



Pinellas County

Staff Report

Approved by the Board of County Commissioners on 7/30/2024

File #: 24-1126A, Version: 1

Agenda Date: 7/30/2024

Subject:

First Amendment to the Agreement with Habitat for Humanity of Pinellas County, Inc. to support projects that further the Lealman Community Redevelopment Area's economic development by promoting homeownership, decreasing vacancy rates, and increasing the supply of affordable housing.

Recommended Action:

Approval of the First Amendment to the Agreement with Habitat for Humanity of Pinellas County, Inc. (Habitat) to support projects that further the Lealman Community Redevelopment Area's economic development by promoting homeownership, decreasing vacancy rates, and increasing the supply of affordable housing.

- This amendment will allow Habitat to continue to administer the Housing Investment Program allowing for the construction of single-family homes for residents earning less than 120% of Area Median Income.
- This amendment adds the option to extend the agreement with Habitat for 2 additional years.
- This amendment will raise the maximum amount per property from \$55,000.00 to \$60,000.00 and increase the land acquisition incentive from \$25,000.00 to \$40,000.00, as well as increase hard construction costs from \$15,000.00 to \$20,000.00, aligning them more closely with current market conditions.
- The amendment also removes the \$500,000.00 annual spending cap from the original agreement to increase the efficiency and effectiveness of the program. There is no fiscal impact associated with this change.
- Funding for this amendment is partially included in the Fiscal Year (FY) 2024 Adopted Budget in the Lealman Community Redevelopment Area Trust Fund and partially included in the FY25 Proposed Budget. The agreement has a fiscal non-funding clause should this portion of the budget not be approved.
- This action will also cancel, for convenience, the agreement with Rebuilding Together Tampa Bay to administer the Housing Rehabilitation Program.

Contract number 22-0058-LI for Lealman Community Redevelopment Area Housing Projects in the 3 year not-to-exceed amount with Habitat of \$1,500,000.00; expires on June 20, 2025.

Strategic Plan:

Ensure Public Health, Safety and Welfare

2.2 Be a facilitator, convener and purchaser of services for those in need

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

5.3 Ensure effective and efficient delivery of county services and support

Summary:

The First Amendment removes the \$500,000.00 cap on annual expenditures to ensure efficient use of all funds and adds an option for a two-year contract extension.

Background Information:

On December 14, 2022, the Purchasing and Risk Division advertised a Letter of Interest for the Lealman Community Re-development Area (CRA) Housing Programs, resulting in the Habitat for Humanity and the Rebuilding Together Tampa Bay Agreements being awarded.

Fiscal Impact:

N/A

Staff Member Responsible:

Amy Davis, Assistant to County Administrator

Merry Celeste, Division Director of Purchasing, Administrative Services

Joe Lauro, Director, Administrative Services

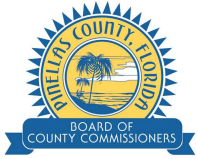
Partners:

Lealman CRA Advisory Committee

Habitat for Humanity of Pinellas and West Pasco Counties

Attachments:

First Amendment



Pinellas County

Staff Report

File #: 21-2046A, **Version:** 1

Agenda Date: 6/21/2022

Subject:

Agreements with Habitat for Humanity of Pinellas County, Inc. and Rebuilding Together Tampa Bay, Inc. for the Lealman Community Redevelopment Area Housing Programs. (Companion to Item No. 30)

Recommended Action:

Sitting as the Community Redevelopment Agency, approval of the agreements with Habitat for Humanity of Pinellas County, Inc. and Rebuilding Together Tampa Bay, Inc. for the Lealman Community Redevelopment Area (CRA) Housing Programs.

- This contract will allow Habitat for Humanity to administer the Housing Investment Program (HIP) and Rebuilding Together Tampa Bay (RTTB) to administer the Housing Rehabilitation Program (HRP).
- The HIP will allow for construction of single-family homes for residents earning less than 120% of Area Median Income (AMI). Habitat will be able to receive up to \$55,000.00 in subsidy for each new single-family home built to offset land acquisition and hard construction costs.
- The HRP will allow for up to \$50,000.00 for each single-family home that is rehabilitated to offset costs for large scale repairs such as new roofs, windows and doors, and HVACs for residents earning less than 80% of AMI.
- Both programs are open to all properties in the CRA, however they do specifically target heavily-liened properties, with each program offering incentive for either rehabilitating the home if there is an occupant who wants to remain in place or redevelop the parcel if it is vacant and/or owned by a private corporation and better suited for redevelopment.
- Habitat and RTTB were the only two submittals received in response to a competitive Letter of Interest procurement process.
- Both programs have been recommended for implementation by the Lealman CRA Advisory Committee and are included on the Lealman CRA Work Plan that was amended by the Community Redevelopment Agency on March 8, 2022.
- Approval would be for Contract No. 22-0058-LI (JJ) for a three-year term with a total combined funding for the two programs up to \$3,650,000.00 and would authorize the Chairman to sign and the Clerk of the Circuit Court to attest.

Strategic Plan:

Ensure Public Health Safety and Welfare

2.2 Be a facilitator, convener, and purchaser of services for those in need

Foster Continual Economic Growth and Vitality

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Summary:

The HIP is intended to support infill housing in the CRA to encourage new construction reinvestment in existing neighborhoods and promote homeownership. The term of Habitat's contract is 3 years with a maximum funding level of \$500,000 per year for a total not to exceed of \$1.5 million over the duration of the contract. Habitat will be incentivized to construct new, affordable single family homes through three different fees: a Hard Construction Cost Fee (HCCF) of \$ 15,000 to off-set hard construction costs associated with each single-family home developed, a Lien Land Acquisition Fee (LLAF) of up to \$40,000 or the appraised value, whichever is less, to off-set land acquisition costs of properties identified that are heavily liened and significantly blighted, abandoned or vacant, and a Land Acquisition Fee (LAF) of up to \$25,000 or the appraised value, whichever is less, to off-set land acquisition costs for non-liened properties located within the CRA. Habitat will be conveyed five county owned parcels that were included in the Letter of Interest process. For these five properties Habitat will only be eligible for the HCCF. For parcels acquired through its own means Habitat will be eligible for the HCCF and the LLAF or the LAF, depending on the lien status of the property acquired. Habitat would be able to access up to \$1,500,000.00 over the three-year term of this Agreement and staff forecasts this funding would result in approximately 35 new single-family homes sold to residents earning less than 120% of AMI depending on the number of liened and non-liened parcels redeveloped.

The purpose of the HRP is to preserve the existing affordable housing inventory in the CRA and assist eligible low-income homeowners to improve the physical condition of their houses. Rebuilding Together Tampa Bay shall verify the applicant's household income is currently at or below 80% of Area Median Income (AMI), identify needed repairs, develop a scope of work, help the homeowner review proposals, facilitate the execution of loan documents between the homeowner and the Agency, perform repairs identified on the scope of work and follow the process described in Section 6 of this Exhibit to seek reimbursement from the Agency. Loans executed will be in the form of a "soft-second," interest-free, 100% forgivable loans. The purpose of the loan is to incentivize the preservation of the CRA's affordable housing stock disincentivize property owners from participating in the HRP and then flipping the home for profit. Total funding for each home is up to \$50,000 and eligible repairs include roof systems and soffit/fascia, AC/heat systems, Florida Building Code-related electrical and plumbing upgrades, windows, and exterior doors. The forgivable loan will be for 10 years with 10% of the funds forgiven each year. If the homeowner received a fifty-thousand-dollar forgivable loan and sold the home at the end of year one of the term, 10% or \$5,000 would be forgiven and \$45,000 would be due from the sale of the home. At the end of year two, 20% would be forgiven and \$40,000 would be due upon resale. If the homeowner remained in the home for the full 10-year term, 100% of the loan would be forgiven and nothing would be due upon sale of the home. RTTB would be able to access up to \$2,150,000.00 on a reimbursement basis and staff forecasts a minimum of 43 houses will be rehabilitated over the three-year term of the Agreement, depending upon the scope of repairs required at each property.

Background Information:

In July 2015, via Resolution 15-62, the Board of County Commissioners (Board) made a positive finding of blighted conditions and established the Lealman Community Redevelopment Area (CRA), directed staff to create a redevelopment plan for the CRA. Also, in July 2015, via Ordinance 15-29, the Board established the Agency and appointed itself as its governing body. The Board established the Lealman Community Redevelopment Area Advisory Committee via Resolution 15-70 to assist staff in drafting the redevelopment plan and to advise on its implementation, and on June 7, 2016,

the Board approved the Lealman CRA Plan via Resolution 16-40, which was later amended by the adoption of Resolution Nos. 17-36 and 19-11. On March 12, 2019, the Board adopted resolution 19-10, which grants the County Administrator the authority to approve and execute certain contracts, documents, and instruments on behalf of the Agency for the purpose of implementing the Plan, pursuant to powers enumerated in Section 163.370 of the Florida Statutes.

On December 14, 2022, the Purchasing & Risk Division advertised a letter of interest for the Lealman Community Redevelopment Area (CRA) Housing Programs. Habitat and RTTB were the only two submittals received in response to the competitive letter of interest process, with each firm recommended by the selection panel to administer the HIP and HRP, respectively.

Fiscal Impact:

Appropriation of \$700,000 is included on the Amended FY22 Lealman CRA Work Plan and \$1,000,000 is included in the tentative FY23 budget, and \$1,000,000 is anticipated to be budgeted again in FY24 and \$950,000 in FY25. Funding would be provided through the Lealman Community Redevelopment Area Trust Fund utilizing a combination of the Countywide Taxing Unit portions of the Tax Increment Financing revenue that funds the CRA

Staff Member Responsible:

Chris Moore, Assistant to County Administrator

Merry Celeste, Division Director, Purchasing & Risk, Administrative Services

Joe Lauro, Director, Administrative Services

Partners:

Lealman CRA Advisory Committee

Habitat for Humanity of Pinellas and West Pasco Counties

Rebuilding Together Tampa Bay

Attachments:

Services Agreements

Amended FY22 Lealman CRA Work Plan

Lealman CRA Redevelopment Plan

Final Ranking