

## ST. PETERSBURG CITY COUNCIL

Meeting of December 14, 2023

**TO** The Honorable Brandi Gabbard, 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 \$6,907,096 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 2024 CRA Budget

---

City Council **APPROVE** the following actions regarding the FY 2024 budget for the South St. Petersburg CRA Redevelopment District Fund:

- 1) Reallocate an estimated **\$3,786,308** in uncommitted and unencumbered prior years funding into the FY 2024 CRA Budget Plan (Note: The total rollover budget in the fund is \$21,013,136, of which \$17,226,828 is already committed per the 2023 CRA Budget Plan).
- 2) Allocate an estimated **\$15,115,719** in FY 2024 tax increment financing revenue for use in the FY 2024 South St. Petersburg CRA Budget Plan. Appropriate supplemental budget in the amount of \$6,907,096, as the remaining \$8,208,623 in 2024 revenues are already appropriated. The estimate is based on Pinellas County Property Appraiser's "2023 Taxable Value by Tax Increment Financing District, as of July 1, 2023" and an estimated \$234,000 of accumulated interest).
- 3) Allocate the combined revenue from #1 and #2 above, totaling an estimated **\$18,902,027** for use in the FY 2024 South St. Petersburg CRA Budget according to the following budget categories:

Housing & Neighborhood Revitalization	\$ 12,417,437
Business and Commercial Development	\$ 4,382,302
Workforce Development and Education	\$ 1,216,583
<u>CRA Communications, Operations and Evaluation</u>	<u>\$ 885,705</u>
<b>Total</b>	<b>\$ 18,902,027</b>

## 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 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 **\$15,115,719** in revenue for FY 2024, the official amount will be determined after the final tax roll in spring 2024. The City payment into the redevelopment fund is estimated at **\$8,921,605**, the County will be contributing an estimated **\$5,960,114**, in addition to an estimated **\$234,000** of accumulated interest. An estimated **\$3,786,308** in unencumbered and uncommitted funding from the FY 2023 budget is available for use in the FY 2024 budget. The total of these amounts is estimated at **\$18,902,027**.

## City Administration Recommendations on FY 2024 CRA Budget

City Council is being asked to recommend TIF allocations into the four major budget categories identified in the South St. Petersburg Plan as outlined below:

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

In the first two years of the redevelopment initiative, the City budgeted and expended funds primarily in the Business & Commercial Development and Education & Workforce Development budget categories. By FY 2019, the increase in the tax increment allowed for the City to provide substantial resources for all four operational pillars of the CRA.

For FY 2024, City Administration based its budget on existing and projected commitments in the Housing & Neighborhood and Business & 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	FY23	Total
Business & Commercial	\$230,898	\$487,681	\$1,749,493	\$1,201,069	\$1,988,516	\$5,115,634	1,849,213	\$12,622,504
Education & Workforce	50,000	609,601	1,749,493	2,473,015	3,902,623	\$2,697,022	2,962,572	\$14,444,326
Housing	187,265	121,920	1,749,493	2,399,036	3,957,822	\$1,850,660	6,975,705	\$17,259,901
CRA Operations	NA	NA	238,300	174,155	407,778	\$3,345,722	688,960	\$4,854,915
<b>Total</b>	<b>\$468,163</b>	<b>\$1,219,202</b>	<b>\$5,486,780</b>	<b>\$6,247,275</b>	<b>\$10,274,739</b>	<b>\$13,009,038</b>	<b>12,476,450</b>	<b>\$49,181,646</b>

Table 2 depicts the recommendation for FY 2024.

**Table 2. Allocation of FY 2024 TIF Revenue among the Major Budget Categories**

Budget Category	\$ Allocation	% Allocation
Housing & Neighborhood Revitalization	\$ 12,417,437	65.7%
Business and Commercial Development	\$ 4,382,302	23.2%
Education, Job Readiness and Workforce	\$ 1,216,583	6.4%
CRA Communications, Evaluations & Operations	\$ 885,705	4.7%
<b>Uses</b>	<b>\$ 18,902,027</b>	<b>100.0%</b>

The funding recommendations will provide over \$12.4 million for affordable housing through single-family and multi-family housing construction, preservation, and renovation. These allocations support the “St. Petersburg Housing for All” Pillar of Progress which calls for significant investment in affordable housing throughout the city.

The goals of this policy initiative include the construction & preservation of 2,400 multifamily units, expanding homeownership opportunities 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 Housing for All Plan focuses on providing affordable housing throughout St. Petersburg, the South St. Petersburg CRA is important to this effort by providing strategic direction related to the development of policy priorities as well a funding source to achieve its goals. 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 & neighborhood revitalization budget category aligns closely with the Housing for All Plan through its down payment assistance, housing rehabilitation and developer incentive programs.

This year's budget will fund the construction and preservation of both single-family homes and multi-family housing units within the CRA, including additional funding for:

- \$1,484,000 for single family units' development incentive funding.
- \$7,172,223 for multi-family affordable housing units' developer incentive funding.
- A new initiative that will provide funding up to \$500,000 for new construction of Accessory Dwelling Units (ADU's).
- \$1,200,000 funding for the Affordable Residential Improvement Grant program (RRR).
- Funding up to \$300,000 for renovations of single-family owner-occupied residences through the Rehabilitation Assistance Program (RAP).
- Single Family Down Payment and Closing Cost Assistance of up to \$1,260,000.
- Continued funding of \$370,054 for the Façade Improvement Grant Program and \$131,160 for the Paint Your Heart Out Program.

The budget also provides continued funding for the workforce development contract awarded to St. Petersburg College in the fall of 2020 to operate *St. Pete Works!* and \$500,000 in funding for various additional workforce development initiatives. Continued funding for the St. Pete Youth Farm in the amount of \$405,000 is also included.

City Administration is also recommending \$4.4 million be allocated for the Business and Commercial Development budget category. This amount includes:

- Additional funding for the Microfund Program in the amount of \$500,000.
- Funding of \$250,000 for the Commercial Corridor program.
- Funding of \$942,000 for the Sankofa Cleanup.
- Funding of \$1,190,058 for the acquisition of Commercial Property within the CRA.
- Funding for a new Commercial Façade Grant program in the amount of \$500,000.
- Additional funding as a part of the Economic Development Incentive Program in the amount of \$1,000,000.

City Administration is seeking \$885,705 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, in the amount of \$825,705, for current staff as well as two additional CRA personnel that will provide processing and development assistance to both housing and commercial projects in the CRA; travel, training, and education costs for the CRA staff up to \$50,000; and \$10,000 for information dissemination and marketing initiatives.

On November 7, 2023, City Administration presented a budget recommendation to the Citizen Advisory Committee (CAC) for the South St. Petersburg CRA. The CAC recommended approval of the Administration's budget of \$25,940,951. The CAC also passed a motion requesting the Administration explore hiring additional CRA staff to provide additional capacity for housing and commercial programs.

Since the CAC's recommendation to approve the FY24 CRA Budget Plan on November 7, City Council approved the investment of \$9.7 million for Fairfield Avenue Apartments, which resulted in approximately \$7 million impact to the FY 2024 Budget Plan. In addition, City Administration concurred with the recommendation of the CAC to hire additional staff and has amended the Budget Plan to reflect those changes. This amended FY 2024 Budget Plan will be submitted to the CAC for a vote at their December 6, 2023, meeting.

## Recommendation

City Administration recommends that St. Petersburg City Council approve a supplemental appropriation in the amount of **\$6,907,096**, 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 and uncommitted portion of the CRA funding from the Fiscal Year 2023 (\$3,786,308) is available as of November 27, 2023, with the passing of Ordinance 562-H. \$8,208,623 in funds are currently appropriated in the 2024 budget and the remaining portion of the funding will be available after the approval of a supplemental appropriation in the amount of \$6,907,096 from the unappropriated balance of the South St. Petersburg Redevelopment District Fund (1104) to the Workforce and Economic Development Department, Administration Division (375-2609).

## Attachments

CRA Budget Resolution with Exhibit 1 - FY2024 Budget for the South St. Petersburg Redevelopment Trust Fund

### APPROVALS:

Administration:

Budget:

  
\_\_\_\_\_  
*Kaitlyn Berger*  
\_\_\_\_\_

Resolution No. 2023 - \_\_\_\_\_

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF ST. PETERSBURG APPROVING A SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$6,907,096 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 \$3,786,308 in uncommitted and unencumbered funding remains from prior CRA budgets for use in the FY 2024 South St. Petersburg CRA Budget Plan;

WHEREAS, the July 1, 2023, estimated property values from the Pinellas County Property Appraiser Office's "2023 Preliminary Tax Roll" would yield an estimated \$14,881,719 in tax increment revenue for the FY 2024 CRA Budget Plan with the City of St. Petersburg contributing \$8,921,605 and Pinellas County contributing \$5,960,114, and an estimated \$234,000 of accumulated interest is contributed to the South St. Petersburg Redevelopment District Fund (1104);

WHEREAS, at the December 14, 2023 public meeting, the St. Petersburg Community Redevelopment Agency recommended that the St. Petersburg City Council approve City Administration's FY 2024 CRA Budget Plan described below:

- 1) Reallocate an estimated **\$3,786,308** in uncommitted and unencumbered prior years funding into the FY 2024 CRA Budget Plan (Note: The total rollover budget in the fund is \$21,013,136, of which \$17,226,828 is already committed per the 2023 CRA Budget Plan).
- 2) Allocate an estimated **\$15,115,719** in FY 2024 tax increment financing revenue for use in the FY 2024 South St. Petersburg CRA Budget Plan (Note: Appropriate \$6,907,096 in supplemental budget, as the remaining \$8,208,623 in 2024 revenues are already appropriated. The estimate is based on Pinellas County Property Appraiser's "2023 Taxable Value by Tax Increment Financing District, as of July 1, 2023").
- 3) Allocate the combined revenue from #1 and #2 above, totaling an estimated \$18,902,027, for use in the FY 2024 South St. Petersburg CRA Budget according to the following budget categories:

Housing & Neighborhood Revitalization	\$ 12,417,437
Business and Commercial Development	\$ 4,382,302
Workforce Development and Education	\$ 1,216,583
<u>CRA Communications, Operations and Evaluation</u>	<u>\$ 885,705</u>
Total	\$ 18,902,027

NOW, THEREFORE, BE IT RESOLVED, that the St. Petersburg City Council approves the transfer of \$3,786,3088 unencumbered funding from the prior budget year into the FY 2024 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 2024:



South St. Petersburg Redevelopment District Fund (1104)  
Economic and Workforce Development Department,  
Administration Division (375-2609) \$6,907,096

BE IT FURTHER RESOLVED that the FY 2024 budget, which includes FY 2024 revenues and the aforementioned prior budget year’s unencumbered funding for the South St. Petersburg CRA Redevelopment Trust Fund is summarized below:

Housing & Neighborhood Revitalization	\$ 12,417,437
Business and Commercial Development	\$ 4,382,302
Workforce Development and Education	\$ 1,216,583
CRA Communications, Operations and Evaluation	\$ 885,705
Total	<b>\$ 18,902,027</b>

This resolution shall become effective immediately upon its adoption.

APPROVED AS TO FORM AND CONTENT:

APPROVED BY:

/s/: Michael J Dema  
City Attorney (Designee)

James A. [Signature]  
Administration

E Makofske  
Budget