Miller Valentine Group

Miller-Valentine Group
9349 WaterStone Blvd.
Cincinnati, OH 45249
513-774-8400
513-683-6165 Fax

November 10, 2015

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

Re: Harrison Street Lofts – Request for Project Based Section 8 Vouchers

Council Members,

In addition to the request already made, MVG would also like you to consider providing project based vouchers for the proposed development. A commitment to provide voucher for 25% of the units would dramatically benefit the project. The proposed development will target low to moderate income residents of Muscatine. Locating up to 15 of your vouchers in this proposal will assure your voucher users have access to a high quality affordable housing option.

Thanks again for your time and considerations.

Sincerely,

MV Residential Development

Pete Schwiegeraht

Pete Schwiegeraht
Developer

Miller Valentine Group

Miller-Valentine Group
9349 WaterStone Blvd.
Cincinnati, OH 45249
513-774-8400
513-683-6165 Fax

November 6, 2015

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

Re: Harrison Street Lofts – Request for Support and Local Incentives

Council Members,

I would like to take this opportunity to introduce you to our proposed development, Harrison Street Lofts.

This proposal includes the development of a 54 unit +/- work force housing community. It will contain a mix of 1 bedroom (700 SF+/-), 2 bedroom (850 SF+/-), and 4 bedroom (1,200SF +/-) units. All units will have the full spectrum of amenities including; in-unit laundry, dishwashers, 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 be GREEN in design and is 100% accessible. The development will total more than $9,000,000 in development cost and provide quality affordable housing for working families in Muscatine.

This proposal will be submitted for Rental Housing Tax Credit funding through the Iowa Finance Authority. These tax credits will act as the primary funding source for the project. This is a competitive process and proposals that have local support and incentives receive higher scores and ultimately are awarded financing.

Therefore, we are requesting that Muscatine City Council provide support and economic incentives to assist with our application. In order to achieve full local incentive scoring, we need commitments totaling 7% of total development cost. This would require a 10 year tax incentive at 100%. Enclosed are some preliminary plans that identify the site and design that will be utilized in our application. Additionally, we have provided calculations showing how the requested incentive achieves the scoring goals.

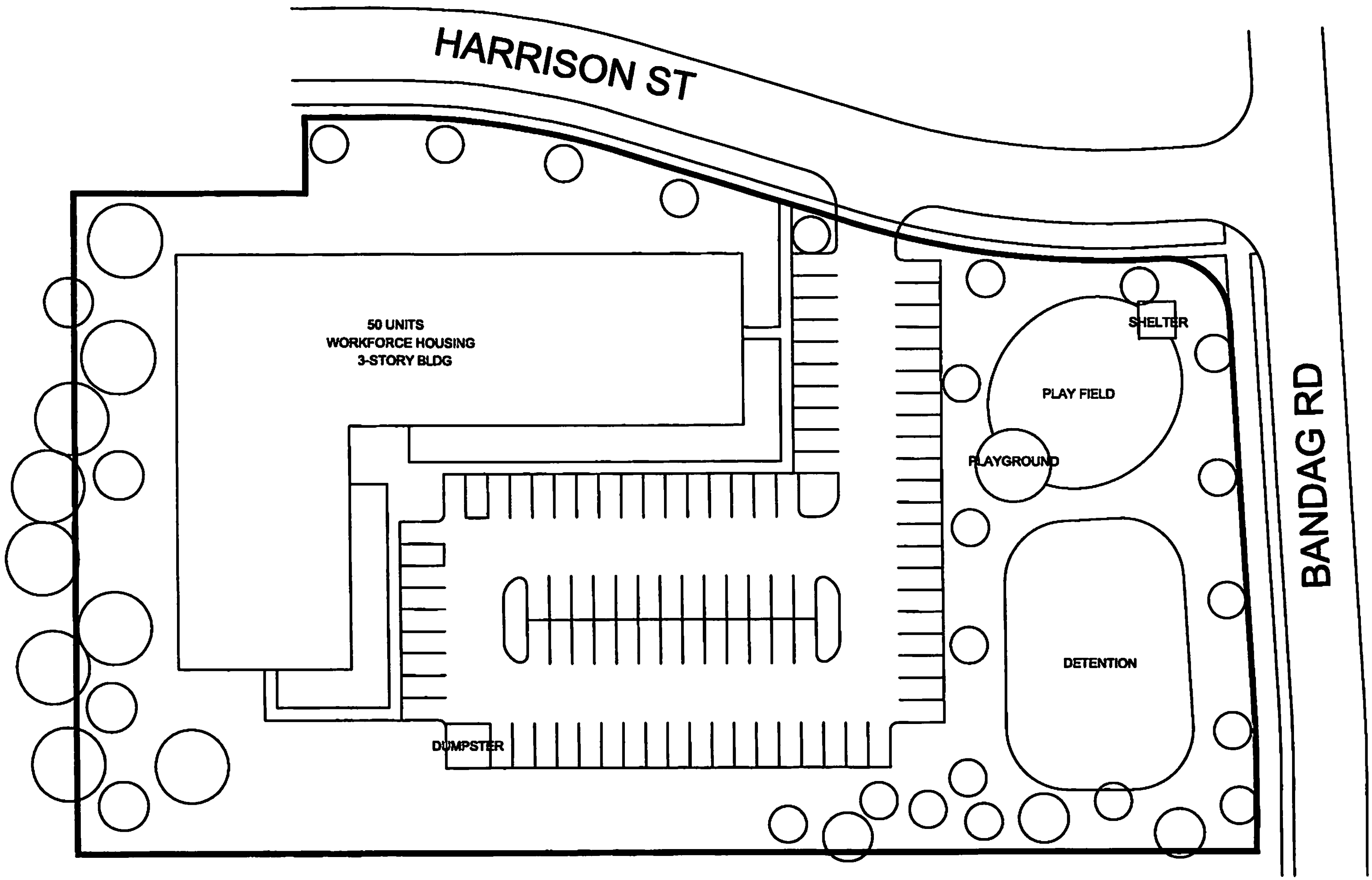
I look forward to presenting our proposal at the November 12nd council meeting. Please feel free to contact me with any questions at 513-259-7657. Thanks in advance for all your time and considerations.

Sincerely,

MV Residential Development

Pete Schwiegeraht

Pete Schwiegeraht
Developer



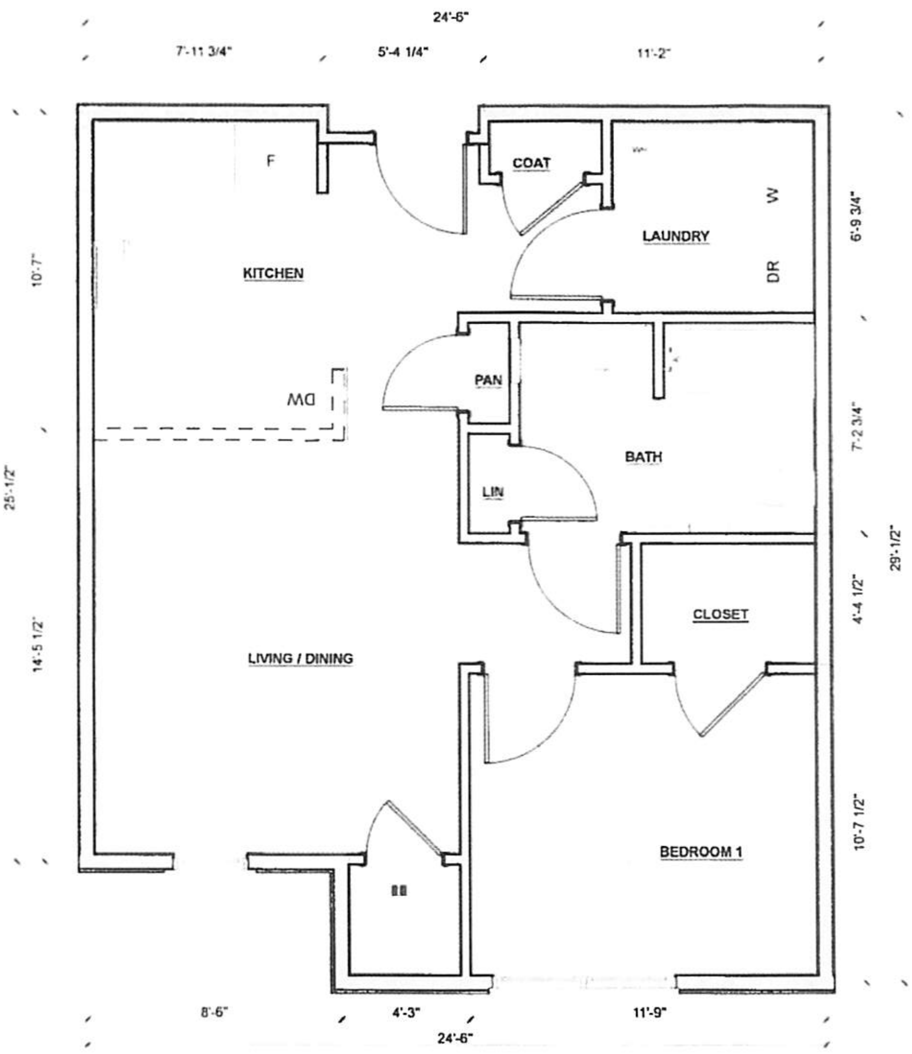
HARRISON STREET LOFTS

MUSCATINE, IOWA

Miller Valentine Group

total real estate solutions

UNITED SENIOR RESIDENCE



673 GROSS S F MEASURED TO CENTER LINE OF WALL STUD
643 NET S F MEASURED TO INSIDE FINISHED FACE OF WALL

1 ENLARGED 1 BED/1 BATH UNIT FLOOR PLAN

SCALE 1/4" = 1'-0"

OWNER

MV AFFORDABLE HOUSING, LLC

9349 WATERSTONE BOULEVARD
CINCINNATI OH 45429
P 513 774 8400
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e+a

LOFTS AT NEWTON

WEST 3RD STREET NORTH
NEWTON, IA 50208

CDBG APPLICATION

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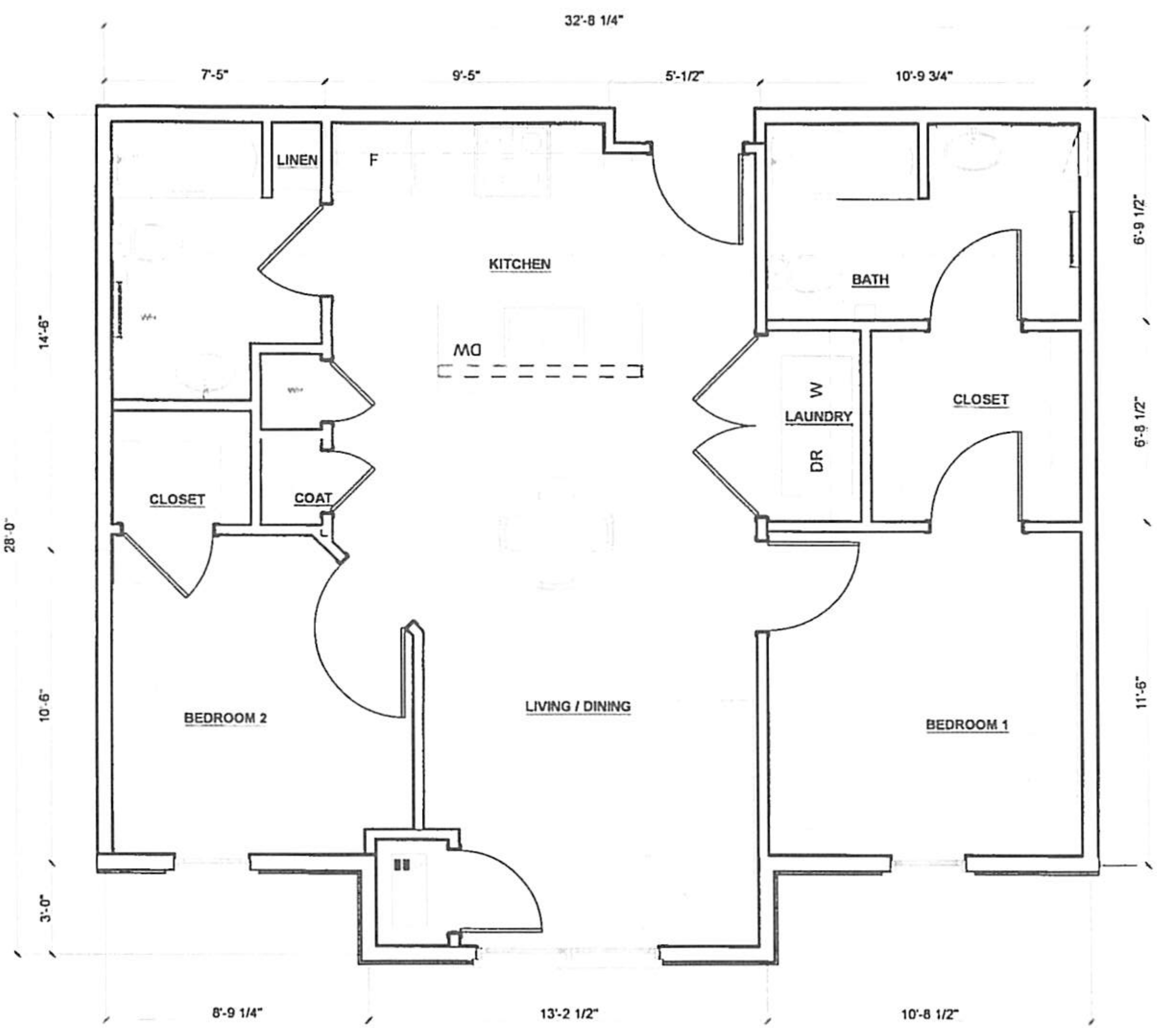

852 GROSS S F MEASURED TO CENTER LINE OF WALL STUD
818 NET S F MEASURED TO INSIDE FINISHED FACE OF WALL

1 ENLARGED 2 BED/2 BATH UNIT FLOOR PLAN

SCALE 1/4" = 1'-0"

MV AFFORDABLE HOUSING, LLC

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LOFTS AT NEWTON
WEST 3RD STREET NORTH
NEWTON, IA 50208

CDBG APPLICATION

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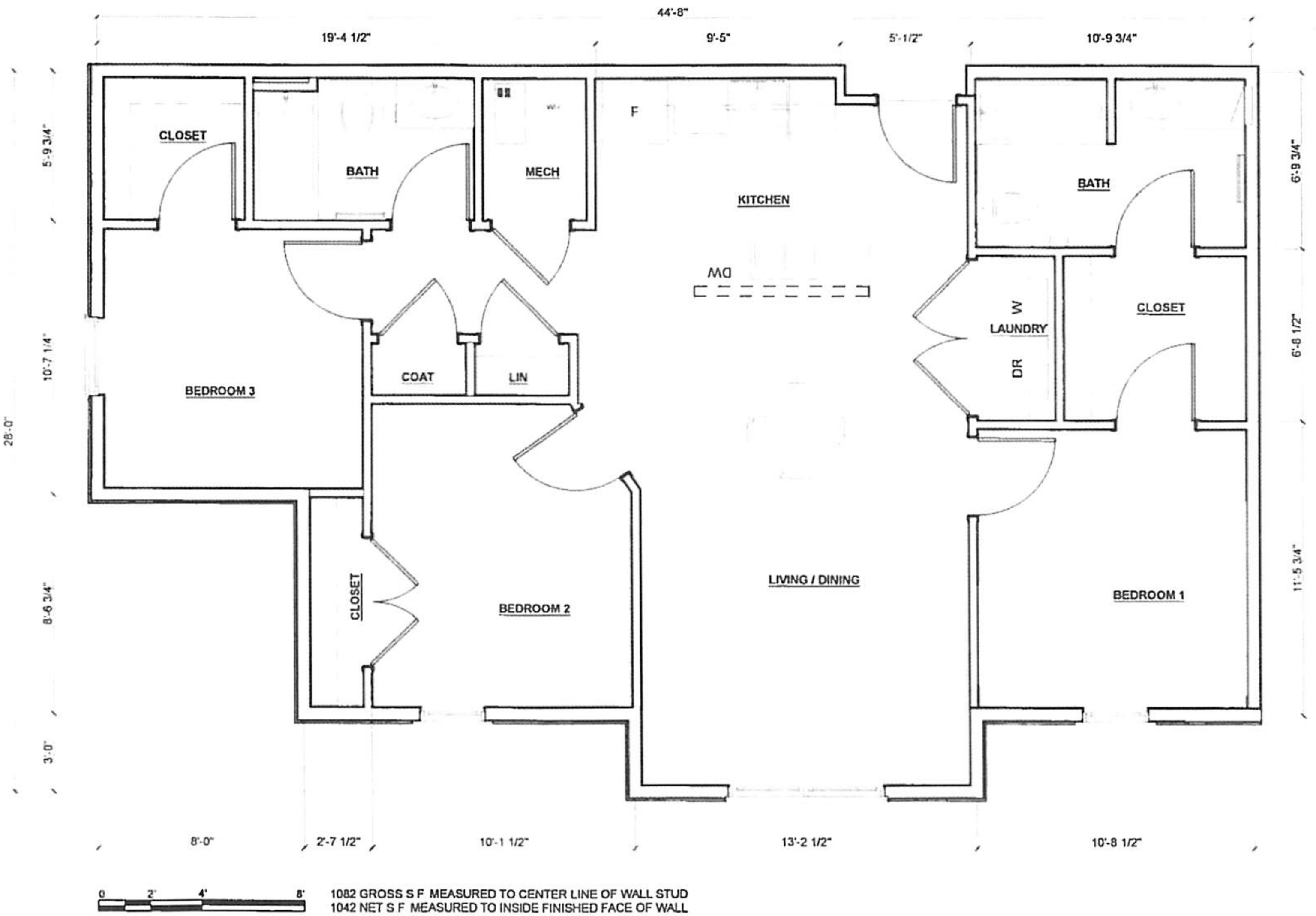

1082 GROSS S F MEASURED TO CENTER LINE OF WALL STUD
1042 NET S F MEASURED TO INSIDE FINISHED FACE OF WALL

1 ENLARGED 3 BED/2 BATH UNIT FLOOR PLAN

SCALE 1/4" = 1'-0"

OWNER

MV AFFORDABLE HOUSING, LLC

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LOFTS AT NEWTON
WEST 3RD STREET NORTH
NEWTON, IA 50208

CDBG APPLICATION

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MUSCATINE LOFTS
SOURCE AND USE OF FUNDS

Category	Description		Total	% of Total Sources	Rate	Term (Months)	Amortization	Monthly Debt Service	Annual Debt Service
	Limited Partner- Low Income Housing Tax Credit Equity		7,098,944	78 71%					
	Perm		1,350,000	14 97%	5 75%	204	420	7,472	89,667
	Deferred Developer Fee	16.76%	169,903	1 88%	0 00%	144	144	1,180	
	Workforce Housing Credit		175,000	1 94%	0 00%	360	360	486	
	NeighborWorks America		100,000	1 11%	0 00%	360	360	278	
	Owner Contribution		125,000	1.39%	0 00%	360	360	347	
	Total Sources		9,018,849	100.00%					

Category	Description		Total	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											
Other	Land		300 000	6,000	-	-	-	-	-	-	-	300,000
	Construction Costs											
LI Only	Residential Structures (includes permits)		4,475,000	89,500	-	4 475,000	-	-	-	-	-	-
LI Only	Non - Residential Structures		-		-	-	-	-	-	-	-	-
Site Improvement	On-Site Improvements		925,000	18,500	-	925,000	-	925,000	-	-	-	-
Personal Property	Personal Property (Common Area Furnishings)	6,709 600	-		-	-	-	-	-	-	-	-
LI Only	Construction Contingency	319,500	319,500	6,390	-	319,500	-	-	-	-	-	-
LI Only	General Requirements	268,300	268,300	5,366	-	268,300	-	-	-	-	-	-
LI Only	Builder Profit	268,300	268,300	5,366	-	268,300	-	-	-	-	-	-
LI Only	Builder Overhead	134,100	134,100	2,682	-	134,100	-	-	-	-	-	-
LI Only	Bonds	59 000	59,000	1 180	-	59,000	-	-	-	-	-	-
LI Only	Water / Sewer / Impact Fees		25 000	500	-	25,000	-	-	-	-	-	-
LI Only	Builder's Risk Insurance		20,000	400	-	20,000	-	-	-	-	-	-
		6 007 800										
	Transaction Costs											
LI Only	Architectural Fees		200,000	4,000	-	200,000	-	-	-	-	-	-
LI Only	Engineering Fees		60,400	1,208	-	60,400	-	-	-	-	-	-
LI Only	Third Party Studies (Enviro / Historic) / Survey		54,373	1,087	-	54,373	-	-	-	-	-	-
LI Only	Taxes During Construction		10,000	200	-	10,000	-	-	-	-	-	-
LI Only	Soft Cost Contingency		35,000	700	-	35,000	-	-	-	-	-	-
LI Only	Cost Certification / Audit		20,000	400	-	20,000	-	-	-	-	-	-
LI Only	Legal - Basis		30,000	600	-	30,000	-	-	-	-	-	-
Funded	Legal - Non-Basis		30,000	600	-	-	-	-	-	30,000	-	-
Funded	Tax Credit Fees - Reservation	72,445	72,445	1,449	-	-	-	-	-	72,445	-	-
Funded	Tax Credit Fees - 8609 Application	7,245	7,245	145	-	-	-	-	-	7,245	-	-
Funded	Tax Credit Fees - Application		2,200	44	-	-	-	-	-	2,200	-	-
Funded	Tax Credit Fees - Construction Monitoring		2,000	40	-	-	-	-	-	2,000	-	-
Funded	Tax Credit Fees - Compliance		1,250	25	-	-	-	-	-	1,250	-	-
LI Only	Tax Credit Fees - Market Study		4,500	90	-	4,500	-	-	-	-	-	-
LI Only	Market Study		5,000	100	-	5,000	-	-	-	-	-	-
LI Only	Appraisal		10 000	200	-	10,000	-	-	-	-	-	-
Other	IEDA Compliance		1,244	25	-	-	-	-	-	-	-	1,244
LI Only	Predevelopment Loan Interest	24,641	24,641	493	-	24,641	-	-	-	-	-	-
	Financing Costs											
Other	Perm loan orig fee	13 500	13,500	270	-	-	-	-	-	-	-	13 500
Other	Perm loan orig fee - IFA	0	0	0	-	-	-	-	-	-	-	0
LI Only	Construction loan orig fee	70,950	70 950	1 419	-	70,950	-	-	-	-	-	-
LI Only	Construction loan orig fee - IFA	0	0	0	-	0	-	-	-	-	-	-
Other	Title & Recording - Construction & Perm		30 000	600	-	-	-	-	-	-	-	30,000
LI Only	Construction Monitoring		20 000	400	-	20,000	-	-	-	-	-	-
Other	Operating Reserve	121,745	121,745	2 435	-	-	-	-	-	-	-	121,745
Funded	Construction Interest		234 356	4 687	-	164,049	-	-	-	70 307	-	-
	Other Costs											
LI Only	New Construction/Rehab - Developer Fee	1,013,800	1,013 800	20 276	-	1.013,800	-	-	-	-	-	-
Other	Rent Up		40 000	800	-	-	-	-	-	-	-	40,000
Other	Marketing		25,000	500	-	-	-	-	-	-	-	25,000
Other	Syndication Fee		35 000	700	-	-	-	-	-	-	-	35,000
LI Only	Clubhouse Furnishings		50 000	1,000	-	50,000	-	-	-	-	-	-
	Total Uses		9,018,849	180,377	-	8,266,913	-	925,000	-	185,447	-	566,489

MUSCATINE 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	Replacement Reserves	Total Construction Debt Service	Total Permanent Debt Service	IFA HOME D/S	Cash Flow	DSC
2018	191,651	29,240	-	3,218	(14,878)	209,231	(132,292)	(14,646)	(19,704)	-	(166,642)	42,589	(11,533)	(54,188)	(0)	-	(23,132)	0.57
2019	338,208	43,860	-	5,580	(25,868)	361,780	(158,750)	(25,325)	(60,986)	60,986	(184,075)	177,706	(20,600)	(0)	(89,667)		67,439	1.75
2020	344,976	44,736	-	5,692	(26,385)	369,018	(163,513)	(25,831)	(61,511)	61,511	(189,344)	179,675	(21,218)		(89,667)		68,790	1.77
2021	351,876	45,636	-	5,805	(26,913)	376,404	(168,418)	(26,348)	(62,026)	62,026	(194,766)	181,638	(21,855)		(89,667)		70,116	1.78
2022	358,914	46,549	-	5,922	(27,451)	383,932	(173,470)	(26,875)	(62,528)	62,528	(200,346)	183,587	(22,510)		(89,667)		71,409	1.80
2023	366,092	47,480	-	6,040	(28,000)	391,611	(178,675)	(27,413)	(63,018)	63,018	(206,087)	185,524	(23,185)		(89,667)		72,671	1.81
2024	373,414	48,429	-	6,161	(28,560)	399,443	(184,035)	(27,961)	(63,494)	63,494	(211,996)	187,447	(23,881)		(89,667)		73,899	1.82
2025	380,882	49,398	-	6,284	(29,132)	407,432	(189,556)	(28,520)	(63,957)	63,957	(218,076)	189,356	(24,597)		(89,667)		75,091	1.84
2026	388,500	50,386	-	6,410	(29,714)	415,581	(195,242)	(29,091)	(64,405)	64,405	(224,333)	191,248	(25,335)		(89,667)		76,245	1.85
2027	396,270	51,394	-	6,538	(30,309)	423,892	(201,100)	(29,672)	(64,837)	64,837	(230,772)	193,120	(26,095)		(89,667)		77,358	1.86
2028	404,195	52,421	-	6,669	(30,915)	432,370	(207,133)	(30,266)	(65,252)	65,252	(237,399)	194,972	(26,878)		(89,667)		78,426	1.87
2029	412,279	53,470	-	6,802	(31,533)	441,018	(213,347)	(30,871)	(65,648)		(309,866)	131,151	(27,685)		(89,667)	-	13,800	1.15
2030	420,524	54,539	-	6,938	(32,164)	449,838	(219,747)	(31,489)	(66,026)		(317,261)	132,577	(28,515)		(89,667)	-	14,394	1.16
2031	428,935	55,630	-	7,077	(32,807)	458,835	(226,340)	(32,118)	(66,382)		(324,840)	133,994	(29,371)		(89,667)	-	14,957	1.17
2032	437,514	56,743	-	7,218	(33,463)	468,011	(233,130)	(32,761)	(66,717)		(332,608)	135,403	(30,252)		(89,667)	-	15,485	1.17
2033	446,264	57,877	-	7,363	(34,132)	477,372	(240,124)	(33,416)	(67,029)		(340,569)	136,803	(31,159)		(89,667)	-	15,976	1.18
Total	6,040,491	787,788	-	99,715	(462,224)	6,465,770	(3,084,869)	(452,604)	(983,522)	632,014	(3,888,981)	2,576,790	(394,671)	(54,188)	(1,345,007)	-	782,924	

Year	Cash Flow	Asset Management Fee	Withdrawal from Operating Reserves	Cash Flow	Total Soft Debt Service	Cash Flow	Cash Flow	Deferred Developer Fee	Cash Flow	Incentive Mgmt Fee	Fee I	Fee II	Fee IV	Cash Flow	Limited Partner Cash Flow	Cash Flow	General Partner Cash Flow	State Investor Cash Flow
2017	(0)	-	-	(0)	-	(0)	(0)	-	(0)	-	-	-	-	(0)	(0)	(0)	(0)	-
2018	(23,132)	-	-	(23,132)	-	(23,132)	(23,132)	23,132	-	-	-	-	-	-	-	-	-	-
2019	67,439	(5,305)	-	62,134	-	62,134	62,134	(62,134)	-	-	-	-	-	-	-	-	-	-
2020	68,790	(5,464)	-	63,326	-	63,326	63,326	(63,326)	-	-	-	-	-	-	-	-	-	-
2021	70,116	(5,628)	-	64,489	-	64,489	64,489	(64,489)	-	-	-	-	-	-	-	-	-	-
2022	71,409	(5,796)	-	65,613	-	65,613	65,613	(3,086)	62,527	-	-	-	-	62,527	6,253	56,274	56,274	-
2023	72,671	(5,970)	-	66,701	-	66,701	66,701	-	66,701	-	-	-	-	66,701	6,670	60,031	60,031	-
2024	73,899	(6,149)	-	67,750	-	67,750	67,750	-	67,750	-	-	-	-	67,750	6,775	60,975	60,975	-
2025	75,091	(6,334)	-	68,758	-	68,758	68,758	-	68,758	-	-	-	-	68,758	6,876	61,882	61,882	-
2026	76,245	(6,524)	-	69,721	-	69,721	69,721	-	69,721	-	-	-	-	69,721	6,972	62,749	62,749	-
2027	77,358	(6,720)	-	70,638	-	70,638	70,638	-	70,638	-	-	-	-	70,638	7,064	63,574	63,574	-
2028	78,426	(6,921)	-	71,505	-	71,505	71,505	-	71,505	-	-	-	-	71,505	7,150	64,354	64,354	-
2029	13,800	(7,129)	-	6,671	-	6,671	6,671	-	6,671	-	-	-	-	6,671	667	6,004	6,004	-
2030	14,394	(7,343)	-	7,052	-	7,052	7,052	-	7,052	-	-	-	-	7,052	705	6,346	6,346	-
2031	14,957	(7,563)	-	7,394	-	7,394	7,394	-	7,394	-	-	-	-	7,394	739	6,654	6,654	-
2032	15,485	(7,790)	-	7,695	-	7,695	7,695	-	7,695	-	-	-	-	7,695	769	6,925	6,925	-
2033	15,976	(8,024)	-	7,953	-	7,953	7,953	-	7,953	-	-	-	-	7,953	795	7,157	7,157	-
Total	782,924	(98,658)	-	684,266	-	684,266	684,266	(169,903)	514,363	-	-	-	-	514,363	51,436	462,926	462,926	-

The estimates of income and expenses set forth in this document are based on experience operating similar properties and are provided by the owner. Past performance is not a guarantee of future performance. The owner acknowledges it has made its decision on this project based on its own independent evaluation of the project.

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