

## General Program Overview

Hillsborough County will fund up to \$10 per square foot towards redevelopment of derelict commercial buildings within the CDBG target areas of unincorporated Hillsborough County. The program will reimburse pre-approved expenditures including clearance, or construction costs related to reconstruction or replacement of a vacant, derelict building to qualifying participants. Eligibility to receive the financial grant from Hillsborough's CDBG funding allocation is contingent upon fulfilling all contracted obligations including retaining principal ownership for 48 months, indemnifying the County for the grant amount and meeting CDBG performance objectives outlined in the following pages. Only redevelopment projects of commercial use buildings within officially designated CDBG target areas and the Hillsborough County Urban Service Area can apply. **Structures with residential uses are ineligible.**

Applicants can qualify for TARP (Targeted Area Reinvestment Partnership) by applying for one of two program performance objectives aligned with Federal Housing Urban Development's CDBG National Objectives (Addressing Slum or Blighted Areas and Low-to Moderate-Income Jobs). These two national objective performance criteria have separate goals and performance requirements. With assistance from the Hillsborough County Economic Development Department, the applicant may choose which best suits the individual redevelopment project.

After prequalification by Economic Development staff, project applications will be evaluated and rated on each project's merits relative to program guidelines by a three-member selection committee comprised of Hillsborough County Department Directors or their respective designated staff of the following departments: Planning & Growth Management, Health & Social Services, and Housing & Community Code Enforcement. The consensus of recommendations by the committee will be forwarded to the BOCC for consideration of final approval and authorization.

### TARP Performance Qualification #1: Addressing Slum or Blighted Areas

The eligible activities must eliminate objectively determinable signs of slums or blight in a designated slum or blighted area.

A qualifying applicant must:

- 1) Agree to remain the principal and demonstrable owner of the redeveloped property for 48 months after renovation is completed and Certificate of Occupancy (C.O.) is issued.
- 2) Indemnify that the resulting redevelopment will address conditions contributing to deterioration of the area and either:
  - a) Employs at least one full time equivalent low/moderate income employee\* for every \$35,000 of renovation subsidy, OR
  - b) Provide goods and services to residents of an area to benefit at least one low/moderate income person for each \$350 of CDBG funds used for all such activities.

\*Note: A low-to moderate-income person is defined as a member of a family having an income equal to or less than the Section 8 Housing Assistance Payments Program low-income limits established by HUD applicable to the size of the person's family. Example: A family of four with less than \$40,950 of combined annual income meets this definition.

- 3) Indemnify Hillsborough County through an approved financial instrument for that 48-month duration. Funds for reimbursements of pre-approved and documented expenses can be released after BOCC approval, and a County Attorney approved agreement with appropriate indemnification is secured.
- 4) The applicant must demonstrate with approved documentation that the target building has been vacant at least 12 months prior to this program's approval. Multi-unit facilities with at least 60% continuous vacancy for at least 12 months will also be eligible.
- 5) The qualifying structure must be physically surveyed by County inspectors to verify sub building or safety code standard exists and renovation would exceed 51% of the structure's value.

TARP Performance Qualification #2: Low-to Moderate-Income Jobs

The eligible redevelopment activities within this national objective qualification process must result in the creation of permanent new jobs, at least 51% of which, on a full time equivalent basis, are held by Low-to Moderate-Income persons/family.

A qualifying applicant must:

- 1) Agree to remain the principal and demonstrable owner of the redeveloped property for 48 months after renovation is complete and Certificate of Occupancy (C.O.) is issued.
- 2) Indemnify that within 24 months the resulting redevelopment demonstrates:
  - a) Employment of at least one, full-time equivalent employee for every \$35,000 of renovation subsidy, and
  - b) Of the permanent new jobs created at least 51% of which, on a full time equivalent basis, are held by Low-to Moderate-Income persons/family.

\*Note: A low to moderate income person is defined as a member of a family having an income equal to or less than Section 8 Housing Assistance Payments Program low-income limits established by HUD applicable to the size of the person's family. Example: A family of four with less than \$40,950 of combined annual income meets this definition.

- 3) Indemnify Hillsborough County through an approved financial instrument for that 48 month duration. Funds for reimbursements of pre-approved and documented expenses can be released after BOCC approval, agreement and indemnification is secured and a certificate of occupancy is issued for the redeveloped or reconstructed building.
- 4) The applicant must demonstrate with approved documentation that the target building or structure has been vacant at least 12 months prior to this program's approval. Multi-unit facilities with at least 60% continuous vacancy for at least 12 months will also be eligible.
- 5) The qualifying structure must be physically surveyed by County inspectors to verify sub building or safety code standard exists and renovation would exceed 51% of the structure's value.
- 6) The approved project will not be eligible for credits or reimbursement until a certificate of occupancy is issued.

The financial incentive funds for both Performance Qualifications #1 & #2 will be limited to reimbursements of documented and permitted demolition and debris disposal costs, engineering, design, or renovation costs. Compliance with program guidelines will be monitored for compliance to CDBG and County requirements.

Each applicant's proposed redevelopment should meet a minimum standard of environmental sensitivity and natural resource sustainability.

Application approval must be awarded prior to filing any permitting applications.

### **Other Qualifications & Guidelines**

A summary of qualifications includes but is not limited to:

- 1) The building or structure targeted for redevelopment must be within a site currently zoned BPO, CN, CG, CI, M, have documentation of 12 months of vacancy and meet the County's definition of a derelict or sub-standard **commercial** building (see page six, items four and five).
- 2) The proposed and resulting redevelopment project's improvements must be compliant with all current codes and demonstrate a reasonable expectation of economic usefulness typical of private activity commercial space.
- 3) Non-profit organizations are not eligible for this specific program. Non-profits are eligible for other CDBG programs with distinct objectives to assist their community and economic development efforts.
- 4) Financial Indemnification (source restricted to project's principal lender) by an approved instrument bonding a guarantee of performance and ensuring compliance that upon penalty of program disqualification:
  - A) Applicant retains principal ownership for 48 months from when a Certificate of Occupancy (C.O.) for the project is issued.
  - B) Applicant demonstrates 51% of resulting jobs held by members of Low/Moderate Income family. Applicable only to TARP Performance Qualification #2.
  - C) Applicant indemnifies that within 24 months of C.O. date; at least one full-time equivalent position will be created for every \$35,000 awarded in the project grant.
  - D) Prohibition from any project occupant business to derive more than 30% of revenue from alcohol sales including taverns, bars, lounges, nightclubs and dance halls. Also prohibited is any business engaged in adult uses, or sale of any goods or services that can be characterized as activities Florida Law prohibits underage minor from patronage or participation.
  - E) Due to the economic growth objective, no cultural/institutional uses as described by Hillsborough County Land Development Code except research activities or private schools.
  - F) No residential uses as described by Hillsborough County Land Development Code.
  - G) Prohibition for project to include or consist of storage facilities, or warehouses unless functionally and contiguously linked to an approved redevelopment objective.

### **Additional Assistance and Incentives**

- 1) Jobs created within a designated Enterprise Zone, or Brownfield area participating in the VAT program will be eligible for additional incentives with terms established by granting party, Florida Governor's Office of Tourism, Trade and Economic Development.
- 2) Hillsborough County's Small Business Resource Center will offer technical assistance for small businesses, including business plan writing, book-keeping, etc.
- 3) Market analysis to assess unmet demands in all CDBG target areas will be initiated.
- 4) Assistance with Environmental Survey and Assessment related to Brownfield contamination.
- 5) Assistance in program applications and assessment studies of CDBG Target areas in determining eligibility for National Objective for Addressing Slum and Blighted areas.
- 6) Assistance in CDBG low-to moderate-income record keeping.

### **DESCRIPTION OF CDBG REQUIREMENTS**

#### **National Objectives:**

##### Low-to Moderate-Income Jobs Benefit,

Eligible activity must create permanent, new jobs with at least 51% on a full-time equivalent basis, of the new jobs are held by low-to moderate-income persons/family.

##### Addressing Slum or Blighted Areas

Eligible activities must eliminate objectively determinable signs of slums or blight in a designated slum or blighted area.

#### **Classes and Description of CDBG Eligible Activities**

##### Clearance

Demolition of buildings and improvements; removal of demolition products, rubble and debris; physical removal of environmental contaminants or treatment of such contaminants to render them harmless; and movement of structures to other sites.

##### Special Economic Development Activities

Assistance to private for profit entities for an activity determined by the grantee to be appropriate to carry out an economic development project. This includes grants and technical assistance.

#### **CDBG Public Benefit Standard**

Jobs Ratio Standard: Create at least one full-time equivalent, new permanent job for each \$35,000 of CDBG funds used for all such activities.

Area Served Standard: Provide goods and services to residents of an area to benefit at least one low/moderate income person for each \$350 of CDBG funds used for all such activities.

#### **Addressing Slums/Blight, Performance Criteria Application Process**

Application must be made prior to filing any permitting applications or initiating any redevelopment activity. (Allows funds to be distributed before Certificate of Occupancy (C.O.) date)

- 1) Applications will require description of the target property, photos, proof of ownership or binding sale contract, bank letter of intent or financial feasibility, scope and schedule of proposal.
- 2) Staff evaluation and area demographic analysis to determine sub target area, and CDBG opinion letter of project compliance feasibility.

- 3) Project and agreement approval by the BOCC,
- 4) Applicant posts a secured indemnification instrument expiring 48 months after C.O.
- 5) Funds are released to reimburse pre-approved and documented redevelopment costs.
- 6) Certificate of Occupancy must be issued within 24 months of indemnification.
- 7) Certification by CDBG must be complete within 24 months of C.O.
- 8) Agreement and 48-month indemnification for maintaining principle ownership expires.

### **Creating L/M Income Jobs, Performance Criteria Application Process**

Application must be made prior to filing any permitting applications or initiating any redevelopment activity. (Requires Certificate of Occupancy (C.O.) to be issued and indemnification is secured before funds are distributed.)

- 1) Applications will require description of the target property, photos, proof of ownership or binding sale contract, bank letter of intent or financial feasibility, scope and schedule of proposal.
- 2) Staff evaluation.
- 3) Project & agreement approval by the BOCC.
- 4) Applicant constructs project and issued Certificate of Occupancy.
- 5) Applicant posts a secured indemnification instrument expiring 48 months after C.O.
- 6) Funds are released to reimburse pre-approved and documented redevelopment costs.
- 7) Certification of National Objective/Public Benefit Standard by CDBG must be complete within 24 months of indemnification.
- 8) Forty-eight month indemnification for maintaining principle ownership expires.

**Slum or Blighted Area Performance Objective**

*Compliance Distinctions*

- 1) *Indemnification and funding precedes Certificate of Occupancy*
- 2) *Considerable preliminary staff analysis, CDBG opinion required*

**HUD Activity Class  
Special Economic Development**

**HUD Activity Class  
Clearance**

Application and Project Scope  
& Schedule

Area Demographic Analysis

Fail

Pass

**CDBG Opinion Letter to verify  
National Objective and Public  
Benefit Standards**

**Revert  
TO:  
L/M  
Income**

BOCC Approval for Project Scope  
and Schedule

Agreement and Indemnification are  
produced  
and funds are distributed

Certificate of Occupancy

Certification by CDBG

Letter of Credit expires 48 months after  
C.O. (insuring ownership)

