



Pinellas County

Staff Report

File #: 21-2616A, **Version:** 1

Subject:

Affordable housing project funding recommendation for Blue Dolphin Tower by Blue Sky Communities.

Recommended Action:

Recommend conditional approval of affordable housing funding for the Blue Dolphin Tower project by Blue Sky Communities.

It is further recommended that the County Administrator be authorized to negotiate and approve final terms, conditions, and funding amount not to exceed Board of County Commissioners (Board) approved amount.

- Blue Dolphin Tower by Blue Sky Communities is a new construction project of 81 multi-family affordable apartment units that will serve households earning at or below 80.0% of Area Median Income (AMI). With 13 of the units will be further restricted to 30.0% of AMI and 56 units restricted to 60.0% AMI.
- The funding recommendation for Blue Dolphin Tower is \$2,050,000.00 for land acquisition. Recommended funding sources are \$1M from State Housing Initiatives Partnership grant funds and \$1,050,000.00 from the Penny for Pinellas affordable housing budget.
- The total development cost is estimated to be \$28.1M. Other sources of funding include low-income housing tax credit equity, Raymond James Private Mortgage, the City of Clearwater, and Deferred Developer Fee.
- The project is located at 610 Franklin Street in Clearwater.
- Next steps: The County and Housing Finance Authority staff will complete additional due diligence activities including, but not limited to, property appraisals, title searches, loan underwriting and financial analysis. Funding agreements, leases, loan documents, and affordability restrictions will be prepared, negotiated, and executed.
- Board funding approval is conditioned upon satisfactory completion of all due diligence review as determined by the County Administrator.
- The County has previously committed \$23.4M of Penny IV funding toward 1,197 housing units that include 884 affordable homes. A summary table showing project status is attached.
- Eight applications are currently under review by staff for future recommendations to the Board.

Strategic Plan:

Ensure Public Health, Safety, and Welfare

2.4 Support programs that seek to prevent and remedy the causes of homelessness and move

individuals and families from homelessness to permanent housing

Foster Continual Economic Growth and Vitality

4.2 Invest in communities that need the most

Deliver First Class Services to the Public and Our Customers

5.1 Maximize partner relationships and public outreach

5.2 Be responsible stewards of the public's resources

Summary:

Blue Sky Communities has applied for \$2M of affordable housing funding assistance for the Blue Dolphin Tower project. Staff recommends the Board approve funding in an amount not to exceed \$2,050,000.00 for land acquisition and associated closing costs for the planned 81-unit affordable housing development project and authorize the County Administrator to negotiate and approve the final terms, conditions, and funding amount.

Background Information:

County Housing and Community Development staff have evaluated and scored the project application and determined it to be eligible for funding assistance. The project will be 100% affordable to households earning at or below 80.0% of AMI.

The project is in a prime location in Downtown Clearwater, located near primary and secondary transit corridors and within a Community Redevelopment Area (CRA). The primary funding source for the project is 9.0% tax credits through Florida Housing Finance Corporation. In addition, the City of Clearwater has committed local government assistance of \$610,000.00, plus an additional \$1.8M from the SHIP and HUD HOME ARP Programs. The developer has committed over \$1.56M in deferred developer fee to close the funding gap. County funds will be used for land acquisition and the land will be placed in a Land Trust ensuring permanent affordability of the project.

Fiscal Impact:

Funding will not exceed \$2,050,000.00.

The \$1,050,000.00 of funding is available from the FY22 (FY22) Penny IV budget of \$18.1M (project 004150A). The \$1,000,000.00 of SHIP funding is included in FY22 Adopted budget and is consistent with SHIP funding to support land acquisition for affordable housing.

Staff Member Responsible:

Carol Stricklin, Director, Housing and Community Development

Partners:

City of Clearwater

Housing Finance Authority of Pinellas County

Florida Housing Finance Corporation

Attachments:

Project Application Evaluation Summary Sheets

Project Soring Criteria

Penny IV Affordable Housing and Economic Development Program Guidelines

Penny IV Project Tracker