



Pinellas County

Staff Report

File #: 23-0538A, Version: 1

Subject:

Affordable Housing Program project funding recommendation for Lealman Heights by SP Pinellas II, LLC.

Recommended Action:

Recommend approval of Affordable Housing Program funding for an affordable multi-family rental housing development project known as Lealman Heights by SP Pinellas II, LLC (SP).

It is further recommended that the Board of County Commissioners (Board) delegate authority to the County Administrator to execute loan documents, restrictive covenants, and any other such agreements and documentation associated with the funding in the amount authorized by the Board.

- The proposed project is an 86-unit new construction development located in the Lealman Community Redevelopment Area (CRA) all of which will be affordable to households with an income not to exceed 80.0% of the area median income.
- The project location is comprised of multiple parcels bound by 41st Street North, 58th Avenue North, 39th Street North, and 56th Avenue North in the Lealman CRA.
- The subject properties were acquired by the Housing Finance Authority of Pinellas County in 2016 with Penny for Pinellas funding for affordable housing development. Existing units have been utilized as affordable rental housing and 12 new homes have been built on vacant lots by Habitat for Humanity.
- The multi-family developer, SP, was selected through a competitive request for negotiation process approved by the Board. Significant construction cost increases and environmental assessment expenses have delayed the project and resulted in a funding gap. SP has applied for County funding assistance.
- The recommended funding amount is \$2.0M plus closing costs for construction financing. The source of funding is Neighborhood Stabilization Program (NSP) grant funds allocated to the County by the U.S. Department of Housing and Urban Development.
- The funding is included in Fiscal Year 2024 Budget Request within Community Development Grant Fund, Housing and Community Development Department.
- Execution of a Land Use Restriction Agreement will be required and will impose an affordability period of 30 years.
- The total development cost is estimated to be \$23,586,792.00.
- The project will be financed using non-competitive Low-income Housing Tax Credits (4.0% tax credits), multi-family mortgage revenue bonds, private equity, and the County NSP funds.
- A summary sheet is attached with additional project information.

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:

SP Pinellas II, LLC has applied for \$2M of affordable housing funding for the Lealman Heights project in response to increased construction costs. The project includes the development of 86 units for low-income households. The project location is comprised of multiple parcels bound by 41st Street North, 58th Avenue North, 39th Street North, and 56th Avenue North in the Lealman CRA in unincorporated Pinellas County. at the intersection of 40th Street North and 57th Ave. North in the Lealman CRA in unincorporated Pinellas County.

Background Information:

The proposed project is an 86-unit new construction development located in the CRA, all of which will be affordable to households with an income not to exceed 80.0% of Area Median Income (AMI).

The project location is comprised of multiple parcels bound by 41st Street North, 58th Avenue North, 39th Street North, and 56th Avenue North in the Lealman CRA. The properties were acquired by the Housing Finance Authority of Pinellas County in 2016 with Penny for Pinellas funding for affordable housing development.

The developer, SP, was selected through a competitive RFN process approved by the Board on January 12, 2021. Since that time, significant construction cost increases have resulted in a funding gap and SP has applied for County funding assistance.

The recommended funding amount is \$2M plus closing costs for construction. The source of funding is Neighborhood Stabilization Program grant funds allocated to the County by the U.S. Department of Housing and Urban Development.

Execution of a Land Use Restriction Agreement will be required and will impose an affordability period of 30 years.

The total development cost is estimated to be \$23,586,792.00. The project will be financed using non-competitive Low-Income Housing Tax Credits (4.0% tax credits), multi-family mortgage revenue

bonds, private equity, and Pinellas NSP funds.

Fiscal Impact:

The maximum loan amount is \$2M plus closing costs (estimated \$20,000-\$30,000). The sources of funding are NSP1 and NSP3 grant funds allocated to the County by the U.S. Department of Housing and Urban Development. The funding is included in FY24 Budget Request within Community Development Grant Fund, Housing and Community Development Department.

Staff Member Responsible:

Carol Stricklin, Director, Housing and Community Development

Partners:

SP Pinellas II, LLC
Housing Finance Authority of Pinellas County

Attachments:

Lealman Heights Project Summary
Lealman Heights Project Location Map
Lealman Heights Conceptual Site Plan
Reference Granicus Item 20-1713A - Staff Report