



Legislation Text

File #: ID#17-3253, **Version:** 1

SUBJECT/RECOMMENDATION:

Authorize a loan in an amount not to exceed \$600,000 to Habitat for Humanity of Pinellas County, Inc. to construct up to 13 single family homes within the 600 block of North Garden Avenue, Clearwater, Florida, enter into a mortgage contingent on closing the acquisition of said property, and authorize the appropriate officials to execute documents required to affect closing. (consent)

SUMMARY:

On December 12, 2016, City Council approved a loan to Habitat for Humanity, Inc. (Habitat) for the acquisition of a 1.6-acre tract of land owned by five different landowners. The loan was made available through the City's Housing Division and utilized a combination of federal and local funding sources. The five properties are located within the block bordered by North Garden Avenue, Eldridge Street, Maple Street and the Pinellas Trail. Spruce Street bisects the block from north to south. Habitat plans to construct 13 single-family, three-bedroom homes to be made available to families with income at or below 80% of Area Median Income.

Habitat is scheduled to close on the five parcels on March 2, 2017, and the City has established terms of a construction loan to Habitat using a combination of Federal and State funds. Funding for the construction loan includes \$450,000 from the United States Department of Housing and Urban Development's HOME Investment Partnership Program and \$150,000 from the State Housing Initiatives Partnership Program. Up to \$274,680 of the loan will be forgiven. The forgiven portion of the loan is comprised of a 12% developer fee, anticipated cost to demolish existing structures and to perform environmental remediation activities. An estimated \$325,320 will be paid back to the city in 13 equal payments as each home is sold to a qualifying buyer.

The total construction cost for the project is estimated to be \$1,664,000. Habitat anticipates completion and sale of the first home by the end of summer, 2017. Construction of all 13 homes is expected to be complete by July, 2018.

APPROPRIATION CODE AND AMOUNT:

Funding for this project is available with the use of HOME funding from the United States Department of Housing and Urban Development and the State Housing Initiatives Partnership program.

USE OF RESERVE FUNDS:

NA