



Citizen Advisory Committee

South St. Petersburg Community Redevelopment Area

March 1, 2022, at 5:15 p.m.
City Council Chambers, 175 5th Street North

- I. Citizen Advisory Committee and Staff Introductions**
- II. Approval February 1, 2022, CAC Meeting Minutes (Vote)**
- III. Recommendation on Second Amendment to Funding Agreement with Exact Shell Dash - 1100 blk 16th Street South (Vote)**
- IV. Presentation on Sankofa Project (600 blk of 22nd Street South) (Information)**
- V. Public Comment and Correspondence (3 minutes per speaker)**
- VI. New Business**
- VII. Upcoming Agenda Items**
 - a. Disposition of City-owned Property at 2100 blk of 18th Avenue South
 - b. Disposition of City-owned Property at 1880 blk of 18th Avenue South
- VIII. Next Regular Meeting Date – April 5, 2022**
- IX. 2022 Regular Meeting Dates (with alternative dates)**

February 1 st	March 1 st	April 5 th
May 3 rd	June 7 th	<u>July 5th</u> (wk of June 27 th)
August 2 nd	<u>September 6th</u> (wk of Aug 29 th)	<u>November 1st</u> (wk of Oct 31 st)
December 6 th		
- X. Four Hours of Required Ethics Training (Reminder)**
- XI. Adjourn**



**CITY OF ST. PETERSBURG
CITIZEN ADVISORY COMMITTEE (CAC)
SOUTH ST. PETERSBURG COMMUNITY REDEVELOPMENT AREA
PUBLIC MEETING**

**Council Chambers
City Hall**

**February 1st, 2022
Tuesday, 5:04 p.m.**

MINUTES

Members Present: Ricardo Davis, Chair
Steven Morrison
Erin McFarley
Tara Centeno

Staff Present: Richard Prince, Interim Urban Affairs Manager
Rick Smith, Manager, Economic & Workforce Development
Jessica Eilerman, Small Business Liaison and Greenhouse Manager
Michael Dema, Assistant City Attorney
George Smith, ED Coordinator Economic & Workforce Development
Anthony Chan, ED Specialist, Economic & Workforce Development
Tracey Smith, ED Coordinator, Greenhouse

The meeting was called to order at 5:04 p.m., a quorum was present.

I. Citizens Advisory Committee and Staff Introductions

Introductions were made by each Committee Member and City Staff member.

II. Approval of December 7th CAC Meeting Minutes (Vote)

Committee Member Morrison moved, and Committee Member Centeno seconded a motion that the December 7th minutes approved as written by a consensus vote.

III. Recommendation on Amendments to Single Family Façade Grant Program (Vote)

George Smith presented and spoke briefly on changes to the Single Family Façade Grant Program and answered questions from the committee. *Committee Member Morrison moved, and Committee Member Centeno seconded a motion approving recommendation on program amendments, approved as written by a consensus vote.*

IV. Recommendation on Amendments to Agreement with Pinellas Education Foundation on Youth Farm Employees (Vote)

George Smith presented and spoke briefly on changes to the Pinellas Education Foundation agreement and answered questions from the committee. *Committee Member Morrison moved, and Committee Member Centeno seconded a motion approving recommendation on agreement amendments, approved as written by a consensus vote.*

V. Overview of Launch of the CRA MicroFund Program (Information)

Jessica Eilerman presented general details and processes on the MicroFund program coming up and answered questions from the committee.

VI. Public Comment and Correspondence (3 minutes per speaker)

Dick Pierce a stakeholder in South St Petersburg CRA, would like to do a presentation on affordable housing to the CAC in the upcoming months. Rick Smith commented he would coordinate with Dick Pierce to set a future date.

Veatrice Farrell, Executive Director of The Deuces Live, Inc. gave monthly announcements on events in the Deuces Live Corridor.

VII. New Business

No New Business

VIII. Next Regular Meeting Date – March 1, 2022

IX. 2022 Regular Meeting Dates

February 1 st	March 1 st	April 5 th
May 3 rd	June 7 th	<u>July 5th (wk of June 27th)</u>
August 2 nd	<u>September 6th (wk of Aug 29th)</u>	October 4 th
<u>November 1st (wk of Oct 31st)</u>	December 6 th	

X. Four Hours of Required Ethics Training (Reminder)

XIII. Adjourn

With no further items to come before the Committee, the meeting was adjourned at 5:32pm.



MEMORANDUM

Citizen Advisory Committee for the South St. Petersburg CRA

Prepared by the Economic and Workforce Development Department

For Public Hearing and Executive Action at 5:15 pm on March 1, 2022

City Council Chambers

175-5th St N, St. Petersburg, Florida

City File: SSPCRP-2022-3

Request

The Citizen Advisory Committee for the South St. Petersburg Community Redevelopment Area (CRA) recommends to the St. Petersburg Community Redevelopment Agency (Agency) that City Council approve the following Second Amendment to an Agreement between the City of St. Petersburg and Exact Shell Dash, LLC, taking the following actions:

- **APPROVE** an increase of up to \$617,000 for a total of \$1,075,000 in Tax Increment Financing (TIF) from the South St. Petersburg Community Redevelopment Area to provide funding through the Affordable Housing Redevelopment Loan Program to Exact Shell Dash, LLC to develop ten (10) new affordable housing units on City-owned property located at the northeast corner of 12th Avenue South and 16th Street South.
- **APPROVE** the amended terms and conditions attached in the Agreement to reflect the modified development program that:
 - restricts the sale of the townhomes to households whose incomes are at or below 80% Area Median Income (AMI);
 - reduces the maximum sale price from \$239,000 to \$219,000;
 - extends the affordability period from 15 years to 30 years;
 - City will reimburse up to \$46,000 upon completion of the paving of North/South alleyway from 11th to 12th Avenue South;
 - City will pay the developer \$406,000 upon completion of approved foundations; and

- City will pay the developer \$623,000 upon completion and CO of the tenth unit.
- **FIND** that the expenditure of TIF funds for the proposed development is consistent with both the intent of the South St. Petersburg Community Redevelopment Plan as well as the CRA's "Affordable Housing Redevelopment Loan Program".

Project Overview

On February 18, 2021, City Council adopted Resolution 21-79 approving a Funding Agreement (Agreement) with Exact Shell Dash, LLC ("Developer") to develop ten (10) affordable housing units on real property located at the northeast corner of 12th Avenue South and 16th Street South, within the South St. Petersburg Community Redevelopment Area. The terms and conditions of the original Agreement include but are not limited to the following:

- Disposal of city-owned property to Developer at no cost to promote the construction of affordable housing;
- Developer will ensure units are sold or rented to qualified households with incomes at 120% or below of area median income (AMI);
- Developer will ensure that units are marketed exclusively to households with incomes at 80% AMI or below during the first 90 days each unit is on the market;
- Developer will record a restrictive covenant that limits the sale or rental of property to qualified households for a period of fifteen (15) years;
- City will provide for a payment of \$38,600 per unit, for a maximum total of \$386,000, which includes reimbursing the Developer for its cost to resurface the adjoining north/south alley not to exceed \$46,000; and
- Developer will refund to the City the amount of per-unit subsidy by the amount of the sales price that exceeds \$239,000.

The City's \$386,000 financial contribution to the project would be funded by Tax Increment Financing from the South St. Petersburg Redevelopment Trust Fund.

In summer 2021, the Developer requested an amendment to the Agreement to increase the City's financial assistance by \$72,000 to the project. The amendment was made necessary by the revised expected sales revenue and construction costs which resulted in an estimated \$458,000 gap (or \$45,800 per affordable unit) compared to the original shortfall estimate of \$386,000 (or \$38,600 per unit). These shortfalls resulted from one of the Developer's funding sources falling through. On August 5, 2021, City Council adopted Resolution 21-356 approving the amendment to the Agreement with the Developer allowing for the use of the additional \$72,000 for a total of

\$458,000 in Tax Increment Financing from the South St. Petersburg Redevelopment District Fund (1104) to assist with the construction of the development.

In January 2022, the Developer requested from Administration an additional \$417,000 in incentive funding to address escalating costs in construction materials over the past year. To validate this increase, the Developer provided a third-party evaluation of the contractor's estimate by John Crum of WJCreate LLC, who verified that the costs were consistent with market conditions. In addition, City Administration informally surveyed housing developers for evidence of the inflation in construction and found the Developer's claims also to be consistent with existing conditions.

Finally, the Developer's claims are substantiated by official data from the U.S. government. According to Associated General Contractors of America (AGC), a national trade group for builders, the price of construction materials has jumped nearly 20% in 2021, based on data from the Bureau of Labor Statistics' December 2021 report on the Producer Price Index for construction materials.¹ Of note are substantial increases that have occurred in several processed goods important to construction from December 2020 to December 2021. Notable increases include 12.5% in asphaltic roofing materials; 8.5% in concrete products (as the project will be concrete construction); 17.4% in insulation; and 17.6% in lumber and plywood. Notably, according to AGC's data, the latter has increased by 22.5% between September 2021 and December 2021, which is the period after City Council approved the first amendment and will affect interior framing and roof trusses for the project.

The nearly 20% increase in construction costs nationally validates the 18.5% increase in material costs in the Developer's construction budget (including site development) from \$2,248,000 in the first amendment to the current cost of \$2,665,000.

While evaluating the increased funding request, City Administration also wanted to ensure that low-to-moderate income households would be able to qualify for these ten townhomes. Thus, Administration is recommending that the units be restricted for sale to households whose income is 80% or less of the area median income (AMI). To meet that affordability threshold, the sale price of the townhomes shall not exceed \$219,000. This reduction in sale price of \$20,000 per unit will require an additional subsidy of \$200,000 to cover the foregone revenue that would otherwise have been used to pay for development costs. The table below depicts income limits by number of persons in households.

¹ <https://www.supplychaindive.com/news/construction-materials-prices-soared-2021/617219/>.

2021 Income Limits for Affordable Housing Projects
Income Limit by Number of Persons in Household
Percentage of Area Median Household Income

	30%	50%	80%	120%
1	\$15,510	\$25,850	\$41,360	\$62,040
2	\$17,730	\$29,550	\$47,280	\$70,920
3	\$19,950	\$33,250	\$53,200	\$79,800
4	\$22,140	\$36,900	\$59,040	\$88,560
5	\$23,940	\$39,900	\$63,840	\$95,760
6	\$25,710	\$42,850	\$68,560	\$102,840
7	\$27,840	\$45,800	\$73,280	\$109,920
8	\$29,250	\$48,750	\$78,000	\$117,000
9		\$51,660	\$82,656	\$123,984
10	Refer to HUD	\$54,612	\$87,379	\$131,069

The total requested increase in subsidy is \$617,000 for total of \$1,075,000 subsidy request. Table 1 below shows the project revenue and uses prepared by the Developer for the new development program. Based on their expected sales revenue and construction costs, the Developer estimates a \$1,075,000 gap, or \$107,500 per affordable dwelling unit, for which it is seeking to close with city funding.

Table 1. Summary of Development Revenue and Costs

Gross Sales Estimates	\$2,190,000
Project Uses	
Engineering & Architect	\$134,000
Construction Costs	\$2,665,000
Soft Costs	\$35,000
Developer Fee	\$75,000
Brokerage Fee	\$75,000
Contingency	\$150,000
Interest	\$91,000
Developer Cost	\$40,000
Total Costs	\$3,265,000
Project Profit Loss	(\$1,075,000)
Profit/Loss per Unit	(\$107,500)

Recommendation

City Administration recommends approving the Second Amendment to the Agreement between the City of St. Petersburg and Exact Shell Dash, LLC to utilize an additional \$617,000 in City funding for a total of \$1,075,000 in Tax increment Financing (TIF) from the South St. Petersburg Redevelopment Trust Fund to fund an affordable housing development within the South St. Petersburg Community Redevelopment Area (CRA).

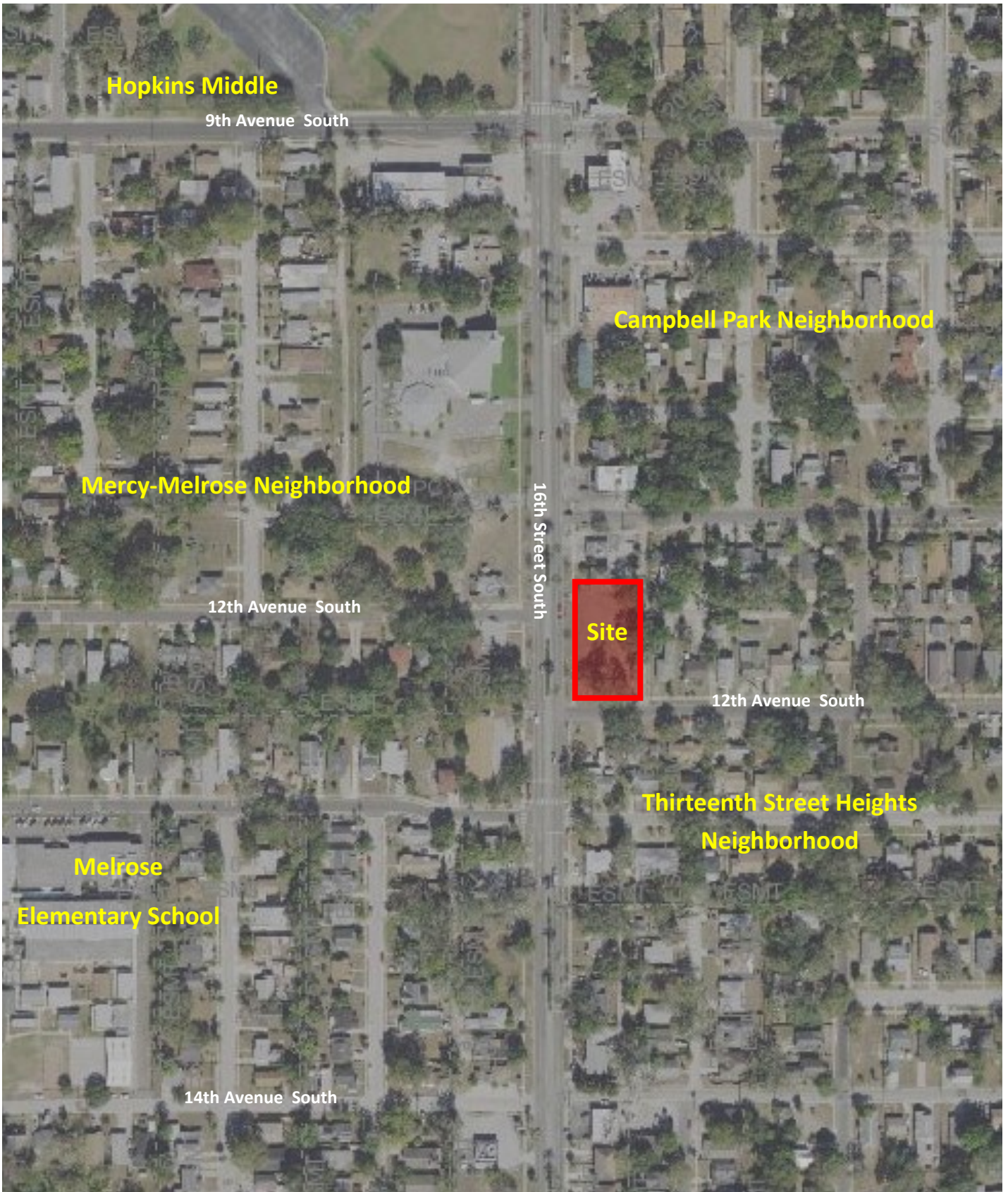
Cost and Funding Information

With the change in the development program and the associated increase in development costs, the CRA incentive for the Exact Shell Dash Project increases from \$458,000 to \$1,075,000. Funds have been previously appropriated in the South St. Petersburg Redevelopment Fund (1104), Economic and Workforce Development Department (375.2609). Funds totaling \$3,050,660 have been previously appropriated in the FY 2022 CRA Budget Plan for the South St. Petersburg Community Redevelopment Area in Housing and Neighborhood Revitalization. The final CRA budget was approved by City Council on December 16, 2021, through Resolution 21-631.

Attachments:

- Exhibit A Location and Site/Environs
- Exhibit B Elevations
- Exhibit C Site Plan

Exhibit A



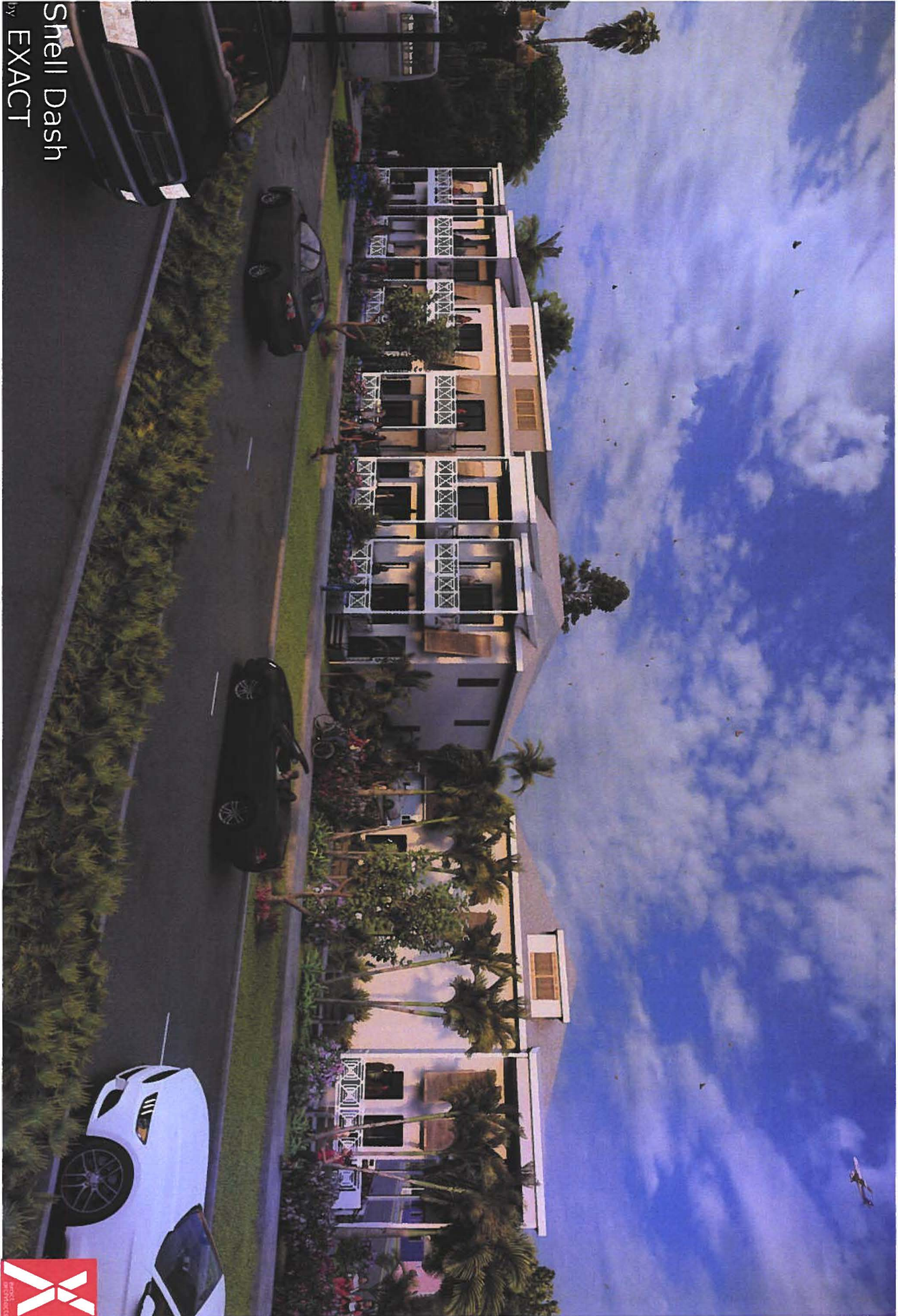
Proposed "Shell Dash" Development

1100 block of 16th Street South

Exhibit A



Exhibit B Elevations



Shell Dash
BY EXACT



Exhibit C Site Plan

