



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.

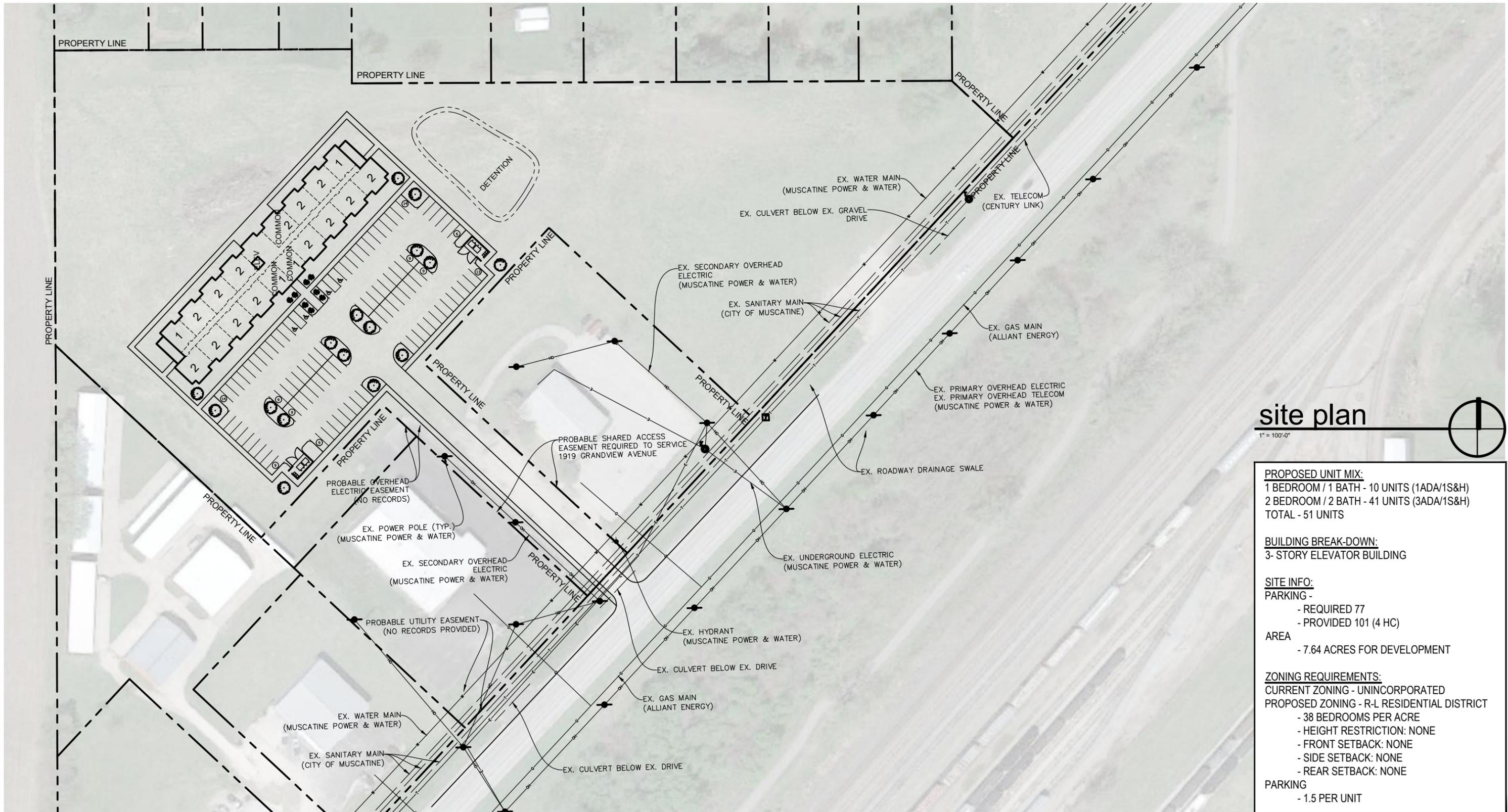
Therefore, we are requesting that Muscatine City Council provide support and economic incentives to assist with our application. In order to achieve financial feasibility, we require a 10-year tax incentive at 100%. Enclosed are some preliminary plan that identify the site and design that will be used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



site plan

1" = 100'-0"



PROPOSED UNIT MIX:
 1 BEDROOM / 1 BATH - 10 UNITS (1ADA/1S&H)
 2 BEDROOM / 2 BATH - 41 UNITS (3ADA/1S&H)
 TOTAL - 51 UNITS

BUILDING BREAK-DOWN:
 3- STORY ELEVATOR BUILDING

SITE INFO:
PARKING -
 - REQUIRED 77
 - PROVIDED 101 (4 HC)
AREA
 - 7.64 ACRES FOR DEVELOPMENT

ZONING REQUIREMENTS:
 CURRENT ZONING - UNINCORPORATED
 PROPOSED ZONING - R-L RESIDENTIAL DISTRICT
 - 38 BEDROOMS PER ACRE
 - HEIGHT RESTRICTION: NONE
 - FRONT SETBACK: NONE
 - SIDE SETBACK: NONE
 - REAR SETBACK: NONE

PARKING
 - 1.5 PER UNIT

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 Perm	7,643,238		74.76%					
Deferred Developer Fee	1,350,000		13.20%	5.50%	204	420	7,250	86,997
Managing Member Min. Contribution	416,030	35.41%	4.07%	0.00%	180	180	2,311	27,735
HOME Funds	100		0.00%	0.00%	0	0	0	0
B Note	500,000		4.89%	0.00%	180	360	1,389	16,667
	315,000		3.08%	5.00%	120	120	3,341	40,093
Total Sources:	10,224,368		100.00%					

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