

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Qualified Private Activity Tax-Exempt Bond Project
December 10, 2025**

CA Circle Family, located at 1355 California Circle in Milpitas on a 0.94 acre site, requested and is being recommended for a reservation of \$1,815,835 in annual federal tax credits and \$12,486,492 of tax-exempt bond cap to finance the new construction of 75 units of housing, consisting of 74 restricted rental units and 1 unrestricted manager's unit. The project will have 30 one-bedroom units, 21 two-bedroom units, and 24 three-bedroom units, serving families with rents affordable to households earning 30%-70% of area median income (AMI). The construction is expected to begin in June 2026 and be completed in January 2028. The project will be developed by Waterford Development and will be located in Senate District 1 and Assembly District 24.

Project Number CA-25-759

Project Name CA Circle Family
Site Address: 1355 California Circle
Milpitas, CA 95035
County: Santa Clara
Census Tract: 5045.06

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,815,835	\$0
Recommended:	\$1,815,835	\$0

Tax-Exempt Bond Allocation
Recommended: \$12,486,492

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: CA Circle Family Apartments LP
Contact: Oren Hillel
Address: 100 Bayview Circle, Suite 4500
Newport Beach, CA 92660
Phone: 818-606-2410
Email: ohillel@waterfordco.com

Bond Financing Information
CDLAC Applicant/Bond Issuer: California Municipal Finance Authority
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: KeyBank Real Estate Capital

Development Team

General Partners / Principal Owners:	Pacific Housing, Inc. Waterford Residential 17 LLC
General Partner Type:	Joint Venture
Parent Companies:	Pacific Housing, Inc. Waterford Residential
Developer:	Waterford Development
Investor/Consultant:	CREA LLC
Management Agent:	FPI Management

Project Information

Construction Type:	New Construction	
Total # Residential Buildings:	1	
Total # of Units:	75	
No. / % of Low Income Units:	74	100.00%
Average Targeted Affordability:	58.51%	
Federal Set-Aside Elected:	40%/60% Average Income	
Federal Subsidy:	Tax-Exempt	

Information

Housing Type:	Large Family
Geographic Area:	Bay Area Region
State Ceiling Pool:	New Construction
CDLAC Project Analyst:	Anthony Wey
CTCAC Project Analyst:	Sopida Steinwert

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	15	20%
60% AMI:	25	34%
70% AMI*:	34	46%

*CTCAC restricted only

Unit Mix

30	1-Bedroom Units
21	2-Bedroom Units
24	3-Bedroom Units
75	Total Units

Unit Type & Number	2025 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
6 1 Bedroom	30%	\$1,130
10 1 Bedroom	60%	\$2,261
14 1 Bedroom	70%	\$2,638
4 2 Bedrooms	30%	\$1,356
7 2 Bedrooms	60%	\$2,713
9 2 Bedrooms	70%	\$3,165
5 3 Bedrooms	30%	\$1,567
8 3 Bedrooms	60%	\$3,134
11 3 Bedrooms	70%	\$3,656
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1
Construction Costs	\$30,387,983
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$825,491
Soft Cost Contingency	\$326,602
Relocation	\$0
Architectural/Engineering	\$2,250,000
Const. Interest, Perm. Financing	\$3,389,739
Legal Fees	\$150,000
Reserves	\$481,792
Other Costs	\$3,902,826
Developer Fee	\$5,922,446
Commercial Costs	\$0
Total	\$47,636,880

Residential

Construction Cost Per Square Foot:	\$350
Per Unit Cost:	\$635,158
Estimated Hard Per Unit Cost:	\$343,288
True Cash Per Unit Cost*:	\$557,526
Bond Allocation Per Unit:	\$166,487
Bond Allocation Per Restricted Rental Unit:	\$312,162

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
KeyBank: Tax-Exempt	\$12,486,492	KeyBank: Tax-Exempt	\$19,985,000
KeyBank: Recycled Tax-Exempt	\$3,882,660	Pulte Home Company	\$6,400,000
KeyBank: Taxable	\$12,465,098	Net Operating Income	\$461,723
Pulte Home Company	\$6,400,000	Deferred Developer Fee	\$5,822,446
Deferred Costs	\$523,592	Solar Tax Credit Equity	\$76,230
Deferred Developer Fee	\$5,922,446	Tax Credit Equity	\$14,891,481
Tax Credit Equity	\$5,956,592	TOTAL	\$47,636,880

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$45,405,424
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$45,405,424
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,815,835
Approved Developer Fee (in Project Cost & Eligible Basis):	\$5,922,446
Federal Tax Credit Factor:	\$0.82009

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 current legal description is part of a larger site and the project site’s parcel (legal description and APN) have not yet been finalized. The legal description and APN for CA-25-759 must be completed as part of the Readiness to Proceed 180/194-Day package.

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. At the time of the CTCAC placed in service review, CTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

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).

Point Criteria	New Const. Max. Points	Rehabilitation Max. Points	Points Scored
Preservation and Other Rehabilitation Project Priorities	0	20	0
New Construction Density and Local Incentives	10	0	10
Exceeding Minimum Income Restrictions	20	20	0
Exceeding Minimum Rent Restrictions	10	10	10
General Partner Experience	7	7	7
Management Company Experience	3	3	3
Housing Needs	10	0	10
Leveraged Soft Resources	8	8	8
Readiness to Proceed	10	10	10
Affirmatively Furthering Fair Housing	10	0	10
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
Total Points	120	110	120

The criteria for which points are awarded will also be incorporated into the Resolution transferring Allocation to the Applicant as well as the appropriate bond documents and loan and finance agreements.

Tie Breaker: 204.581%