

## Affordable Housing Funding Recommendation

<b>Developer</b>	Azalea Gateway, LLC
<b>Development</b>	Azalea Gateway
<b>Location</b>	1501 72 <sup>nd</sup> St. N., St. Petersburg, FL 33710
<b>Acquisition Costs</b>	\$15,980,000.00 (Per Unit: \$47,000.00)
<b>Construction Costs</b>	\$76,176,477.00 (Per Unit: \$224,048.46)
<b>Soft Costs</b>	\$17,672,012.00 (Per Unit: \$51,976.50)
<b>Total Project Cost</b>	\$109,828,489
<b>Per Unit Cost</b>	\$323,024.97
<b>County Funds Requested</b>	\$5,250,000
<b>Per Unit Subsidy</b>	\$15,441.18
<b>Property Tax Exemption</b>	Eligible for Newly Constructed Multifamily Exemption (51 units in Phase 1)
<b>Other Local Government Funds</b>	\$6,000,000
<b>Total Per Unit Local Gov. Subsidy</b>	\$17,647.05
<b>Affordable Unit Subsidy</b>	\$51,470.59 (County Only)
<b>Total Affordable Unit Subsidy</b>	\$110,294.12 (County & City)
<b>County Funds as % of Project Cost</b>	4.78%
<b>Leverage</b>	6.28
<b>Developer Fee</b>	\$420,846.00
<b>Deferred Fee</b>	N/A
<b>Developer Fee as % of Project Cost</b>	.38%
<b>Total Units/Assisted Units</b>	340/102
<b>Percent of Assisted to Total Units</b>	30%
<b>Use of Penny IV Funds</b>	Vertical Construction Costs
<b>Location (CRA, Transit)</b>	Primary Transit Corridor
<b>Mixed Use</b>	No

**Households Served** – The development consists of 340 units that will serve families that have incomes in the following categories:

- Below 80% AMI - 51 households
- Below 120% AMI - 51 households
- Market Rate (120% AMI and above) – 238 households

**Staff Recommendation** – Staff recommends approval of up to \$5.25M for construction costs contingent upon the City of St. Petersburg’s funding approval in the amount of \$6M, secured lender financing and subject to all due diligence review requirements, including a project financial analysis by a third party.

**Newly Constructed Multifamily Property Tax Exemption** – The development will be eligible for the property tax exemption because the units are not subject to an agreement with the Florida Housing Finance Corporation.

	Estimated Annual Property Taxes	Total Units	Per Unit Taxes	
	\$912,082.00	340	\$2,682.59	
	Estimated Annual Property Taxes			
	\$912,082.00	Per Unit	Number of Units <80% AMI	PTE Percentage for <80% AMI
Less 80%	\$38,307.39	\$751.13	51	28%
Less 120%	\$28,730.54	\$563.34	Number of Units <120% AMI	PTE Percentage for <120% AMI
	\$845,044.08		51	21%
	<b>Annual Property Tax Exemption Amount</b>	<b>\$67,037.92</b>		
				*PTE = Property Tax Exemption

**Conditions** – Success in securing all funding sources, City of St Petersburg approval of the site plan, and satisfactory results from due diligence process.

**Scoring** – The project scored 113 out of 220 available points. Strengths include local government assistance funding sources, project location, and providing affordable units.

**Narrative** – Azalea Gateway will be completed in three phases, totaling 1,000 units; 30% of which will be affordable (15% serving households below 80% AMI, and 15% serving households below 120% AMI).

This request is for Phase 1, a total of 340-units of new construction for the following households: (51) units serving households below 80% AMI, (51) units serving households below 120% AMI and (238) units serving Market Rate households. The project site is located at 1501 72<sup>nd</sup> St. N., in St. Petersburg, FL.

**Financing**

<u>Source</u>	<u>Amount</u>	<u>Use</u>	<u>Status</u>
<b>Lender Financing</b>	<b>\$ 65,897,093.00</b>	<b>Construction/Permanent Financing</b>	<b>Requested</b>
<b>City of St Pete</b>	<b>\$ 6,000,000.00</b>	<b>Construction</b>	<b>Requested</b>
<b>Penny IV</b>	<b>\$ 5,250,000.00</b>	<b>Construction</b>	<b>Requested</b>
<b>Sales Tax Rebate</b>	<b>\$ 457,619.00</b>	<b>Construction</b>	<b>Will Request</b>
<b>Sponsor and Limited Partner's Equity</b>	<b>\$ 32,223,777.00</b>	<b>Construction</b>	<b>Completed</b>
<b>Total</b>	<b>\$ 109,828,489.00</b>		

