

ST. PETERSBURG CITY COUNCIL
Meeting of November 10, 2022

TO The Honorable Gina Driscoll, Chair, and Members of City Council

SUBJECT A resolution by the City Council of the City of St. Petersburg approving a supplemental appropriation in the amount of \$11,679,138 from the unappropriated balance of the South St. Petersburg Redevelopment District Fund (1104) to the Economic and Workforce Development Department, Administration Division (375-2609) to provide for the workforce, education and job readiness CRA program, the business and commercial development CRA program, the housing and neighborhood revitalization CRA program, and the CRA communications, evaluation, and operations CRA program; and providing an effective date.

RECOMMENDATION Administration recommends City Council approve the attached Resolution.

Overview of Recommended Actions on FY 2023 CRA Budget

City Council **APPROVE** the following actions regarding the FY 2023 budget for the South St. Petersburg CRA Redevelopment District Fund:

- 1) Reallocate an estimated **\$797,312** in current unencumbered CRA funding from the FY 2022 budget year into the FY 2023 CRA Budget Plan.

- 2) Appropriate an estimated **\$11,679,138** in FY 2023 tax increment financing revenue for use in the FY 2023 South St. Petersburg CRA Budget Plan. (Estimate is based on Pinellas County Property Appraiser's "2022 Taxable Value by Tax Increment Financing District, as of October 11, 2022").

- 3) Allocate the combined revenue from #1 and #2 above, totaling an estimated **\$12,476,450** for use in the FY 2023 South St. Petersburg CRA Budget according to the following allocations:

Workforce Development and Education	\$ 2,962,572
Housing & Neighborhood Revitalization	\$ 6,975,705
Business and Commercial Development	\$ 1,849,213
CRA Communications, Operations and Evaluation	\$ 688,960
Total	\$12,476,450

Background on the South St. Petersburg CRA Budget

On May 21, 2015, St. Petersburg City Council adopted a Community Redevelopment Plan (Plan) for the South St. Petersburg Community Redevelopment Area (CRA) that also established a tax increment financing (TIF) district for the entire 7.4-sq.mi. South St. Petersburg CRA (Ord. #169-H). TIF directs a percentage of future increases in St. Petersburg and Pinellas County property tax revenues generated within a TIF district into a special redevelopment fund. This increased revenue, known as the “increment”, is then used to fund eligible redevelopment projects within the boundaries of the TIF district. The fund provides a sustainable source of revenue for revitalization programs identified in the South St. Petersburg Plan.

Each fiscal year the Citizen Advisory Committee (CAC) for the South St. Petersburg CRA is asked to make a budget recommendation for the South St. Petersburg Redevelopment Fund. This recommendation is made to the St. Petersburg Community Redevelopment Agency (Agency) which, in turn, recommends a CRA budget to City Council. City Council will approve a budget for the Redevelopment fund allocating the anticipated TIF contributions from the City of St. Petersburg and Pinellas County and any appropriated but unencumbered funding from prior budgets. The final budget is then forwarded to the Pinellas County Board of County Commissioners within ten days of action.

Based on the increase in property values in the South St. Petersburg CRA since its establishment in 2015, the TIF district is expected to yield **\$11,679,138** in revenue for FY 2023. (The official amount will be determined after the final tax roll in spring 2023.) The City payment into the redevelopment fund is estimated at **\$7,024,992**, while the County will be contributing an estimated **\$4,654,146**. In addition, an estimated **\$797,312** in appropriated but unspent funding from the FY 2022 budget is available for use in the FY 2023 budget. The total of these amounts is estimated at **\$12,476,450**.

City Administration Recommendations on FY 2023 CRA Budget

City Council is being asked to recommend TIF allocations into the four major budget categories identified in the South St. Petersburg Plan. These budget categories are

- Business and Commercial Development
- Housing and Neighborhood Revitalization
- Education, Job Readiness and Workforce Development
- Communications, Evaluation and Operations

In the first two years of the redevelopment initiative, the City budgeted and expended primarily for Business and Commercial Development and Education and Workforce Development. By FY 2019, the increase in the tax increment allowed for the City to provide substantial resources for all three pillars of the CRA. For the FY2018/19 CRA budget, City Council approved an equal split between the three major budget categories. For the FY 2020 and FY 2021 budgets, City Council

focused on providing 40 percent of funding for affordable housing and 40 percent toward education and workforce development. For FY 2022, City Administration based its budget on existing and projected commitments in the Housing and Neighborhood and Business and Commercial Development budgets as well as the introduction of new initiatives.

Table 1 below shows the CRA budgeted amounts since inception.

Table 1. CRA Budget Allocation among the Major Budget Categories since FY 2016

Program	FY16	FY17	FY18/19	FY20	FY21	FY22	Total
Business & Commercial	\$230,898	\$487,681	\$1,749,493	\$1,201,069	\$1,988,516	\$5,115,634	\$10,773,291
Education & Workforce	50,000	609,601	1,749,493	2,473,015	3,902,623	\$2,697,022	\$11,481,754
Housing	187,265	121,920	1,749,493	2,399,036	3,957,822	\$1,850,660	\$10,284,196
CRA Operations	NA	NA	238,300	174,155	407,778	\$3,345,722	\$4,165,955
Total	\$468,163	\$1,219,202	\$5,486,780	\$6,247,275	\$10,274,739	\$13,009,038	\$36,705,196

Table 2 depicts the recommendation for FY 2023.

Table 2. Allocation of FY 2023 TIF Revenue among the Major Budget Categories

Budget Category	\$ Allocation	% Allocation
Education, Job Readiness and Workforce	\$2,962,572	23.7%
Housing & Neighborhood Revitalization	\$6,975,705	55.9%
Business and Commercial Development	\$1,849,213	14.8%
CRA Communications, Evaluations & Operations	\$688,960	5.6%
Uses	\$12,476,450	100.0%

These allocations will allow the City to continue its “CRA-dle to Career” initiative with over **\$2.9 million** earmarked for childhood education and teen job readiness programs such as providing additional funding of **\$166,167** for existing **Youth Afterschool** program for youth that reside in the CRA; supporting the Community Services Department by providing **\$226,405** for the **Summer Youth and Afterschool Employment Program** that will provide employment opportunities for CRA resident youth; expansion of the My Brothers & Sisters Keeper (**MBSK**) Program by providing **\$120,000** funding in order to provide service to an additional 25 champions/families; provide **\$400,000** funding to create a **Child Literacy** afterschool program that offers tutoring and other programming to address the widening achievement gap for children that reside in the CRA; and by providing **\$400,000** to fund the **Youth Development Grants** program that funds local non-profit organizations located in the CRA that provide services to youth that reside within the CRA.

The budget also provides continued funding (**\$950,000**) for the workforce development contract awarded to St. Petersburg College in the fall of 2020 to operate **St. Pete Works!**. This workforce development contract expands CRA services beyond its previous focus on the “hard-to-hire” population. In addition, the approach will fund scholarships for CRA residents to attend career-driven education and certification classes outside of employer driven training. Finally, the approach will fund the wrap around services that CRA residents may need to take advantage of training and employment opportunities. The funding recommendations include a request to create a workforce development initiative that will include additional program offerings in construction related training in trades such as carpentry, plumbing, electricity, and HVAC, and welding. The funding request is **\$500,000** and the training will lead to certifications and apprenticeships in the construction industry.

The funding recommendations will provide over **\$6.9 million** for affordable housing through single-family and multifamily housing construction and renovation. These allocations support the “St. Petersburg Housing Plan” which calls for significant investment in affordable housing throughout the city by constructing and preserving 2,400 multifamily units, expanding homeownership for 500 low-income households, enabling 3,200 homeowners to stay in their homes by remedying code violations, constructing 300 accessory dwelling units and increasing construction of single-family units by making available 150 lots for developers of affordable housing. While the Plan focuses on providing affordable housing throughout St. Petersburg, the South St. Petersburg CRA is important to this effort both in terms of a funding source and policy priorities. The Plan calls for an investment of \$8.5 million in CRA funding over ten years for the construction and preservation of affordable multifamily units. In addition, the current South St. Petersburg CRA housing programs align closely with the Plan through its down payment assistance, housing rehabilitation and developer incentive programs.

This year’s budget will fund the construction and preservation of multifamily units , including **Burlington Post- (\$2,625,336)** a 75-unit complex with all units restricted to household income less than 80% AMI, total development cost of \$26 million.; **Habitat for Humanity-Pelican Place (\$725,000)**-18th Ave. & 21st St. – a 44-unit development; **Habitat for Humanity-The Grove (\$705,000)** -18th Ave. & 18th St. So.-a 12-unit development. Funding to incentivize the renovations of single-family housing for low to moderate income households through various programs such as **Rehabilitation Assistance Program (\$400,000)**, **Single Family Façade Improvement Grant (\$100,000)**, and **Paint Your Heart Out (\$55,000)**. Additional request for Housing and Neighborhood Revitalization will include funding to support the Lot Disposition Program (**\$150,000**), that provides developer incentives to construct new homes on city owned, previously foreclosed lots. Down payment assistance will be provided to homebuyers for the **Habitat for Humanity-The Grove-18th & 18th- (\$720,000)** and **Namaste Development -Dr. M L. King Jr. St. So. and 16th Ave.- (\$595,369)**. Several new initiatives are included in the funding request. The **Heirs Property Program (\$200,000)** will provide funding for legal services to clear the title of owners’ heir property located in the CRA. The **Resident Rights Program (\$100,000)** will provide funding for legal services for residents (tenants and homeowners) that may face

discrimination, eviction, or unreasonable fees related to housing. The **Neighborhood Planning Program (\$600,000)** provides funding to support eligible neighborhood associations within the CRA in planning and implementing revitalization activities that can reduce blight, improve public infrastructure, increase amenities and services, expand neighborhood organization capacity and engagement, and strengthen neighborhood image and identity.

City Administration is also recommending more than **\$1.8 million** be appropriated for the Business and Commercial Development program. The proposal includes funding of **\$1.3 million** for **Property Acquisition** and an additional **\$25,000** earmarked for an **Emergency Grant** for commercial businesses. More than **\$500,000** in funding will support the Commercial Matching Grant program (prior year commitments), which consists of the Commercial Site Improvement Grant and Commercial Building Interior and Tenant Improvement Grant programs.

Finally, City Administration is seeking **\$689,000** in funding for “CRA Communications, Operations and Evaluation” budget category to implement the priorities of the South St. Petersburg Community Redevelopment Plan. This would include salary costs for current CRA personnel (**\$240,000**), an additional ED Coordinator (**\$97,000**), a part time Fiscal Assistant (**\$20,000**), salary costs of four employees (**\$179,784**) that augment the efforts of the N-Team, the Socioeconomic Survey (**\$150,000**) and travel, training and education cost for the staff (**\$2,000**).

Recommendation

City Administration recommends that St. Petersburg City Council approve a supplemental appropriation in the amount of **\$11,679,138** from the unappropriated balance of the South St. Petersburg Redevelopment District Fund (1104) to the Economic and Workforce Development Department, Economic and Workforce Development Division (375.2609) to provide for workforce, education and job readiness CRA program, the business and commercial development CRA program, the housing and neighborhood revitalization CRA program, and the CRA communications, evaluation and operations program.

Cost Funding Information

The unencumbered portion of CRA funding from Fiscal Year 2022 (**\$797,312**) will be available after City Council’s approval of the FY22/23 Clean-up Ordinance. The remaining portion of the funding will be available after the approval of a supplemental appropriation in the amount of **\$11,679,138** from the unappropriated balance of the South St. Petersburg Redevelopment District Fund (1104) to the Workforce and Economic Development Department, Administration Division (375-2609).

APPROVALS:

Administrative:



Budget:

Lance Stanford

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF ST. PETERSBURG APPROVING A SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$11,679,138 FROM THE UNAPPROPRIATED BALANCE OF THE SOUTH ST. PETERSBURG REDEVELOPMENT DISTRICT FUND (1104), TO THE ECONOMIC AND WORKFORCE DEVELOPMENT DEPARTMENT, ADMINISTRATION DIVISION (375- 2609) TO PROVIDE FOR THE WORKFORCE, EDUCATION AND JOB READINESS CRA PROGRAM, THE BUSINESS AND COMMERCIAL DEVELOPMENT CRA PROGRAM, THE HOUSING AND NEIGHBORHOOD REVITALIZATION CRA PROGRAM, AND THE CRA COMMUNICATIONS, EVALUATION AND OPERATIONS CRA PROGRAM; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of St. Petersburg City Council approved Resolution No. 2013- 247, on June 20, 2013, which made a finding of necessity identifying the South St. Petersburg Community Redevelopment Area (CRA) as blighted, pursuant to Florida's Community Redevelopment Act of 1969 (Chapter 163, Part III) and was delegated authority by the Pinellas County Board of County Commissioners (BCC) on June 9, 2014, in order to carry out certain redevelopment functions within the CRA;

WHEREAS, the City of St. Petersburg City Council approved a Community Redevelopment Plan (Plan) for the South St. Petersburg CRA on May 21, 2015 (Ord. #169-H), which included establishment of a tax increment financing district and redevelopment fund for the entire 7.4-sq.mi. South St. Petersburg CRA;

WHEREAS, the Pinellas County Board of County Commissioners approved the Plan on June 2, 2015 (Res. #15-48), delegated authority to the City of St. Petersburg to establish a redevelopment fund for the entire CRA, and approved on June 23, 2015, Ord. #15-27 establishing a redevelopment trust fund for the entire South St. Petersburg CRA and establishing FY 2014 as the base year on which future increments in property values in the CRA will be based;

WHEREAS, pursuant to the "Interlocal Agreement between the City of St. Petersburg and Pinellas County for the Governance of the South St. Petersburg Community Redevelopment Area" (June 2, 2015), until May 21, 2045, the City of St. Petersburg will annually deposit into the South St. Petersburg Redevelopment District Fund a sum no less than the tax revenue generated from 95 percent of the tax increment

created each year in the CRA and Pinellas County will contribute 85 percent of the tax increment created each year in the CRA;

WHEREAS, City Administration estimated that a total of \$797,312 in unencumbered funding remains in the following amounts from prior CRA budgets for use in the FY 2023 South St. Petersburg CRA Budget Plan;

WHEREAS, the October 11, 2022, estimated property values from the Pinellas County Property Appraiser Office's "2022 Preliminary Tax Roll" would yield an estimated \$11,679,138 in tax increment revenue for the FY 2022 CRA Budget Plan with the City of St. Petersburg contributing \$7,024,992 and Pinellas County contributing \$4,654,146 to the South St. Petersburg Redevelopment District Fund (1104);

WHEREAS, at the November 1, 2022, meeting of the Citizen Advisory Committee for the South St. Petersburg CRA, City Administration presented the following recommendations:

- 1) Reallocate an estimated \$797,312 in current unencumbered CRA funding from the following prior budget year;
- 2) Appropriate an estimated \$ 11,679,138 in FY 2023 tax increment financing revenue for use in the FY 2023 South St. Petersburg CRA Budget Plan. (Estimate is based on Pinellas County Property Appraiser's "2022 Taxable Value by Tax Increment Financing District, as of October 11, 2022".)
- 3) Allocate the combined revenue from #1 and #2 above, totaling an estimated \$12,476,450 for use in the FY 2023 South St. Petersburg CRA Budget according to the following allocations:

Workforce Development and Education	\$2,962,572
Housing & Neighborhood Revitalization	\$6,975,705
Business and Commercial Development	\$1,849,213
<u>CRA Communications. Operations and Evaluation</u>	<u>\$688,960</u>
Total	\$12,476,450

WHEREAS, on November 1, 2022, the Citizen Advisory Committee for the South St. Petersburg CRA made a recommendation to the St. Petersburg Community Redevelopment Agency on City Administration's recommended FY 2023 CRA Budget Plan;

WHEREAS, at its November 10, 2022, public meeting, the St. Petersburg Community Redevelopment Agency recommended that the St. Petersburg City Council approve City Administration's FY 2023 CRA Budget Plan described above;

NOW, THEREFORE, BE IT RESOLVED, that the St. Petersburg City Council approves the transfer of \$797,312 unencumbered funding from the prior budget year into the FY 2023 South St. Petersburg CRA Budget Plan;

BE IT FURTHER RESOLVED that there is hereby approved from the unappropriated balance of the South St. Petersburg Redevelopment District Fund (1104) the following supplemental appropriation for FY 2023:

South St. Petersburg Redevelopment District Fund (1104)

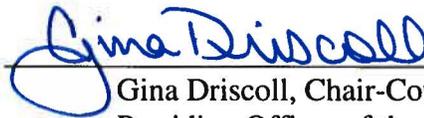
Economic and Workforce Development Department,
Administration Division (375-2609) \$11,679,138

BE IT FURTHER RESOLVED that the FY 2023 budget, which includes FY 2023 revenues and the aforementioned prior budget year's unencumbered funding for the South St. Petersburg CRA Redevelopment Trust Fund is depicted in Tables 1 through 4 of Exhibit 1 and summarized below:

Workforce Development and	\$2,962,572
Education Housing & Neighborhood	\$6,975,705
Revitalization Business and	\$1,849,213
Commercial Development	
<u>CRA Communications erations and Evaluation</u>	<u>\$688,960</u>
Total	\$12,476,450

This Resolution shall become effective immediately upon its adoption.

Adopted at a regular session of the City Council held on the 10th day of November 2022.



Gina Driscoll, Chair-Councilmember
Presiding Officer of the City Council

ATTEST:



Chan Srinivasa, City Clerk



Exhibit 1

FY 2023 Budget Plan

South St. Petersburg CRA Redevelopment Fund

Exhibit 1
FY 2023 Budget Plan
 South St. Petersburg CRA Redevelopment Trust Fund

Table 1. FY 2023 CRA Workforce and Education Budget

	Commitments	Rollover	FY23 Revenue	Total
Total Sources Available	\$1,321,708	\$97,312	\$2,865,260	\$2,962,572
Total Commitments	\$1,321,708	\$97,312	\$2,865,260	\$2,962,572
Workforce Development (St. Pete Works)	\$753,146		\$1,450,000	\$1,450,000
<i>Base Contract with SPC (thru 11/22)</i>	\$533,724			
<i>Base Contract with SPC (12/22 to 11/23)</i>	\$219,422		\$950,000	\$950,000
<i>Construction Workforce</i>			\$500,000	\$500,000
Youth Job Readiness/Entrepreneurship	\$300,000	\$97,312	\$1,215,260	\$1,312,572
<i>Youth Farm Stipends (from 9/30/22 to 10/1/23)</i>	\$120,000			
<i>Youth Farm Staff (from 9/30/22 to 10/1/23)</i>	\$180,000			
<i>Youth After School Program (12/1/22 to May 2023)</i>		\$3,907	\$162,260	\$166,167
<i>New Youth Dev. Contract (May to Sept 23)</i>		\$93,405	\$133,000	\$226,405
<i>MBSK (add 25 CRA teens)</i>			\$120,000	\$120,000
<i>Child Literacy Program</i>			\$400,000	\$400,000
<i>Youth Development Grants</i>			\$400,000	\$400,000
Enoch Davis Farm Site Operations	\$44,500			
Enoch Davis Farm Site Prep Costs	\$224,062	\$0	\$200,000	\$200,000

Exhibit 1
FY 2023 Budget Plan
 South St. Petersburg CRA Redevelopment Trust Fund

Table 2. FY 2023 CRA Housing and Neighborhood Revitalization Budget

	Commitments	Rollover	FY23 Revenue	Total
Total Sources Available	\$5,623,631	\$700,000	\$6,275,705	\$6,975,705
Total Commitments	\$5,623,631	\$700,000	\$6,275,705	\$6,975,705
Property Acquisition and Site Preparation				
Affordable Housing Incentive Programs	\$4,633,000		\$4,205,336	\$4,205,336
<u>Aff. Housing Redevelopment Loan Program</u>	\$4,633,000		\$4,205,336	\$4,205,336
<i>Fairfield Avenue</i>	<i>\$2,282,000</i>			
<i>Citrus Grove</i>	<i>\$1,421,000</i>			
<i>Developer Incentive Payments</i>	<i>\$800,000</i>			
<i>CHAF</i>	<i>\$130,000</i>			
<i>Lot Disposition</i>			<i>\$150,000</i>	<i>\$150,000</i>
<i>Burlington Post</i>			<i>\$2,625,336</i>	<i>\$2,625,336</i>
<i>Habitat (18th and 18th)</i>			<i>\$705,000</i>	<i>\$705,000</i>
<i>Habitat (21st and 18th)</i>			<i>\$725,000</i>	<i>\$725,000</i>
 <u>Aff. Residential Property Improvement Grant</u>				
 <u>Aff. MF Housing Development Incentive</u>				
 Single Family Residential Programs	\$990,631	\$400,000	\$1,470,369	\$1,870,369
<u>Aff. Single Family Homeownership</u>	\$664,631	\$400,000	\$1,315,369	\$1,715,369
<i>Rehabilitation Assistance Program</i>		<i>\$400,000</i>		<i>\$400,000</i>
<i>Habitat (18th/18th) DPA</i>			<i>\$720,000</i>	<i>\$720,000</i>
<i>Shell Dash</i>	<i>\$600,000</i>			<i>\$0</i>
<i>Namaste DPA</i>	<i>\$64,631</i>		<i>\$595,369</i>	<i>\$595,369</i>
<u>Single Family Façade Improvement Grant</u>	\$298,000		\$100,000	\$100,000
 <u>Paint Your Heart Out</u>	\$28,000		\$55,000	\$55,000
 Housing Legal Services		\$300,000		\$300,000
<i>Heirs Property Program</i>		<i>\$200,000</i>		<i>\$200,000</i>
<i>Resident Rights Program</i>		<i>\$100,000</i>		<i>\$100,000</i>
 Neighborhood Planning Program			\$600,000	\$600,000

Exhibit 1
FY 2023 Budget Plan
 South St. Petersburg CRA Redevelopment Trust Fund

Table 3. FY 2023 CRA Business and Commercial Development Budget

	Commitments	Rollover	FY23 Revenue	Total
Total Sources Available	\$2,952,476		\$1,849,213	\$1,849,213
Total Commitments	\$2,952,476		\$1,849,213	\$1,849,213
Property Acquisition & Site Preparation	\$828,977		\$1,311,213	\$1,311,213
<i>22nd St South Utility Undergrounding</i>	\$616,107			
<i>Sankofa Cleanup</i>	\$212,870			
<i>Property Acquisition</i>			\$1,311,213	\$1,311,213
Redevelopment Micro Fund Program	\$1,350,000			
Emergency Grant			\$25,000	\$25,000
Commercial Matching Grant Program	\$473,499		\$513,000	\$513,000
<i>Prior Grant Commitments</i>	\$473,499		\$513,000	\$513,000
Commercial Corridor Plans	\$300,000			
<i>16th St South</i>	\$150,000			
<i>Grand Central</i>	\$150,000			

Exhibit 1

FY 2023 Budget Plan

South St. Petersburg CRA Redevelopment Trust Fund

Table 4. FY 2023 CRA Communications, Operations and Evaluations Budget

	Commitments	Rollover	FY23 Revenue	Total
Total Sources Available	\$169,874		\$688,960	\$688,960
<i>CSP 81478</i>	\$4,871			\$0
<i>CSP 81839</i>	\$165,003			\$0
<i>FY23 City Revenue</i>			\$688,960	\$688,960
Total Commitments	\$169,874		\$688,960	\$688,960
Salary/Benefits for CRA Personnel			\$536,784	\$536,784
<i>New ED Coordinator</i>			\$97,000	\$97,000
<i>Part Time Fiscal Assistant</i>			\$20,000	\$20,000
<i>Two CRA Positions (Coordinator/Specialist)</i>			\$240,000	\$240,000
<i>N-Team Employees (4 Employees)</i>			\$179,784	\$179,784
CRA Personnel Travel, Training and Education	\$9,874		\$2,176	\$2,176
CRA Marketing, Notices, and Grant Administration	\$150,000			
Redevelopment Planning Expenses	\$10,000		\$150,000	\$150,000
<i>Triennial CRA Socioeconomic Survey</i>			\$150,000	\$150,000
<i>Match for Federal Transportation Grant</i>	\$10,000			