



Pinellas County

Staff Report

File #: 25-0045A, **Version:** 1

Agenda Date: 2/25/2025

Subject:

Affordable housing development by Habitat for Humanity of Pinellas County, Inc. on approximately 5.94 acres of land owned by the Housing Finance Authority of Pinellas County as Trustee of the Lealman Land Trust.

Recommended Action:

Approval of the ranking of proposals received in response to a Request for Negotiations (RFN) for the development of residential property. Authorization for the County Administrator or designee to finalize negotiations and direct the Housing Finance Authority of Pinellas County (HFA) as Trustee of the Lealman Land Trust to enter into a ground lease agreement and other related documents with the top-ranked respondent Habitat for Humanity of Pinellas & West Pasco Counties for development of affordable housing on approximately 5.94 acres of land in substantial conformance with the proposal as recommended by staff.

- A RFN for the redevelopment of the property commonly known as Lealman Heights was issued by the County on June 7, 2024.
- County and HFA staff negotiated with the top-ranked RFN respondent and recommends leasing the properties to Habitat for Humanity (Habitat) for the construction of single-family homes and multi-family townhomes.
- Habitat responded to the RFN with a proposal to develop 31 single-family homes (two, three, and four bedrooms) and 26 townhomes that will be sold to income eligible buyers at 120.0% or less of Area Medium Income (AMI). A minimum of 50.0% of the units will be sold to eligible buyers at 80.0% or less of AMI.
- County funding assistance totaling \$2,290,300.00 is recommended for workforce housing construction costs (\$1,800,000.00 of Penny for Pinellas funding and \$465,000.00 from Lealman CRA funding). Negotiated terms of the Habitat ground lease are \$50.00 per month per unit to be paid annually for 99 years.
- Three Phases of development are planned, beginning with the development of vacant lots, a second phase of demolition and replacement of existing units, and a third phase of townhome development on the 1.75-acre parcel in the northwest area of the site.
- Approval of this request would increase the total amount of Penny IV affordable housing funds committed to \$79.4M of the \$98.0M currently estimated in all ten years of Penny.

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

Forster 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:

A RFN for the redevelopment of the properties commonly known as Lealman Heights was issued by the County on June 7, 2024.

Five (5) proposals were received and ranked by an evaluation committee in the following order: One (1)- Habitat for Humanity, Two (2)- Newstar Development, Three (3)- Pittman Design Group, Four (4)- Namaste Homes and 5- WSV Group, Inc. The committee recommended negotiating with the top ranked respondent.

County and HFA staff negotiated with the top ranked RFN respondent and recommends leasing the properties to Habitat for the construction of single-family homes and multi-family townhomes. Habitat responded to the RFN with a proposal to develop 31 single-family homes (two (2), three (3), and four (4)-bedrooms) and 26 townhomes that will be sold to income eligible buyers at 120.0% or less of AMI. A minimum of 50.0% of the units will be sold to eligible buyers at 80.0% or less of AMI.

County funding assistance totaling \$2,290,300.00 is recommended for subsidizing the construction costs of new workforce housing. Source of funding include Lealman Community Redevelopment Area (CRA) funds and Penny IV. Negotiated terms of the Habitat ground lease are \$50.00 per month per unit to be paid annually for ninety-nine (99) years.

Three (3) phases of development are planned, beginning with development of single-family houses on vacant lots, a second phase of demolition and replacement of existing units and a third phase townhome development on the 1.75-acre parcel in the northwest area of the site.

Background Information:

On June 7, 2024, the Purchasing Division advertised a competitive RFN on behalf of Housing & Community Development with a submittal due date of July 25, 2024; five proposals were received. Proposals were evaluated and ranked on August 13, 2024, with Habitat for Humanity of Pinellas & West Pasco deemed as the No. 1 ranked submittal. Final contract negotiation will be completed following approval of this item.

The subject properties, commonly known as Lealman Heights were acquired in 2016 by the HFA at the direction of the County and included 53 residential units with a mix of one(1) BR, two(2) BR, three (3) BR, and four(4) BR units, an administration building, storage facilities, laundry, and a former fire station with a cumulative land area of approximately 8.0 acres. Several structures were demolished following assessment of conditions. The remaining residential units were renovated and leased to tenants. The Pinellas County Housing Authority provides property management services.

Funding for the acquisition was provided by the County through the Affordable Housing Land Trust Fund, a Capital Improvement Program (CIP) using Penny for Pinellas funds (Penny III). Three (3) additional single-family houses were subsequently acquired in the area. The objective is to redevelop the properties with a mix of well-designed housing types and tenancies ranging from single-family

infill houses to multi-family apartments with the inclusion of affordable units.

Fiscal Impact:

The total funding request for this item is \$2,290,300.00. Funding for this item is included in the FY25 Adopted Budget funded by the Lealman CRA and is also 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:

Habitat for Humanity of Pinellas County
Housing Finance Authority of Pinellas County

Attachments:

RFN Ranking Spreadsheet
Habitat for Humanity Proposal
Habitat Lealman Heights Project Summary
Project Location Map- Lealman Heights