

2. REPORTS TO BE RECEIVED FOR FILING:

- a. Tax Collector's certification of the Recapitulation of 2013 Tax Roll (CD).
- b. Division of Inspector General, Clerk of the Circuit Court and Comptroller, Report No. 2014-22 dated July 17, 2014 – Audit of Housing Finance Authority, Bright Community Trust Inc, Conveyed Pinellas County Surplus Property.
- c. Pinellas County Quarterly Donation Listings of \$500 or More for the periods ended March 31, 2014 and June 30, 2014.
- d. Juvenile Welfare Board Monthly Financial and Investment Report dated June 30, 2014.

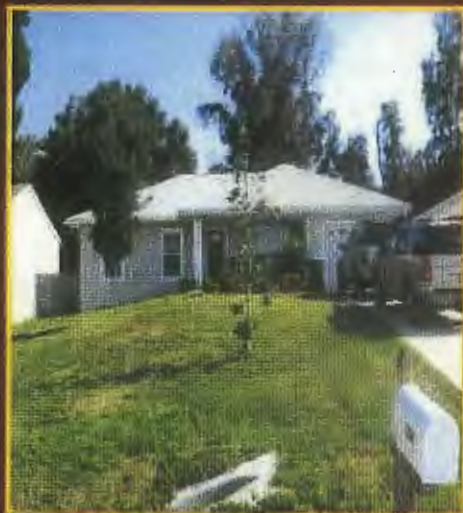


## **DIVISION OF INSPECTOR GENERAL**

**KEN BURKE, CPA**

**CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
PINELLAS COUNTY, FLORIDA**

### **AUDIT OF HOUSING FINANCE AUTHORITY, BRIGHT COMMUNITY TRUST INC, CONVEYED PINELLAS COUNTY SURPLUS PROPERTY**



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Inspectors General**

**Hector Collazo Jr.**  
**Inspector General/Chief Audit Executive**

#### **Audit Team**

**Ronald Peters, CIA, CISA, CIGA, CRMA, CBA, CCL – Inspector General Manager**  
**William J. McGuinness, CGMA, CIGA – Inspector General Auditor II**

**JULY 17, 2014  
REPORT NO. 2014-22**



**Ken Burke, CPA**

CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
PINELLAS COUNTY, FLORIDA

Clerk of the County Court  
Recorder of Deeds  
Clerk and Accountant of the Board of County Commissioners  
Custodian of County Funds  
County Auditor

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July 17, 2014

The Honorable Chairman and Members of the Board of County Commissioners

We have conducted an audit of the Housing Finance Authority's (HFA), Bright Community Trust Inc, Conveyed Pinellas County Surplus Property (Land Trust). Our audit objectives were to:

- Determine the status of the surplus property.
- Determine that the surplus property was utilized for the County Affordable Community Housing Program.
- Determine if there is adequate and proper documentation to support the use of the surplus properties.

We conclude that the three properties conveyed to Land Trust were used in the County Affordable Community Housing Program (Program). One project has been completed and the other two properties have not been developed. The undeveloped properties are part of the Program and are awaiting developers. The HFA and public record documentation supporting the use of the properties for the Program is adequate.

*Our audit did not identify any audit findings; therefore, there are no Opportunities for Improvement presented in this report.*

We appreciate the cooperation shown by the staff of the Housing Finance Authority during the course of this review.

Respectfully Submitted,

Hector Collazo Jr.  
Inspector General/Chief Audit Executive

Approved:

Ken Burke, CPA\*  
Clerk of the Circuit Court and Comptroller  
Ex Officio County Auditor  
\*Regulated by the State of Florida



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# INTRODUCTION

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## **Synopsis**

Of the three County properties conveyed to the Housing Finance Authority's (HFA), Bright Community Trust Inc. (Land Trust), one property project has been completed and the remaining two properties are held in the Land Trust for use in the County Affordable Community Housing Program (Program).

## **Scope and Methodology**

We have conducted an audit of the Land Trust, under the administration of the HFA, use of conveyed surplus property by Pinellas County. Our audit focused on the usage of the properties for the Program.

In order to meet the objectives of the audit we have:

- Interviewed the HFA management and the board to understand the processes, procedures, and use of the surplus County properties by HFA.
- Evaluated the usage of the surplus properties for compliance with the Program.
- Tested and reviewed the supporting documentation for the use and disposition of the surplus properties.

The Objectives of the audit were to:

- Determine the status of the surplus property.
- Determine that the surplus property was utilized for the Program.
- Determine if there is adequate and proper documentation to support the use and disposition of the surplus properties.

Our audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and the *Principles and Standards for Offices of Inspector General*, and, accordingly, included such tests of records and other auditing procedures as we considered necessary in the circumstances. The audit period was October 1, 2013 to May 20, 2014. However, transactions and processes reviewed were not limited by the audit period.

## ***Overall Conclusion***

The Pinellas County Board of County Commissioners (BCC) conveyed three properties to the Land Trust for use in the Program. One property project has been completed and the other two properties have not yet been developed. The properties reviewed have either been completed or remain in the Program pending development. The HFA and public record documentation supporting the use and disposition of the properties for the Program is adequate.

## ***Background***

In April 2008, the Pinellas Community Housing Foundation Inc., a not-for-profit corporation, was established for the benefit of the Housing Finance Authority of Pinellas County. Pinellas County wanted to create a community land trust program that could (a) create a supply of affordable housing and (b) preserve the financial subsidies that are invested into the development of affordable housing. In 2014, the Land Trust Program's name was changed from the Pinellas Community Housing Foundation Inc. to Bright Community Trust Inc. (Land Trust)

The establishment of the Land Trust supplied the vehicle for the Board of County Commissioners (BCC) to transfer surplus County property to be utilized in Program. Three properties reviewed within this audit are:

- **Bryan Dairy Project (Park Centre Condominium Units 6, 7, & 8)** - In April 2009, the BCC authorized the conveyance of 1.9 acres to the Land Trust. The property is located on the northerly Right-of-Way line of Bryan Dairy Road.
- **Bayside 162<sup>nd</sup> Avenue North (Lot 14, Pinellas Groves)** - In October 2009, the BCC authorized the conveyance of approximately 0.646 acres located at the northwest corner of 48<sup>th</sup> Street North and 162<sup>nd</sup> Avenue North near the Bayside Bridge to the Land Trust. Construction designs are currently in progress for developing two single-family houses on the property.
- **Bayside 162<sup>nd</sup> Avenue North (NE 1/4, Lot 5, Pinellas Groves)** - In January 2010, the BCC authorized the conveyance of 8.385 acres of vacant land located west of 49<sup>th</sup> Street North and north of 162<sup>nd</sup> Avenue North in unincorporated Pinellas County to the Land Trust. Construction of a multi-family apartment complex consisting of approximately 260 units is proposed.

The BCC conveyances are pursuant to Chapter 125.38 Florida Statutes and Chapter 2-143 Pinellas County Code, which allows County-owned parcels designated as surplus to be utilized for affordable community housing. Resolution No. 05-237, Chapter 38, Pinellas County Code, and inter-local agreements with the FHA were used to establish the Community Housing Program to address the community need for affordable housing. The HFA utilizes the Affordable Community Housing Program to convey BCC surplus properties to address this need.

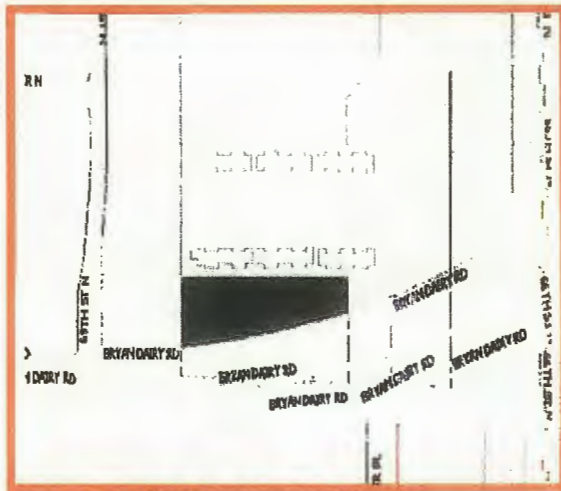
Properties within the Land Trust are provided to developers, builders, and contractors as land leased properties. A land lease is a financial arrangement in which the ground under a structure is leased to the builder rather than being sold to them. This makes the property and the structure owned independently of each other. A land lease gives the developer the authority to build a specific type of structure and either rent or sell it; however, the land remains leased to that developer and not the actual owner or tenant of the structure. The terms of a land lease specify how the property will be developed, the lease amount, and the lease duration. The lease payments from the developer are paid to the Land Trust monthly, quarterly, or annually depending on the terms of the lease.



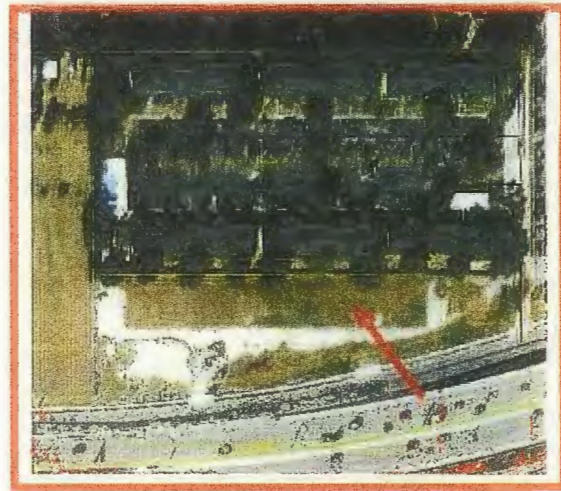
### **1. Bryan Dairy Project (Units 6, 7, & 8 Park Centre Condominium)**

The 1.9 acres of vacant, cleared land abuts the Bryan Dairy service road and is currently being held by Bright Community Trust Inc., an FHA Land Trust. The Property is located on Bryan Dairy Road between 62<sup>nd</sup> Street North and 68<sup>th</sup> Street North. Access to the parcel is from the Bryan Dairy service road.

The property is in modest condition with native grass and an interior asphalt roadway. The property can support a multi-unit family apartment complex. Neighboring properties include the Bryan Dairy Place Apartments, located to the north of the property, and various commercial properties, located to the east and west of the property.



**GIS Image of Parcel**



**GIS Photo Image of Parcel**



**Photo of Parcel Facing West**

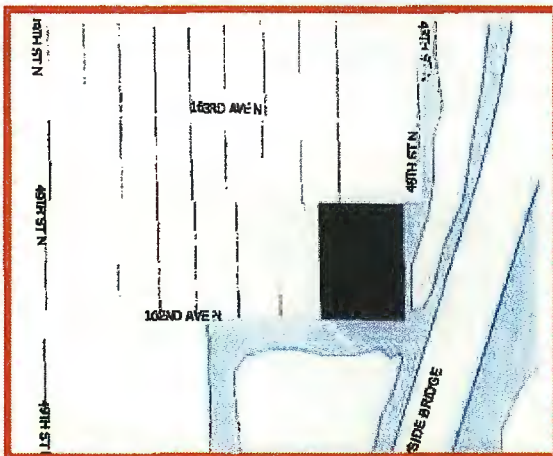


**Photo of Parcel Facing North to  
Bryan Dairy Place Apartments**

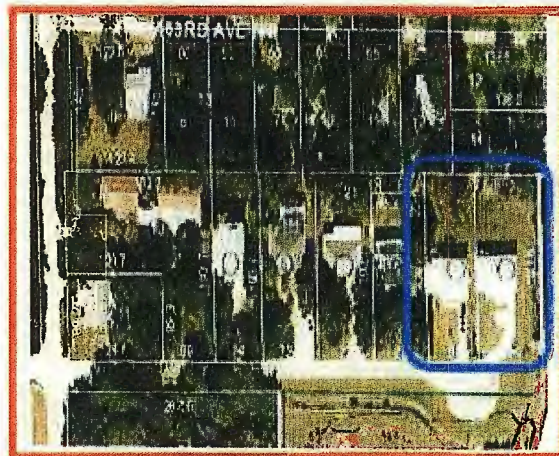


## **2. Bayside 162nd Avenue North (Lot 14, Pinellas Groves)**

The 0.643 acres of this property were divided into two parcels located at the northwest corner of 48<sup>th</sup> Street North and 162<sup>nd</sup> Avenue North near the Bayside Bridge. The Habitat for Humanity of Pinellas County, Inc. has leased both parcels from the HFA Land Trust and has constructed a single-family home on each parcel. The single-family homes, constructed through Habitat for Humanity, are now occupied and well maintained.



**GIS Image of Parcel**



**GIS Photo of Parcel**



**Photo of the Two Single-Family Houses**



**Photo West Down the Avenue**

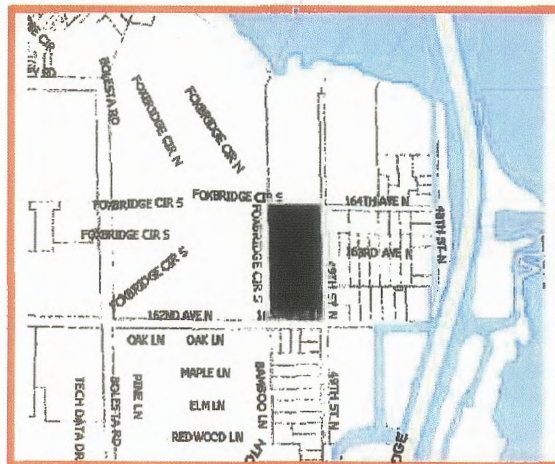
### **3. Bayside 162nd Avenue North (NE 1/4, Lot 5, Pinellas Groves)**

The 8.385 acres of vacant (Two parcels), wooded land, is currently being held by Bright Community Trust Inc. The property, located on the west side of 49<sup>th</sup> Street North between 162<sup>nd</sup> Avenue North and the Tampa Bay, was divided into two parcels. While the actual property is 17.227 acres, several acres are inside of the High Water Mark and extend into the bay and are not currently being considered as developable property. Construction of a multi-family apartment complex consisting of approximately 260 units is proposed. Neighboring properties include two parcels of undeveloped wooded property owned by C1 Bank and the Kings Fox Bridge Apartments.



**GIS Photo of Both Parcels**

- A. The first parcel is located on 49<sup>th</sup> Street North between 162<sup>nd</sup> Avenue North and 164<sup>th</sup> Avenue North. The 4.737 acres parcel is heavily wooded and has some improvements, such as utilities and a finished roadway.



**GIS Image of Parcel**





**Photo Looking South from 49th St  
N to 162nd Ave N**



**Photo Looking North down 49th St  
N**



**Photo Looking West from 49th St N**



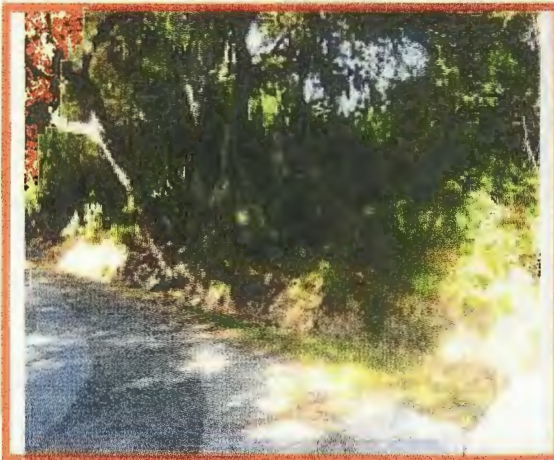
**Photo Looking West from 49th St N  
Half-Way down 49th St N**



B. The second parcel is located on 164<sup>th</sup> Avenue North between 49<sup>th</sup> Street North and Tampa Bay. This parcel extends into the Bay, but has approximately 3.648 acres of buildable dry land from the high water mark. The undeveloped parcel is gated to limit access, but includes an unfinished roadbed that extends through the property toward the Tampa Bay.



**GIS Image of Parcel**



**Photo Looking South on 49th St N  
at 164th Ave N**



**Photo Looking South from  
Roadbed Extension of 49th St N**



**Photo Looking South from End of Roadbed Extension of 49th St N**



**Photo Looking West at the End of the Roadbed Extension of 49th St N**



**Photo from the End of Finished 49th St N and 164th Ave N, Looking East; the undeveloped Parcel East of the Roadbed Extension showing the "For Sale" Sign**

## **Opportunities for Improvement**

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*Our audit did not identify any audit findings; therefore, there are no Opportunities for Improvement presented in this report.*





# DIVISION OF INSPECTOR GENERAL

KEN BURKE, CPA  
CLERK OF THE CIRCUIT COURT  
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PINELLAS COUNTY, FLORIDA

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