



Pinellas County

Staff Report

File #: 23-1888A, Version: 1

Subject:

Affordable Housing Program project funding recommendation for Bayou Boulevard apartments by SPGRP IV, LLC.

Recommended Action:

Recommend approval of \$2.8M from the Penny IV affordable housing program project funding for Bayou Boulevard apartments by SPGRP IV, LLC (Applicant). 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 Bayou Boulevard is an amount not to exceed \$2.8M for construction costs from the Penny IV affordable housing program.
- Bayou Boulevard is a planned new construction rental housing project consisting of 60 multi-family affordable apartment units located at 4201 6th Street South, St. Petersburg.
- The proposed affordable unit set asides are: 12 units for households earning at or below 50% of the Area Median Income (AMI), 9 units for households earning at or below 80% AMI, and the remaining 39 units for households earning at or below 120% AMI. Affordability period restrictions will be enforced by a land use restriction agreement encumbering the property.
- The total development cost is estimated to be \$17,077,560.00. Other sources of funding include Sponsor and Limited Partner Equity (\$2,936,837.00), Permanent Debt Financing (\$8,600,723.00), and the City of St. Petersburg (\$2,740,000.00).
- 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, 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 spent or committed to \$36.0M to date. The total amount of projected program funding is \$93.0M 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:

SPGRP IV, LLC has applied for \$3.0M of affordable housing funding assistance for the Bayou Boulevard project for capital improvement construction costs. Staff is recommending funding assistance up to \$2.8M. Bayou Boulevard is a planned new 60-unit affordable housing development project, with all of the units affordable to households earning at or below 120% AMI, of which, 12 units are set-aside for 50% AMI or below, nine (9) units are set-aside for 80% AMI or below, and 39 units are set-aside for 120% AMI or below. The development will be located at 4201 6th Street South, St. Petersburg, FL 33705.

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 Developer has approval from the City of St. Petersburg for the graywater density bonus and an affordable housing bonus which increases the density of the site to a total of 60 units.

The primary funding source for the project is lender financing of \$8,600,723.00. In addition, the City of St Petersburg has committed local government assistance of \$2.74M. The developer also is providing \$2,936,837.00 in Sponsor and Limited Partner Equity. The \$2.8M of County funds will be utilized for capital improvement construction costs.

Fiscal Impact:

Total maximum expenditure: \$2.8M

Funding is budgeted in the County's Capital Improvement Program funded by the Local Infrastructure Surtax (Penny for Pinellas) in project Penny IV Affordable Housing Program (004150A). The program has a FY24 adopted budget of \$15,082,000.00. A Carryforward Resolution (budget amendment) is planned to be recommended to the Board in January. If this budget amendment is approved, it will carry forward unspent funds from FY23 to FY 24 (subject to change the amount is expected to be \$8,684,265.00 for a new amended FY24 budget of \$23,766,245.00). The estimated expenditures in FY24 are anticipated to be \$22,493,022.00, which includes this \$2.8M request for Bayou Boulevard project funding. This funding is from the Penny for Pinellas countywide investment for Economic Development Capital Projects and Housing. See the attached Tracking Spreadsheet for a breakdown of planned expenditures.

Total funding for this project consists of:

Source	Amount
Lender Financing	\$8,600,723.00
City of St Petersburg	\$2,740,000.00
Penny IV	\$2,800,000.00
Sponsor and Limited Partner's Equity	\$2,936,837.00
Total	\$17,077,560.00

Staff Member Responsible:

Carol Stricklin, Director, Housing and Community Development

Partners:

City of St. Petersburg

Attachments:

Project Application Evaluation Summary Sheet

Project Location Map