



Housing & Community Development

December 2, 2024

Kathryn Driver
Executive Director
Pinellas County Housing Finance Authority
450 Carillon Parkway, Suite 105
St. Petersburg, FL 33716

**RE: Flats on 4th Housing Development
Archway Partners**

Dear Ms. Driver:

On August 13, 2024 the Pinellas County Board of County Commissioners conditionally approved up to \$2,900,000 of Penny for Pinellas funding for the land acquisition for the Flats on 4th affordable housing development proposed by Archway Partners as described in the attached Staff Report and Project Summary. The proposed development includes the construction of 80 affordable housing units.

Per the terms of the Interlocal Agreement between Pinellas County and the HFA dated May 11, 2021, Section B. for implementation of the affordable housing land assembly program, please consider this letter as direction to proceed with the land acquisition for the Flats on 4th project.

Please initiate drafting of a Land Trust Agreement, Ground Lease Agreement, and other related documents as soon as feasible. Affordability restrictions are: (8) units set-aside for 50% AMI or below and (72) units set-aside for 60% AMI or below. The rents shall not exceed the annual State Housing Initiative Program (SHIP) rent limits for the applicable income category. Pinellas County Housing and Community Development will obtain and provide an independent appraisal of the property value as soon as possible.

Sincerely,

Bruce Bussey

Pinellas County Housing and Community Development
Attachments: BCC Staff Report and Project Summary

Subject:

Affordable Housing Program project funding recommendation for Flats on 4th Apartments by Archway Partners.

Recommended Action:

Recommend approval of affordable housing funding for the Flats on 4th Apartments Project by Archway Partners.

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

- Flats on 4th Apartments is a new construction project located on the south side of 106th Avenue North, west of 4th Street in St. Petersburg, that will consist of 80 multi-family affordable units for seniors. 72 units will be restricted for households below 60.0% of Area Median Income (AMI), and 8 units will be restricted to 50.0% AMI.
- The recommended County amount is \$2.9M of Penny for Pinellas funding for land acquisition costs.
- The total development cost estimate is \$37,473,975.00, including Housing Finance Authority of Pinellas County (HFA) Multi-Family Mortgage Revenue Bonds (\$15,016,564.00), the City of St. Petersburg American Rescue Plan Act (\$4,394,157.00), National Housing Trust Fund (\$1,119,000.00), Florida Housing Finance Funding (\$6,019,800.00), Citi Mortgage (\$6,350,000.00), and Deferred Developer Fee (\$1,674,454.00).
- Next steps: County and HFA 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.
- The Board's funding approval is conditioned upon the satisfactory completion of all due diligence review as determined by the County Administrator.
- Approval of the project funding recommendation will increase the total amount of Penny IV affordable housing funds committed to \$38.9M. The total amount of projected program funding is \$98.0M for the 10-year levy of Penny IV.

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:

Archway Partners has applied for affordable housing funding assistance for the Flats on 4th Apartments project for land acquisition costs. Staff is recommending funding assistance up to \$2.9M for land acquisition and that the County Administrator be authorized to negotiate and approve the final terms, conditions, and funding amount. Flats on 4th Apartments is a planned new 80-unit affordable housing development project for seniors, with all of the units affordable to households earning at or below 60.0% AMI, of which 72 units are set-aside for 60.0% AMI or below and eight (8) units are set-aside for 50.0% AMI or below. The development will be located on 106th Avenue North, St. Petersburg. The site is located in the coastal high hazard area and flood zone A. Project construction must meet all applicable City of St. Petersburg development code requirements.

Background Information:

County Housing and Community Development staff have evaluated and scored the project application and found it to be eligible for funding assistance. The project is 100% affordable to households earning at or below 60.0% of AMI.

The primary funding source for the project is Tax-Exempt Bonds through the HFA and the issuance of 4.0% Tax Credits. In addition, the City of St. Petersburg has committed local government assistance of \$4,394,157.00 of ARPA funding. The developer is deferring \$1,674,454.00 of the Developer Fee to close the funding gap. The \$2.9M of County funds will be utilized for land acquisition costs.

Fiscal Impact:

Funding for this project is included in the FY24-FY29 Capital Improvement Program plan under the Penny IV Affordable Housing Program (project 004150A). This project is funded by Local Infrastructure Sales Surtax (Penny for Pinellas), as part of the 8.3% countywide investment for Economic Development and Housing, half of which, or 4.15%, is set aside for housing specifically.

Staff Member Responsible:

Glenn Bailey, Interim Director, Housing and Community Development

Partners:

Housing Finance Authority of Pinellas County
City of St. Petersburg

Attachments:

Project Summary Sheet including a Location Map

