







Lincolnville Community Redevelopment Area

Fix-it-Up Grant Program

Program Modification Report

Adopted January 23, 2023







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CITY OF ST. AUGUSTINE, FLORIDA



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ST. AUGUSTINE COMMUNITY REDEVELOPMENT AGENCY

CITY OF ST. AUGUSTINE, FLORIDA



Introduction

During the August 19, 2021 and August 18, 2022 St. Augustine Community Redevelopment Agency (CRA) meetings the CRA board requested that Jaime D. Perkins, CRA Manager, review opportunities to modify the current Fix-it-Up Grant Program Guidelines in an effort to continue to assist qualified Lincolnville residents with health and safety repairs of their homes. The board also suggested Ms. Perkins specifically address factors related to increasing the grant amount and providing additional preference to historic structures.

Ms. Perkins consulted with the St. Johns Housing Partnership and with city staff to vet ideas, as well as current and futuristic challenges in an attempt to determine what the best recommendation would be for the direction of the Fix-it-Up Grant Program. After a thorough review of data related to construction industry inflation, engaging with residents, previous award recipients, and bringing the idea to modify the grant program to the Lincolnville Community Redevelopment Area (LCRA) Steering Committee, Ms. Perkins begin the modification recommendation report.

This report will provide a summary of the current Fix-it-Up Grant Program, justification for modifying elements of the current program, and the proposed updated guidelines.

This report, inclusive of the proposed updated guidelines herein, will be reviewed by executive city staff and will be recommended for the approval of the LCRA Steering Committee and St. Augustine CRA Board.





Program Summary

The Fix-it-Up Grant Program was merged with a previously authorized emergency assistance program and established in 2013 with the implementation of the Lincolnville Community Redevelopment Area (LCRA) Plan. The program was later revised with the adoption of the LCRA Plan Amendment in 2017. The program provides income-qualified, owner-occupied households with grant funding to complete essential health and safety repairs. The goal of the program is to provide assistance to residents that may have more obligations than resources. The program is also designed to benefit long-term residents living in the Lincolnville Community who may be experiencing challenges related to the increase of property taxes which may be directly related to the significant presence of urban renewal or demographic changes.

When the program was initially established, it offered income-qualified residents a grant award in the amount of \$7,000. In 2017 the grant amount was increased to \$20,000, allowing residents who have previously matriculated through the program receiving the original grant amount to reapply and receive the remaining balance of grant funding to complete additional repairs to their home. Of the 55 approved and awarded applicants, 14 of those applicants reapplied for the additional award amount and were approved, having additional home repairs completed. The initial \$7,000 grant award did not require a lien to be placed on the home; however, the additional grant award did require a lien. Many residents were skeptical of having a lien added to their property, causing them to decline the additional award opportunity.

Since its conception, the Fix-it-Up Program has been administered by St. Johns Housing Partnership (SJHP). SJHP determines program eligibility based on guidelines established by the Department of Housing and Urban Development (HUD). SJHP also completes all of the construction elements of the program. CRA Staff is required to complete a pre and post project inspection.





Program Data

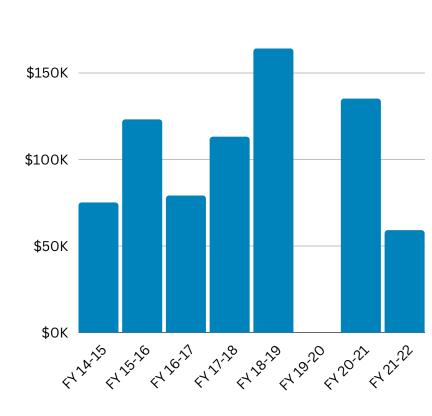
Since 2013, the Lincolnville Community Redevelopment Area has invested a total of \$760,955 into residential properties assisting a total of 55 property owners. On average, that is about \$14,000 per household. Of the 55 award recipients, 14 of those recipients matriculated through the program for a second time receiving the additional balance of the grant award; providing them with a total award amount of \$20,000.

The allocation of funds, and the expenditures for the year tend to fluctuate annually. The annual budget for the program is typically determined by the expenditures from the prior Fiscal Year. Fiscal Year (FY) 2019 was the highest award year, with the CRA investing upward of \$164,000 into residential properties in the Lincolnville Community.

Grant awards have covered repairs including but not limited to, roofing replacements and repair, plumbing, electrical upgrades, façade treatments, painting, rough carpentry, and masonry work. The Fix-it-Up Grant Program serves as a brick and mortar, health and safety repair program.

The current LCRA FY 2023 budget has just over \$180,000 earmarked for the grant program. This budget amount is inclusive of carryforward funds, as no new budget monies were allocated toward the grant program.









Modification Justification

The Lincolnville Community Redevelopment Area (LCRA) Plan Amendment adopted in June 2017 defined several grants and programs recommended to be established through the CRA and administered by staff. The Plan Amendment clearly states that changes to any grant or program identified in the amendment could be modified without triggering an amendment to the overall plan.

LINCOLNVILLE REDEVELOPMENT PLAN AMENDMENT

APPENDIX B: LINCOLNVILLE REHABILITATION PROGRAMS

It is the intent of this section (appendix) to provide examples and overall summary of types of grants/programs that the LCRA could use it implement the overall Redevelopment Plan and its Amendment. While the Amendment defines certain grants/program, it is not the intent of the Redevelopment Plan or its Amendment to provide the specifics of each plan as they will likely change throughout the life of the CRA. Changes to any of the grants/programs should not warrant an amendment to the Plan and the grants/programs can be administered by staff or committee.

New Fix-it-Up Grant

The new Fix-it-Up grant program combines the older Fix-it-up grant⁵ and the Emergency Assistance Program⁶. The new program will provide up to \$20,000 to home-owners that qualify for repair services⁷. Eligibility review and construction services are provided by the St. Johns County Housing Partnership, Inc⁸. LCRA staff should review the scope of work, proposed materials⁹, and sign off on the final repair work. The program should be administratively approved by staff.

The intent of the grant/program is remediation of dilapidated structures as well as to retain long-term residents and allow seniors the ability to age in place.

Grant Basics

The New Fix-it-Up Grant Program is awarded in amounts of up to \$20,000 per home. The home must be within the boundaries of the Lincolnville CRA. Applicants will have to meet all eligibility requirements administered by St. Johns Housing Partnership, Inc. (or equally qualified organization). Eligible properties must be a single-family home that is owner occupied, and Shotgun Style dwellings or those contributing to the historic character of Lincolnville are given priority. No regular payments would be required; however, a ten (10) year lien will be placed against the property and when the homeowner sells, refinances, transfers title, or the property is no longer owner occupied, the full loan amount must be repaid. Previous grant recipients may reapply to the Fix-It-Up Program if there are funds remaining in the \$20,000 cap for their property. They must resubmit and qualify under current program guidelines.

The original grant program provided an award amount of \$7,000. The urgent increase of the award amount highlights the need for additional funding and the need to ensure that the award is aligned with the everchanging economy.

A worldwide inflation began in mid-2021 with many countries seeing their highest inflation rates in decades. The City of St. Augustine was not exempt from this inflation surge. The inflation has been attributed to various causes with the primary source being deemed as pandemic-related economic dislocation. Increased consumer demand and supply shortages, particularly in the construction industry, have contributed to rising cost of materials and labor rates.

Strategic Planning Group, Inc.

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⁵ The old Fix-It-Up program was for a grant of up to \$7,000 for minor repairs such as painting, windows, screens, smoke alarms, handicapped grab bars, ramps, toilets, etc.

The old Emergency Assistance Program was not to exceed \$10,000 it was to be used for extreme emergency repairs such as electrical, heating, and plumbing or other code violations which may cause the property to be extremely unsafe or unhealthy.

⁷ These requirements are consistent with the income limits set forth by the US Department for Housing and Urban Development (HUD)

⁸ Or equally qualified organization

⁹ Exterior replacements will be "like-for-like" materials to preserve historic integrity.



Modification Justification

Mortenson Construction is a family-owned construction company headquartered in Minneapolis, Minnesota. Aside from providing planning, program management, preconstruction and general contracting services, the company also publishes annual and quarterly data related to cost trends within the construction industry.

National cost trends reflect a steady increase from 2009 through 2019, with significant increases starting in 2020 through the date this report was prepared. Cost trends correlate with the inflation surge said to be related to pandemic-related economic dislocation.

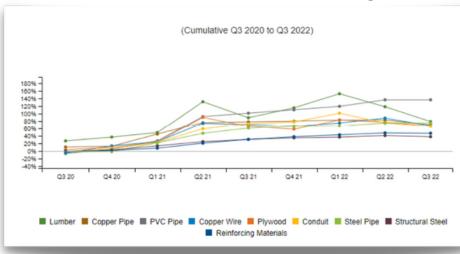
The cost of materials continue to surge which further perpetuates the rising cost within the construction industry. More recent data has shown that in the third quarter of 2022 construction inflation costs have slowed and prices have begun to level off, but the recent leveling has not initiated a counter response to the initial surge. Additionally, the surge has negatively impacted other elements of the construction industry; product lead time, material shortages,

and shipping cost continue to be a cause for concern.

Taking into consideration the data presented, increasing the current grant award is imperative to continue providing health and safety repairs to qualified Lincolnville residents. The current \$20,000 award would be insignificant based om cost and relative challenges within the construction industry.

Minneapolis Construction Cost Index (JANUARY 2009 = 100) 200 -190 -180 -170 -160 -150 -130 -120 -110 -100 -2016 Denver Construction Cost Index (JANUARY 2009 = 100)

Material Price Changes





Program Qualifications

The current Fix-it-Up program qualifications are consistent with that of the State Housing Initiatives Partnership program (SHIP). The SHIP program, administered by Florida Housing, provides funds to local governments as an incentive to create partnerships that produce and preserve affordable homeownership opportunities.

The Fix-It-Up Grant Program and SHIP are very similar in its initiatives, providing emergency repair funds, and rehabilitation assistance to homeowners who meet the income qualification standards.

Utilizing the standards of an already established and thriving state program is a valuable benefit to the LCRA and allows our program to be compatible with similar programs through-out the state.

SHIP 2022 Gross Income Limits Adjusted to Family Size (Based on Area Median Income of \$86,500)					
	Extremely Low	Very Low	Low		
Persons per	Income	Income	Income		
Household	(30%)	(50%)	(80%)		
1	\$17,600	\$29,300	\$46,850		
2	\$20,100	\$33,450	\$53,550		
3	\$23,030	\$37,650	\$60,250		
4	\$27,750	\$41,800	\$66,900		
5	\$32,470	\$45,150	\$72,300		
6	\$37,190	\$48,500	\$77,650		
7	\$41,910	\$51,850	\$83,000		
8	\$46,630	\$55,200	\$88,350		

In addition to the income qualifications presented on the SHIP 2022 Gross Income Limits Table, homeowners must be current on their property taxes, the property must be homesteaded, and a third-party verification of income and assets must be completed.

Utilizing data collected from the most recent United States Census Bureau, for Census Tract 204, St. Johns County at least 100 families would currently qualify for the Fix-It-Up Grant Program.





Grant Program Update

The stabilization of long-term residents in Lincolnville has been a principal priority of the redevelopment area. In the 2017 Plan Amendment, focus groups highlighted the need for the Community Redevelopment Agency (CRA) to continue to assist residents in the retention of their homes in the Lincolnville Community. The Fix-it-Up Program is one way that these ideas are realized. It is important that the grant program continue to evolve with economic trends and the vastly changing community.

Updated Fix-it-Up Grant Program

The new Fix-it-Up Grant Program will be combined with the prior grant program, previously established in 2017. The new program will provide a grant award up to \$50,000 to home-owners that qualify for repair services. Eligibility review and construction services will be provided by the St. Johns Housing Partnership (SJHP), Inc. or an equally qualified organization. CRA staff will review the scope of work, inspect the potential project site prior to and following the completion of repair work, review and approve proposed materials, and sign off on final repair work. This program will be administratively approved by CRA staff. The intent of the grant program is the remediation of dilapidated structures as well as to retain long-term residents and allow those residents the ability to age in place.

Grant Basics

- Up to \$50,000 grant award per home.
- Home must be within the Lincolnville Community Redevelopment Area.
- Applicant must meet all SHIP requirements administered by SJHP or equally qualified organization.
- Eligible properties must be single-family, owner-occupied.
- Dwellings contributing to the historic character of Lincolnville will be given priority.
- Previous grant recipients may reapply for the grant program to obtain any funds remaining in the \$50,000 cap for their property. Remaining funds available will be determined by CRA staff.
- Award recipient is not required to make payments toward the grant award, however a ten (10) year lien will be placed on the property and if the homeowner sells, refinances, or transfers the title, the *amortized* grant amount will be required to be repaid in full. Prior award recipient's with an *active* lien of 5 years or more will not be required to establish a new lien to access remaining grant award. Prior award recipients with an *active* lien of less than 5 years will be required to extend their lien by 18 months for each additional \$10,000 received. If the lien is no longer active for any reason, or was never established a new ten (10) year lien will be required.
- Amortized amount due will be calculated by CRA Staff.
- All Applicants must (re)submit and qualify under current program guidelines.



Conclusion

The modification of this program will allow for the CRA to continue to invest in the stabilization of homeownership in the Lincolnville Community. It is also believed that if residents were awarded additional funding the skepticism for a lien placement could be minimized. The increased grant award would allow residents to leverage their funds for other homeowner obligations and to comfortably reside in the Lincolnville Community.

It is understood that any information or Fix-it-Up Grant Program guideline not addressed or modified in this report will defer to the grant policy previously approved by the St. Augustine Community Redevelopment Agency and outlined in the LCRA Plan Amendment adopted June 2017. Following the approval of this program modification by the CRA board, the recommended modifications will be effective immediately and approved applicants may begin matriculating through the Fix-it-Up Grant Program utilizing the updated guidelines and grant basics.

Architectural integrity will continue to be prioritized within the modified grant program. Façade treatments, historic preservation, health and safety repairs will be prioritized. Eligible repairs may vary and will be determined administratively through CRA staff. Please refer to the Lincolnville Redevelopment Plan Amendment for the non-inclusive list of eligible repairs.

During the January 17, 2023 Lincolnville Community Redevelopment Area Steering Committee meeting, committee members asked that this report include information relevant to the program qualifications. Committee members also asked that the modified grant basics clarify that an additional lien and/or additional lien time would not be added for previous Fix-it-Up award recipients with active liens. The aforementioned information has been updated in this report and the program modification received unanimous support.





References

Photo Credits: City of St. Augustine (COSA), City of St. Augustine Community Redevelopment Agency (CRA)

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