **Tax Credit Amounts** | **Federal/Annual** | **State/Total** |
|---|---|---|
| Requested: | $1,000,000 | $0 |
| Recommended: | $1,000,000 | $0 |

**Applicant Information**

| | |
|---|---|
| Applicant: | Marina Annex Housing Partners, LP |
| Contact: | Evan Laws |
| Address: | 2607 2nd Avenue, Suite 300<br>Seattle, WA 98121 |
| Phone: | (206) 832-1311 |
| Email: | evan.laws@vitus.com |

| | |
|---|---|
| General Partners / Principal Owners: | IH Marina Annex Vallejo, LLC<br>Marina Annex Housing Management, LLC |
| General Partner Type: | Joint Venture |
| Parent Companies: | Affordable Housing Alliance II, Inc. dba Integrity Housing<br>Vitus & LIHC |
| Developer: | Marina Annex Developer, LLC |
| Investor/Consultant: | R4 Capital LLC |
| Management Agent: | John Stewart Company |

**Project Information**

| | | |
|---|---|---|
| Construction Type: | Acquisition and Rehabilitation | |
| Total # Residential Buildings: | 1 | |
| Total # of Units: | 57 | |
| No. & % of Tax Credit Units: | 56 | 100% |
| Federal Set-Aside Elected: | 40%/60% | |
| Federal Subsidy: | HUD Section 8 Project-based Contract (57 Units - 100%) / HUD Green & Resilient Retrofit Program (GRRP) | |

**Information**

| | |
|---|---|
| Set-Aside: | N/A |
| Housing Type: | Seniors |
| Geographic Area: | Northern Region |
| CTCAC Project Analyst: | Cynthia Compton |

**55-Year Use / Affordability**

| Aggregate Targeting | Number of Units | Percent of Required Affordable Units |
|---|---|---|
| At or Below 30% AMI: | 6 | 10% |
| At or Below 40% AMI: | 9 | 15% |
| At or Below 50% AMI: | 23 | 40% |
| At or Below 60% AMI: | 18 | 30% |

**Unit Mix**

| | |
|---|---|
| 57 | 1-Bedroom Units |
| 57 | Total Units |

| Unit Type & Number | | 2025 Rents Targeted % of Area Median Income | Proposed Rent (including utilities) |
|---|---|---|---|
| 3 | 1 Bedroom | 30% | $772 |
| 3 | 1 Bedroom | 30% | $772 |
| 9 | 1 Bedroom | 40% | $1,030 |
| 23 | 1 Bedroom | 50% | $1,288 |
| 14 | 1 Bedroom | 60% | $1,545 |
| 4 | 1 Bedroom | 60% | $1,545 |
| 1 | 1 Bedroom | Manager’s Unit | $0 |

| **Project Cost Summary at Application** | |
|---|---|
| Land and Acquisition | $6,824,315 |
| Construction Costs | $0 |
| Rehabilitation Costs | $6,150,113 |
| Construction Contingency | $710,520 |
| Relocation | $394,448 |
| Architectural/Engineering | $190,450 |
| Const. Interest, Perm. Financing | $1,586,206 |
| Legal Fees | $350,000 |
| Reserves | $707,878 |
| Other Costs | $409,195 |
| Developer Fee | $1,576,982 |
| Commercial Costs | $0 |
| **Total** | **$18,900,107** |

| **Residential** | |
|---|---|
| Construction Cost Per Square Foot: | $167 |
| Per Unit Cost: | $331,581 |
| True Cash Per Unit Cost*: | $318,741 |

| Construction Financing | |
|---|---|
| Source | Amount |
| Lument / Fannie | $8,650,000 |
| Colliers | $4,150,000 |
| HUD: GRRP | $564,739 |
| Tax Credit Equity | $3,328,052 |

| Permanent Financing | |
|---|---|
| Source | Amount |
| Lument / Fannie | $8,650,000 |
| HUD: GRRP | $564,739 |
| SOMAH[1] Grant | $104,250 |
| Net Operating Income | $550,000 |
| Deferred Developer Fee | $731,848 |
| General Partner Equity | $100 |
| Tax Credit Equity | $8,299,170 |
| **TOTAL** | **$18,900,107** |

*Less Donated Land, Waived Fees, Seller Carryback Loans, and Deferred Developer Fee
[1]Solar on Multi Family Housing

**Determination of Credit Amount(s)**

| | |
|---|---|
| Requested Eligible Basis (Rehabilitation): | $6,310,668 |
| 130% High Cost Adjustment: | Yes |
| Requested Eligible Basis (Acquisition): | $6,541,306 |
| Applicable Fraction: | 100.00% |
| Qualified Basis (Rehabilitation): | $8,203,868 |
| Applicable Rate: | 9.00% |
| Qualified Basis (Acquisition): | $6,541,306 |
| Applicable Rate: | 4.00% |
| Maximum Annual Federal Credit, Rehabilitation: | $738,348 |
| Maximum Annual Federal Credit, Acquisition: | $261,652 |
| Total Maximum Annual Federal Credit: | $1,000,000 |
| Approved Developer Fee (in Project Cost & Eligible Basis): | $1,576,982 |
| Federal Tax Credit Factor: | $0.82992 |

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: | **Seniors** |
| Self-Score Final: | **51.844%** |
| CTCAC Final: | **42.041%** |

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

**Resyndication and Resyndication Transfer Event**
Prior to closing, the applicant or its assignee shall obtain CTCAC's consent to assign and assume the existing Regulatory Agreement (CA-2001-847). 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-2001-847) is a qualified low-income household for the subsequent allocation (existing household eligibility is "grandfathered").

The project is a resyndication occurring concurrently with a Transfer Event with distribution of Net Project Equity, which is otherwise required to set aside a Short Term Work Capitalized Replacement Reserve in the amount of $285,000. In lieu of a Short Term Work Capitalized Reserve, the applicant is allowed to use the Short Term Work Reserve Amount to fund rehabilitation expenses. The Short Term Work Reserve Amount of $285,819 is excluded from eligible basis.

**Local Reviewing Agency**

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

**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 ⅓ mile of transit, service every 30 min, 25 units/acre density | 7 | 7 | 7 |
| Within ¾ mile of public park or community center open to general public | 2 | 2 | 2 |
| Within ½ mile of public library | 3 | 3 | 3 |
| Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf | 5 | 5 | 5 |
| Within ½ mile of medical clinic or hospital | 3 | 3 | 3 |
| Within ½ mile of a pharmacy | 2 | 2 | 2 |
| **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 |
| Health & wellness services and programs, minimum 60 hrs per 100 bdrms | 3 | 3 | 3 |
| **SPECIAL NEEDS, SRO HOUSING TYPES** | | | |
| **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.**