



Pinellas County

Staff Report

File #: 21-1480D, **Version:** 1

Agenda Date: 3/8/2022

Subject:

Land Use Restriction and Agency Agreement with SD St. Pete 454, LLC for affordable rental housing -Arya Apartments.

Recommended Action:

Approval and execution by the County Administrator of a Land Use Restriction Agreement (LURA) and an Agency Agreement with SD St. Pete 454, LLC for an affordable housing project known as Arya Apartments.

- Execution of a LURA and Agency Agreement for Arya Apartments (formerly New Northeast), a 415-unit rental housing development. The project will include 59 units for households at or below 80.0% of the Area Median Income (AMI), 66 units for households at or below 120.0% AMI and 290 market rate units.
- The project was approved by the Board of County Commissioners on January 12, 2021, for \$4M of Penny IV funding to develop the multi-family affordable housing project.
- An independent third-party project financial evaluation was performed by the consulting firm PFM that indicates the use of the County funds is necessary for the economic feasibility of inclusion of affordable workforce housing units.
- The LURA restricts the 66 units for households at or below 120.0% AMI and the 59 units for households at or below 80.0% AMI for a period of 30 years.
- The total development cost is estimated to be \$97M with the balance of the funding coming from private lending institutions and developers' equity.
- The project is located at 5475 - 3rd Lane North, St. Petersburg, FL.

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:

SD St. Pete 454 applied for funding from Pinellas County to partially fund the development and construction of the 415-unit multi-family project. Arya Apartments will provide 125 affordable units that will remain affordable for a period of 30 years.

The parcel ID# is 31/30/17/61389/000/0010.

Background/Explanation:

The County is providing construction funds using Penny IV Program funds for the Arya Apartments project. Per the requirements of the documents, 66 units will be restricted to households at or below 120.0% AMI and 59 units will be restricted to households at or below 80.0% AMI, as determined by the U.S. Department of Housing and Urban Development, meeting program requirements. Execution of the LURA imposes this affordability requirement for a period of 30 years.

The guidelines describe the Penny IV Affordable Housing Program as: This program provides Penny IV Funds to strengthen the local economy by stimulating the housing construction sector, providing affordable housing for those meeting income requirements to address Pinellas County's housing needs. The goal of the program is to increase the number of designated affordable housing units meeting eligibility requirements ("Assisted Units") throughout Pinellas County by supporting the development of new affordable units and preservation/rehabilitation of existing affordable units.

The Board previously approved \$4M of the Penny IV funds for the New Northeast project, now called the Arya Apartments project, on January 12, 2021, via Granicus Item #20-2127A.

Funding for capital improvement construction will be provided in the form of a no interest, no payment, forgivable loan. Funds will be distributed for completed construction activities on a pro rata basis. Loan documents will not require repayment if all affordable housing program requirements are met for the duration of the affordability period.

Fiscal Impact:

The funding for this project was approved previously by Granicus Item #20-2127A. This Granicus item does not amend the funding for this project. Project's funding remains at an amount not to exceed \$4M, and funding is to support land acquisition and construction of affordable housing and is available from the FY22 Penny IV budget.

Delegated Authority:

Authority for the County Administrator to sign the Land Use Restriction and Agency Agreements is granted by Granicus Item 20-2127A.

Staff Member Responsible:

Carol Stricklin, Director, Housing and Community Development

Partners:

N/A

Attachments:

Land Use Restriction Agreement
Agency Agreement
Mortgage and Promissory Note
Location Plan
Granicus Item 20-2127A - January 12, 2021

Project Evaluation by PFM