

RESOLUTION NO. _____

RESOLUTION COMMITTING TO SUPPORT AN APPLICATION TO THE IOWA FINANCE AUTHORITY BY MVAH PARTNERS, FOR HOUSING TAX CREDITS FOR THE PROPOSED GRANDVIEW SENIOR LOFTS

WHEREAS, the City of Muscatine has received a request from MVAH Partners for financial assistance to support an application to the Iowa Finance Authority for Housing Tax Credits for the proposed Colorado Senior Lofts,

WHEREAS, the Grandview Senior Lofts is a proposed 51-unit senior housing dwelling unit, that will serve low and moderate income seniors. The proposed project will contain a mix of one-bedroom and two-bedroom units, and would be located on Grandview Avenue, 600 feet southwest of the Grandview Avenue and Houser Street intersection,

WHEREAS, the proposed project meets an important community need. Housing that is affordable, provides lower maintenance options for empty-nesters, retirees, and active seniors, and that is of high quality is a critical and growing community need as identified in the Housing Demand Study completed by the City of Muscatine, and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MUSCATINE, IOWA, that is the Muscatine City Council's formally supports this application for Housing Tax Credit funding for this project and the commitment of the City Council to provide financial assistance in the form of Tax Increment Financing estimated at 100% of incremental taxes for a 10-year period. The amount of support will be finalized based on the assessed valuation and if the application for tax credits is successful, and is estimated at \$460,000. This commitment is contingent upon closing by October 1, 2021.

PASSED, APPROVED, AND ADOPTED this 20th day of February 2020.

CITY COUNCIL OF THE CITY OF
MUSCATINE, IOWA

Attest:

Diana L. Broderson, Mayor

Greg Jenkins, Interim City Clerk



January 8, 2020

The City of Muscatine
City Council
215 Sycamore St.
Muscatine, IA 52761

Re: Grandview Senior Lofts - Request for Support and Local Incentives

Dear Council Members,

We are pleased to present our proposal for Grandview Senior Lofts. The proposal includes the development of a 51-unit senior housing community. It will contain a mix of one-bedroom and two-bedroom units. All units will have the full spectrum of amenities, including fully-equipped kitchens and bathrooms, central air, energy efficient design, and open floor plans. Other community amenities will include on-site management, a community room, business center, theater, fitness center, and outdoor recreation space. The development will feature environmentally-sensitive design and is 100% accessible. The development will total more than \$10.2MM in development cost and provide quality affordable housing for seniors in Muscatine.

This proposal will be submitted for Rental Housing Tax Credit funding through the Iowa Finance Authority (IFA). These tax credits are the primary funding source for the project. This is a competitive process, and proposals that have local support and incentives are able to achieve higher scores.

Therefore, we are requesting that Muscatine City Council provide support and economic incentives to assist with our application. In order to achieve financial feasibility, we require a 10-year tax incentive at 100%. Enclosed are some preliminary plan that identify the site and design that will be used in our application. Additionally, we have provided calculations showing how the requested incentive achieves the scoring goals.

I look forward to presenting our proposal at the next available City Council meeting. Please feel free to contact me with any questions at 312-286-8128. Thanks in advance for all your time and consideration.

Sincerely,

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke.

Hume An
Senior Vice President

EXTERIOR FINISH LEGEND

-  FACE BRICK VENEER (FB-1)
-  VINYL SIDING, LAP-STYLE (VS-1).
-  VINYL SIDING, SHAKE-STYLE (VS-2).
-  ROOFING, ARCHITECTURAL FIBERGLASS SHINGLES (AFS-1).
ANTI-FUNGAL AND MIN. 30-YEAR WARRANTY
-  SHEET METAL FLASHING AND TRIM. ALL PRE-FINISHED METAL
GUTTER, DOWNSPOUTS, FASCIAS, ETC. TO BE BY DIMENSIONAL
METALS INC. NOTE: REFER TO SPECS FOR EQUAL
MANUFACTURERS ACCEPTABLE FOR USE.



rear elevation

1/32" = 1'-0"

side elevation

1/32" = 1'-0"



front elevation

1/32" = 1'-0"

side elevation

1/32" = 1'-0"

**GRANDVIEW SENIOR LOFTS
SOURCE AND USE OF FUNDS**

Description	Total	827,806	% of Total Sources	Rate	Term (Months)	Amortization	Monthly Debt Service	Annual Debt Service
Limited Partner- Low Income Housing Tax Credit Equity	7,643,238		74.76%					
Perm	1,350,000		13.20%	5.50%	204	420	7,250	86,997
Deferred Developer Fee	416,030	35.41%	4.07%	0.00%	180	180	2,311	27,735
Managing Member Min. Contribution	100		0.00%	0.00%	0	0	0	0
HOME Funds	500,000		4.89%	0.00%	180	360	1,389	16,667
B Note	315,000		3.08%	5.00%	120	120	3,341	40,093
Total Sources:	10,224,368		100.00%					

Description	Total	827,806	% of Total Sources	Rate	Term (Months)	Amortization	Monthly Debt Service	Annual Debt Service	TARGET CONSTRUCTION CONTRACT AMOUNT 6,529,103										
									Per Unit	Acquisition Basis	Low Income Eligible Const/Rehab Basis	Historic Qualified Rehab Expenditures	Site Improvements	Personal Property	Funded Expense	Non-Eligible Basis	Other		
Acquisition Costs																			
Land	120,000	2,353	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	120,000
Construction Costs																			
Residential Structures	5,834,406	114,400	-	5,834,406	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
On-Site Improvements	344,371	6,752	-	344,371	-	344,371	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Contingency	347,257	6,809	-	347,257	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General Requirements	277,800	5,447	-	277,800	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Builder Profit	416,700	8,171	-	416,700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water / Sewer / Impact Fees	62,500	1,225	-	62,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Builder's Risk Insurance / Bond(s)	71,856	1,409	-	71,856	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Permits	27,616	541	-	27,616	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transaction Costs																			
Architectural Fees (BDCL Drawing)	275,000	5,392	-	275,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Engineering Fees (Includes Survey)	50,000	980	-	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Third Party Studies (Enviro/Geotech/Energy)	40,000	784	-	40,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes During Construction	5,000	98	-	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost Certification / Audit	35,900	704	-	35,900	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal - General Legal	50,000	980	-	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal - Partnership and Related	50,000	980	-	-	-	-	-	50,000	-	-	-	-	-	-	-	-	-	-	-
Tax Credit Fees - Reservation	84,000	1,647	-	-	-	-	-	84,000	-	-	-	-	-	-	-	-	-	-	-
Tax Credit Fees - 8609 Application Fee	9,240	181	-	-	-	-	-	9,240	-	-	-	-	-	-	-	-	-	-	-
Tax Credit Fees - Application (Initial App, PCHTF App fees, Pre-Clo	5,930	116	-	-	-	-	-	5,930	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Development Costs (Developer Travel)	10,000	196	-	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Market Study	5,000	98	-	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Appraisal	15,000	294	-	15,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax Credit Fees - Construction Monitoring	2,800	55	-	-	-	-	-	2,800	-	-	-	-	-	-	-	-	-	-	-
Real Estate Tax Reserve	209,000	4,098	-	-	-	-	-	-	-	-	-	-	209,000	-	-	-	-	-	-
Material Testing	22,000	431	-	22,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financing Costs																			
Perm loan orig fee - lender	16,650	326	-	-	-	-	-	16,650	-	-	-	-	-	-	-	-	-	-	-
Construction loan orig fee - lender	61,500	1,206	-	61,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Title & Recording - Construction & Perm	30,000	588	-	-	-	-	-	30,000	-	-	-	-	-	-	-	-	-	-	-
Operating Reserve	168,312	3,300	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	168,312
Lender Fees (Legal/Draw/Plan & Cost Review)	7,500	147	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,500
Lender Fees Inspecting Architect	24,500	480	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24,500
MV Interest Carry Cost	25,000	490	-	25,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction Interest	188,519	3,696	-	120,781	-	-	-	67,737	-	-	-	-	-	-	-	-	-	-	-
Other Costs																			
New Construction/Rehab - Developer Fee	1,175,011	23,039	-	1,175,011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ACQ Only - Developer Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent Up & Marketing	51,000	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	51,000
Syndication Fee	55,000	1,078	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	55,000
Clubhouse Furniture	50,000	980	-	50,000	-	-	-	50,000	-	-	-	-	-	-	-	-	-	-	-
Total Uses:	10,224,368	200,478	-	9,322,699	-	344,371	50,000	266,357	209,000	-	-	-	-	-	-	-	-	-	426,312

Total Construction Contract Costs

The estimates of costs set forth in this document are based on current estimates of labor and materials generally available in the market. These costs are not guaranteed and are subject to change at any time and without notice. The owner acknowledges it has made its decision on this project based on its own, independent evaluation of the proposed project.

GRANDVIEW SENIOR LOFTS
PROJECTED CASH FLOW - NOI

Year	Gross Affordable Rental Income	Gross Market Rental Income	Gross Commercial Income	Net Other Income	Vacancy	Effective Gross Rental Income	Operating Expenses	Property Management Fee	Real Estate Taxes	Non-Trended Expenses	Total Expenses	Net Operating Income	Replenishing the Operating Res from C/F	Replacement Reserves	Total Construction Debt Service	Total Permanent Debt Service	Cash Flow	DSC
2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021	222,048	41,565	-	3,869	(18,453)	249,029	(158,294)	(14,942)	(19,948)	-	(193,183)	55,845	-	(10,400)	(32,263)	(10,591)	2,592	1.06
2022	324,948	58,680	-	5,580	(26,854)	362,354	(172,684)	(21,741)	(39,896)	39,896	(194,425)	167,929	-	(15,450)	-	(127,089)	25,389	1.20
2023	331,452	59,856	-	5,692	(27,392)	369,608	(177,865)	(22,176)	(41,093)	41,093	(200,041)	169,567	-	(15,914)	-	(127,089)	26,564	1.21
2024	338,076	61,056	-	5,805	(27,939)	376,998	(183,200)	(22,620)	(42,326)	42,326	(205,820)	171,178	-	(16,391)	-	(127,089)	27,698	1.22
2025	344,838	62,277	-	5,922	(28,498)	384,538	(188,696)	(23,072)	(43,596)	43,596	(211,769)	172,769	-	(16,883)	-	(127,089)	28,797	1.23
2026	351,734	63,523	-	6,040	(29,068)	392,229	(194,357)	(23,534)	(44,903)	44,903	(217,891)	174,338	-	(17,389)	-	(127,089)	29,859	1.23
2027	358,769	64,793	-	6,161	(29,649)	400,073	(200,188)	(24,004)	(46,251)	46,251	(224,193)	175,881	-	(17,911)	-	(127,089)	30,881	1.24
2028	365,944	66,089	-	6,284	(30,242)	408,075	(206,194)	(24,484)	(47,638)	47,638	(230,678)	177,397	-	(18,448)	-	(127,089)	31,859	1.25
2029	373,263	67,411	-	6,410	(30,847)	416,236	(212,380)	(24,974)	(49,067)	49,067	(237,354)	178,883	-	(19,002)	-	(127,089)	32,792	1.26
2030	380,728	68,759	-	6,538	(31,464)	424,561	(218,751)	(25,474)	(50,539)	50,539	(244,225)	180,337	-	(19,572)	-	(127,089)	33,676	1.26
2031	388,343	70,134	-	6,669	(32,093)	433,052	(225,313)	(25,983)	(52,055)	52,055	(251,297)	181,756	-	(20,159)	-	(123,748)	37,849	1.31
2032	396,110	71,537	-	6,802	(32,735)	441,713	(232,073)	(26,503)	(53,617)	-	(312,193)	129,521	-	(20,764)	-	(86,997)	21,761	1.25
2033	404,032	72,968	-	6,938	(33,390)	450,548	(239,035)	(27,033)	(55,226)	-	(321,294)	129,254	-	(21,386)	-	(86,997)	20,871	1.24
2034	412,113	74,427	-	7,077	(34,058)	459,559	(246,206)	(27,574)	(56,882)	-	(330,662)	128,897	-	(22,028)	-	(86,997)	19,872	1.23
2035	420,355	75,915	-	7,218	(34,739)	468,750	(253,592)	(28,125)	(58,589)	-	(340,306)	128,444	-	(22,689)	-	(86,997)	18,758	1.22
2036	428,762	77,434	-	7,363	(35,434)	478,125	(261,200)	(28,687)	(60,347)	-	(350,234)	127,891	-	(23,370)	-	(86,997)	17,525	1.20
Total	5,841,516	1,056,423	-	100,366	(482,856)	6,515,449	(3,370,029)	(390,927)	(761,973)	457,365	(4,065,564)	2,449,885	-	(297,753)	(32,263)	(1,713,127)	406,742	