



Joint Review Committee – Penny IV Guidelines

Board of County Commissioners Meeting – December 10, 2019

About JRC

- **12 members from county/cities –interlocal agreement**
- **Established to create guidelines for spending Penny IV tax proceeds set aside for affordable housing and economic development capital projects (8.3%)**
- **Meeting monthly since March 2019**
- **Recommended approval of guidelines in October 2019**
- **JRC sunsets after BCC adoption of guidelines**

Thanks to the JRC Members!!



First Name	Last Name	Jurisdiction Represented	Title
Mike	Meidel	Pinellas County	Economic Development Director
Scott	Swearengen	Pinellas County	Planning Section Manager
Sheri	Harris	Pinellas County	Housing Section Manager
Alan	DeLisle	City of St. Petersburg	City Development Administrator
Robert	Gerdes	City of St. Petersburg	Neighborhood Affairs Administrator
Denise	Sanderson	City of Clearwater	Economic Development & Housing Director
Robert	Ironsmith	City of Dunedin	Economic & Housing Development Director
Carol	Stricklin	City of Largo	Community Development Director
Ben	Ziskal	City of Pinellas Park	Planning & Development Services Director
Mark	Ely	Belleair, Belleair Bluffs, Gulfport, Kenneth City, Seminole, South Pasadena	Community Development Director
Robert	Daniels	Belleair Beach, Belleair Shore, Indian Rocks Beach, Indian Shores, Madeira Beach, North Redington Beach, Redington Beach, Redington Shores, St. Pete Beach, Treasurer Island	City Manager
Matthew	Spoor	Oldsmar, Safety Harbor, Tarpon Springs	City Manager

Program Structure

Penny IV Funds (8.3% of Net Proceeds)

Penny IV Affordable Housing Program

- Land Acquisition for Affordable Housing
- Capital Projects for Affordable Housing ("Nexus Housing")

Penny IV Economic Development Program

- Capital Projects for Economic Development (Target Industry)



Economic Development Program

Market Study Process

- **Reviewed previous studies:**
 - Pinellas By Design, Performance Updates, Target Employment and Industrial Lands Study, Competitiveness Study
- **Conducted Stakeholder Interviews and Market Analysis**
- **Developed Building Typologies and Development Proformas**

Market Study - Barriers and Issues



- **Industrial land is limited and threatened with conversion to retail/residential**
- **More land is needed for targeted job growth than is vacant**
- **Obsolete building stock for both office and industrial**
- **New development may not be financially feasible, depending on land price, given current market conditions**

Challenges: Obsolete Industrial

- **Class A and B flex spaces in the County are older, have fewer loading docks, and poorer build quality**
- **Industrial spaces in the County are typically smaller and older**

	Flex		Manufacturing	
Location(s)	Existing Supply - Pinellas County	Development Prototype	Existing Supply - Pinellas County	Development Prototype
Average Building Age	43 years	Newer Construction	30 years	Newer Construction
Average Building SF	15,000 SF	50,000 SF	62,000 SF	100,000 SF
Loading Docks	3	5	6	10
Ceiling Height Range	18-20 feet	18-24 feet	16-18 feet	Varies; up to 36 feet
Parking Ratio	2.2/1,000 SF	5/1,000 sf	1.4/1,000 SF	1.3/1,000 SF
Acres	5 acres	6 acres	6 acres	12 acres
Building Material(s)	Masonry, Metal	Masonry, Metal, Reinforced Concrete	Masonry, Metal, Reinforced Concrete	Masonry, Metal, Reinforced Concrete

Challenges: Obsolete Office



- **Limited new construction Class-A office space available in the County**
- **Existing office buildings within Pinellas County are typically older, smaller and do not meet the standards of modern Class-A office space**

	Suburban-Format		Urban-Format	
Location(s)	Existing - Greater Gateway	Development Prototype	Existing- Downtown St. Petersburg	Development Prototype
Class	35% A; 55% B; 10% C	A	30% A; 40% B; 30% C	A
Average Building Age	28 years	Newer Construction	55 years	Newer Construction
Average Building SF	90,000 SF	140,000 SF	100,000 SF	250,000 SF
Typical Floor Plate	36,000 SF	35,000 SF	18,000 SF	25,000 SF
Stories	3	4	8	10
Parking Ratio	3.4/1,000 SF	6/1,000 SF	2.6/1,000 SF	4/1,000 SF
Acres	10 acres	10 acres	2 acres	2 acres
Building Material(s)	Masonry, Steel, Reinforced Concrete			

ED Program Framework



<p>Goal</p>	<p>The goal of the program is to provide funds for strategic investment focused economic development capital projects to address identified challenges which prevent economically beneficial target industry real estate (re)development from occurring.</p>		
<p>Eligible Projects</p>	<p>New Construction, Expansion, Conversion or Rehabilitation to Develop Office and Industrial Buildings</p>	<p>Site-Readiness Capital projects to support publicly-led land assembly and/or site preparation</p>	<p>Public Infrastructure Capital projects to support publicly-led infrastructure projects</p>
<p>Eligible Uses of Funds</p>	<p>Capital Projects, including but not limited to: Land acquisition, site preparation costs, on and off-site utilities, new construction of buildings, substantial rehabilitation of buildings, parking, public infrastructure, other extraordinary development capital costs.</p>		
<p>Ineligible uses of funds</p>	<p>Non-capital expenditures, including but not limited to, operating and maintenance expenses and cash incentives.</p>		

ED Guideline Priorities

- **Projects that create office and industrial space that meet needs of target industry users.**
- **Projects located within:**
 - **Targeted Employment Centers**
 - **Urban Activity Centers**
 - **Premium, Primary or Secondary Corridors**
- **Projects that will generate higher returns on investment, both fiscally to local governments, and in economic impact to the county as a whole**

ED Guideline Priorities



- **Site Readiness**
 - Publicly-led
 - Suitable for development of prototypical office/industrial
- **Public Infrastructure**
 - Publicly-led
 - Must clearly nexus with County's economic development goals
 - Must benefit multiple sites and/or businesses
 - Not to replace typical CIP process



Affordable Housing Program

Affordability Challenge

Cost Burdened Households by Income Level

Household Income	Housing Burden		Totals
	30.1-50%	More than 50%	
30% AMI or Less	2,806	34,195	37,001
30.1% - 50% AMI	13,181	22,073	35,254
50.1 - 80% AMI	27,167	14,868	42,035
80.1% - 120% AMI	21,740	7,032	28,772
Totals	64,894	78,168	143,062

143,062
Cost Burdened
Households
≤ 120% AMI

Housing Program Background



- **Resolution 19-6 provided guidance to BCC intent**
 - **Preferences included in guideline priorities**
- **Expands upon land acquisition program created under Penny III**
 - **Includes land acquisition and capital expenditures**
- **Focused on a variety of income levels (under 120% AMI)**

Housing Program Framework



Goal	<p>The goal of the Penny IV Affordable Housing Program is to increase the number of affordable housing units throughout Pinellas County by supporting the development of new affordable units and preservation/rehabilitation of existing affordable units.</p>	
Eligible Projects	<ul style="list-style-type: none"> - Minimum 10 units / No maximum unit count - Target incomes based on State statute – under 120% AMI 	
Eligible Uses of Funds	<p style="text-align: center;">Land Acquisition <small>as authorized by Florida Statute Section 212.055(2)(d)(1)(e)</small> All land acquired with designated land acquisition funds will remain in ownership by a local government or special district.</p>	<p style="text-align: center;">Capital Projects <small>as authorized by Florida Statute Section 212.055(2)(d)3</small> Includes the hard costs associated with site improvements, infrastructure and building construction including major rehabilitation of existing units.</p>
Ineligible Uses of Funds	<p style="text-align: center;">Financing, administrative or operating costs (other restrictions may apply)</p>	

Project Guidelines

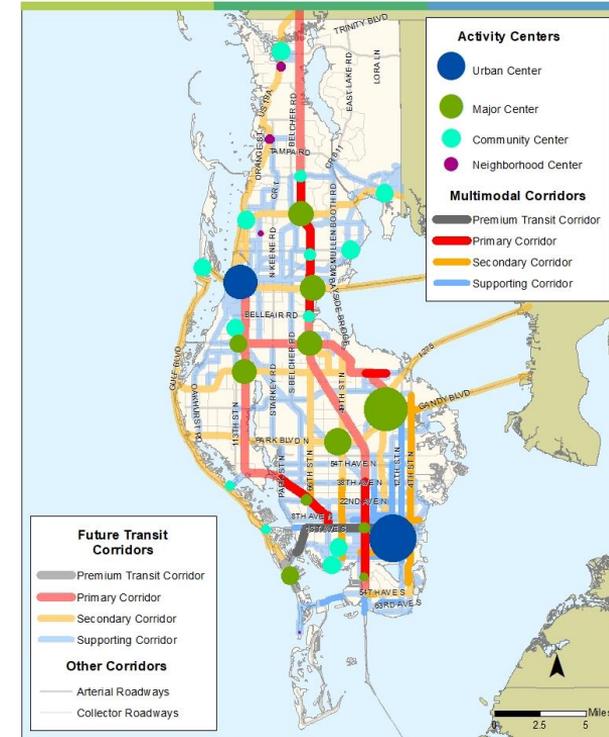


- **Tier 1, 2, and 3 Prioritization**
- **Tier 1 Criteria**
 - **Mixed-Income with approved entitlements**
 - **Rental Units**
 - **Mixed-Use Economic Development Nexus**
 - **Projects providing units consistent with Res. 19-6**

Project Guidelines

- **Tier 2**
 - **Housing preservation**
 - **Projects with more than 30% affordable units**
 - **Guaranteed affordability >20 years**
 - **Located in corridors, centers, and CRAs**
 - **Level of local government support (financial, in-kind)**
 - **Outside of CHHA and Floodplains**

The Land Use Strategy Map



Project Guidelines

- **Tier 3**
 - **Projects located in areas with demonstrated shortages of affordable housing**
 - **Lowest County financial contribution (per unit)**
 - **Projects owned by Community Housing Development Organizations**



Project Timeline



December BOCC Meeting

December 10, 2019

- Presentation of Penny IV Affordable Housing and Economic Development Program guidelines for consideration by BCC

Date TBD

- Presentation to local partners on administrative process for application review/award

Date TBD

- Presentation to BCC of administrative process for application review/award

Date TBD

- Project applications accepted

Ongoing Annual BCC Review of Program Performance

Questions/Comments?

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