



Legislation Text

File #: ID#21-9690, **Version:** 1

SUBJECT/RECOMMENDATION:

Approve a local government contribution of \$75,000 in General Fund Reserves to be set aside as a commitment for the Minimum Local Government Contribution that is required for Archway Partners, LLC (Archway) to receive a basis boost in the State of Florida's Low Income Housing Tax Credit Program (LIHTC) for an 80-unit affordable housing development project at 1250 Cleveland Street; approve Section 15.18 and 15.21 of the Development Agreement between the Community Redevelopment Agency of the City of Clearwater and Archway and authorize the appropriate officials to execute same. (consent)

SUMMARY:

On May 26, 2021, the City's Procurement Division released Request for Proposals and Qualifications (RFPQ) 43-21 for the development of 1250 Cleveland Street, a 2.35-acre site owned by the Community Redevelopment Agency (CRA). This solicitation closed on June 25, 2021 and five responses were received. A team of City staff representing the CRA, Economic Development and Housing, Legal and Planning and Development departments carefully reviewed each response and shortlisted three firms. Presentations were conducted with the shortlisted firms and Archway was the selected firm.

Once Archway gains site control of the property, they will apply to the Florida Housing Finance Corporation (FHFC) under Request for Application (RFA) 2021-205, one of several RFAs FHFC issues throughout the year. The local government contribution of \$75,000 is necessary for Archway to attain maximum scoring criteria among applicants. Applications for RFA 2021-205 are due on October 19 and FHFC's selection is expected by December 31.

Approval of Sections 15.18 and 15.21 of the Development Agreement between the CRA and Archway commits the City to the contribution of \$75,000 noted above.

As background, the Low-Income Housing Tax 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 \$75,000 contribution from the City will be in the form of an interest-free loan. While staff is recommending setting aside General fund reserves for this purpose, the loan will be funded with State Housing Initiatives Partnership Program funds from the FHFC. Additional funding will be provided by the CRA.

APPROPRIATION CODE AND AMOUNT:

N/A

USE OF RESERVE FUNDS:

Funding for this contract will be provided by a commitment of General Fund reserves in the amount of \$75,000.

Inclusive of this item if approved, a net total of \$2,338,540 of General Fund reserves has been appropriated by Council to fund expenditures during fiscal year 2021/2022. The remaining unappropriated balance of General Fund reserves, after the 8.5% reserve, is approximately \$33.7 million, or 22.1% of the current General Fund operating budget.