



SAN DIEGO
HOUSING
COMMISSION

San Diego Housing Commission

Preliminary Bond Authorization for Luther Tower

June 16, 2017

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Vice President, Housing
Finance, Programs &
Compliance
Real Estate Division



SDHC – Luther Tower Partnership Development Recommendations

Recommend that the Housing Authority of the City of San Diego:

1. Approve the initial steps to issue up to \$21,500,000 in tax-exempt Multifamily Housing Revenue Bonds, including:
 - a) Bond inducement resolution
 - b) Bond allocation of authority application to the California Debt Limit Allocation Committee (CLADC)
 - c) Bond counsel (Orrick Herrington Sutcliffe) and financial advisor (Public Finance Management)
 - d) Bonds final approval at a later date





SDHC – Luther Tower Partnership Development Recommendations (Continued)

2. Authorize SDHC President & CEO to:
 - a) Execute any and all documents that are necessary to effectuate the transaction; and
 - b) Implement approvals in a form approved by General Counsel

Recommend that the San Diego City Council:

3. Hold a Tax Equity & Fiscal Responsibility Act (TEFRA) public hearing



SDHC – Luther Tower Partnership Development Site Map & Photo





SDHC – Luther Tower Partnership Development Summary

- Proposed acquisition and rehabilitation of 200-units
 - 16-story building built in 1964
 - Senior housing
 - Mix of studio and one-bedroom units
 - Currently unrestricted. The financing proposal would restrict 199 units to 50%-60% of Area Median Income





SDHC – Luther Tower Partnership Development Summary (Continued)

	Development Details
Address	1455 2 nd Avenue
Council District	3
Units	200
Unit Mix	108 studios, 91 one-bedroom, 1 two-bedroom unit
Owner	Tower Housing Partners, LP
General Partner	Tower Housing Management LLC
Developer	C&C Development Group LLC, DAL Development LLC
Architect	Adobe Communities Architecture
Property Manager	Royal Property Management Group, Inc.
Seller	First Lutheran Developments, Inc.



SDHC – Luther Tower Partnership Development Estimated Financing Sources & Uses

Financing Sources	Amount
Tax-Exempt Permanent Loan	\$19,500,000
4% Tax Credit Equity	\$8,058,654
Deferred Developer Fee	\$1,190,247
Total	\$28,748,901

Financing Uses	Amount
Acquisition Costs	\$9,000,000
Hard Costs	\$11,130,747
Soft Costs	\$5,209,498
Financing Costs	\$442,500
Developer Fee	\$2,966,156
Total	\$24,748,901

- Estimated Total Development Cost Per Unit (200 Units) = \$143,745





SDHC – Luther Tower Partnership Development Affordability & Estimated Monthly Rents

Unit Type	AMI	Number of Units	Gross Rents	Estimated Market Rents
Studio	50%	22	\$796	\$1,325
Studio	60%	86	\$955	\$1,325
1 Bedroom	50%	18	\$853	\$1,600
1 Bedroom	60%	73	\$1,024	\$1,600
2 Bedroom (manager)	50%	1	-	-





SDHC – Luther Tower Partnership Development Timeline

Milestone	Estimated Date
• Housing Authority bonds review.....	June 27, 2017
• City Council TEFRA hearing.....	June 27, 2017
• CDLAC application for bonds allocation.....	July 21, 2017
• Tax credit allocation.....	August 16, 2017
• CDLAC allocation meeting.....	September 20, 2017
• Housing Commission final review.....	October 6, 2017
• Housing Authority final review.....	October 31, 2017
• Estimated bond issuance & escrow closing.....	November 2017
• Estimated construction start.....	November 2017
• Estimated construction completion.....	December 2018





SDHC – Luther Tower Partnership Development

Questions & Comments

