

**ST. PETERSBURG CITY
COUNCIL**

Meeting of November 30, 2023

TO: The Honorable Brandi Gabbard, Chair and Members of City Council

SUBJECT:

- (a) A resolution approving an interfund loan in an amount of \$2,740,000 from the Economic Stability Fund (0008) to the Affordable Housing Fund (0006) to support SPGRP IV, LLC's construction of not less than 60 affordable and workforce housing units within the City limits; approving a supplemental appropriation in the amount of \$2,740,000 from the increase in the unappropriated balance of the Affordable Housing Fund (0006), resulting from this loan, to the Housing and Community Development Department, Housing Administration Division (082-1089), Bayou Court Apartments Project (TBD); providing for other matters in connection therewith; and providing an effective date.

- (b) A resolution of the City of St. Petersburg, Florida approving an agreement between the City of St. Petersburg and SPGRP IV, LLC for the City to provide \$2,740,000 in funds for the construction of 60 affordable and workforce dwelling units; authorizing the City attorney's office to make non-substantive changes to the agreement; authorizing the Mayor or his designee to fill in blanks and execute the agreement and all other documents necessary to effectuate this transaction; and providing an effective date.

PROJECT OVERVIEW: The applicant, SPGRP IV, LLC, plans to redevelop the site located at 4201 6th Street South near the southern tip of Lake Maggiore.

The applicant proposes to construct a multi-family community consisting of 60 affordable and workforce apartments. The development will consist of 60 two-bedroom units with approximately 1,050 leasable square feet each in three-story walk-up apartment buildings with a wood frame structure. The proposed affordability provision of the apartments is as follows with a minimum 30-year affordability period:

- 12 units for households at 50% of area median income and below (currently \$39,150 annually for a household of three)
- 9 units for households at 80% of area median income and below (currently \$62,550 for a family of three)
- 15 units for households at 100% of area median income and below (currently \$78,255 for a family of three)
- 24 units for households at 120% of area median income and below (currently \$93,960 for a household of three)

The project will utilize the City's Workforce Housing Density Bonus Program and the State of Florida Graywater Density Bonus Program meaning a significant portion of the dwelling unit's graywater will be captured, filtered, and reused on site.

Project Funding: The total project cost is estimated at \$17,277,560, making the per unit cost \$287,959.

At \$2.740M, the City of St Petersburg subsidy equals \$45,667 per unit.

Key funding sources include a Commercial Bank Construction Loan (\$8,600,723), Pinellas County (\$3,000,000), Developer & Investor equity (\$2,936,837), City of St Petersburg (\$2,740,000).

RECOMMENDATION: Administration recommends that City Council adopt the attached resolutions (a) approving an interfund loan in an amount of \$2,740,000 from the Economic Stability Fund (0008) to the Affordable Housing Fund (0006) to support SPGRP IV, LLC's construction of not less than 60 affordable and workforce housing units within the City limits; approving a supplemental appropriation in the amount of \$2,740,000 from the increase in the unappropriated balance of the Affordable Housing Fund (0006), resulting from this loan, to the Housing and Community Development Department, Housing Administration Division (082-1089), Bayou Court Apartments Project (TBD); providing for other matters in connection therewith; and providing an effective date; and (b) approving an agreement between the City of St. Petersburg and SPGRP IV, LLC for the City to provide \$2,740,000 in funds for the construction of 60 affordable and workforce dwelling units; authorizing the City attorney's office to make non-substantive changes to the agreement; authorizing the Mayor or his designee to fill in blanks and execute the agreement and all other documents necessary to effectuate this transaction; and providing an effective date.

COST/FUNDING/ASSESSMENT INFORMATION: Funding will be available after the approval of an interfund loan in an amount of \$2,740,000 from the Economic Stability Fund (0008) to the Affordable Housing Fund (0006) to support the construction of these units and a supplemental appropriation in the amount of \$2,740,000 from the increase in the unappropriated balance of the Affordable Housing Fund (0006), resulting from this loan, to the Housing and Community Development Department, Housing Administration Division (082-1089), Bayou Court Apartments Project (TBD).

ADMINISTRATION McFoster _____

BUDGET Lance Stanford _____

ATTACHMENTS: Illustration