

ST. PETERSBURG CITY COUNCIL

Consent Agenda Meeting of December 14, 2017

TO: The Honorable Darden Rice, Chair, and Members of City Council

SUBJECT: A resolution authorizing the Mayor or his designee to sign and provide the Local Government Verification of Contribution Loan Form to FOUR6 Skyway, LLC, to be included as part of its application under the Florida Housing Finance Corporation (“FHFC”) request for applications number 2017-113; and to provide a loan in the amount of \$290,750 from the Local Housing Assistance (“SHIP”) Fund (1019), and a loan in the amount of \$165,000 from HOME Investment Partnership (“HOME”) Fund (1113), and approving a supplemental appropriation in the amount of \$170,000 from the unencumbered Community Housing Donation Fund (“CHDF”) (1117) balance to the FOUR6 Skyway Project (16468) to fund any project costs for a total combined loan amount of \$625,750 for the development of the FOUR6 Skyway, an affordable senior apartment building; providing that the City’s loan closing will be subject to the developer: 1) obtaining the recommendation for approval of FHFC administered 9% low income housing tax credit funding prior to June 30, 2018, 2) receiving final site plan approval, and 3) providing all of the standard underwriting due diligence documents to the City in order to close on the City loan by December 15, 2018; authorizing the Mayor or his designee to execute all documents necessary to effectuate this transaction; and providing an effective date.

EXPLANATION: On October 6, 2017, the Florida Housing Finance Corporation (“FHFC”) issued a Request for Applications (RFA 2017-113) for the award of Low Income Housing Tax Credits (“LIHTC”) for Developments located within the Counties of Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas Counties. RFA 2017-113 indicates that applications are due on December 28, 2017. On October 13, 2017, housing staff requested that proposals from developers interested in applying for the contribution required for this competition be submitted to the City by November 3, 2016. Housing staff received five applications and forwarded them to the City’s Project Review Team (“PRT”), which is a group of development-related City staffers assembled to provide project review and critique. The PRT reviewed the merits of the proposals and is recommending that the applicant, FOUR6 Skyway, LLC, (“FOUR6”) be provided with a local government area of opportunity (“LGAO”) loan commitment for the purpose of the competition. The loan commitment will be subject to the developer: 1) obtaining a recommendation of approval for FHFC administered 9% Low Income Housing Tax Credit funding, 2) receiving final site plan approval, and 3) providing all of the standard underwriting due diligence documents to the City in order to close on the City loan by December 15, 2018. The FOUR6 loan commitment would be provided for the proposed development of an 80 unit affordable senior apartment complex, FOUR6 Skyway, to be located at the SW corner of 46th Ave. S. and 34th Street South.

The FHFC competition requires that an applicant proposing the development of affordable multifamily housing as part of this competition, secure a local contribution toward the financing of the development. In addition, a proposed project will receive a higher score if provided with an

increased level of local funding commitment, which FHFC refers to as local government area of opportunity funding. The City often refers to the LGAO as priority funding. For the 2017 competition, a midrise concrete development in Pinellas would require \$625,750 of LGAO funding. We anticipate that the County might also fund a priority project within Pinellas. If that is the case, and FOUR6 and the County's project, score equally, their lottery numbers would then determine who would receive funding. The FHFC has indicated that 9% tax credit funding will most likely be awarded to 1 application per county for each of the six counties of Broward, Duval, Hillsborough, Orange, Palm Beach and Pinellas.

Representatives from FOUR6 have successfully completed a LIHTC funded development previously in St. Petersburg, (Campbell Landings) and they have stated that they have the requisite level of affordable housing developer experience to qualify its development to obtain maximum scoring related to the developer experience requirements of the LIHTC funding.

FOUR6 has requested that the City provide a non-recourse, 0% interest, subordinate loan of \$625,750 as required by the FHFC in order to obtain the points associated with the LGAO priority funding portion of the competition. The City is currently allocated SHIP, HOME and CHDF Funds as sources for affordable multi-family rental housing development and FOUR6 Skyway senior apartments, would be eligible to be funded by the City from any of these funding sources.

On November 14, 2017, the City's PRT Committee met to review the merits of the 5 applications received, and voted to request that FOUR6 and the Anchorage Apartments (see separate Resolution) both be forwarded to City Council for approval at its December 14, 2017 meeting; FOUR6 at the priority amount and Anchorage at the lower amount to serve as a backup application. On November 20, 2017, the Housing Services Committee members reviewed the project information and recommended that the item be forwarded to the full City Council for approval at the December 14, 2017 meeting. The developer is moving forward with preparation for the FHFC application deadline of December 28, 2017 and is hopeful to secure tax credit financing for its development as a result of this competition. The FHFC schedule indicates that it will request its board to approve the final ranking of LIHTC funding applicants in March 2018 and requires all applicants to have a local commitment valid through at least June 30, 2018.

RECOMMENDATION: The Administration recommends adoption of the attached resolution authorizing the Mayor or his designee to sign and provide the Local Government Verification of Contribution Loan Form to FOUR6 Skyway, LLC, to be included as part of its application under the Florida Housing Finance Corporation ("FHFC") request for applications number 2017-113; and to provide a loan in the amount of \$290,750 from the Local Housing Assistance ("SHIP") Fund (1019), and a loan in the amount of \$165,000 from HOME Investment Partnership ("HOME") Fund (1113), and approving a supplemental appropriation in the amount of \$170,000 from the unencumbered Community Housing Donation Fund ("CHDF") (1117) balance to the FOUR6 Skyway Project (16468) to fund any project costs for a total combined loan of \$625,750 for the development of FOUR6 Skyway, an affordable senior apartment building; providing that the City's loan closing will be subject to the developer: 1) obtaining the recommendation for approval of FHFC administered 9% low income housing tax credit funding prior to June 30, 2018, 2) receiving final site plan approval, and 3) providing all of the standard underwriting due diligence documents to the City in

order to close on the City loan by December 15, 2018; authorizing the Mayor or his designee to execute all documents necessary to effectuate this transaction; and providing an effective date.

COST/FUNDING/ASSESSMENT INFORMATION: Funds have been previously appropriated in the local Housing Assistance Fund (Fund 1019) (SHIP Project 16468), and the HOME Investment Partnership Fund (Fund 1113) (Project 16468) for FY2017/18. A supplemental appropriation in the amount of \$170,000 from the unappropriated Community Housing Trust Fund balance (Fund 1117) Housing Department (082) to the FOUR6 Skyway Project (16468) will be necessary.

ATTACHMENTS: PRT Application Summary, as modified
Resolution 2017-_____

APPROVALS:

Administration: _____

Budget: _____

Legal: 00351595.doc v3

A RESOLUTION AUTHORIZING THE MAYOR OR HIS DESIGNEE TO SIGN AND PROVIDE THE LOCAL GOVERNMENT AREA OF OPPORTUNITY LOAN FORM TO FOUR6 SKYWAY, LLC, TO BE INCLUDED AS PART OF ITS APPLICATION UNDER THE FLORIDA HOUSING FINANCE CORPORATION (“FHFC”) REQUEST FOR APPLICATIONS NUMBER 2017-113; AND TO PROVIDE A LOAN IN THE AMOUNT OF \$290,750 FROM THE LOCAL HOUSING ASSISTANCE (“SHIP”) FUND (1019), AND A LOAN IN THE AMOUNT OF \$165,000 FROM HOME INVESTMENT PARTNERSHIP (“HOME”) FUND (1113), AND APPROVING A SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$170,000 FROM THE UNENCUMBERED COMMUNITY HOUSING DONATION FUND (“CHDF”) (1117) BALANCE TO THE FOUR6 SKYWAY PROJECT (16468) TO FUND ANY PROJECT COSTS, FOR A TOTAL COMBINED LOAN AMOUNT OF \$625,750 FOR THE DEVELOPMENT OF THE FOUR6 SKYWAY, AN AFFORDABLE SENIOR APARTMENT BUILDING; PROVIDING THAT THE CITY’S LOAN CLOSING WILL BE SUBJECT TO THE DEVELOPER: 1) OBTAINING THE RECOMMENDATION FOR APPROVAL OF FHFC ADMINISTERED 9% LOW INCOME HOUSING TAX CREDIT FUNDING PRIOR TO JUNE 30, 2018, 2) RECEIVING FINAL SITE PLAN APPROVAL, AND 3) PROVIDING ALL OF THE STANDARD UNDERWRITING DUE DILIGENCE DOCUMENTS TO THE CITY IN ORDER TO CLOSE ON THE CITY LOAN BY DECEMBER 15, 2018; AUTHORIZING THE MAYOR OR HIS DESIGNEE TO EXECUTE ALL DOCUMENTS NECESSARY TO EFFECTUATE THIS TRANSACTION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of St. Petersburg, Florida (“City”) has established the need for additional affordable rental housing units as a priority in its 2016-2021 Consolidated Plan; and

WHEREAS, on October 6, 2017, the Florida Housing Finance Corporation (“FHFC”) issued a Request for Applications (“RFA”) 2017-113 for the award of Low Income Housing Tax Credits (“LIHTC”) to be awarded within each of the six counties of Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas; and

WHEREAS, FOUR6 Skyway, LLC, (“Developer”) submitted an application to the City requesting a local government area of opportunity (“LGAO”) loan and represented that it has the requisite affordable housing developer experience to qualify its development to obtain sufficient scoring related to the developer experience requirements of the Florida Housing Finance Corporation administered Low Income Housing Tax Credits (“LIHTC”) under the FHFC RFA 2017-113; and

WHEREAS, the Developer has requested that the City provide a non-recourse, 0% interest, subordinate loan of \$625,750, as required by the FHFC to meet the local government area of opportunity funding for a midrise concrete development located in Pinellas County; and

WHEREAS, the City of St. Petersburg is currently allocated State Housing Initiatives Partnership (“SHIP”) funds from the State of Florida, known locally as the Local Housing Assistance Fund (1019), HOME Investment Partnership (“HOME”) funds from the U.S. Department of Housing and Urban Development (1113), and Community Housing Donation funds (“CHDF”) from Pinellas County (1117) as sources for financing affordable housing developments; and

WHEREAS, the proposed development, if awarded LIHTC funding, would be eligible to be funded by the City from the SHIP, HOME and CHDF Funds; and

WHEREAS, the majority of the 80 units proposed for this development would be reserved for senior households with incomes at or below 60% of the area median income (AMI) and 8 units will be reserved for senior households with incomes at or below 40% AMI, and a portion of these will be required to remain affordable for the SHIP, HOME, and CHDF program’s 20 year compliance period; and

WHEREAS, on November 14, 2017, the City’s Project Review Team reviewed the merits of the 5 development proposals received and agreed that the following request should be forwarded to City Council for approval of a LGAO loan:

1. FOUR6 Skyway, LLC for the FOUR6 Skyway Apartments
Proposed to be located at the SW corner of 46th Avenue South and 34th Street South.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of St. Petersburg, Florida, that the Mayor or his designee is authorized to sign and provide the Local Government Verification of Contribution Loan Form to FOUR6 Skyway, LLC, to be included as part of its application under the Florida Housing Finance Corporation (“FHFC”) request for applications number 2017-113; and to provide a loan in the amount of \$290,750 from Local Housing Assistance (“SHIP”) Fund (1019), and a loan in the amount of \$165,000 from HOME Investment Partnership (“HOME”) Fund (1113), and

BE IT FURTHER RESOLVED that the following supplemental appropriation for FY 2017/18 is hereby approved from the unappropriated balance of the CHDF Fund (1117):

<u>Community Housing Development Fund (1117)</u>	
FOUR6 Skyway Project (16468)	\$170,000

; and

BE IT FURTHER RESOLVED that the City Council of the City of St. Petersburg, Florida hereby approves a total combined loan amount of \$625,750 for the development of FOUR6 Skyway, an 80 unit affordable senior apartment building; providing that the City’s loan closings will be subject to the developer: 1) obtaining the recommendation for approval of

FHFC administered 9% low income housing tax credit funding prior to June 30, 2018, 2) receiving final site plan approval, and 3) providing all of the standard underwriting due diligence documents to the City in order to close on the City loan by December 15, 2018; and

BE IT FURTHER RESOLVED that the Mayor or his designee is authorized to execute all documents necessary to effectuate this transaction.

This Resolution shall become effective immediately upon its adoption.

LEGAL:

HOUSING & COMMUNITY DEVELOPMENT:

City Attorney (Designee)

Joshua Johnson, Director

Budget:

Tom Green, Director

Legal: 00351594.doc v3