

CITY OF CLEARWATER, FLORIDA
HOME INVESTMENT PARTNERSHIP PROGRAM
DEVELOPMENT OF RENTAL HOUSING PROJECTS
FUNDED THROUGH THE
STATE OF FLORIDA'S LOW INCOME HOUSING TAX CREDIT PROGRAM
APPLICATION INSTRUCTIONS

PURPOSE AND GOAL

HOME Investment Partnership Program

The HOME Investment Partnership Program is a federal program administered by the U.S. Department of Housing and Urban Development Department to provide decent and affordable housing to low to moderate income individuals and families. The City of Clearwater has been designated by HUD to administer the HOME Program as established by the 24 CFR 92, as amended.

The City's intent is to utilize the HOME Program Funds for the creation of rental housing units for low and very low-income households in the City of Clearwater. The goal is to develop projects that meet the following objectives:

- a. To create safe, decent and affordable rental units for households having the lowest incomes.
- b. To maintain the affordability of the rental units for the longest period of time possible.
- c. To assist in the provision of financially viable, market-appropriate housing in the areas of greatest housing need in the City.
- d. To assist in the provision of quality housing at a reasonable cost to meet a variety of needs, including family, elderly and special need populations.

Low Income Housing Tax Credit Program

The Housing Credit Program is governed by the U.S. Department of Treasury under Section 252 of the Tax Reform Act of 1986 and Section 42 of the Internal Revenue Code, as amended. The program was established to provide for-profit and non-profit organizations with a dollar-for-dollar reduction in federal tax liability in exchange for the acquisition and substantial rehabilitation or new construction of low and very low income rental housing units.

The 2011 Universal Application Cycle closes on December 6, 2011.

AWARD AMOUNT

The minimum value of contributions required from a government agency for a Housing Credit Program application to receive the maximum points is \$100,000. This contribution can be derived through cash contribution, fee waivers, deferments, and other forms of contributions. At a minimum, the City will set aside funding from the FY 2011 HOME Investment Partnership Program to ensure that the Housing Credit Program applicant receives the points for local government contribution.

The maximum amount of HOME funds that may be awarded to any individual proposal is \$100,000 in the form of a grant. The City Council, in its sole discretion, may make exceptions to funding other Housing Credit Program applicants on a case-by-case basis, through various other resources.

PROJECT ELIGIBILITY

Priority will be given to new construction projects.

ELIGIBILITY CYCLE INFORMATION

Applicants wishing to receive an award must submit an application in accordance with the requirements of this Program. The City will hold one eligibility cycle. The eligibility cycle information for the FY 2011-2012 allocation is as follows:

A Notice of Funding Available (the NOFA) will be published by November 1, 2011. Applications will be made available on the same date. The Application Submission Deadline for all applications must be physically received in the City of Clearwater's Housing Division (112 South Osceola Avenue, Clearwater (City Hall - First Floor)) no later than 4:00 P.M. Eastern Time, November 16, 2011. Any applications received after that time will not be considered. Early submission is encouraged. Applications will be selected and ranked by a Selection Committee. Final decision will be made by the City Council on December 1, 2011. This date may change without notice.

CONDITIONAL RESERVATION PROCESS

The recommended applicant will receive a conditional reservation of the funds. The applicant must become an approved applicant and recipient of funds through the State of Florida Low Income Housing Tax Credit Program.

MANDATORY THRESHOLD REVIEW

The City of Clearwater has established criteria that must be met in order for the application to be considered for the competitive review stage. Any application that fails to meet any one of the threshold criteria will be rejected. The threshold review is a basic review of the application to determine that it is complete and includes all necessary forms and supporting evidence.

The Threshold Criteria are as follows:

Applications must be complete, consistent and contain all supporting documentation in an organized fashion. Applications that are incomplete, inconsistent, and/or illegible will be rejected.

- **Project Financials** - A detailed pro forma operating budget must be included as part of the application (Section 4.2).

Any owner or general partner that is currently in noncompliance due to site audits or the failure to comply with reporting requirements will be denied participation in the eligibility cycle. In addition, any owner that is not in compliance or good standing with any other City program will be similarly denied participation.

- **Development Narrative** - Each application must contain a project narrative that summarizes the scope of the proposal and the roles of the development team. This narrative should include the following (Section 3.2):

- a. A description of the proposal, including its location(s), development type, unit mix and unit size.
 - b. Description of project design.
 - c. Proposed rents.
 - d. A description of need and the target market.
 - e. A description of special amenities and services.
 - f. A summary of proposed construction and permanent financing.
 - g. Anticipated start and completion dates.
 - h. The project must address local housing needs and priorities, as documented in the City's Consolidated Plan.
- **Site Control** - The applicant must establish evidence of site control. All site options/contracts, as applicable, must be also valid at the time of selection by the City. The following may be used as evidence of site control (Section 3.6):
 - a. Executed and recorded deed.
 - b. Executed purchase option agreement.
 - c. Executed purchase contract.
 - d. Executed long-term land lease or option on a long-term lease.
 - e. Title Commitment.
 - **Development Schedule** - The application must include a list of proposed dates for the completion of the following (Section 3.6; Exhibit C):
 - a. Site Plan/Plat approval.
 - b. Construction and permanent financing commitments.
 - c. Commencement of construction.
 - d. Placement in service of the development.

EVALUATION FACTORS

All applications submitted will be evaluated by City staff using the following federal preferences and selection bonus point(s) criteria (50 Points Maximum):

- **Project Location (8 Point Maximum)** - **Note: Priority will be given to projects that promote spatial deconcentration of housing by income type in the Downtown District, Community Redevelopment Area, or Neighborhood Revitalization Strategy Area. Projects located in these areas that are in close proximity to other types, (assisted housing units, elderly housing units, income based housing units, etc.) will receive a lower rating than those not in close proximity.*
 - a. Is the project located where it is convenient to services and in neighborhoods that include and encourage a socioeconomic mix of households? Is the project located in an area that supports this concept and adds to the mix of incomes in the area? (Please describe in narrative) (4 pts)
 - b. Is the project located in a Neighborhood Revitalization Strategy Area? (2 pts)
 - c. Does the affordable housing site improve the existing character of the neighborhood and support the vision for the area? (2 pts)
- **Housing Needs Characteristics (5 Point Maximum)**

- a. Does the application indicate a need for the specific housing type that is proposed (elderly, special needs, homeless, or public housing)? (Full market analysis receives 5 pts)
- **Project Characteristics (5 Point Maximum)**
 - a. Is the size of the development appropriate for the need and demand in the community and are the unit sizes and mix of units appropriate for the community and the site? (Please describe in narrative) (5 pts)
- **Experience (10 Point Maximum)**
 - a. Does the Developer have the requisite experience with similar projects? (6 pts)
 - b. Overall experience (Legal, Construction, Management, Leasing, etc.) of the development team. (4 pts)
- **Design Characteristics (8 Points Maximum)**
 - a. Does the design offer safety, outdoor living areas to the units and maximizes open space? (2 pts)
 - b. Does the architectural design offer features for energy conservation, green-build and reflect the existing architecture of the surrounding area? (2 pts)
 - c. Does the project provide exceptional amenities? (2 pts)
 - d. Is the project considered to be concrete construction? (2 pts)
- **Financial Commitments (10 Points Maximum)**
 - a. Does the applicant document the desired financial commitment in the project? (including Developer equity) (5 pts)
 - b. Does the pro-forma address all relevant issues? (5 pts)
- **Tie Breaker (4 Points Maximum)**
 - a. Which project exemplifies the highest level of quality in design and green elements? (2 pts)
 - b. Which project scores the highest according to application criteria/instructions from the State's Universal Cycle application? (2 pts)