

Affordable Housing Funding Recommendation

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| Developer | Heritage Oaks, LLLP (Newstar) |
| Development | Heritage Oaks |
| Location | 12455 130 th Ave N., Largo, FL 33774 |
| Total Project Cost | \$28,983,622.00 |
| Per Unit Cost | \$362,295.28 |
| County Funds Requested | \$3,360,000.00 |
| Per Unit Subsidy | \$42,000.00 |
| Per Affordable Unit Subsidy | \$42,000.00 |
| County Funds as % of Project Cost | 11.6% |
| Other Local Government Funds | N/A |
| Total/ Unit Local Gov Subsidy | \$42,000.00 |
| Leverage | 10.54 |
| Developer Fee | \$3,928,704.00 (Amount deferred- \$1,192,616.00) |
| Developer Fee as % of Project Cost | 14.0% |
| Total Units/Assisted Units | 80/80 (All at or below 60% AMI) |
| Percent of Assisted to Total Units | 100% |
| Use of County Funds | Construction Costs |
| Location (CRA, Transit) | Transit |
| Mixed Use | No |
| Estimated Construction Start | May 2023 |

Households Served – The development consists of 80 units that will serve households with incomes in the following Annual Median Income (AMI) percentage categories:

Income Restrictions

- Below 50% - 8 households
- Below 60% - 72 households

Staff Recommendation – Recommend approval of \$3,360,000.00 for construction utilizing \$1,000,000.00 of CDBG funds, \$1,500,000.00 of HOME funds and \$860,000.00 of SHIP funds for affordable housing development.

Conditions - Site Plan approval and Building Permits. Funds will be disbursed as reimbursement of qualified and documented construction costs.

Scoring – The project scored 153 out of 220 available points. Strengths include secured funding sources and the proposed incomes to be served.

Narrative – Heritage Oaks is the first phase of the redevelopment of the Rainbow Village public housing community. Heritage Oaks was awarded 9% tax credits in early 2022 but has since reported significant construction cost increases as well as interest rate hikes. Heritage Oaks will consist of 80 newly constructed senior affordable units to be contained in a single three-story elevator equipped building. This project will replace 48 existing units on the Rainbow Village Apartments site, which includes

demolition of approximately 24 buildings that have substantial deferred maintenance and are functionally obsolete. The new building will consist of 74 one-bedroom and 6 two-bedroom units. Pinellas County has already committed LGAO funds in the amount of \$610,000 to Heritage Oaks, which will be used for hard construction costs. The additional \$2.75M request from Pinellas County will help offset the increased construction costs and will also be used for hard construction costs.

Financing

| Source | Amount | Use | Status |
|------------------------|------------------------|---------------------|-----------|
| Raymond James Loan | \$ 6,500,000.00 | Permanent Financing | Secured |
| 9% Tax Credit Equity | \$ 17,931,007.00 | Construction/Perm | Awarded |
| Pinellas County Funds | \$ 3,360,000.00 | Construction Costs | Requested |
| Deferred Developer Fee | \$1,192,616.00 | Construction/Perm | Confirmed |
| Total | \$28,983,623.00 | | |
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