

ST. PETERSBURG CITY COUNCIL

Meeting of July 13, 2023

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

SUBJECT: A resolution approving amendments to the FY 2023 Project Plan for the South St. Petersburg Community Redevelopment Area (CRA) to reallocate \$2,150,000 in funding within the Housing and Neighborhood Program Categories; and providing an effective date.

Request

City Administration recommends that City Council take the following actions:

- **APPROVE** a budget amendment to reallocate by \$2,150,000 in the Housing and Neighborhood Revitalization FY 2023 budget plan for the South St. Petersburg CRA Redevelopment District Fund to meet expected public funding requests for affordable housing projects in the CRA. The amendment in the budget plan will release the previous commitments from the projects listed below in the “Developer Incentive Program.”

Habitat -18 th St. & 18 th Ave – The Grove	\$ 705,000
Habitat-21 st St. & 18 th Ave. – Pelican Place	\$ 725,000
Habitat-18 th St. & 18 th Ave. – The Grove (DPA)	<u>\$ 720,000</u>
Total	\$2,150,000

Background on FY 2023 CRA Budget Amendment

In November 2022, City Council approved the FY23 South St. Petersburg CRA Budget Plan of \$12,476,450. The funding was allocated for use according to the following categories:

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

Within the Housing and Neighborhood Revitalization budget, funding was allocated within four categories – Affordable Housing Incentive Programs; Single-Family Residential Programs; Housing Legal Services; and Neighborhood Planning Program. Table 1 shows the original budget amounts and current balance within the Housing and Neighborhood Revitalization budget.

Table 1. Current Status of FY23 South St. Petersburg CRA Housing Budget Plan		
Program	Original	Balance
Total	\$6,975,705	\$ 5,933,350
Affordable Housing Incentive Programs	\$4,205,336	\$ 4,055,336
Affordable Loan	\$4,205,336	\$ 4,055,336
Single Family Programs	\$1,870,369	\$ 978,014
Homeownership	\$1,715,369	\$ 823,014
SF Façade Program	\$ 100,000	\$ 100,000
Paint Your Heart Out	\$ 55,000	\$ 55,000
Housing Legal Services	\$ 300,000	\$ 300,000
Neighborhood Planning Program	\$ 600,000	\$ 600,000

Since the budget was approved, City Administration has been negotiating with several affordable housing developers that are constructing projects that are in various stages of completion. This includes approximately 45 units of additional housing with potential unmet funding needs of **\$2,150,000**. These projects include:

Namaste Homes – 11 units in 1600 blk Dr. M.L.K Jr St S.	\$ 770,000
Habitat for Humanity – 15 units – Various Sites	\$ 640,000
CHAF – 7 units on 4 Properties	\$ 300,000
Various Single Family Home Developers	\$ 140,000
Affordable Residential Property Improvement Grant (12 units)	<u>\$ 300,000</u>
Total	\$ 2,150,000

Staff Recommended Amendment to CRA FY 2023 Budget

To fund the expected housing need, the City will need to reallocate **\$2,150,000** in funding from other previously approved housing developments that are in various stages of negotiations in the “Affordable Housing Incentive Programs” within the Housing and Neighborhood Revitalization Budget Plan. The developments that are still in negotiations, both of which are proposed by Habitat for Humanity of Pinellas and West Pasco Counties, are Pelican Place, a 44-unit townhouse development, to be located on City owned property at 18th Ave. S. and 21st St. S.; and The Grove, a 12-unit townhouse development to be located on City-owned property at 18th Ave. S and 18th St. S. The funds that were previously allocated for these developments may be included in the FY 2024 budget plan, if needed.

Recommendation

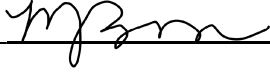
City Administration recommends City Council approval of the amendment to the FY 2023 budget plan for the South St. Petersburg Redevelopment District Fund as described in this memorandum.

APPROVALS:

Administrative:



Budget:



A RESOLUTION OF THE ST. PETERSBURG
CITY COUNCIL APPROVING AMENDMENTS
TO THE FY 2023 PROJECT PLAN FOR THE
SOUTH ST. PETERSBURG COMMUNITY
REDEVELOPMENT AREA (CRA) TO
REALLOCATE \$2,150,000 IN FUNDING FROM
ALLOCATIONS WITHIN THE HOUSING AND
NEIGHBORHOOD REVITALIZATION
PROGRAM CATEGORIES; AND PROVIDING
AN EFFECTIVE DATE.

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, at its November 10, 2022, St. Petersburg City Council approved Resolution #22-568 adopting City Administration's FY 2023 CRA Budget Plan described below;

Workforce Development and Education	\$2,962,572
Housing & Neighborhood Revitalization	\$6,975,705
Business and Commercial Development	\$1,849,213
CA Communications, Operations and Evaluation	\$ 688,960
Total	\$12,476,45

WHEREAS, the FY 2023 project plan for the South St. Petersburg CRA budget provided approximately \$6.976 million for Housing and Neighborhood Revitalization, \$2.963 million for Workforce, Education and Job Readiness, \$1.849 million for Business and Commercial Development, and \$688,960 for Communications, Evaluation and Operations;

WHEREAS, since the budget was approved, City Administration has been negotiating with affordable housing developers whose projects would construct or renovate more than 45 units with potential funding needs of \$2.150 million;

WHEREAS, the available funding from the Housing and Neighborhood Revitalization budget plan to meet the demand is significantly less than the approved budget plan because of encumbered and committed funding;

WHEREAS, City Administration is recommending addressing the funding needs of projected affordable housing demand by reallocating \$2.150 million in unencumbered and committed funding from the project plans for Housing and Neighborhood Revitalization budget plan; and

WHEREAS, at its July 13, 2023 meeting, the St. Petersburg Community Redevelopment Agency recommended that the St. Petersburg City Council approves amending the FY 2023 project plan for the South St. Petersburg CRA by reallocating \$2.150 million in current allocations within the Housing and Neighborhood Revitalization budget plan.

NOW, THEREFORE, BE IT RESOLVED, that the St. Petersburg City Council approves amending the FY 2023 project plan for the South St. Petersburg Community Redevelopment Area to reallocate \$2,150,000 in allocations within the Housing and Neighborhood Revitalization budget plan to meet the demand for public funding for affordable housing projects.

This resolution shall become effective immediately upon its adoption.

Adopted at a regular session of the City Council held on the 13th day of July 2023.



Deborah Figgs-Sanders, Vice-Chair-Councilmember
Presiding Officer of the City Council

ATTEST:



Chan Srinivasa, City Clerk

