

## Residential Property Improvement Grant Program

South St. Petersburg Community Redevelopment Area

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### I Description and Purpose

The **Residential Property Improvement Grant** program can be used for exterior and/or interior improvements on affordable or market-rate residential housing in the South St. Petersburg Community Redevelopment Area. Emphasis will be placed on funding substantial renovations that upgrade vital building systems and sustain and extend the economic life of a structure, such as plumbing, structural improvements, energy efficiency, HVAC and electrical wiring. The grant program supplements the City's annual investment in the "Rebates for Residential Rehabilitation" (RRR) but is focused on incentivizing the substantial renovation of multifamily housing (defined as three or more units in a building) by increasing the total grant award allowed for these projects.

### II Consistency with South St. Petersburg Redevelopment Plan

Housing rehabilitation is vitally important in the CRA where new construction is faced with a significant gap in the cost to build versus the price for which units can be sold. The housing stock is substantially older in South St. Petersburg than the City at-large. Residential units built before 1970 represent 80 percent of the stock in the CRA, but only 59 percent of the City. With critical housing systems such as roofs, plumbing, HVAC and electrical in need of replacement every 15-20 years, houses of this age generally will have gone through at least their third generation of upgrades, if properly maintained.

There is also a substantial deficit of multifamily housing in South St. Petersburg. Throughout St. Petersburg, nearly 30 percent of all dwelling units are in complexes with five or more units, and 16 percent are in complexes with 20 or more units. In contrast, South St. Petersburg has fewer than 10 percent of its total dwelling units in multifamily complexes five units and larger, and only 3 percent in 20-unit or larger complexes. Retaining and increasing the availability and quality of multifamily units would help to alleviate the serious housing affordability issues facing renters in South St. Petersburg.

The **Residential Property Improvement Grant** program is designed to counteract these issues by promoting rehabilitation of multifamily units that are either affordable or market rate. The program is consistent with the South St. Petersburg Community Redevelopment Plan by implementing several strategies identified in the "Housing and Neighborhood Revitalization" section of the Action Plan. This section calls for developing TIF Incentive Programs that:<sup>1</sup>

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<sup>1</sup> Administratively modified on April 7, 2017, to emphasize that multifamily housing is the focus of the program.

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- assists rental residential property owners in renovating their properties;
- expands the City’s successful “Rebates for Residential Rehab” program to provide a consistent source of annual funding support;
- increases the supply of affordable housing for both homeownership and rental opportunities; and
- provides incentives for developers of market rate housing in the CRA.

### **III Type and Amount of Award**

An applicant may receive a reimbursable grant equaling the lesser of 20 percent of the pre-construction value of eligible improvements or up to \$10,000 per unit. The maximum award for a multifamily project is \$90,000. The program requires a minimum investment of \$10,000 toward eligible improvements per residential unit. In order to utilize Pinellas County TIF contributions for this program, projects must meet the City’s definition of affordable. For the purposes of this program, “affordable housing” is defined as housing meeting the needs of households whose income is 80 percent and below the area median household income. The maximum income and rent levels for this program are based on the Florida Housing Finance Corporation’s SHIP Program, which are periodically adjusted.

### **IV Funding Source**

City of St. Petersburg and Pinellas County TIF contributions to the South St. Petersburg Redevelopment Trust Fund. (Pinellas County TIF can only be spent on affordable housing when used with this program.)

### **V Eligible Properties and Improvements**

Exterior and/or interior improvements on affordable or market-rate residential housing with a focus on renovations of multifamily housing (defined as three or more units per building). Eligible improvements include<sup>2</sup>

- Structural repairs
- Roofing (no roof-overs)
- Electrical upgrades

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<sup>2</sup> Administratively amended on November 2, 2016, to include information submitted as part of application.

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- HVAC replacement and insulation upgrades
- Plumbing upgrades
- Kitchen and bath upgrades

Mixed-use projects with a residential component occupying more than 50 percent of the gross square footage of the building are eligible for the grant.

### **VI Submission and Approval Requirements**

Applications will be processed through the City's RRR program and abide by its established time frames for completion. However, applicants requiring a demonstration of the City's intent to provide TIF funding to secure additional financing will be allowed 90 days from the date of an approved RRR application to do so. Projects funded with Pinellas County's TIF contribution must be affordable and submit documentation that the units for which funding is sought meet the City's definition of affordable (see above).

The applications must include the following:<sup>3</sup>

- Completed and signed application form
- If necessary, a letter requesting an extension of ninety days to seek additional financing if TIF funding application is approved
- Documentation of property ownership or written consent from property owner giving permission to conduct the identified improvements. If seeking TIF funding for affordable units, the property owner will be required to maintain the affordable housing units for the duration of the Grant Agreement.
- Confirmation the project complies with the City's land development regulations.
- Confirmation that mortgage, property insurance and property tax payments are current and in good standing.
- Legal description and survey of project site
- Digital photographs of existing conditions of the project site
- Written description of project improvements including number of units, size and bedroom/bathroom configuration and rental rates per unit type
- Sketches or conceptual drawings of improvements that will be funded by the Grant

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<sup>3</sup> Administratively amended on November 2, 2016, to include information submitted as part of application.

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**VIII Compliance Requirements for Completed Projects**

All projects funded through this program must comply with the requirements of the City's "Rebates for Residential Rehabilitation" program. Affordable units must be maintained for at least five years. The applicant is required to submit documentation annually for five years that the Project continues to provide affordable housing in accordance with the City's definition. Failure to do so will result in repayment of the rebate(s) to the City plus interest.

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**2016 Income and Rent Limits for Affordable Housing Projects**

South St. Petersburg CRA TIF Program

		Percentage of Area Median Household Income		
		30%	50%	80%
<b>Income Limit by Number of Persons in Household</b>	1	\$12,450	\$20,750	\$33,150
	2	\$16,020	\$23,700	\$37,900
	3	\$20,160	\$26,650	\$42,650
	4	\$24,300	\$29,600	\$47,350
	5	\$28,440	\$32,000	\$51,150
	6	\$32,580	\$34,350	\$54,950
	7	\$36,730	\$36,730	\$58,750
	8	\$39,100	\$39,100	\$62,550
	9		\$41,440	\$66,304
	10	Refer to HUD	\$43,808	\$70,093
<b>Rent Limit by Number of Bedrooms in Unit</b>	0	\$311	\$518	\$828
	1	\$355	\$555	\$888
	2	\$504	\$666	\$1,066
	3	\$659	\$770	\$1,231
	4	\$814	\$858	\$1,373
	5	\$947	\$948	\$1,516

Source: Florida Housing Finance Corporation State Housing Initiatives Partnership (SHIP) Program "2016 Income Limits and Rent Limits" for Pinellas County (March 31, 2016). Limits are revised annually. Link to [Florida SHIP Income and Rent Limits](#)