

Project Description

The Developer, **SP Clearwater WFH LLC** is the Applicant which is proposing to develop and operate a 171-unit family, new construction Work Force Housing development in the City of Clearwater to be known as Washington Avenue Apartments (the "Project"). The Project will offer a mixture of 57 1BR, and 114 2BR units configured in seven buildings on a 3.358-acre m.o.l. land parcel currently owned by the City of Clearwater Community Redevelopment Agency ("CRA") (the "Land"). In response to the CRA's Request for Proposals RFP/Q 53-20 the Applicant requests that the CRA select Applicant so that Applicant's application to Pinellas County on August 28, 2020 to have the Pinellas County Land Trust purchase the Land from the CRA for \$3,240,000 can be finalized. When this Land purchase occurs at Closing, the Land Trust will the CRA \$3,240,000 and enter into a 99-year Land Lease with the Applicant for the Project on terms acceptable to the CRA. This CRA application requests that the CRA use the \$3,240,000 sale funds as a Source of Funds for Development of the Project as shown below. The August 28, 2020 application to Pinellas County also requested that the County select Applicant's request for a Penny IV \$2,200,000 Economic Development Grant as a partial Source of Funds for the Project Development as shown below.

In addition, Applicant requests that the City of Clearwater provide a \$880,000 HOME Loan as part of the Sources of Funds shown below which HOME Loan will amortize \$200,000 of the \$880,000 HOME Loan at 0% interest at \$10,000 per year over 20 years. The HOME Loan is proposed to be subordinate to any first mortgage covering the Project including its deferred part described next. The remaining \$660,000 shall be deferred from payoff at %0 for a period of 40 years from the HOME Loan Closing date and during that period can be assigned from time to time so long as the Debt Service Coverage is at least 1.18. The Applicant requests the City of Clearwater CDBG grant or other City grant in the amount of \$800,000 also shown below as a Source of Funds as set forth below. The Project Development Cost of **\$38,436,995** will be financed with Sources of Funds totaling **\$38,436,995** as shown below:

SOURCES OF FUNDS	PER UNIT	PERMANENT PERIOD
Equity	\$ 18,421	\$ 3,150,000
nlp First Mortgage	152,865	26,139,859
CRA Investment - Land Lease Sale	20,000	3,420,000
City Home Loan	5,146	880,000
Brownfield Sales Tax Exemption	585	100,000
CDBG/Other City Grant	4,678	800,000
Penny IV Economic Development Grant	12,865	2,200,000
Interim Income	-	
Replacement Reserves	-	-
Equity Bridge Loan	-	
Deferred Fee - 50%	10,217	1,747,136
TOTAL SOURCES OF FUNDS	\$224,778	\$ 38,436,995
USES OF FUNDS	PER UNIT	PERMANENT PERIOD
Construction Costs & Contingency	\$ 167,544	28,649,990
Financial Costs	12,911	2,207,755
General Development Costs	17,427	2,979,978
Legal & Audit Costs	614	105,000
ODR	5,848	1,000,000
Developer Fee	20,434	3,494,272
TOTAL USES OF FUNDS	\$224,778	\$ 38,436,995

Project Vision

The Project's primary purposes are two-fold: (i) providing a Work Force Rent Restricted Class-A rental property to serve families employed within a 5-mile radius of the project and (ii) a substantial improvement to the neighborhood surrounding the Project including some public parking for persons employed or shopping near the Project. It is expected that the residents will be primarily young families with no or small children renting while saving for their first home purchase. The rents and incomes are specifically targeted to families that are in the first few years as policeman, fireman, nurses and other hospital employees, teachers and county and city employees. One of the best features of this location is its proximity the Clearwater Beach which is less than a 15-minute drive.

The Project will be comprised of 18 affordable units at 80% of Area Median Income ("AMI") or less, 49 affordable units at 100% of AMI or less and 104 affordable units at 120% of AMI or less. The Project will be subject to a recorded Land Use Restrictive Agreement ("LURA") which require that rents remain restricted as shown above for the period required by the County Land Trust Lease which could be up to 99 years.

The Project site plan and design is intended to be a landmark for the South Martin Luther King and Cleveland Street neighborhood. The Project design creates and enclosed, secure perimeter that will enhance the security of the Project. Project amenities will include the following: high efficiency HVAC, Energy Star rated windows and appliances, ceiling fans in each living room and bedroom, high efficiency rated wall and attic insulation, high rated STC sound deadening construction between units and floors, Washers and Dryers in each unit, low flow toilets, water saving devices, a dog walking area, two playgrounds, a total of 275 parking stalls, including a 197 tenant car parking garage and additional 35 car covered tenant parking, at least 40 public and visitor parking and 3 parking stalls with covered waiting area for Uber/Lyft pick-up and drop-off. There is a 2,000 sq. ft. storage area for bicycles and scooters with electric outlets, a 2,500 sq. ft. Project office and community room, exercise room, coffee bar, a 25X50 pool and Jacuzzi with adjacent sun deck, outdoor cook/barbeque area and tables with direct access to the community room.

Project Timing

The timing for the Project Construction and leasing to 93% occupancy for at least 90 days to Stabilization is as follows assuming that the City of Clearwater CRA Board approves the Applicant's Application to the CRA on the terms set forth herein not later than October 28, 2020, on November 17, 2020, the Board of the Pinellas County Commissioners approves the award the Pinellas County Land Trust Land Lease and the Penny IV Grant requested by the Developer, the architect's permit drawing are sent to the City of Clearwater Building Department schedule not later than April 16, 2021, 2021 with the permits issued 60 days later on June 15, 2021 and Closing takes place July 1, 2021:

Washington St. Apartments Development Timing		
Event	Development Dates	Days
CRA Board Selects Applicant for Land Acquisition	10/29/2020	-
County Awards Applicant Land Lease & Penny IV Grant Request	11/17/2020	19
Architect Design & Building Permit Application	4/16/2021	150
City of Clearwater Issues Bldg. Permits	6/15/2021	60
Subtotal City CRA and Pinellas County Award, Design & Issuance of Building Permits		229
Construction Period, Lease Up and Stabilization		
Closing & Construction Commencement	7/1/2021	-
25% Construction Completion	10/29/2021	120
50% Construction Completion	2/26/2022	120
75% Construction Completion	6/26/2022	120
Building 1 First Occupancy	9/24/2022	90
Construction Completion & 100% COs	12/23/2022	90
93% Occupancy	3/23/2023	90
Stabilization 90 Days at 93% Occupancy	6/21/2023	90
Total Construction, Lease-up and Stabilization Days		720