

Affordable Single-Family Homeownership Program
South St. Petersburg CRA Tax Increment Financing Program

I Description and Purpose

The **Affordable Single-Family Homeownership Program** provides CRA funding to support affordable homeownership for income-eligible households in the South St. Petersburg Community Redevelopment Area through direct financial assistance programs that are presently administered by the City’s Housing and Community Development Department. The current programs include: (1) down payment and closing cost assistance to first time homebuyers; (2) rehabilitation assistance for owner-occupied properties; (3) barrier free mitigations and (4) homebuyer education, credit counseling, foreclosure assistance and other programs to ensure sustainable homeownership. For the purposes of this program, “income-eligible” is defined as households whose income is 140 percent and below the area median household income. The maximum income levels for this program are based on the Florida Housing Finance Corporation’s SHIP Program, which are adjusted annually (see attachment). This program may also be used to fund homeowner education, credit counseling, foreclosure assistance and other strategies that ensure the ownership success for low-income homebuyers.

II Consistency with the South St. Petersburg Redevelopment Plan

The South St. Petersburg Redevelopment Plan notes that housing affordability is a serious issue throughout St. Petersburg, but it is particularly stark in South St. Petersburg. The 2012 Pinellas County Poverty Report, which helped drive the creation of the South St. Petersburg CRA, asserted that “historically, housing expenditures exceeding 30 percent of household income have been an indicator of a housing affordability problem.” In 2016, the percentage of households with housing costs exceeding 30 percent of income was 53 percent in South Petersburg and 38.6 percent in the city, both rising sharply from 2000, when the comparable figures were 41 percent and 31 percent respectively. Not surprisingly, renter households in both the CRA and city were highly likely to be paying more than 30 percent of their income in housing costs – 68.5 percent and 53.1 percent respectively.¹ A program promoting affordable homeownership for renters will help lower their housing costs while also help build wealth through housing equity.

The South St. Petersburg Community Redevelopment Plan (CRP) calls for increasing homeownership through a range of strategies such as providing homebuyer counseling and long-term credit repair and increased educational programs. In addition, the CRP calls for working with the St. Petersburg Housing Authority to identify potential candidates for homeownership from its pool of Section 8 voucher recipients. Finally, the CRP encourages the establishment and funding of a “Role-Model Homeowner Program”

¹ U.S. Census Bureau. 2000 Census. Table DP-4-Profile of Selected Housing Characteristics. U.S. Census Bureau. American Community Survey, 2012-2016 5-Year Estimates. DP04: Selected Housing Characteristics.

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designed to attract employees of nearby public agencies, faith-based institutions and/or anchor institutions to purchase homes in the South St. Petersburg CRA.

III Type and Amount of Award

Applicants may be eligible up to the following assistance amount: (1) down payment and closing cost assistance up to \$20,000 with the award amounts based on the following income tiers:

80% AMI or below	up to \$20,000
>80% AMI to 120% AMI	up to \$10,000
>120% AMI to 140%	up to \$5,000

(2) rehabilitation assistance up to \$45,000; and (3) barrier free mitigation up to \$16,000. Awards are in the form of loans with a term of 5, 10 or 15 years. Term limits are based on the amount of funding awarded.

IV Funding Source

The City of St. Petersburg and Pinellas County may allocate funding annually from their TIF contributions to support the **Affordable Single-Family Homeownership Program**. The funding amount will be determined annually and by budget amendment if necessary. The CRA funding will be used to augment and combined with the City's current homeowner assistance programs but with a requirement that the TIF funding be expended to support income-eligible homeownership within the South St. Petersburg CRA.

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Attachment 1

2018 Income and Rent Limits for Affordable Housing Projects

Income Limit by Number of Persons in Household

	Percentage of Area Median Household Income				
	<u>30%</u>	<u>50%</u>	<u>80%</u>	<u>120%</u>	<u>140%</u>
1	\$13,450	\$22,400	\$35,800	\$53,760	\$62,720
2	\$16,460	\$25,600	\$40,900	\$61,440	\$71,680
3	\$20,780	\$28,800	\$46,000	\$69,120	\$80,640
4	\$25,100	\$31,950	\$51,100	\$76,680	\$89,460
5	\$29,420	\$34,550	\$55,200	\$82,920	\$96,740
6	\$33,740	\$37,100	\$59,300	\$89,040	\$103,880
7	\$38,060	\$39,650	\$63,400	\$95,160	\$111,020
8	\$42,200	\$42,200	\$67,500	\$101,280	\$118,160
9	Refer to HUD	\$44,730	\$71,568	\$107,352	\$125,244
10	Refer to HUD	\$47,286	\$75,658	\$113,486	\$132,401

Source: Florida Housing Finance Corporation State Housing Initiatives Partnership (SHIP) Program "2018 Income Limits and Rent Limits" for Pinellas County (March 30, 2018). Limits are revised annually.

<https://www.floridahousing.org/owners-and-managers/compliance/rent-limits>