

Affordable Multifamily Housing Development Program

South St. Petersburg Community Redevelopment Area

I Description and Purpose

The **Affordable Multifamily Housing Development Program** provides an annual rebate on increases in ad valorem taxes for all applicable Pinellas County taxing authorities for developers of affordable multifamily housing in the South St. Petersburg Community Redevelopment Area (CRA).

II Consistency with South St. Petersburg Redevelopment Plan

Housing affordability is a serious issue throughout St. Petersburg, but it is particularly stark in South St. Petersburg. Housing is considered unaffordable if 30 percent or more of household income is devoted to shelter. Based on 2012 American Community Survey data, the percentage of all households with housing costs in excess of 30 percent of income was 55.0 percent in South Petersburg and 45.2 percent in the city, both rising sharply from 2000. Housing affordability is an even more dire issue for renter households where 73 percent pay more than 30 percent of their income in housing costs.

Multifamily housing is an important element in improving affordability, but there is a substantial deficit of this housing type in the CRA. 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. Increasing the availability and quality of multifamily units would help to alleviate the serious housing affordability issues that are faced by renters in South St. Petersburg.

The **Affordable Multifamily Housing Development Program** is consistent with the South St. Petersburg Community Redevelopment Plan by providing incentives to increase the supply of affordable housing in the CRA. The Redevelopment Program and Funding Strategy calls for the City to use TIF to “assist renovation of existing multifamily and single family units and build new multifamily developments...” (The CRP, in recognizing the dearth of multifamily units, calls for the City to evaluate strategic zoning and land use amendments to increase the supply of land suitable for multifamily zoning.) The CRP also calls for the City to develop a TIF program that provides annual rebates to developers of affordable housing for a period up to 15 years. The rebate would be based on the increase in ad valorem taxes for all taxing authorities in the first year the project goes on the tax rolls.

III Type and Amount of Award

Affordable Multifamily Housing Development Program

South St. Petersburg Community Redevelopment Area

The **Affordable Multifamily Housing Development Program** is an annual rebate for up to 15 years on increases in ad valorem taxes from all applicable Pinellas County taxing authorities resulting from the development of affordable housing in the South St. Petersburg CRA. The rebate will be based on the increase in ad valorem taxes in the first year the completed project goes on the tax rolls. The maximum award is \$50,000 per project per year. 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.

V Eligible Projects

The **Affordable Multifamily Housing Development Program** is available to fund construction of affordable multifamily housing in the South St. Petersburg CRA. To be eligible, a multifamily developer must construct a minimum of 10 residential units that meet the City’s definition of “affordable”. In the case of a renovation of an existing multifamily building, the ad valorem rebate will be based on the difference between the taxable building value in the first year after Project completion and the year prior to the Project’s commencement. Adaptive reuse projects that convert nonresidential buildings to residential use are eligible for the rebate, which will be based on the taxable building value of the project in the first year after completion. Mixed-income projects that provide both affordable and market-rate units are also eligible for the program with the annual rebate of ad valorem taxes based on the percentage share of affordable units in the project.

VI Submission Procedures and Requirements

Applications for the Affordable Multifamily Housing Development Program are accepted throughout the year, evaluated by the Grant Review Committee with the final award made by City Council. They are to be submitted in an 8”x10” envelope or larger with the project’s name and location and the applicant’s name and address. Applications must be submitted to the Planning and Economic Development Department on the 9th Floor of

2017
Affordable Multifamily Housing Development Program
South St. Petersburg Community Redevelopment Area

the Municipal Service Building, which is located at 1 Fourth Street North, St. Petersburg, Florida, 33701.¹

For more information, please contact

Mr. Rick D. Smith, AICP and CECd
Community Redevelopment Coordinator
727-893-7106
rick.smith@stpete.org

The applications must include the following:

- Completed and signed application form
- Documentation of property ownership or written consent from property owner giving permission to conduct the identified improvements. The property owner will be required to sign the Grant Agreement to assume responsibility to maintain the affordable housing units for the duration of the Agreement.
- Estimated taxes for proposed project based on three comparable affordable residential projects in St. Petersburg.² (Annual ad valorem taxes will be estimated based on this information.)
- 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.

Failure to provide the above information will delay the review and approval process.

¹ Original version adopted on February 4, 2016, was administratively amended on March 2, 2017, to reflect the City's new grant review process.

² Original version adopted on February 4, 2016, was administratively amended on August 8, 2016, to improve methodology for estimating taxes on residential projects.

2017

Affordable Multifamily Housing Development Program

South St. Petersburg Community Redevelopment Area

Note, applicants meeting any of the following disqualifying criteria may be ineligible for funding:

- Code enforcement liens over \$2,500
- Special assessment liens over \$500
- Pending judgment or foreclosure
- Felony conviction for financial mismanagement within the last five years
- Mortgage payments three months in arrears
- Unpaid property taxes
- Unpaid property insurance

VII Review and Approval Process³

Because the incentive involves a multiyear rebate of ad valorem taxes from all applicable Pinellas County taxing authorities, City Council will review and approve the project and award amount, which will be based on its current and projected fiscal impact on the “Housing and Neighborhood Revitalization” budget of the South St. Petersburg CRA Redevelopment Trust Fund. In order for City Council to assess the fiscal impact of the rebate during its review and approval process, it will be necessary to estimate the annual rebate of a Project. To that end, City Administration will utilize the taxable values from comparable affordable housing projects in St. Petersburg to estimate the annual tax per dwelling unit that can then be applied to the project.⁴ Ultimately, the ad valorem rebate will be based on the taxable building value of the Project assigned by the Pinellas County Property Appraiser’s Office in the first year after completion, provided it is less than the rebate approved by City Council. In no case will the amount of the rebate exceed the amount approved by City Council.

VIII Compliance Requirements for Approved Projects

³ Original version adopted on February 4, 2016, was administratively amended on March 2, 2017, to reflect the City’s new grant review process.

⁴ Original version adopted on February 4, 2016, was administratively amended on August 8, 2016, to improve methodology for estimating taxes on residential projects.

2017

Affordable Multifamily Housing Development Program

South St. Petersburg Community Redevelopment Area

Successful applicants must sign a Grant Agreement with the Mayor or designee which specifies their obligations and rights upon issuance of the Grant. To ensure timely commencement and completion of the Project, the Applicant shall abide by the following deadlines:

- Within 60 days of execution of the Grant Agreement, file a “Notice of Commencement” pursuant to the requirements of the City’s Construction Services and Permitting Department.
- Within 6-18 months of execution of the Grant Agreement, request a “Review of Completed Work” from the City of St. Petersburg. (Length of time will vary based on size of project.)

Applicants requiring the execution of a Grant Agreement to secure additional financing will be allowed 90 days from the execution date to do so before the above deadlines will commence. Absent approval of an extension of these deadlines by the City, failure to comply will result in the cancellation of the TIF Agreement and rescission of the rebate.⁵

The **Affordable Multifamily Housing Development Program** is a multi-year program that pays rebates annually for a period of up to fifteen years. To be awarded the rebate, a project must be annually certified that it meets the affordable housing criteria that were the basis for the initial approval as well as the SHIP household income and rent limits that are applicable in that year. Failing this, the rebate will be revoked and all previous rebates repaid to the City by the applicant or successor.

⁵ Amended on November 19, 2016, to remove reference to “grant” award, which is not applicable to this program.

2017
Affordable Multifamily Housing Development Program
 South St. Petersburg Community Redevelopment Area

2016 Income and Rent Limits for Affordable Housing Projects

South St. Petersburg CRA TIF Program

		Percentage of Area Median Household Income		
		30%	50%	80%
Income Limit by Number of Persons in Household	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
Rent Limit by Number of Bedrooms in Unit	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](#)