

NOTICE OF REQUEST FOR APPLICATIONS

CITY OF CLEARWATER, FLORIDA

DEVELOPMENT/REHABILITATION OF AFFORDABLE MULTI-FAMILY HOUSING FUNDED THROUGH THE STATE OF FLORIDA'S LOW-INCOME HOUSING TAX CREDIT (LIHTC) PROGRAM

The City of Clearwater, Florida (the "City"), is requesting applications from developers interested in applying for funding through the FY 2025-2026 State of Florida Low Income Housing Tax Credit ("LIHTC") Program. The applications are necessary for the consideration of providing City support for qualified multi-family housing development which meet the goals of the City and comply with applicable federal and state law.

All applications submitted will be reviewed by a technical review committee on June 23rd, 2025 at 2:30pm to be located at 600 Cleveland St Clearwater FL 33755, who will make a recommendation to the City Council. The City Council has the authority to approve commitment letters and loans providing Local Government Area of Opportunity Funding for developments seeking Florida Housing Finance Corporation ("FHFC") Housing Credits and State Apartment Incentive Loan ("SAIL") funding in conjunction with FHFC Request for Applications ("RFA") and/or loans providing Local Government Contributions in conjunction with FHFC RFA's. Submission of an application does not entitle the applicant to financing, even if sufficient funds remain.

As a community committed to expanding affordable housing opportunities for our residents, Clearwater recognizes the pivotal role that the LIHTC program plays in fostering the development and rehabilitation of rental housing. This federal program serves as a crucial tool for supporting developers in creating affordable housing options by awarding tax credits that offset construction costs, in exchange for reserving a portion of units that are rent-restricted and designated for lower-income households.

The LIHTC program is the federal government's primary tool for promoting the development and rehabilitation of affordable rental housing. This program provides developers with federal tax credits to offset construction costs in exchange for committing to set aside a portion of units with rent restrictions for lower-income households. There are two types of LIHTCs available to developers: the 9% credit, typically used for new construction, offering up to a 70% subsidy, and the 4% credit, generally applied to rehabilitation projects that involve at least 50% federally tax-exempt bond financing, providing up to a 30% subsidy.

The 9% LIHTC is a critical driver in the creation and rehabilitation of affordable rental housing across the U.S., serving as an effective and efficient method for producing and preserving affordable housing. On average, 50% of the total financing for 9% LIHTC projects comes from the equity generated by the credit. Many states rely on the 9% LIHTC as their primary mechanism for supporting affordable rental housing. In areas with high area median incomes (“AMI”s) and elevated rent levels, the 9% LIHTC effectively helps create new affordable housing and preserve existing units with below-market rents. Due to higher incomes in these areas, LIHTC projects remain financially viable. While the rents are below market rates, they are tied to the AMI of the metropolitan area, meaning rents will be higher in regions with higher AMIs compared to those with lower median incomes, resulting in stronger cash flows for the property.

Through this RFA, the City aims to allocate Local Government Area of Opportunity funding, with an amount not exceeding the minimum required by FHFC. For the purposes of this RFA, please assume the funding amount to be \$610,000.

Applications for funding will be released on May 21st, 2025. All interested parties shall submit their applications to the City of Clearwater Housing Division located at 509 S. East Ave, Suite 227 Clearwater, FL 33756 or via the City of Clearwater’s Housing Departments website by 4:30 p.m. on June 20th, 2025, no exceptions will be made. Decisions regarding proposed projects will be made by the City Council at their July 10th, 2025 meeting.

The City reserves the following rights to:

Engage in pre-award discussions and/or negotiations with any responsive and responsible applicants whose submission is considered reasonably acceptable for award; conduct interviews or request presentations from any or all applicants prior to selection; and investigate the qualifications of applicants as deemed necessary, including background checks by the City’s Police Department or other law enforcement agencies.

Request that applicants revise their proposals to better meet the City’s needs, including submitting Best and Final Offers (BAFO), or provide additional information as reasonably required.

Ensure fair and equal treatment for all applicants regarding opportunities for discussions and proposal revisions, which may occur after submission and before the final award.

Negotiate acceptable modifications to proposals, waive minor procedural irregularities, and reject any or all proposals.

Proceed with the selection of a successful applicant without further discussions.

Waive any proposal irregularities or reject any or all proposals if determined to be in the City's best interest. The City will be the sole judge of applicant qualifications and reserves the right to verify all submitted information. The selected proposal will be the one deemed most beneficial to the City.

Application packets are available via the internet through the Economic Development and Housing Department website located at www.myclearwater.com/affordablehousing. Printed copies of these documents are available at the City of Clearwater's Housing Division located at 509 S. East Ave, Suite 227 Clearwater, FL 33756. If you have any questions, please feel free to contact Dylan Mayeux, Acting Housing Manager at 727-444-7168 or at dylan.mayeux@myclearwater.com.