



Pinellas County

Staff Report

File #: 24-1922A, **Version:** 1

Agenda Date: 11/19/2024

Subject:

Affordable Housing Program project funding recommendation for Oasis at Bayside by SPGRP IV, LLC.

Recommended Action:

Recommend approval of affordable housing funding for the Oasis at Bayside project by SPGRP IV, 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 Oasis at Bayside by SPGRP IV, LLC is \$12,160,000.00 for land acquisition and unit rehabilitation for workforce housing.
- Oasis at Bayside is an acquisition project of 304 existing multi-family affordable apartment units located at 305 Glades Circle in Largo. The property does not currently have affordability restrictions.
- Land acquisition by the County will put the following restrictions in place in perpetuity: (3) units set-aside for 50% AMI or below, (8) units for 65% AMI or below, (247) units for 80% AMI or below, and (46) units unrestricted.
- The public investment will prevent significant future rent increases and keep rents below fair market rent (FMR) levels. For example, monthly rent for 105 two-bedroom units restricted to 80% AMI will be \$131.00 less than FMR, as detailed on the project summary chart attachment.
- The total development cost is estimated to be \$59,263,665.00. Other sources of funding include Sponsor and Limited Partner Equity (\$11,997,415.00) and Permanent Debt Financing (\$35,106,250.00).
- 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 \$59.8M.

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:

SPGRP IV, LLC has applied for affordable housing funding assistance for the Oasis at Bayside project for land acquisition and rehabilitation of the units for workforce housing. Staff is recommending funding assistance up to \$12,160,000.00.

Oasis at Bayside was built in 1974 and consists of (304) one(1), two(2) and three(3)-bedroom units. The developers are applying for funding as a preservation of housing project to help maintain naturally occurring affordable housing inventory on 16.06 acres in Largo. The buildings were originally constructed in 1974 as two-story concrete block structures and plan to receive both interior and exterior renovations. Units will serve households as follows: (3) units below 50% AMI, (8) units below 65% AMI, (247) units below 80% AMI and (46) units unrestricted Market Rate. The project site is located at 305 Glades Circle, Largo, FL 33771.

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 \$35,106,250.00. In addition, the developer is providing \$11,997,415.00 in Sponsor and Limited Partner Equity. The \$12,160,000.00 of County funds will be utilized for land acquisition and capital improvements construction costs to address the needs of workforce housing.

Fiscal Impact:

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:

SPGRP IV, LLC

Housing Finance Authority of Pinellas County

Attachments:

Oasis at Bayside Project Summary Sheet