

Agenda Item: 3.c

Meeting Date: August 17, 2021

MEMORANDUM

To: City Commission

Date: 2021-08-02

From: Robert C. Ironsmith, Dir. of Economic & Housing Dev./CRA

Subject: Approval of Financial Commitment Letter to the Florida Housing Finance Corporation (FHFC) for Proposed Affordable Housing Project

Presenter(s): Robert C. Ironsmith, Dir. of Economic & Housing Dev./CRA, Tim Morgan, President Jonesboro Investments Corp.

Recommend: Staff recommends approval of Financial Commitment Letter for the Proposed Affordable Housing Project

Epic Goal(s): Goal #5 - Enhance community and employee relationship strategies that strengthen inclusiveness, respect, transparency and collaborative engagement.

Boards & Committees: N / A

Budget Impact: \$650,000 from the City of Dunedin Funds; Penny, American Rescue Plan Act, Grants or General Funds. If awarded by the Florida Housing Finance Corporation (FHHC) funds are not due until FY2023.

Past Action: N / A

Next Action: N / A

Attachments: [A. Union Street Property Aerial.pdf](#), [B. Dunedin - Proposed Site Plans A & B.pdf](#), [C. Local Gov't Verification of Contribution - Grant Form.pdf](#),

Background: In conjunction with City Commission direction to create affordable housing

opportunities, staff has been reviewing various possibilities. At this time one in particular has come to the forefront which would encompass a proposed multi-family project off of Union Street in Dunedin. The parcel is under contract and the City has been working with developer Tim Morgan out of Ohio. Mr. Morgan is a seasoned affordable housing developer, and has indicated that in order to make this project feasible, it would necessitate applying for Low Income Housing Tax Credits (LIHTC) through the Florida Housing Finance Corporation (FHFC).

This application to the State would also require a significant monetary contribution from the City of Dunedin of \$650,000 in order to make the project competitive with the FHFC. Funding for this initiative could come from various sources such as the General Fund, Penny for Pinellas, American Rescue Act Plan, or other Grants.

The proposed project would consist of 71 apartments (family oriented) in a three (3) story setting. It should be noted the award of the tax credits is very competitive, with 3 to 4 other Pinellas County municipalities also expected to apply in this year's State funding cycle. The decision on who receives the tax credits would be made by the State in the Spring of 2023. If this project request is successful, the financial commitment from the City would be due in the Fall of 2023.

Staff recommends hearing Mr. Morgan's presentation of the LIHTC process along with his proposal for an Affordable rental housing development; and further recommends supporting the Letter of Commitment to the Florida Housing Finance Corporation, in the amount of \$650,000, as detailed herein.