



City Hall, 215 Sycamore St.
Muscatine, IA 52761-3840
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COMMUNITY DEVELOPMENT

MEMORANDUM

Planning,
Zoning,
Building Safety,
Construction Inspection Services,
Public Health,
Housing Inspections,
Code Enforcement

To: Mayor and City Council Members
Cc: Greg Jenkins, Interim City Administrator
From: Andrew Fangman, Assistant Community Development Director
Date: March 5, 2020
Re: Resolution Committing to Support an Application to the Iowa Finance Authority by the Ales Foundation, for Housing Tax Credits for The Proposed Steamboat Development; and

Resolution Supporting a Workforce Housing Tax Credit Application to the State of Iowa by the Ales Foundation, for Workforce Housing Tax Credits for the Proposed Steamboat Development

The Steamboat Development is a proposed 43-unit apartment complex, that will serve low and moderate income individuals. The proposed project will contain a mix of one-bedroom and two-bedroom units, and would be located at the northeast corner of the intersection of Steamboat Way and Dianna Queen Drive. A conceptual site plan and conceptual architectural elevations are attached to this memo.

At its February 20th meeting the City Council passed a resolution supporting an application by TIF Family 1, Inc to the Iowa Finance Authority for low-income housing tax credits. This resolution contained a City commitment to financial assistance in the form of Tax Increment Financing estimated at 70% of incremental taxes for a 15-year period. The amount of support will be finalized based on the assessed valuation if the application for tax credits is successful and is estimated at \$460,000. This commitment is contingent upon closing by October 1, 2021.

On February 27th a request was received from Chris Ales, the representative of TIF Family 1, Inc, for the resolution support to be redone in the name of the Ales Foundation. The message making and explaining this request is attached to this memo. This change would not change the project or the City's commitment to support it. As such a resolution identical, except for it identifies the Ales Foundation as the legal entity undertaking the Steamboat Development, to the one passed by City Council on February 20th, is being presented for City Council's consideration.

Chris Ales, on behalf of the Ales Foundation, has also requested that the City Council pass an additional resolution supporting an application to the Iowa Economic Development Authority for Workforce Housing Tax Credit (WHTC) Program funding for the Steamboat Development.

"I remember Muscatine for its sunsets. I have never seen any on either side of the ocean that equaled them" — Mark Twain

This is a separate funding source than the low-income housing tax credit program. The City's commitment for TIF assistance for the Steamboat Development fulfills the eligibility requirement for documentation of local matching funds pledged for the project in an amount not less than \$1,000 per dwelling unit. As such, only item still need for the Ales Foundation to make application to this program is resolution by City Council supporting said application.

As City Council, on February 20th, indicated that it supports this project, it is the recommendation of Staff that these resolutions, which provides document of this support in format required by the State of Iowa be passed.

BACKUP INFORMATION:

1. Resolution Committing to Support an Application to the Iowa Finance Authority by the Ales Foundation, for Housing Tax Credits for The Proposed Steamboat Development
2. Resolution Supporting a Workforce Housing Tax Credit Application to the State of Iowa by the Ales Foundation, for Workforce Housing Tax Credits for the Proposed Steamboat Development
3. February 27th Request from Chris Ales
4. Conceptual Site Plan
5. Conceptual Architectural Elevations

3/3/2020

City of Muscatine Mail - Signed Steamboat Support Resolution



Fangman, Andrew <afangman@muscatineiowa.gov>

Signed Steamboat Support Resolution

Chris Ales <chris@alespc.com>
To: "Fangman, Andrew" <afangman@muscatineiowa.gov>

Thu, Feb 27, 2020 at 9:25 AM

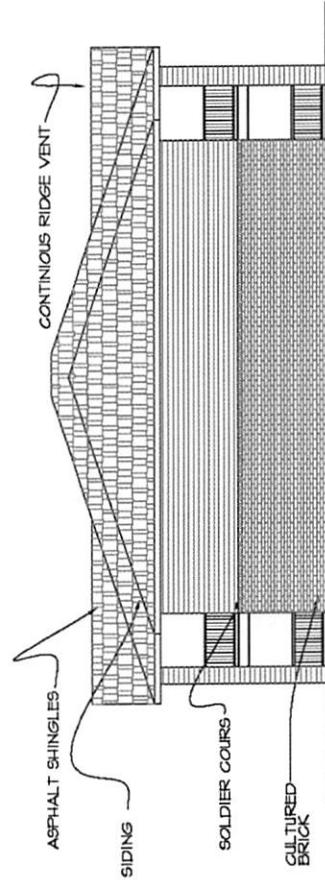
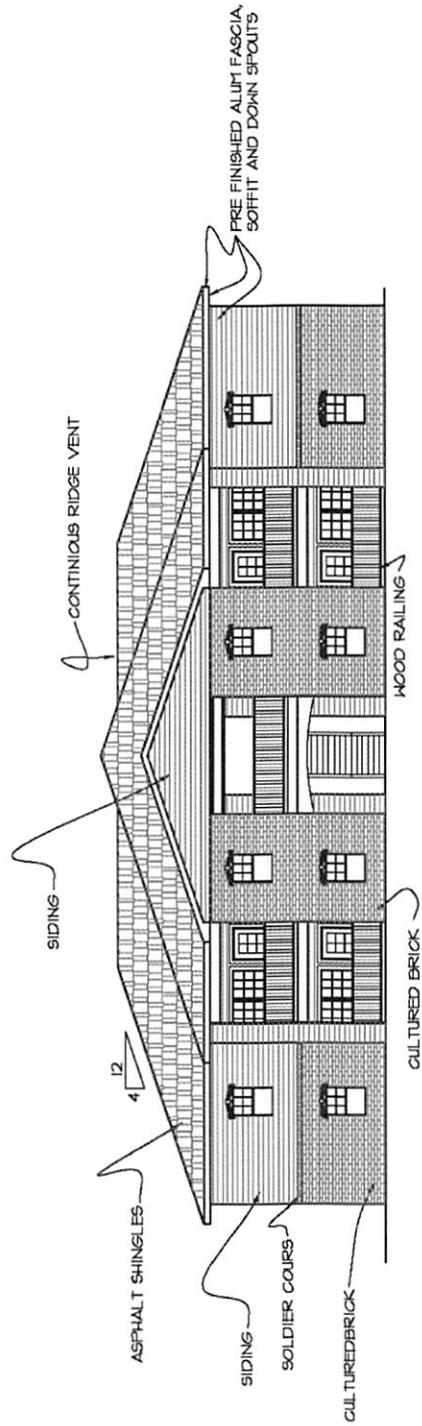
Andrew,

Working with our accountants on our application for the above referenced project, we would like the attached to be in favor of Ales Foundation, in lieu of TIF Family 1, Inc. Ales Foundation is a non-profit organization that will serve as our administrative Member, in lieu of TIF Family 1, Inc. I serve as the Ales Foundation's Executive Director. It's mission is fostering affordable housing and funding scholarships with its earnings.

Please advise at your earliest convenience. Thank you,

Chris

[Quoted text hidden]



**EXTERIOR ELEVATIONS
BUILDING TYPE "C"**

SCALE: 3/16" = 1'-0"

RESOLUTION NO. _____

**RESOLUTION COMMITTING TO SUPPORT AN APPLICATION TO THE
IOWA FINANCE AUTHORITY BY the ales Foundation, FOR HOUSING TAX
CREDITS FOR THE PROPOSED STEAMBOAT DEVELOPMENT**

WHEREAS, the City of Muscatine has received a request from the Ales FOundation, for financial assistance to support an application to the Iowa Finance Authority for Housing Tax Credits for the proposed Steamboat Development;

WHEREAS, Steamboat Development is a proposed 43-unit apartment complex, that will serve low and moderate incomed individuals. The proposed project will contain a mix of one-bedroom and two-bedroom units, and would be located at the northeast corner of the intersection of Steamboat Way and Dianna Queen Drive;

WHEREAS, the proposed project meets an important community need. Housing that is affordable 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 the Muscatine City Council formally supports this application for Low-Income Housing Tax Credit funding for this project and the City Council has committed to provide financial assistance in the form of Tax Increment Financing estimated at 70% of incremental taxes for a 15-year period. The amount of support will be finalized based on the assessed valuation 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 5th day of March 2020.

CITY COUNCIL OF THE CITY OF
MUSCATINE, IOWA

Attest:

Diana L. Broderson, Mayor

Greg Jenkins, Interim City Clerk