



## Legislation Text

File #: ID#20-8289, Version: 1

### SUBJECT/RECOMMENDATION:

Approve a Community Redevelopment Agency contribution of \$305,000 to be set aside as a commitment for the Minimum Local Government Areas of Opportunity Funding that is required for Blue Pierce, LLC, as Successor-in-Interest to Blue Sky Communities, LLC, (Blue Sky) to receive a basis boost in the State of Florida's Low Income Housing Tax Credit Program (LIHTC) for an 81-unit affordable housing development project at 610 Franklin Street; approve the First Amendment to Agreement for Development and Purchase and Sale of Property (Amendment) between the Community Redevelopment Agency, the City of Clearwater and Blue Pierce, LLC (Blue Pierce); and authorize the appropriate officials to execute same

### SUMMARY:

The purpose of this item is to request that the CRA Trustees amend the current development agreement with the City of Clearwater and Blue Pierce, LLC to reduce the required local government contribution from \$747,000 to \$610,000. Amending the agreement requires the approval of both the City and the CRA. The City Council will consider this item on October 1, 2020.

The Community Redevelopment Agency (CRA) issued RFP 09-19 on August 17, 2019 to redevelop the former Fire Station 45 site at 610 Franklin Street as a housing tax credit project. The 2018 Downtown Redevelopment Plan calls for a variety of housing to support a range of incomes including market rate, workforce and low- to moderate-income rental units to meet the unmet housing demand for a diverse workforce in the Downtown Core, employees in the medical field at Morton Plant and the hospitality industry on Clearwater Beach. The RFP invited qualified applicants with previous experience and financial resources to develop a minimum of eighty residential units under the Florida Housing Finance Corporation's Low-Income Housing Tax Credit program. Staff reviewed three qualified proposals and recommended Blue Sky Communities as the winning proposal on September 18, 2019.

Blue Sky Communities proposes to construct a 9-story, 81-unit housing development with a two-story, 81-space parking garage and ground floor commercial space. The unit mix is 30 1-bedroom, 47 two-bedroom and 4 three-bedroom units. This is a mixed income project with 16% of the units at 30% AMI, 69% of the units at 60% AMI and 15% of the units at 80% AMI. The developer anticipates future residents having \$216,000 in new disposable income after moving into this project. The total development costs are approximately \$22,000,000. This includes a purchase price of \$2,000,000 from the CRA and a loan from City/CRA of \$747,000 at interest rate of 4%.

After entering into the Agreement for Development and Purchase and Sale of Property (Agreement), Blue Sky submitted an application to the FHFC under RFA114. Blue Sky's application to FHFC was unsuccessful; however, the Agreement contained an option for an extension of one additional year for Blue Sky to re-apply in a future RFA, which was exercised in accordance with the terms of the Agreement. The Amendment provides updated information regarding FHFC's 2020 Application cycle. Following approval of this item, Blue Sky will submit an application in response to FHFC's Request for Applications 2020-202 (RFA202). The minimum Local Government Area of Opportunity Funding amount has been reduced by the State from \$747,000 in 2019 to \$610,000 for this year's RFA. The CRA's portion of this new match is \$305,000. If more than one firm

submits an acceptable application for a project located in Pinellas County with local government support of \$610,000, then FHFC's selection becomes akin to a lottery pick; only one project will be awarded tax credits. Applications for RFA202 are due on October 20, 2020 and FHFC's selection is expected in March 2020.

If Blue Sky is not successful in this round, the agreement will expire, and the property will be available for new redevelopment proposals. Approval of the amendment and contribution is recommended.

**APPROPRIATION CODE AND AMOUNT:**

There is funding available in the Housing-County R2010 project fund.