



MEMORANDUM

TO: The Honorable Karl Nurse, Chair, and Members of the Housing Services Committee

FROM: Joshua A. Johnson, Director, Housing and Community Development Department

DATE: Housing Services Committee Meeting of April 28, 2016

SUBJECT: Discussion and approval to provide recommendations to the Florida Housing Finance Corporation (FHFC) regarding their proposed "Opportunity Clusters"

EXPLANATION:

The City's Consolidated Plan discusses the need for affordable housing to be produced for persons who are extremely-low, very-low, and low-income. It has been documented that households with incomes at or below 60% of area median income (AMI) often are severely cost burdened. Because of this, the City has established a line item in its Annual Action Plan budget to fund developers to produce affordable multi-family housing for persons or households whose incomes are at or below 60% of AMI. The City often uses this line item to leverage the local government contribution that is required for developers to apply to the Florida Housing Finance Corporation ("FHFC") for federal tax credits. However, recently there have been three legal and regulatory developments which will impact the way that FHFC must administer the tax credit program in the future. Throughout the first half of 2016, FHFC is engaging stakeholders to assist as they explore the best ways to implement the award of future tax credits in compliance with these new announcements.

First; there has been a change to the federal definition of a Difficult Development Area ("DDA"). Previously, affordable housing developers applying to FHFC were eligible to receive a funding boost in the Low Income Housing Tax Credits ("LIHTCs") that may be available to them if their sites were located within a DDA or a Qualified Census Tract (QCT). The entire Tampa-Clearwater-St. Petersburg metropolitan statistical area ("MSA") used to be considered part of a DDA in 2015. However, effective July 1, 2016 the federal government will begin using the Small Difficult Development Areas ("SDDA") definition, which eliminates much of St. Petersburg from the ability to attract an affordable housing developer, since a boost would no longer be available.

Second; the Disparate Impact Decision wherein the Supreme Court affirmed that the Fair Housing Act applies to acts of discrimination in housing, even if the act is unintentional, under the principle of "disparate impact". Just because banks, landlords or other parties may not mean to discriminate, doesn't mean that their policies don't negatively impact a group of people. The test of illegality is primarily whether statistical data indicates that an action causes a disproportionately adverse effect

on minorities or another protected group. Therefore, FHFC has worked in partnership with the UF Shimberg Center for Affordable Housing to produce the statistical data that they have used to develop additional areas within each of the 7 largest counties in Florida where they would provide an additional boost or an incentive to affordable housing developers for producing new units within those zones (please see the attached maps showing the two factor and three factor areas). The Court's majority opinion states that the decision does not prohibit targeted revitalization of neighborhoods, therefore Administration would like the Housing Services Committee ("HSC") to consider recommending to the FHFC that they add the South Side CRA area to be included as an area which would receive a funding boost.

Third; The Affirmatively Furthering Fair Housing Rule "requires HUD grantees, which include states, and housing authorities to take actions that can undo historic patterns of segregation and other types of discrimination, as well as to take actions to promote fair housing choice and foster inclusive communities." The attached maps indicate that St. Petersburg has been working to locate assisted housing in a variety of locations throughout the City.

RECOMMENDATION:

Administration recommends that the Housing Services Committee ("HSC") authorize staff to convey the following comments to the FHFC as part of their public comment process:

1) HSC supports the FHFC's effort to incentivize development that increases housing choice for low income households in areas of opportunity by adding incentives for production of new housing units within the two factor/three factor areas which may promote economic mobility for low income residents.

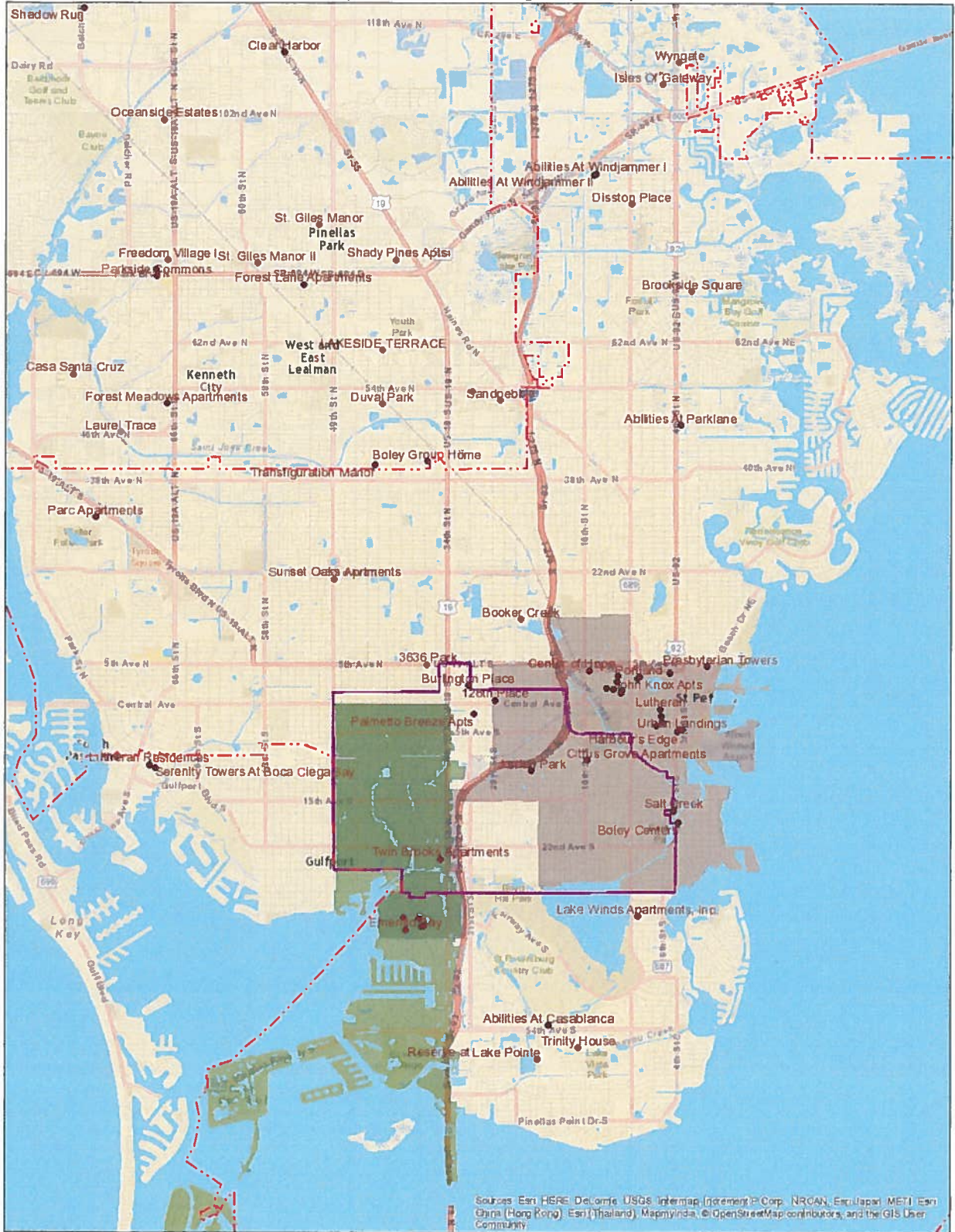
2) HSC requests that FHFC consider adding all currently active local government Community Redevelopment Areas adopted under State statute to the DDA, QCT and Opportunity Areas, providing for an incentive boost within each of these areas.

3) HSC requests that FHFC consider the fact that most of the two factor/three factor areas are zoned only for single family development, and therefore HSC is requesting that FHFC allow for a proposed development to receive a boost if it will be located within approximately ½ mile of one of the two factor/three factor Opportunity Areas.

4) St. Petersburg is a built out community located in the most densely populated County in the State. Accordingly, HSC is requesting that FHFC remove the requirement that all 9% tax credit developments contain a minimum of 75 units, since a 50-65 unit complex is much less of an impact on an existing neighborhood. Additionally, complexes which are larger than 75 units, should be required to provide a more mixed income scenario, which would help to foster more inclusive communities and assist with the ability to promote housing choice.

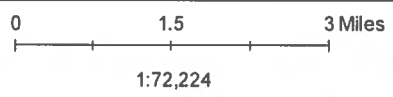
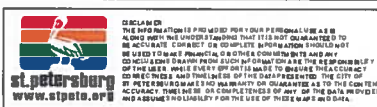
ATTACHMENTS: Maps

City of St. Petersburg Web Map



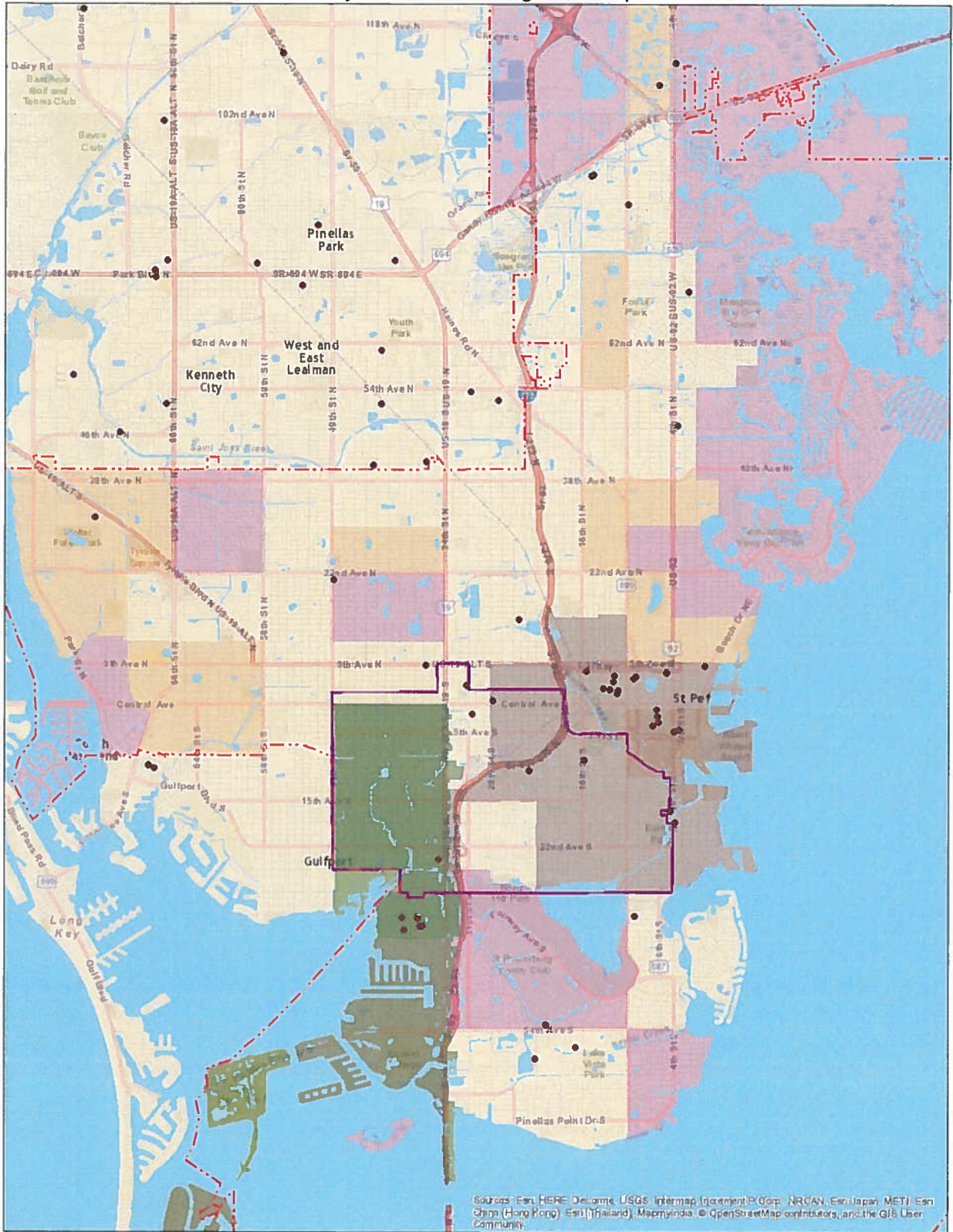
Sources: Esri, HERE, DeLorme, USGS, Intermap, (geoplatform) Corp., NRCAN, Esri (Japan), METI, Esri (Hong Kong), Esri (Thailand), MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

- - - City Limits
- Assisted Housing
- Assisted Housing Labels
- South St Pete - CRA
- Water Bodies
- SADDA's 2016
- QCT's 2016



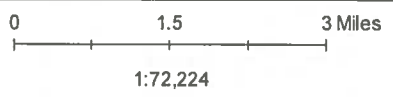
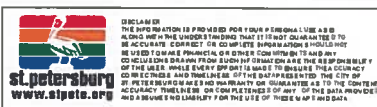
April 22, 2016
Web AppBuilder for ArcGIS


City of St. Petersburg Web Map



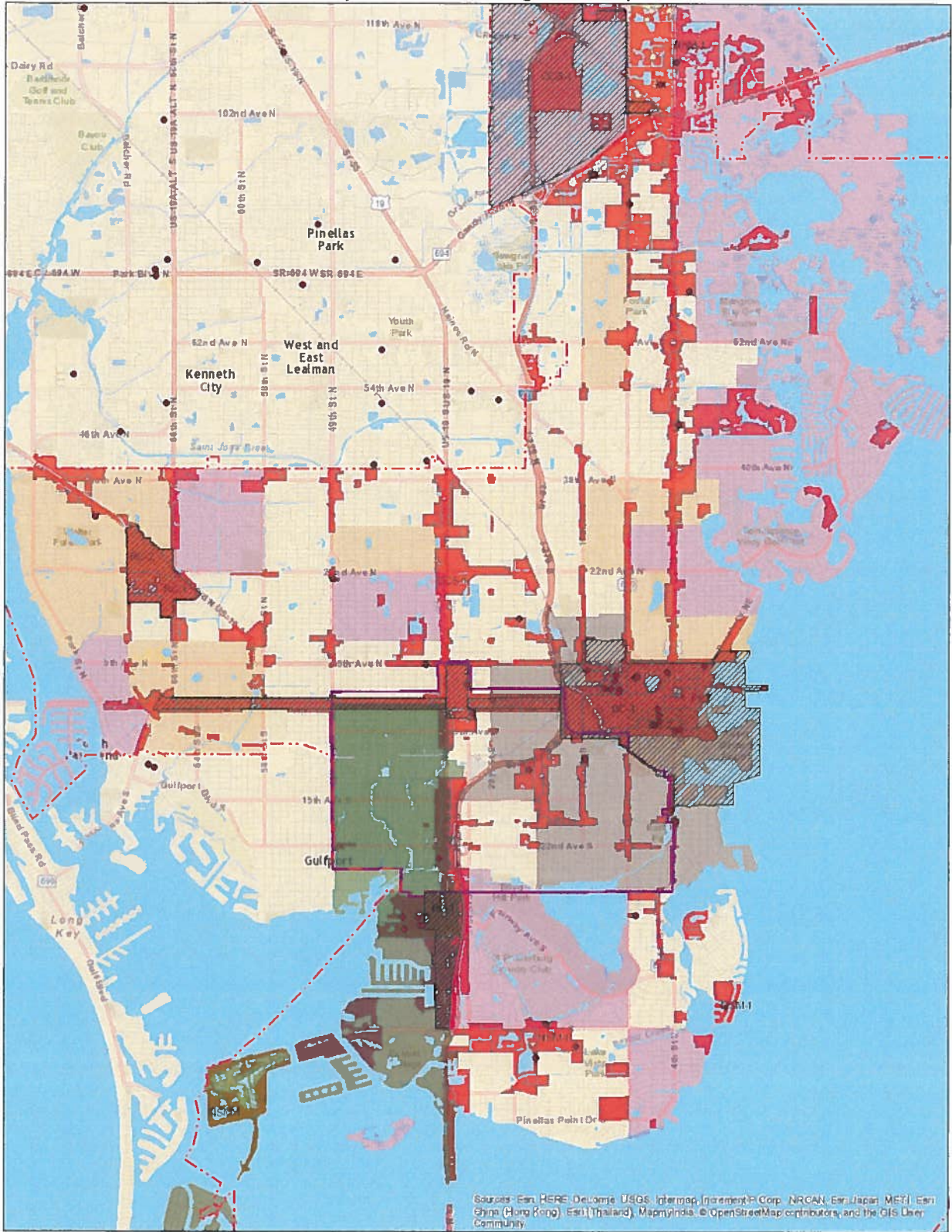
Sources: Esri, HERE, DeLorme, USGS, Intermap, Ingeopartner, P Corp., NRCAN, Esri/Japan METI, Esri/China (Hong Kong), Esri/JThailand), MapmyIndia, © OpenStreetMap contributors, and the GIS User Community.

- - - City Limits
- - - Assisted Housing
- · · South St Pete - CRA
- ~~~~~ Water Bodies
- ===== SADDA's 2016
- ===== QCT's 2016
- ===== Two Factor
- ===== Three Factor




 April 22, 2016
 Web AppBuilder for ArcGIS

City of St. Petersburg Web Map



Sources: Esri, HERE, DeLorme, USGS, Intermap, (iGeo) Inc., Corp., NRCAN, Esri/Japan, METI, Esri/Shina (Hong Kong), Esri/Thailand, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community.

- City Limits
- Assisted Housing
- Activity Centers
- South St Pete - CRA
- Water Bodies
- SADD's 2016
- QCT's 2016
- Two Factor
- Three Factor
- Zoned Multi-Family



DISCLAIMER: THE INFORMATION IS PROVIDED FOR YOUR PERSONAL USE AND IS NOT GUARANTEED TO BE ACCURATE, COMPLETE, OR CURRENT. INFORMATION SHOULD BE USED TO MAKE DECISIONS OR OTHER COMMERCIAL USES ONLY. THE USER SHALL BE RESPONSIBLE FOR VERIFYING THE ACCURACY, COMPLETENESS, AND TIMELINESS OF THE DATA. THE CITY OF ST. PETERSBURG MAKES NO WARRANTY OR GUARANTEE TO THE CONTENTS, ACCURACY, TIMELINESS, OR COMPLETENESS OF ANY OF THE DATA PROVIDED AND ASSUMES NO LIABILITY FOR THE USE OF THESE MAPS AND DATA.



1:72,224



April 22, 2016
Web AppBuilder for ArcGIS