

Disposition of County Surplus Property for Affordable Housing Development (Policy and Procedure)

1. Purpose:

To encourage redevelopment of blighted areas through reinvestment in non-productive properties for the purpose of meeting affordable workforce housing needs in Escambia County.

2. Surplus Property and Affordable Housing (Brief Overview):

In 1992, Escambia County and the City of Pensacola each adopted an **Affordable Housing Development Incentive Plan** as a precursor to implementation of the State Housing Initiatives Partnership (SHIP) Program. An element of this plan requires continual review of County and City owned properties suitable for affordable housing. Escambia County works very closely with many non-profit and for profit workforce/affordable housing builders and developers through various programs administered through the Neighborhood and Environmental Services Department. Land cost is integrally linked to housing affordability, especially when homes are targeted to very low, low and moderate income families for homeownership or long term rental purposes. Routinely, the County attains ownership of vacant, blighted, or abandoned properties through tax deed, foreclosure of code enforcement or related liens, or donation. Most are non-productive properties with minimal improvements, or more typically with serious code deficiencies requiring recurring corrective actions by County officials. After reviewing internally, a significant percentage of these properties are not required for County public functions, and therefore are deemed to be surplus. Many of the surplus parcels are suitably sized and located thus allowing for the construction of reasonably priced homes to address the continuing shortage of affordable workforce housing in the County. A number of locally based non-profit and for-profit builders and developers routinely request the donation or discounting of such parcels specifically for housing production.

3. Surplus Property Disposition by County:

The County has routinely undertaken a variety of methods to dispose of surplus real property to legal non-profit corporations, ranging from outright donation to sale via bid. The intent of this Policy is to provide a framework for the disposition of properties incorporating a "discounted purchase price" option for affordable housing interests. This process must comply with governing Florida Statutes that prescribe alternatives available to the County for disposition of "surplus" property.

4. Affordable Housing Development Incentive Plan:

The County will utilize a series of screening procedures to govern disposition of surplus property as an incentive fostering development of quality affordable workforce housing, including:

(a) Internal County Review:

Prior to declaring “surplus”, any real property coming under the ownership of the County, each parcel shall be first routed internally to appropriate County Departments to determine if the property is needed for County functions. This process is coordinated by the Department of Administrative Services, with specific parcel review performed minimally by the following Departments: Engineering, Road Operations, Parks & Recreation, Facilities Management, Neighborhood & Environmental Services (NEFI/CRA/EQD), and Planning & Zoning.

(b) Open Bid Solicitation:

Parcels remaining after step (a) above shall be declared surplus, publicly advertised for bid and sold to the highest bidder in accordance with State statutes and County Purchasing Ordinance requirements. The property will be conveyed “As Is” and no representations or warranties are made concerning title, zoning, tax consequences, physical or environmental conditions, availability of access, ingress or egress, property value, operating history, governmental approvals, or governmental regulations.

(c) Pre-Qualified Non-Profit Agency Review:

Parcels remaining after Open Bid Solicitation that are deemed suitable for affordable housing development shall be disseminated via e-mail to all “pre-qualified” non-profit agencies meeting the requirements cited in Exhibit I for review and selection (no formal bidding shall be required). Qualified agencies shall be provided a minimum of 10 days to submit a request for individual parcels using a form similar to Exhibit III upon which affordable housing units will be constructed and sold (or rented) to eligible persons/families within 12 months from the date of property transfer. In the event that more than one agency requests the same parcel(s), the selection shall be made by lottery drawing. Following award of individual parcels to qualified housing agency(ies), the previously advertised Minimum Bid Amount shall be adjusted by the following discount factors:

- 75% - Unit(s) targeted to Moderate Income families (see Exhibit II for limits)
- 100% - Unit(s) targeted to Low, Very Low & Extremely Low Income families (see Exhibit II for limits)

Note: The receiving agency shall be responsible for costs related to transferring the property to the agency).

5. Unit Production Requirement:

Affordable housing unit(s) must be constructed and sold to income eligible families as described previously, within a maximum of 12 months from the date of property transfer. Properties shall contain a “reverter” clause stipulating this requirement. Failure to complete unit(s) shall result in the property being recaptured by the County.

EXHIBIT I
Pre-Qualified Agency Requirements

A “Pre-Qualified Agency” for purposes of this Property Disposition Policy is an agency that has: (1) submitted the below listed threshold documentation and (2) received written designation as a “Pre-Qualified Agency” by the County.

Threshold Requirements Checklist for Designation:

- _____ Submit written IRS approval designating the agency as a 501(c)(3) non-profit (IRS designation letter).

- _____ Submit written documentation of current, active incorporation as a non-profit or charitable organization in the State of Florida (Division of Corporations verification).

- _____ Submit a copy of the Articles of Incorporation clearly stating that development of affordable housing is a primary purpose of the agency.

- _____ Submit documentation that the agency has or is currently building or developing affordable workforce housing in Escambia County (including the City of Pensacola and Century).

- _____ Submit a statement certifying that the agency has the financial and operational capacity to develop affordable housing units for the targeted income groups under the terms and within the limitations of this Policy.

<p>EXHIBIT II</p> <p>INCOME ELIGIBILITY THRESHOLDS</p>

**MAXIMUM INCOME ELIGIBILITY LIMITS
 FOR VERY LOW AND LOW INCOME FAMILIES
 (Effective March 13, 2006)**

# PERSONS IN FAMILY	EXTREMELY LOW INCOME (30% OF MEDIAN)	VERY LOW INCOME (50% OF MEDIAN)	LOW INCOME (80% OF MEDIAN)	MODERATE INCOME (120% OF MEDIAN)
1	\$10,900	\$ 18,150	\$ 29,050	\$43,560
2	12,450	20,750	33,200	49,800
3	14,000	23,350	37,350	56,040
4	15,550	25,950	41,500	62,280
5	16,800	28,050	44,800	67,320
6	18,050	30,100	48,150	72,240
7	19,300	32,200	51,450	77,280
8	20,550	34,250	54,800	82,200

EXHIBIT III

**SAMPLE NON-PROFIT AGENCY
PARCEL SELECTION FORM**

**REQUEST FOR AWARD OF COUNTY SURPLUS PROPERTY
BY PRE-QUALIFIED AFFORDABLE HOUSING AGENCY**

Requesting Agency: _____ Agency Number: _____
(assigned by County)

Date: _____

As a **Pre-Qualified Non-Profit Agency**, we hereby request that Escambia County award the below listed properties to this agency for use in meeting affordable housing needs in the County. I/We agree that the property will be used solely for the development of affordable housing for income eligible homeowners or renters and that said development will be completed and sold within 12 months of the date of award:

<u>Available Parcels</u>	<u>Requested by Agency</u>
	<input type="checkbox"/> # of Units Committed: 1 2 3 4
	<input type="checkbox"/> # of Units Committed: 1 2 3 4
	<input type="checkbox"/> # of Units Committed: 1 2 3 4
	<input type="checkbox"/> # of Units Committed: 1 2 3 4
	<input type="checkbox"/> # of Units Committed: 1 2 3 4
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	<input type="checkbox"/> # of Units Committed: 1 2 3 4

The above referenced agency hereby certifies its eligibility to receive surplus County real property and affirms its commitment to produce affordable housing on the awarded parcels within the time limitations and conditions established by the County. Further, agency agrees that the property will be deed restricted limiting its use solely to affordable housing.

Submitted by: _____, in my official and duly
(insert name of authorized agency official)

authorized capacity as _____ of _____
(insert agency official title) (insert legal name of agency)

on this the _____ day of _____, 200_____.

Signature:

Print Name: _____