



Pinellas County

Staff Report

File #: 24-1248A, **Version:** 1

Agenda Date: 9/5/2024

Subject:

Affordable Housing Program project funding recommendation for Indigo Apartments by Sunrise Affordable Housing Group.

Recommended Action:

Recommend approval of affordable housing funding for Indigo Apartments by Sunrise Affordable Housing Group.

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.

- Indigo Apartments is an acquisition and renovation housing preservation project located at 801 Chestnut Street in Clearwater that consists of 208 multi-family, affordable units to serve households earning at or below 80.0% of Area Median Income (AMI). There will be 50 units set aside for 30.0% AMI or below, 82 units will be set aside for 60.0% AMI or below, and 75 units will be set aside for households at 80.0% AMI or below.
- The requested County funding for Indigo Apartments by Sunrise Affordable Housing Group is \$7.0M for land acquisition and renovation construction costs. The recommended source of funding is Penny for Pinellas.
- The recommended amount of \$7.0M will be utilized for the land acquisition to be placed in the Land Trust for a 99-year term and renovations to the property. The Clearwater Housing Authority will be providing 50 project-based vouchers that will allow households to pay only 30.0% of their income for housing.
- The total development cost is estimated to be \$47,689,191.00. Other sources of funding include Tax Credit Equity (\$32,247,923.00), Clearwater Community Reinvestment Agency (\$2.0M), City of Clearwater (\$1.0M), Deferred Developer Fee (\$4,298,495.00) and Operating Cash Flow (\$1,142,773.00).
- The staff funding recommendation is contingent upon the City of Clearwater approving \$3 million for project funding.
- Approval of the project funding recommendation will increase the total amount of Penny IV affordable housing funds committed to \$43.0M. 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:

Sunrise Affordable Housing Group has applied for affordable housing funding assistance for the Indigo Apartments project for land acquisition and renovation construction costs. The 208-unit development will serve households earning at or below 80.0% of Area Median Income (AMI). There will be (50) units set-aside for 30.0% AMI or below, (82) units will be set-aside for 60.0% AMI or below, and (75) units will be set-aside for households at 80.0% AMI or below. Staff is recommending funding assistance up to \$7.0M that will allow the rents to be reduced to an affordable level over the next 50 years. The development is located at 801 Chestnut St, Clearwater, FL.

Background Information:

County Housing and Community Development staff have evaluated and reviewed the project application and found it to be eligible for funding assistance.

The primary funding source for the project is the Tax Credit Equity of \$32,247,923.00. In addition, the Clearwater CRA has committed \$2.0M, the City of Clearwater has committed of \$1.0M, and the Developer has deferred their Developer Fee in the amount of \$4,298,495.00 and will utilize Operating Cash Flow in the amount of \$1,142,773.00 to close the funding gap. The \$7.0M of County funds will be utilized for land acquisition and renovation construction 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:

Clearwater CRA

City of Clearwater

Housing Finance Authority of Pinellas County

Attachments:

Project Summary Sheet including a Location Map