



GUIDING COMMUNITIES TOWARD A BETTER TOMORROW SINCE 1979.

January 2, 2025

Community Redevelopment Agency of Clearwater
Attn: Economic Development & Housing Department/LOI
600 Cleveland Street, 6th Floor
Clearwater, FL 33755

RE: Letter of Interest for the Purchase and Redevelopment of 1105 Carlton Street.

Sir/Madam,

Tampa Bay Neighborhood Housing Services (TBNHS) is pleased to submit this Letter of Interest for the purchase and redevelopment of the property located at 1105 Carlton Street in Clearwater, FL. TBNHS currently has 36 affordable housing units in various stages of development. These units are a blend of rental, single family, and commercial rental properties. This property will complement the current production of TBNHS and provide much needed mixed use development in the North Greenwood neighborhood. Below is TBNHS' Redevelopment Plan, Financing Plan, Staff Experience, and Project Development Experience. TBNHS looks forward to the opportunity of developing this property for affordable rental housing.

Redevelopment Plan

TBNHS is currently developing a mixed use rental project model for commercial zoned properties. The goal of providing affordable housing and commercial revitalization in the North Greenwood neighborhood. The model is designed to blend better with the neighborhoods and to provide a better living and retail environment for the residents and business owners. TBNHS proposes to redevelop 1105 Carlton Street from into a small mixed-use project with 1 commercial rental space and 1 - 3 bedroom rental apartment unit above the commercial space. The apartment would be approximately 900 square feet.

TBNHS intends 1105 Carlton St to be the pilot for a larger mixed-use project in partnership with the City of Clearwater's Economic Development and Housing Department to develop four more nearby mixed used spaces and transform the North Greenwood MLK corridor into a more thriving community and marketplace. Furthermore, TBNHS will ensure the use of efficient construction methods and materials. There will be 1 story of living over the retail space below, and will utilize overhangs, arcade features for shade and street engagement. The goal is to rent the lower commercial spaces to retail, office, hospitality, and small grocery

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business on the first floor to enliven the streetscape. In addition, there will be spaces for outdoor dining, gathering, and markets with pedestrian friendly walkways. The project financing is structured to rent each unit to families that earn below 80% of the area median income and to rent the commercial spaces to local community business. TBNHS intends to make the rental apartments available to families that participate in the Housing Choice Voucher Program from Clearwater Housing Authority. TBNHS intends to design the front elevation of the 1105 Carlton building to match the elevation designs of their proposed larger mixed use new construction projects. A preliminary site plan and floor plan have been attached.

TBNHS is committed to building energy efficient homes that will save the residents on their monthly utility payments. All rental units to be built will meet Energy Star standards. Energy efficient features can include:

- Radiant barrier on roof to reflect sun from roof and provide a cooler attic.
- Exterior concrete block wall cells filled with insulation. This increases the R rating on the exterior walls from R-4 to R-11.
- Heat pump (hybrid) water heaters. These water heaters use the ambient air temperature to assist with heating the water.

TBNHS has retained Stephen J. Spencer of Spencer Associates Architecture, LLC and Housh Ghovaei of North Side Engineering to provide design services for this project. Both firms offices are located in the City of Clearwater and have extensive experience working in the City.

Financing Plan

The estimated total development costs for the project are \$1,345,200. This includes a \$144,000 developer fee. The proposed financing structure includes a conventional 1st mortgage from one of TBNHS' commercial lending partners. TBNHS proposes that the CRA provide a cash flow loan for \$350,000. Based on the proposed operating proforma, TBNHS would make annual payments of \$8,279. The balance of funds required for the development of this project (\$633,000) would be secured by a Land Use Restriction Agreement.

The proposed operating proforma shows gross rents at \$50,844 the proposed commercial rent is \$2,250/month and residential rent for the 3 bedroom apartment is \$1,987/month – 80% AMI. The estimated annual net operating income is \$39,588. The debt service coverage ratio for the 1st mortgage is 1.28. The development and operating proformas are attached.

Staff Experience

For over 40 years, Clearwater Neighborhood Housing Services, Inc. doing business at Tampa Bay Neighborhood Housing Services (TBNHS) has been overseeing the rehabilitation of distressed existing

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residential properties, developing new construction in-fill projects, and managing commercial building renovations. The development team consists of Frank Cornier, the President and CEO, and David Harder, the Real Estate Development Manager.

Frank is an affordable housing development professional with over 20 years' experience in single-family development, multifamily development, and non-profit management, utilizing a variety of funding and financing sources. He provides oversight and compliance reviews to the agency's departments to ensure that the organization's housing goals are met.

Before joining TBNHS, Mr. Cornier was the Vice President of Project Development for Blue Sky Communities in Tampa. There, he managed day to day development and construction activities of numerous multifamily, Low-Income Housing Tax Credit Projects (LIHTC). The projects ranged from \$12- 22 MM each and 82-144 residential units, throughout the State of Florida. He further was the Vice President of Real Estate Development for the Corporation to Develop Communities of Tampa, Inc. for five years and the Assistant Senior Lending Manager of Chase Bank, both in Tampa. Before relocating to the Tampa Bay area, Mr. Cornier was the President/CEO of NCS Community Development Corporation in Rochester, New York for 10 years.

In addition to his extensive work experience, Mr. Cornier has a Certificate in Community Real Estate Development from the University of South Florida in Tampa; a State of Florida Real Estate Broker License; a Master of Science in Community Economic Development from Southern New Hampshire University in Manchester, New Hampshire; and a Master of Science Internship with a concentration in Economic Development from the Pratt Institute in Brooklyn, New York.

David has been involved in affordable housing development for over 30 years. David holds a certified general contractor license, real estate associate license, has held the LEED-AP, Building Design & Construction certification, and has been certified through the Institute of Inspection, Cleaning, and Restoration (IICRC). Through project management, consulting services, general contracting, and development; David has participated in the development of over 3,000 affordable housing units and more than 80,000 square feet of commercial space. A list of sample projects include: a 5 story 117 bed hotel development with total construction costs of \$8,600,000; a 4 story 16 unit apartment building with total development costs of \$5,800,000; a 12 story 67 unit apartment utilizing LIHTC and conventional financing; and a 26,600 sq. ft. 60 bed women's shelter with all amenities and LEED certified, construction budget of \$12,350,00.00.

Theron Burns, Real Estate Development Specialist. Role- Project Assistant. Theron will provide support and assist David with the project. Theron has over 15 years in the real estate industry in sales, property

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management, and housing counseling. Theron is a Licensed Real Estate Broker, Realtor, and Property Manager.

Sharaun Day, Real Estate Development Specialist. Role- Project Assistant. Sharun will provide support and assist David with the project. Sharaun has over 19 years of real estate industry experience in sales, property management, housing counseling, and lending. Sharaun is a licensed Real Estate Broker, Realtor, Mortgage Loan Originator, and property Manager.

Project Development Experience

Currently TBNHS has a small commercial property in pre-construction. This property will be developed to hold a 24-Unit mixed-income, owner-occupied townhome community to be developed and constructed on the Property. TBNHS also has 15 single family homes in various stages of development. These homes are offered to families how have completed TBNHS' homebuyer education classes and homebuyer counseling program. All of the proposed apartment units will be offered to families earning below 80% of the area median income (AMI). TBNHS has also partnered with Habitat for Humanity to develop a 24 home for sale townhouse development. 12 of these homes will be available to families earning below 80% AMI and 12 will be available to families earning between 80% and 120% AMI.

TBNHS has completed numerous projects in the past which demonstrates the agency's experience and capacity in carrying out the proposed activity and meeting its goals and objectives. In 2001, TBNHS partnered with Bank of America in the renovation of 192 rental units now known as the Palmetto Park Apartments and Make a Difference Center, formerly known as the Greenwood Apartments. This development preserved 192 rental units in the North Greenwood community. The apartments were completely redeveloped. Interior rehabilitation included new electrical, plumbing, water heaters, heating systems, central air conditioning, windows and doors, bath fixtures, kitchen cabinets, new appliances including dishwashers and garbage disposals, new carpet and tile flooring, and new walls to remove the lead-based paint and asbestos. On the exterior, the buildings were given new roofs and stucco and painted. The project further included the Make a Difference Center (MADC) with a computer lab, children's tutorial program, library and after school and summer programs. Sidewalks and landscaping were added to complete the project.

In 2003, TBNHS completed a major redevelopment project at 1045 N. Martin Luther King, Jr. Avenue in North Greenwood. The facility was an old commercial building that had been used in the past as a community bar, lounge and restaurant since its original construction in 1945. TBNHS acquired the building with federal funding from the City of Clearwater in 2003, in an effort to eliminate blighted conditions and to help move the community forward. At that time, the building was rehabilitated through the use of EDGE funds from BB&T Bank and NeighborWorks® America. The Center is now the home for Lutheran Services of Florida, Inc., a Head Start Program of Tampa Florida.

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In addition to the above commercial projects, TBNHS has administered many programs for the City of Clearwater. From 1979-2011 TBNHS had successfully implemented the City of Clearwater's housing rehabilitation program, the infill/new construction program and the emergency housing repairs program. The infill/new construction program resulted in hundreds of newly constructed homes being built and sold to low to moderate income home buyers. Through the housing rehabilitation and the emergency housing repairs programs, TBNHS assisted over 500 low to moderate income existing homeowners within the City with repairs and improvements to correct substandard housing conditions and code violations.

While administering the above programs for the City of Clearwater, TBNHS was responsible for marketing the programs, processing the loan applications, determining client eligibility, packaging the loans, preparing new construction specifications, preparing builder's contracts for infill new construction projects, ordering credit reports, underwriting loans, project monitoring, ordering minimum housing code inspection reports, conducting feasibility analyses for rehabilitation projects, preparing work write-ups, preparing contracts, and ordering appraisals, surveys, title searches, and environmental assessments. TBNHS also completed all billing and reporting requirements per the City contract.

TBNHS also has extensive experience administering numerous other housing rehabilitation programs. To begin with, over the past decade, TBNHS had been administering the Pinellas County Home Repair Loan Program. This program was targeted specifically for low to moderate income households living in Pinellas County. The program guidelines and implementation process were extremely similar to the City of Clearwater programs.

Another program TBNHS administered for Pinellas County was the Independent Living Grant Program. That program provided incentives to encourage barrier free, accessible housing for low-income individuals with disabilities in unincorporated Pinellas County. The program funded repairs such as ramps, railings and special equipment to enhance the lives of individuals who are physically disabled to allow them to live independently.

Respectfully Submitted,



David Harder
Real Estate Development Manager

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