

Board of County Commissioners
Escambia County, Florida

Title: Surplus Property Disposition for Affordable Housing
Development, Section II, B.15

Date Adopted:

Effective Date:

Reference:

Policy Superseded:

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- A. **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.
- B. **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 Program (SHIP). In 2008, the County updated its Incentive Plan and amended the Local Housing Assistance Plan as required by F.S. 420.906. 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 Neighborhood Enterprise Foundation, Inc (NEFI). 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 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.
- C. **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 and County ordinances that prescribe alternatives available to the County for disposition of "surplus" property.
- D. **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:

1. 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 reviewed internally to determine the means of disposition which maximizes the greatest return (financial or goodwill) for the County. This review shall include a financial analysis to determine whether the parcel should be sold at auction to the highest bidder, kept for future County purposes or sold at some discounted price to agencies for affordable housing production.~~
2. Open Bid Solicitation: ~~Parcels remaining after step (1) to be sold at auction 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.
3. 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 by NEFI to all "pre-qualified" non-profit agencies meeting the requirements cited in Exhibit I for review and selection (no formal bidding or auction will be required). Qualified agencies shall be provided a minimum of 10 days to submit a request for individual parcels on their agency letterhead using a form similar to Exhibit III upon which affordable housing units will be constructed and sold (or rented) to income 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. Said parcel may then be conveyed directly to the requesting agency for the any of the following discount methods provided that the County's direct expenditure of funds are reimbursed:
 - a. The value of the property as defined by the Escambia County Property Appraiser
 - b. The value of all County held tax certificates, property taxes, County held liens at the time of the transfer excluding accrued interest, any foreclosure costs and any costs associated with acquiring title to the parcel. Following award of individual parcels to qualified housing agency(ies), the previously advertised Minimum Bid Amount shall be adjusted by the following discount factors (Note: The receiving agency shall be responsible for costs related to transferring the property to the agency):
 - ~~a. 75% Unit(s) targeted to Moderate Income families (see Exhibit II for limits)~~
 - b. 100% Unit(s) targeted to Low, Very Low and Extremely Low Income families (see Exhibit II for limits)

- E. 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, unless such time is extended in writing by NEFI. Properties shall contain a "reverter" clause stipulating this requirement. Failure to complete unit(s) shall result in the property being recaptured by the County.

Board of County Commissioners
Escambia County, Florida

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Date Adopted: July 20, 2006
Effective Date: November 5, 2009, as amended
Reference:
Policy Amended: July 20, 2006, November 5, 2009

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1. **Internal County Review:** Prior to declaring "surplus" any real property coming under the ownership of the County, each parcel shall be reviewed internally to determine the means of disposition which maximizes the greatest return (financial or goodwill) for the County. This review shall include a financial analysis to determine whether the parcel

should be sold at auction to the highest bidder, kept for future County purposes or sold at some discounted price to agencies for affordable housing production.

2. Open Bid Solicitation: Parcels to be sold at auction shall be declared surplus, publicly advertised for bid and sold to the highest bidder in accordance with State statutes and County 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.
 3. Pre-Qualified Non-Profit Agency Review: Parcels that are deemed suitable for affordable housing development shall be disseminated via e-mail by NEFI to all "pre-qualified" non-profit agencies meeting the requirements cited in Exhibit I for review and selection (no formal bidding or auction will be required). Qualified agencies shall be provided a minimum of 10 days to submit a request for individual parcels on their agency letterhead upon which affordable housing units will be constructed and sold (or rented) to income 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. Said parcel may then be conveyed directly to the requesting agency for the any of the following discount methods provided that the County's direct expenditure of funds is reimbursed:
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