

St. Petersburg City Council
Committee of the Whole Report
Meeting Minutes from February 27, 2020

Present: Chair Ed Montanari, Vice-Chair Gina Driscoll, and Councilmembers Darden Rice, Amy Foster, Deb Figgs-Sanders, Robert Blackmon, and Brandi Gabbard

Also Present: Deputy Mayor Tomlin, Tom Green, Jackie Kovilarich, Jeannine Williams, Brad Tennant, Michael Dema, Mike Jeffries, Evan Mory, and Rob Gerdes

Absent: Councilmember Lisa Wheeler-Bowman

Support Staff: Kayleigh Sagonowsky, City Council Legislative Aide

New Business:

I-375 Park Update - Mike Jefferis and Evan Mory

Leisure Services Administrator Mike Jefferis began his presentation by explaining that this project is now in the final stages of approval in the Weeki Wachee funding process. The project was initiated a few years ago when Councilmember Driscoll began looking for ways to beautify and increase functionality of the city-owned space. Mr. Jefferis displayed images of the current area as well as the proposed park and parking lot.

Transportation and Parking Management Director Evan Mory joined him to discuss the proposed budgets for each component of the newly named I-375 Park. Chair Montanari asked if surplus funds would be returned to the Weeki Wachee Fund and Chief Assistant City Attorney Jeannine Williams replied yes. He also asked about how to keep children safe at the park, given that it is nearby major roadways. Mr. Jefferis explained this park is intended to be more of a gathering space than a playground, and expressed concerns that fencing in the area would encourage visitors to use it as a dog park.

Councilmember Driscoll moved to approve the allocation of not more than \$450,000 from the Weeki Wachee Fund for the project. All were in favor.

Linkage Fee Ordinance - Rob Gerdes

Neighborhood Affairs Administrator Rob Gerdes began his presentation by reminding Councilmembers of their previous discussions on linkage fees and other solutions for affordable housing. He explained that in 2018 there were two Committee of the Whole meetings in which staff reviewed the city's current housing programs, funding sources, and incentives. After listening to council member feedback, Mr. Gerdes drafted a memo which outlined a series of changes that his, and other departments, felt they could implement to improve housing affordability and access. He said even though staff worked hard to implement those changes, a new funding source is still needed to address the affordable housing crisis in St. Petersburg.

Next, Mr. Gerdes reviewed the rationale for implementing a linkage fee. In St. Petersburg, 34.2% of homeowners and 52% of renters paid 30% or more of their income on housing. One cause of the high number of cost burdened households is that many local jobs are lower-paying. For example, 17.9% of St. Petersburg residents work in retail, 15% work in social services, and 13% work in utilities. Mr. Gerdes also explained that federal and state funds like HOME and SHIP are insufficient to meet the needs of the community. In addition to donating city-owned land, committing Penny for Pinellas Funds, maintaining the South St. Petersburg CRA,

and revising the Floor Area Ratio Bonus Structure, Mr. Gerdes said the administration's preferred method of raising new funds is through linkage fees. Implementing linkage fees would help the city meet its goal of creating or preserving 2,400 multi-family units by raising \$20 million over the next 10 years.

Next, Mr. Gerdes explained that in order for council to vote for an impact fee, there has to be a reasonable legal basis. He argued this reasonable basis has been met through Florida state statute, the 2007 Pinellas County Nexus Study and the 2019 St. Petersburg Nexus Study. The 2019 study found the maximum fees that the city would have a legal basis to charge are \$41.56/ sq.ft. for residential, \$16.11/ sq.ft. for industrial, \$37.77/ sq.ft. for commercial, \$34.62/ sq.ft. for office, \$91.97/ sq.ft. for hotels, and \$2.59/ sq.ft. for extended stay hotels. At his current proposal of \$1.00/sq.ft. for residential, industrial, commercial, and hotel and 10 cents/ sq.ft. for office, Mr. Gerdes said Council would clearly be below the maximum fees and have reasonable legal basis to charge a fee. To complete his presentation, Mr. Gerdes presented comparison charts of building fees from nearby counties. He said for most uses, the fee to build in other locations is much higher than the fee for building in St. Petersburg. For example, a builder of a 1,000 sq. ft. multi-family unit in Pinellas currently pays \$1,596 in fees. If a \$1.00/sq.ft. linkage fee was established, the new Pinellas fee would be \$2,596, which would still be significantly less than the \$7,302 fee charged by Hillsborough or the \$10,322 fee charged by Pasco for the same unit. Mr. Gerdes said he would like the ordinance to return to full Council in May or June and asked for Council feedback.

Councilmember Blackmon expressed concerns that the proposed FL HB 637 would preempt the city from instituting a linkage fee. He said he only learned of the bill earlier that morning and was surprised he'd never heard of it before. Blackmon reported the bill was fast-tracked and had moved through every committee thus far with a unanimous vote. Mr. Gerdes said he was unaware of the bill and asked the city attorney's opinion. Ms. Kovilarich said legal had also just become aware of the bill and that they we're not ready to provide an opinion on it.

Council Member Figgs-Sanders asked if tiny homes would be considered ADU's or if those would be permissible as a build alternative. She also suggested adding language to the ordinance that would ensure appraisals are performed by legitimate vendors. Finally, she suggested that allowing funding for first-time homebuyer assistance for those making up to 140% AMI is too high. Mr. Gerdes said 140% was used to align with state and federal programs, but he would be okay lowering it if that is the will of the body.

Councilmember Foster said she recognizes that the draft ordinance has taken stakeholder feedback into consideration, but doesn't believe it charges a high enough fee and has too many loopholes. She stated that research shows that requiring developers to build units is a better alternative to collecting money and asked how Mr. Gerdes developed the current build alternative formula. He said it's based on the \$1 fee schedule and that he didn't want to set it too high in fear that no one would use it. Councilmember Foster also listed all of the other funding options that have been considered by Council thus far and reminded her peers that most options had been removed from consideration for legal reasons.

Councilmember Gabbard asked if garages would be exempt and suggested Council ratify AHAC's decision to waive the fee. Regarding the land dedication alternative, she asked for a written commitment that the land would be used for affordable housing. She also stated that reducing the AMI for homebuyer assistance below 140% would prevent her from voting yes.

Councilmember Driscoll asked for more details about the linkage fees in Coconut Creek and Winter Park. Specifically, what outcomes both cities have been able to achieve and what impact the collection of fees has made on affordable housing. She also suggested the fee for office be \$0 so developers are not incentivized and charged at the same time. Mr. Gerdes stated that not charging a fee for one particular use could be legally challenging.

Councilmember Blackmon stated his belief that the build alternative as presented would never be used because it would be significantly cheaper to just pay the fee. He also reiterated frustrations that FL HB 637 was not brought to his attention sooner. Deputy Mayor Tomlin replied that the possibility of preemption is perpetual in Tallahassee and the need is too urgent to let the state figure it out. Ms. Kovilarich said legal is not convinced there is an express preemption in the legislation, but her staff will review it further.

Councilmember Rice said the draft ordinance is a great place to start the conversation about funding for affordable housing. However, she disagrees with some of its components and would like to revisit ad valorem taxes and referendums and needs to see increased density before she's comfortable with linkage fees.

Chair Montanari asked if a greater percentage of state and federal money could be used towards creating and preserving 2,400 units. Mr. Gerdes stated that the guidelines for SHIP and HOME are very prescriptive. Montanari also suggested the fee for office be set at \$0.

Councilmember Foster motioned for linkage fees to move forward to the full body. The motion passed with Councilmembers Foster, Driscoll, Rice, and Figgs-Sanders voting yes and Councilmembers Montanari, Blackmon, and Gabbard voting no.

Building Permit Special Revenue Fund - Councilmember Blackmon

Councilmember Blackmon explained that through his recent talks with the City Attorney's Office, he now envisions this new business item as a possible parallel path, rather than an alternative, to linkage fees. His idea to draw down on the surplus in the Building Permit Special Revenue Fund for affordable housing would require a revision to FL Statute 83. A bill is currently being considered by the Florida Legislature to make the necessary changes. Councilmember Blackmon said he would work with the lobbying team to support the bill and update Council accordingly.

Resolution No. ____

A RESOLUTION APPROVING FUNDING FOR THE I-375 PARK PROJECT IN THE AMOUNT OF \$200,000 FROM WEEKI WACHEE FUNDS; MAKING CERTAIN FINDINGS ABOUT THE I-375 PARK PROJECT; APPROVING A TRANSFER IN THE AMOUNT OF \$200,000 FROM THE UNAPPROPRIATED BALANCE OF THE WEEKI WACHEE FUND (1041) TO THE WEEKI WACHEE CAPITAL PROJECTS FUND (3041); APPROVING A SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$200,000 FROM THE INCREASE IN THE UNAPPROPRIATED BALANCE OF THE WEEKI WACHEE CAPITAL PROJECTS FUND, RESULTING FROM THIS TRANSFER, TO THE I-375 PARK PROJECT (TBD); APPROVING FUNDING FOR THE I-375 SURFACE PARKING PROJECT IN THE AMOUNT OF \$250,000 FROM THE PARKING REVENUE FUND (1021); APPROVING A TRANSFER IN THE AMOUNT OF \$250,000 FROM THE PARKING REVENUE FUND TO THE DOWNTOWN PARKING CAPITAL IMPROVEMENT FUND (3073); APPROVING A SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$250,000 FROM THE INCREASE IN THE UNAPPROPRIATED BALANCE OF THE DOWNTOWN PARKING CAPITAL IMPROVEMENT FUND (3073), RESULTING FROM THIS TRANSFER, TO THE I-375 SURFACE PARKING PROJECT (TBD); AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, City Council adopted Article IV, Chapter 21, St. Petersburg City Code, which created procedures and criteria for the use of principal and investment proceeds from the sale of the Weeki Wachee property (“Weeki Wachee funds”); and

WHEREAS, as required by Section 21-120(a), St. Petersburg City Code, the HUNA Park and Surface Parking Project was recommended in writing to City Council by a City Council Member or the Mayor and was later renamed the I-375 Park and Surface Parking Project; and

WHEREAS, the Committee of the Whole has recommended funding for the I-375 Park and Surface Parking Project in an amount not to exceed \$450,000; and

WHEREAS, the City Council of the City of St. Petersburg hereby approves the recommendation of the Committee of the Whole; and

WHEREAS, City Council approves funding in the amount of \$200,000 from Weeki Wachee funds for the I-375 Park Project and funding in the amount of \$250,000 from the Parking Revenue Fund (1021) for the I-375 Surface Parking Project.

NOW THEREFORE BE IT RESOLVED that the City Council of the City of St. Petersburg, Florida finds that:

- the I-375 Park Project is a new capital project in the “parks” and “beautification” referendum categories.
- only investment income will be expended for the I-375 Park Project.
- the I-375 Park Project is City-owned and will be constructed on land owned or controlled by the City
- allowable operating and maintenance costs of \$0 for ten years are included in the cost of the I-375 Park Project.

BE IT FURTHER RESOLVED that since there are no allowable operation and maintenance costs that can be paid from Weeki Wachee funds that upon completion of the I-375 Park Project, \$0 shall be transferred for the ten years of maintenance.

BE IT FURTHER RESOLVED that the I-375 Park Project shall include signs to ensure that the public is aware that the I-375 Park Project is funded from Weeki Wachee funds.

BE IT FURTHER RESOLVED that funding for the I-375 Park Project in the amount of \$200,000 from Weeki Wachee funds and funding for the I-375 Surface Parking Project in the amount of \$250,000 from the Parking Revenue Fund (1021) are hereby approved.

BE IT FURTHER RESOLVED that the following transfer from the unappropriated balance of the Weeki Wachee Fund (1041) to the Weeki Wachee Capital Projects Fund (3041) for Fiscal Year 2020 is hereby approved:

<u>Weeki Wachee Fund (1041)</u>	
Transfer to Weeki Wachee Capital Projects Fund (3041)	\$200,000

BE IT FURTHER RESOLVED that the following supplemental appropriation from the increase in the unappropriated balance of the Weeki Wachee Capital Projects Fund (3041), resulting from the above transfer, for Fiscal Year 2020 is hereby approved:

<u>Weeki Wachee Capital Projects Fund (3041)</u>	
I-375 Park Project (TBD)	\$200,000

BE IT FURTHER RESOLVED that the following transfer from the Parking Revenue Fund (1021) to the Downtown Parking Capital Improvement Fund (3073) for Fiscal Year 2020 is hereby approved:

Parking Revenue Fund (1021)
Transfer to Downtown Parking Capital Improvement Fund (3073) \$250,000

BE IT FURTHER RESOLVED that the following supplemental appropriation from the increase in the unappropriated balance of the Downtown Parking Capital Improvement Fund (3073), resulting from the above transfer, for Fiscal Year 2020 is hereby approved:

Downtown Parking Capital Improvement Fund (3073)
I-375 Surface Parking Project (TBD) \$250,000

This resolution shall become effective immediately upon its adoption.

DEPARTMENT:

BUDGET:

LEGAL:

/s/ Jeannine S. Williams

City Attorney (designee)
00497250