

ST. PETERSBURG CITY COUNCIL
Report Item
Meeting of August 17, 2023

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

SUBJECT: A resolution authorizing the Mayor or his designee to execute and provide the local government verification of contribution loan form for both (I) the amount of \$305,000 to Pinellas MT Housing Partners, LP, (“Pinellas MT”) and (II) the amount of \$305,000 to Palm Lake Urban Sanctuary, LLLP (“Palm Lake”) both of which are requesting local funding contributions as part of their applications under the Florida Housing Finance Corporation’s (“FHFC”) request for application (“RFA”) number 2023-202.

EXPLANATION: On July 7, 2023, the Housing and Community Development Department (HCD) issued a Request for Proposals (RFP) to produce new affordable multi-family housing units and received two responses. Pinellas MT Housing Partners LP (“Pinellas MT”) proposes to develop the Residences at Mirror Tower, to be located at 747 4th Avenue North, as an 80 unit apartment building containing one, two, and three bedroom units for households with incomes at or below 30% area median income (“AMI”), 60% AMI, and 80% AMI. This development will have a structured parking garage and all residents will have free access to common amenities including a swimming pool and clubhouse, fitness center, reading room and dedicated bicycle parking. Resident programs will be available at no extra cost, including an after-school program for children, adult literacy training, and an employment assistance program. The Residences at Mirror Tower will be designed to meet the Florida Green Building Coalition Green High-Rise Residential Building Standard. The efficiency considerations will reduce energy consumption and lower utility bills for residents. Unit sizes will range from 650 to 1027 square feet and as of May 2023, rents will be restricted between \$489 and \$1,808 (for the 1 bedroom/1 bathroom and 3-bedroom/2 bath units). The total development cost for the Residences at Mirror Tower is expected to be approximately \$29,372,239.

Palm Lake Urban Sanctuary LLLC (“Palm Lake”) proposes to develop the Palm Lake Urban Sanctuary, to be located at 5401 22nd Avenue North, as one 72-unit three-story new construction building and 14 units located in a mix of duplex, triplex, and quadplex buildings containing one and two bedroom units for households with incomes at or below 30% AMI, 50% AMI, 60% AMI and 80% AMI. Although, this development is not going to have age restrictions, with mostly 1 and 2 bedroom units, it is anticipated that many residents may be seniors. Norstar Accolade Property Management therefore plans to work with local agencies to assist with meals, healthcare, transportation, and on-site training, education, and counseling. The Management company will also regularly schedule activities such as holiday and special occasion parties, community picnics, adult literacy, daily activities, and will offer a resident assurance check-in program. Unit sizes will range from 723 to 1,065 square feet and as of May 2023, rents will be restricted between \$868 and \$1,433 (for the 1 bedroom/1 bathroom and the 2 bedroom/2 bath units). If project-based vouchers are awarded to the development, the ownership may collect slightly higher rents, however the occupants will pay no more than 30% of their income towards rent. This development is expected to cost approximately \$29,802,829.

As a reminder, the current income limit chart for FHFC Multifamily rental programs that will apply to these proposed developments is as follows:

Household size	30% of Area Median Income	50% of Area Median Income	60% of Area Median Income	80% of Area Median Income
1	18,270	30,450	36,540	48,720
2	20,880	34,800	41,760	55,680
3	23,490	39,150	46,980	62,640
4	26,070	43,450	52,140	69,520
5	28,170	46,950	56,340	75,120

On July 26, 2023, a cross-functional team from HCD, and the departments of Economic & Workforce Development, Community Services, Planning & Development Services, and Finance reviewed the merits of the proposed developments, the developer entities, and their management companies and recommended approval of \$305,000 in funding to Pinellas MT for the development of Residences at Mirror Tower and \$305,000 in funding to Palm Lake for the development of Palm Lake Urban Sanctuary.

Pinellas MT and Palm Lake have both agreed that the City loan will be a non-recourse 0% interest subordinate loan of \$305,000 which will be forgiven at the end of the 50 year affordability period. The requested funds will be used to cover hard construction costs. Funding will be accomplished by transferring funds from a previously appropriated project that did not receive its award under the FHFC competition in 2022.

The FHFC RFA 2023-202 only allows for funding of one development within Pinellas County that is located within the FHFC designated geographic area of opportunity. Therefore, if not selected in the FHFC competition, the loan commitments will no longer be valid.

RECOMMENDATION: The Administration recommends adoption of the attached resolution.

COST/FUNDING/ASSESSMENT INFORMATION: Funds will be available after the approval of the rescission of an unencumbered appropriation in the Housing Capital Improvements Fund (3000) in the amount of \$610,000 from the Flats on 4th Project (19144) and supplemental appropriations from the increase in the unappropriated balance of the Housing Capital Improvements Fund (3000), resulting from the above rescission, in the amount of \$305,000 to the Pinellas MT Project (19700) and \$305,000 to the Palm Lake Project (19701).

ATTACHMENTS: Resolution ____
Local Government Verification of Contribution Loan Forms

APPROVALS:

Administration: McFoster

Budget: Lance Stanford

**FLORIDA HOUSING FINANCE CORPORATION
LOCAL GOVERNMENT VERIFICATION OF CONTRIBUTION – LOAN FORM**

Name of Development: _____

Development Location: _____
(At a minimum, provide the address number, street name and city, and/or provide the street name, closest designated intersection and either the city (if located within a city) or county (if located in the unincorporated area of the county). If the Development consists of Scattered Sites, the Development Location stated above must reflect the Scattered Site where the Development Location Point is located.)

The City/County of _____, commits \$ _____ at face value, (which may be used as an FHFC Non-Corporation Funding Proposal in an Application for FHFC funding if it meets the required criteria) in the form of a reduced interest rate loan to the Applicant for its use solely for assisting the proposed Development referenced above.

Please note: In some competitive processes, Florida Housing will use the face value of the commitment minus the net present value of the commitment for scoring purposes. The net present value of the above-referenced loan, based on its payment stream, inclusive of a reduced interest rate and the designated discount rate (as stated in the applicable RFA) is: \$ _____.

No consideration or promise of consideration has been given with respect to the loan. For purposes of the foregoing, the promise of providing affordable housing does not constitute consideration. The commitment for this loan must be effective as of the Application Deadline for the applicable RFA, and is provided specifically with respect to the proposed Development.

CERTIFICATION

I certify that the foregoing information is true and correct and that this commitment is effective at least through the date required in the applicable RFA.

Signature

Print or Type Name

Print or Type Title

Date Signed

NOTE TO LOCAL GOVERNMENT OFFICIAL: Additional information is set forth in the applicable Request for Application under which the Applicant is applying for funding for the above referenced Development.

This certification must be signed by the chief appointed official (staff) responsible for such approvals, Mayor, City Manager, County Manager /Administrator/Coordinator, Chairperson of the City Council/Commission or Chairperson of the Board of County Commissioners. If the contribution is from a Land Authority organized pursuant to Chapter 380.0663, Florida Statutes, this certification must be signed by the Chair of the Land Authority. One of the authorized persons named above may sign this form for certification of state, federal or Local Government funds initially obtained by or derived from a Local Government that is directly administered by an intermediary such as a housing finance authority, a community reinvestment corporation, or a state-certified Community Housing Development Organization (CHDO). Other signatories are not acceptable. The Applicant will not receive credit for this contribution if the certification is improperly signed. The amount of the contribution stated on this form must be a precise dollar amount and cannot include words such as estimated, up to, maximum of, not to exceed, etc.

If there are alterations made to this form that change the meaning of the form, the form will not be accepted.

**FLORIDA HOUSING FINANCE CORPORATION
LOCAL GOVERNMENT VERIFICATION OF CONTRIBUTION – LOAN FORM**

Name of Development: Palm Lake Urban Sanctuary , LLLP

Development Location: 22nd Avenue N, NW of the intersection of 22nd Avenue N and 53rd Street N, St. Petersburg
(At a minimum, provide the address number, street name and city, and/or provide the street name, closest designated intersection and either the city (if located within a city) or county (if located in the unincorporated area of the county). If the Development consists of Scattered Sites, the Development Location stated above must reflect the Scattered Site where the Development Location Point is located.)

The City/County of St. Petersburg, commits \$ 305,000 at face value, (which may be used as an FHFC Non-Corporation Funding Proposal in an Application for FHFC funding if it meets the required criteria) in the form of a reduced interest rate loan to the Applicant for its use solely for assisting the proposed Development referenced above.

Please note: In some competitive processes, Florida Housing will use the face value of the commitment minus the net present value of the commitment for scoring purposes. The net present value of the above-referenced loan, based on its payment stream, inclusive of a reduced interest rate and the designated discount rate (as stated in the applicable RFA) is: \$ N/A.

No consideration or promise of consideration has been given with respect to the loan. For purposes of the foregoing, the promise of providing affordable housing does not constitute consideration. The commitment for this loan must be effective as of the Application Deadline for the applicable RFA, and is provided specifically with respect to the proposed Development.

CERTIFICATION

I certify that the foregoing information is true and correct and that this commitment is effective at least through the date required in the applicable RFA.

Signature
Print or Type Name

Print or Type Title
Date Signed

NOTE TO LOCAL GOVERNMENT OFFICIAL: Additional information is set forth in the applicable Request for Application under which the Applicant is applying for funding for the above referenced Development.

This certification must be signed by the chief appointed official (staff) responsible for such approvals, Mayor, City Manager, County Manager /Administrator/Coordinator, Chairperson of the City Council/Commission or Chairperson of the Board of County Commissioners. If the contribution is from a Land Authority organized pursuant to Chapter 380.0663, Florida Statutes, this certification must be signed by the Chair of the Land Authority. One of the authorized persons named above may sign this form for certification of state, federal or Local Government funds initially obtained by or derived from a Local Government that is directly administered by an intermediary such as a housing finance authority, a community reinvestment corporation, or a state-certified Community Housing Development Organization (CHDO). Other signatories are not acceptable. The Applicant will not receive credit for this contribution if the certification is improperly signed. The amount of the contribution stated on this form must be a precise dollar amount and cannot include words such as estimated, up to, maximum of, not to exceed, etc.

If there are alterations made to this form that change the meaning of the form, the form will not be accepted.

A RESOLUTION AUTHORIZING THE MAYOR OR HIS DESIGNEE TO EXECUTE AND PROVIDE THE LOCAL GOVERNMENT VERIFICATION OF CONTRIBUTION LOAN FORM FOR BOTH (I) THE AMOUNT OF \$305,000 TO PINELLAS MT HOUSING PARTNERS, LP, (“PINELLAS MT”), AND (II) THE AMOUNT OF \$305,000 TO PALM LAKE URBAN SANCTUARY, LLLP (“PALM LAKE”), BOTH OF WHICH ARE REQUESTING LOCAL FUNDING CONTRIBUTIONS AS PART OF THEIR APPLICATIONS UNDER THE FLORIDA HOUSING FINANCE CORPORATION’S (“FHFC”) REQUEST FOR APPLICATION (“RFA”) NUMBER 2023-202; PROVIDING THAT THE CITY’S LOAN COMMITMENT IS SUBJECT TO BOTH (I) PINELLAS MT AND PALM LAKE EACH DESIGNATING THEIR DEVELOPMENT IN ST. PETERSBURG AS A PRIORITY ONE APPLICATION UNDER FHFC’S RFA 2023-202, AND (II) EITHER PINELLAS MT OR PALM LAKE BOTH: 1) OBTAINING THE RECOMMENDATION FOR APPROVAL OF FHFC ADMINISTERED 9% LOW INCOME HOUSING TAX CREDIT FUNDING ON 10/27/2023, AND 2) PROVIDING ALL OF THE STANDARD UNDERWRITING DUE DILIGENCE DOCUMENTS TO THE CITY PRIOR TO JUNE 30, 2025; RESCINDING AN UNENCUMBERED APPROPRIATION IN THE HOUSING CAPITAL IMPROVEMENTS FUND (3000) IN THE AMOUNT OF \$610,000 FROM THE FLATS ON 4TH PROJECT (19144); APPROVING SUPPLEMENTAL APPROPRIATIONS FROM THE INCREASE IN THE UNAPPROPRIATED BALANCE OF THE HOUSING CAPITAL IMPROVEMENTS FUND (3000), RESULTING FROM THE ABOVE RESCISSION, IN THE AMOUNT OF \$305,000 TO THE PINELLAS MT PROJECT (19700) AND \$305,000 TO THE PALM LAKE PROJECT (19701); AUTHORIZING THE MAYOR OR HIS DESIGNEE TO EXECUTE ALL CLOSING DOCUMENTS AND ANY OTHER 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 2021-2026 Consolidated Plan; and

WHEREAS, on July 7, 2023, the Florida Housing Finance Corporation (“FHFC”) issued a Request for Application (“RFA”) 2023-202 for the award of Low-Income Housing Tax Credits (“LIHTC”) with an application due date of September 13, 2023; and

WHEREAS, on July 7, 2023, the Housing & Community Development Department (“HCD”) issued a Request for Proposals (“RFP”) to produce new affordable multi-family housing units; and

WHEREAS, two developers submitted a response to the City’s RFP and requested a local government contribution for their applications to the FHFC under RFA 2023-202; and

WHEREAS, both developers represented in their response to the City’s RFP that they have the requisite affordable housing developer experience to qualify their developments to obtain sufficient scoring related to the developer experience requirements of the FHFC administered LIHTC under the FHFC’s RFA 2023-202; and

WHEREAS, on July 26, 2023, a cross-functional team from HCD, and the departments of Economic & Workforce Development, Community Services, Planning & Development Services, and Finance reviewed the merits of the proposed developments, the developer entities, and their management companies and recommended approval of \$305,000 in funding to Pinellas MT for the development of Residences at Mirror Tower and \$305,000 in funding to Palm Lake; and

WHEREAS, both Pinellas MT and Palm Lake have agreed that the City loan will be a non-recourse 0% interest subordinate loan of \$305,000 which will be forgiven at the end of the 50 year affordability period; and

WHEREAS, funding will be available after (i) the rescission of an unencumbered appropriation in the Housing Capital Improvements Fund (3000) in the amount of \$610,000 from the Flats on 4th Project (19144) and (ii) supplemental appropriations from the increase in the unappropriated balance of the Housing Capital Improvements Fund (3000), resulting from the above rescission, in the amount of \$305,000 to the Pinellas MT Project (19700) and \$305,000 to the Palm Lake Project (19701); and

WHEREAS, the FHFC RFA 2023-202 only allows for funding of one development within Pinellas County that is located within the FHFC designated geographic area of opportunity.

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 execute and provide the Local Government Verification of Contribution loan form for both (i) the amount of \$305,000 to Pinellas MT Housing Partners, LP, and (ii) the amount of \$305,000 to Palm Lake Urban Sanctuary, LLLP, both of which is requesting a local contribution as part of its application under the FHFC’s RFA 2023-202.

BE IT FURTHER RESOLVED that closing on each loan is subject to Pinellas MT and Palm Lake (i) each designating their St. Petersburg developments as a Priority One application under RFA 2023-02, and (ii) either Pinellas MT or Palm Lake both: 1) obtaining the recommendation for approval of FHFC administered 9% low-income housing tax credit funding, and 2) providing all of the standard underwriting due diligence documents to the City prior to an estimated June 30, 2025, financial closing date.

BE IT FURTHER RESOLVED that an unencumbered appropriation in the Housing Capital Improvements Fund (3000) in the amount of \$610,000 from the Flats on 4th Project (19144) is hereby rescinded.

BE IT FURTHER RESOLVED that there is hereby approved from the increase in the unappropriated balance of the Housing Capital Improvements Fund (3000) resulting from the above rescission, the following supplemental appropriations for FY23:

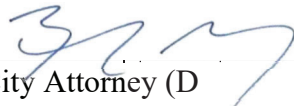
Housing Capital Improvement Fund (3000)
Pinellas MT Project (19700) \$305,000

Housing Capital Improvement Fund (3000)
Palm Lake Project (19701) \$305,000

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

This Resolution shall become effective immediately upon its adoption.

LEGAL:



City Attorney (D)

00693123

HOUSING & COMMUNITY DEVELOPMENT:



Joshua A. Johnson, Director

BUDGET:



Elizabeth M. Makofske, Budget Director