



# Pinellas County

## Staff Report

---

**File #:** 24-2142A, **Version:** 1

**Agenda Date:** 1/14/2025

---

**Subject:**

Affordable Housing Program project funding recommendation for Skytown Apartments.

**Recommended Action:**

Recommend approval of affordable housing funding for the Skytown Apartments by AC Skytown Site C, LLC.

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 approved amount.

- The funding recommendation for Skytown by AC Skytown Site C, LLC is \$5,500,000.00 for workforce housing construction costs.
- Skytown is a new housing construction project of 401 multi-family apartment units located at 3201 34th Street South in St. Petersburg. The project is phase 1 of a planned multi-phase development totaling 2,084 units.
- Affordability restrictions will require: (60) units set-aside for households at 80.0% of area median income (AMI) or below, (61) units at 120.0% AMI or below.
- The Land Use Restriction Agreement associated with the construction funding will ensure a 50-year affordability period on (121) workforce housing units.
- The total development cost is estimated to be \$120,389,082.83. Other sources of funding include Sponsor and Limited Partner Equity (\$45,889,082.83), Permanent Debt Financing (\$64.5M), and City of St. Petersburg (\$4,500,000.00).
- The development will be eligible for the annual Multifamily Property Tax Exemption; (60) units will be eligible for 100.0% exemption, and an additional (61) units will be eligible for 75.0% exemption.
- Next steps: County 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.
- Approval of the project funding recommendation will increase the total amount of Penny IV affordable housing funds committed to \$70.55M.
- This funding request is for \$5,500,000.00. Funding for this project is included in the Fiscal Year 2025-2030 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.

**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:**

AC Skytown Site C, LLC applied for \$6.0M of affordable housing funding assistance for the Skytown project for construction costs. Staff is recommending funding assistance up to \$5.5M.

Skytown is a new construction project that will be completed in multiple phases and once fully built, will total 2,084 units; 30.0% of which will be affordable (15.0% serving households below 80.0% AMI, and 15.0% serving households below 120.0% AMI). This request is for Phase 1 (one), a total of 401-units of studio, one (1), two (2) and three (3)-bedroom units for the following households: (60) units serving households below 80.0% AMI, (61) units serving households below 120.0% AMI and (280) units serving Market Rate households. The Land Use Restriction Agreement (LURA) associated with the construction funding will ensure a 50-year affordability period on (121) units. The project site is located at 3201 34th St. S in St. Petersburg, FL.

### **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 primary funding source for the project is lender financing of \$64.5M. In addition, the developer is providing \$45,889,082.83 in Sponsor and Limited Partner Equity and the City of St. Petersburg is contributing \$4.5M. The \$5.5M of County funds will be utilized for construction costs to address the needs of workforce housing.

### **Fiscal Impact:**

This funding request is for \$5,500,000.00. Funding for this project is included in the FY25-FY30 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:**

AC Skytown Site C, LLC

City of St. Petersburg

### **Attachments:**

Skytown Project Summary Sheet