



## LETTER OF INTENT

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RE: RFQ for Development of Real Property in Downtown CRA — Reference No. 15-26

Date: February 13, 2026

To:

Lori Vogel

City of Clearwater – Community Redevelopment Agency

lori.vogel@myclearwater.com

### **1. EXECUTIVE SUMMARY**

DW Development Group (“DW”) respectfully submits this Letter of Intent in response to the City of Clearwater Community Redevelopment Agency’s Request for Development Proposals (Reference No. 15-26) for the acquisition and redevelopment of the seven-parcel Washington/MLK assemblage.

DW proposes the development of a 168-unit, 100% affordable multifamily community financed through 4% Low-Income Housing Tax Credits and tax-exempt bond financing. The development will serve households earning between 30% and 60% of Area Median Income and will provide long-term housing stability for Clearwater’s workforce, seniors, veterans, and families.

The 3.382-acre site (147,360 square feet) will be transformed from vacant land into a high-quality residential community that activates the MLK and Washington corridors and advances the Downtown CRA’s revitalization goals. All units will be income-restricted for a minimum 30-year compliance period, with an additional 20-year extended affordability commitment, ensuring a 50-year affordable housing asset.

DW hereby offers \$2,520,000, consistent with the appraised value, for acquisition of the property. The proposal is supported by a structured and financeable bond-backed capital stack and an experienced development team prepared to advance immediately into entitlement, financing, and construction phases upon CRA selection.

This development leverages substantial capital to convert underutilized land into a long-term community asset that strengthens Clearwater’s housing infrastructure and economic vitality.

## **2. DEVELOPMENT TEAM QUALIFICATIONS**

DW Development Group (“DW”) is an experienced affordable housing developer specializing in LIHTC-financed communities and public-private partnerships across multiple states. The firm has delivered and rehabilitated hundreds of residential units, including workforce, senior, and family housing, and has structured complex capital stacks involving 4% bond-financed LIHTC transactions, 9% competitive credits, state housing tax credits, HOME funds, local incentives, and Brownfield redevelopment programs.

Within the past year, DW secured both a 9% LIHTC award and a 4% bond-financed LIHTC award in Missouri, demonstrating current underwriting strength, capital market credibility, and agency confidence. The firm has a proven track record of closing bond transactions and delivering projects on schedule and within budget.

### **Florida Experience**

DW leadership has direct Florida experience, including involvement in Indigo Apartments and multiple 4% non-competitive LIHTC transactions within the state. This experience provides familiarity with Florida Housing Finance Corporation processes, bond inducement procedures, and local incentive coordination, reducing entitlement and financing risk for the Washington/MLK redevelopment.

### **Project Team**

DW has assembled an experienced team with national financial capacity and Florida-specific expertise:

Architect – Wallace Architecture

Affordable housing architect with urban infill experience throughout Florida.

Debt Provider – Churchill Stateside Group

National affordable housing lender specializing in tax-exempt bond and LIHTC construction-to-permanent financing located in Clearwater, FL.

Equity Syndicator – Raymond James

National LIHTC equity investor with strong Florida presence and capital markets depth located in Clearwater, FL.

General Contractor – Park & Eleazer Construction

Florida-based multifamily contractor with experience in affordable housing delivery.

Legal Counsel – Baker Hostetler

National bond and affordable housing counsel experienced in tax-exempt financing and public-private transactions.

The assembled team has successfully closed numerous bond-financed affordable housing transactions and possesses the financial strength, regulatory expertise, and construction management capacity necessary to advance this project from award through lease-up with execution certainty.

### **Execution Certainty**

The assembled team has collectively closed numerous bond-financed affordable housing transactions and has the financial capacity, regulatory knowledge, and construction management expertise necessary to advance the Washington/MLK development from award through lease-up without delay.

## **3. SITE UNDERSTANDING & DUE DILIGENCE**

The Washington/MLK assemblage consists of seven contiguous parcels totaling approximately 3.382 acres (147,360 square feet) and is currently vacant and cleared for redevelopment. The site occupies a prominent location within the Downtown CRA and offers multi-street access from MLK, Washington Avenue, Gould Street, and Pierce Street.

DW has reviewed the available appraisal, survey, environmental documentation, and prior geotechnical information in preparation for this proposal.

Environmental review confirms no Recognized Environmental Conditions (RECs) or Controlled RECs. Historical contamination associated with prior industrial uses was remediated, and a Site Rehabilitation Completion Order was issued in 2009. Disaster debris management activities were closed in July 2025 with no groundwater impacts identified. These findings support the site's suitability for residential redevelopment.

The property's Brownfield history and prior industrial operations have been acknowledged in preliminary budgeting and planning. Prior geotechnical investigations identified subsurface debris and a concrete vault feature; appropriate contingency allowances have been incorporated into the development budget to address potential site preparation requirements.

Typical regional shallow groundwater conditions have been considered in preliminary foundation and stormwater planning assumptions. Updated geotechnical and civil engineering analyses will be completed during pre-development to confirm foundation design, grading, and stormwater compliance.

DW's approach includes early engineering coordination, conservative contingency allocation, and structured environmental review to minimize risk and ensure the project advances efficiently from award through construction.

## **4. DEVELOPMENT DESCRIPTION**

### **A. Project Overview**

DW proposes the development of a six-story, 168-unit multifamily residential community designed to fully activate the Washington/MLK assemblage and create a long-term residential anchor within the Downtown CRA.

The development will be 100% income-restricted at 30%–60% Area Median Income (AMI), providing high-quality, stable housing for Clearwater’s workforce, seniors, veterans, and families.

The proposed density maximizes the site’s urban location while maintaining a pedestrian-oriented scale and compatibility with surrounding corridors. The six-story design efficiently utilizes the 3.382-acre assemblage, allowing for structured site planning, open space integration, and internal courtyard activation.

### **B. Preliminary Unit Mix**

The proposed unit distribution is designed to address demonstrated housing demand for both smaller workforce units and larger family-oriented units:

- 42 One-Bedroom Units
- 100 Two-Bedroom Units
- 26 Three-Bedroom Units

### **C. Affordability Commitment**

100% of the units will comply with LIHTC affordability requirements for a minimum 30-year compliance period, with an additional 20-year extended affordability commitment.

This 50-year affordability horizon ensures the Washington/MLK site remains a permanent affordable housing asset within the Downtown CRA and prevents future displacement pressures as the surrounding area continues to improve.

### **D. Design & Architecture**

The development will feature modern, context-sensitive architecture that enhances the MLK and Washington corridors and reinforces the City’s revitalization vision.

Key design elements will include:

- Activated street frontage along MLK and Washington
- Landscaped internal courtyards promoting community interaction
- Pedestrian-friendly internal circulation
- High-quality exterior materials and architectural detailing

- Community center and resident services space
- After-school programming room
- Fitness center
- Raised Garden Beds
- Dog Run
- Outdoor recreation areas
- Solar-ready roofing infrastructure
- EV charging readiness
- Energy-efficient building envelope and mechanical systems

The architectural approach is intended to create a visible transformation of the corridor — replacing vacant land with a stable, well-managed, community-focused residential development.

## **5. COMMUNITY & ECONOMIC BENEFIT**

The Washington/MLK redevelopment transforms publicly controlled land into a long-term affordable housing asset that directly addresses Clearwater’s housing shortage.

The project will deliver 168 affordable apartment homes for households earning between 30% and 60% of Area Median Income. With a 50-year affordability commitment, the development ensures lasting housing stability for workforce households, seniors, veterans, and families who are increasingly priced out of market-rate housing.

Stable, affordable housing strengthens the local economy. When residents have predictable housing costs, they are better positioned to maintain employment, support their families, and contribute to the surrounding community. By locating 168 households within the Downtown CRA, the development increases corridor activity, supports nearby businesses, and enhances neighborhood vitality.

The project also activates a currently vacant and remediated site, improving visual character, increasing natural surveillance, and reinforcing pedestrian connectivity along the MLK and Washington corridors. The presence of a high-quality residential community will serve as a catalyst for continued reinvestment in the area.

Construction is expected to generate significant employment over an 18-month period, with permanent jobs created through ongoing property management and maintenance operations. The infusion of LIHTC equity and bond financing leverages substantial private capital to produce long-term public benefit.

DW is committed to inclusive participation throughout development and construction, prioritizing minority- and veteran-owned business participation, local subcontractor engagement, and workforce development partnerships. On-site community space will support resident programming and engagement, reinforcing long-term housing stability.

This development aligns with the Downtown CRA’s mission by delivering measurable economic benefit, permanent affordability, and responsible redevelopment of a previously industrial site into a vibrant residential community.

## 6. FINANCIAL STRUCTURE

DW Development Group hereby offers a purchase price of \$2,520,000 for acquisition of the Washington/MLK assemblage, consistent with the 2025 appraised value. This offer is supported by a structured and financeable capital stack designed specifically for 4% LIHTC bond-financed affordable housing developments.

The proposed development will be financed through a combination of tax-exempt multifamily revenue bonds, 4% federal Low-Income Housing Tax Credit equity, local and county housing participation, and deferred developer fee. This structure leverages substantial private capital while minimizing direct public subsidy relative to total project cost.

The preliminary total development cost is estimated at \$60,601,287.

### Sources (Preliminary)

4% LIHTC Equity – \$18,652,586  
Tax-Exempt Bond Debt – \$19,671,000  
CRA Soft Funds – \$4,000,000  
Clearwater Funds – \$1,500,000  
City Permit Waivers – \$756,000  
Pinellas Land Trust – \$2,520,000  
Pinellas County Housing Funds – \$8,076,768  
Deferred Developer Fee – \$5,424,933  
Total Sources – \$60,601,287

### Uses (Preliminary)

Land Acquisition – \$2,520,000  
Hard Construction Costs – \$41,559,462  
Soft Costs (Architecture, Engineering, Legal, Financing) – \$5,842,728  
Contingency – \$1,934,352  
Developer Fee – \$8,744,745  
Total Uses – \$60,601,287

### Capital Structure Strength

The deferred developer fee commitment of \$5,424,933 reflects DW’s long-term ownership approach and alignment of interests. By deferring a portion of developer

compensation, DW reduces immediate funding pressure and strengthens underwriting feasibility.

Bond financing will be structured through tax-exempt multifamily revenue bonds, with underwriting supported by experienced national affordable housing lenders and equity partners. The development team has an established track record of closing 4% LIHTC bond transactions and maintaining strong relationships within capital markets.

#### Underwriting & Risk Mitigation

The financial model incorporates conservative assumptions, including contingency allocations and stabilized operating reserves consistent with LIHTC underwriting standards. Debt sizing is based on achievable restricted rents and sustainable operating expenses, ensuring long-term financial viability.

The capital stack is structured to advance through bond inducement, credit underwriting, and equity commitment in a coordinated timeline following CRA selection.

#### Funding Sources

The development anticipates utilizing:

Tax-Exempt Multifamily Revenue Bonds  
4% Federal LIHTC Equity  
Clearwater CRA participation  
Pinellas County housing funds  
City waivers and incentives  
HOME and SHIP funding, if applicable  
Private lending partners

All funding sources are consistent with similar bond-financed affordable housing developments and reflect established financing mechanisms within Florida.

## **7. ENTITLEMENT & ZONING STRATEGY**

DW Development Group recognizes that entitlement certainty is critical to timely project delivery and successful financial closing. Based on preliminary review of the site's Downtown CRA location and surrounding development pattern, the proposed six-story multifamily residential development is consistent with the area's urban character and redevelopment objectives.

Upon CRA selection, DW will immediately initiate formal coordination with the City of Clearwater Planning and Development Department to confirm:

- Permitted residential density

- Height allowances consistent with a six-story structure
- Parking requirements and any available urban or affordable housing reductions
- Stormwater management compliance and on-site retention strategy
- Access and circulation from MLK, Washington Avenue, Gould Street, and Pierce Street
- Streetscape enhancement and pedestrian connectivity requirements

The development team will conduct a zoning verification analysis during pre-development to confirm allowable unit yield and development standards. If density bonuses, affordable housing incentives, or minor modifications are required, DW will promptly initiate the appropriate applications in coordination with City staff.

Given the project's 100% affordable housing commitment and Downtown CRA location, DW anticipates strong alignment with City housing and redevelopment priorities.

Stormwater and site engineering will be addressed early in design to ensure compliance with City and Southwest Florida Water Management District standards. The preliminary site plan incorporates internal courtyard open space and landscaped areas designed to integrate functional stormwater solutions while maintaining pedestrian-oriented design.

DW's approach emphasizes early engagement, transparent coordination, and proactive resolution of entitlement items to minimize schedule risk and advance efficiently toward bond inducement and financial closing.

## **8. DEVELOPMENT TIMELINE (ESTIMATED)**

DW Development Group has structured the proposed timeline to align with bond inducement, tax credit equity underwriting, and construction sequencing requirements typical of 4% LIHTC developments. The schedule reflects a coordinated approach between entitlement, financing, and design progression to minimize delay and ensure timely financial closing.

CRA Selection & Contract Execution: Q2 2026

Pre-Development, Due Diligence & Design Development: Q2–Q4 2026

Bond Inducement & Financing Applications: Q3 2026 – Q1 2027

Construction Documents & Permitting: Q1–Q2 2027

Financial Closing: Q2 2027

Construction Start (18–20 months): Q3 2027

Construction Completion: Q4 2028

Lease-Up & Stabilization: Q4 2028 – Q1 2029

DW's development team has successfully executed comparable bond-financed timelines in prior projects and understands the coordination required between municipal approvals, lender underwriting, and equity investor closing processes. Early engagement with City staff and bond counsel will be prioritized to ensure schedule adherence.

This timeline reflects a realistic and financeable path from CRA award to stabilized operations.

## **9. RELEVANT EXPERIENCE**

DW Development Group leadership has overseen and delivered LIHTC developments ranging from 40 to 220 units across Colorado, Missouri, Kansas, Idaho, Arizona, and Florida. These projects have included new construction, rehabilitation, urban infill, mixed-income communities, and complex public-private partnerships.

The team has successfully partnered with multiple state housing finance agencies, including CHFA, MHDC, FHFC, ADOH, and IHFA, demonstrating familiarity with varying underwriting standards, bond issuance structures, and compliance requirements.

DW and its leadership possess the financial strength and liquidity necessary to successfully execute the Washington/MLK development. The firm has demonstrated the ability to close both 4% and 9% LIHTC transactions across multiple states and has recently secured both bond-financed and competitive credit awards.

The development team maintains strong relationships with national lenders, bond issuers, and equity syndicators, ensuring access to capital markets and investor confidence. DW has established pre-development capital capacity to advance design, engineering, environmental updates, and entitlement work prior to financial closing.

A consistent history of meeting construction schedules and financing deadlines underscores the team's execution reliability. Formal financial statements, lender interest letters, and balance sheet documentation can be provided under separate confidential cover upon request.

## **10. CONCLUSION**

The Washington/MLK redevelopment represents an opportunity to transform a remediated and vacant assemblage into a permanent affordable housing asset that serves Clearwater residents for generations.

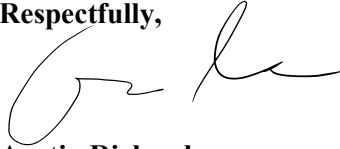
DW Development Group is prepared to deliver a 168-unit, 100% affordable community that aligns with the Downtown CRA's revitalization mission, leverages substantial private capital, and provides long-term housing stability for workforce households, seniors, veterans, and families.

This proposal combines financial feasibility, development experience, regulatory compliance, and community-centered design. DW is committed to advancing the project promptly following CRA selection and to working collaboratively with City leadership to ensure a smooth entitlement, financing, and construction process.

This Letter of Intent reflects DW's full commitment to negotiate in good faith, secure financing, and deliver a transformative and enduring development for the City of Clearwater.

We appreciate the opportunity to submit this proposal and look forward to continued collaboration with the CRA and City leadership.

**Respectfully,**

A handwritten signature in black ink, appearing to read 'Austin Richardson', written in a cursive style.

**Austin Richardson**

Vice President

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