



CITY OF VENICE

Office of the City Manager

MEMORANDUM

TO: Mayor & Members of City Council

CC: Charter Officers & James Clinch, Assistant City Manager

FROM: Ed Lavalley 

DATE: January 26, 2022

SUBJECT: Habitat for Humanity Parcel

At the January 11th City Council meeting, representatives of Habitat for Humanity presented to the Council a status report on Habitat's planned development of an affordable housing project on Knights Trail. The project site is a two-acre parcel abutting the Toscana Isles and Mirasol development projects on the east side of Knights Trail, north of Laurel Road. Present at the meeting representing Habitat included Joe Dalton, Chair of the Habitat Board, and Michael Sollitto, Chief Operations Officer for Habitat.

The two-acre parcel was granted to Habitat by the City of Venice in 2014. A Special Warranty Deed defining the purpose of the grant was updated by the City Council in 2018. Under the provisions of the deed, Habitat is obligated to build affordable housing units on the parcel. The initial deed provided that Habitat would construct affordable housing units on the parcel within a ten-year period. A timeline in the deed obligates the Grantee (Habitat) to construct and obtain Certificates of Occupancy (CO) for five housing units within the first seven years of the grant period. The updated 2018 Special Warranty Deed extended the grant award period by ten (10) years. The purpose of Habitat's presentation at the January 11th meeting was to update the Council on progress made towards the development of the affordable housing units.

A significant criteria in Habitat's planned affordable housing plan is a contingent obligation by the abutting property owner to provide utility access, a dumpster site for solid waste collection, stormwater retention facilities, and parking (up to 20 dedicated spaces) for Habitat's affordable housing units. There is no defined timeline for the provision of these project elements by the abutting property owner and, Habitat's plan cannot advance without the inclusion of these components in the plan development and review process. At this time, Habitat does not have a projection of when the abutting property elements may be designed and constructed. Accordingly, Habitat's representatives are uncertain about their ability to meet the tenets of the Special Warranty Deed.

Leading up to the January 11th City Council meeting, Habitat has incurred measurable costs in preparing for the potential development of the affordable housing project. The grantee has paid in excess of \$14,000 in property taxes on the undeveloped parcel and has invested

considerable funds for engineering and planning services. In 2021, the Sarasota County Property Appraiser's office assessed Habitat's two-acre parcel at \$100,000.

Following the January 11th Council meeting, staff met with Mr. Sollitto and Mr. Dalton to discuss Habitat's ability to meet the tenets of the Special Warranty Deed. From the conversation, it was made clear that Habitat is committed to constructing affordable housing and very much interested in building affordable housing units in Venice. However, the current conditions surrounding the current two-acre parcel does not appear to afford Habitat the opportunity to meet the deed obligations. Under the current circumstances, absent any initiative by the abutter to provide the amenities for the Habitat property, several potential outcomes are possible:

- City could remove the restrictions on the deed and allow Habitat to dispose of the two-acre of property
 - City could offer another extension in the property warranty deed timeline if Habitat is not able to meet the grant obligations by the defined grant deadline
 - City could reclaim ownership of the property if Habitat is unable to meet the grant conditions by the established deadline
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- If the deed restriction is removed from Habitat's obligation, then Habitat would be free to dispose of the property or retain it. Removing the deed restriction alone would not necessarily lead towards accomplishment of the goal of developing affordable housing in Venice.
 - If Habitat fails to meet the timeline in the deed for construction of five housing units, and the City reclaims the property, then that also does not necessarily lead towards accomplishment of the goal of building affordable housing in Venice.
 - If under an amendment to the warranty deed, Habitat is permitted to dispose of the property, or retain ownership, depending on circumstances, with the stipulation that Habitat continues to pursue the construction of affordable housing in Venice, either by selling the two-acre parcel and using the proceed to build affordable housing somewhere else in Venice; or, if the abutting developer ultimately provides the amenities on the abutting parcel and enables Habitat to proceed with its affordable housing development plan on the two-acre parcel, and meet the tenets of the original deed; then the City and Habitat would have met their mutual goal. The linchpin to this type of amended warranty deed would be that Habitat's duty would be to build affordable housing in Venice, and may employ a variety of building choices, such as: selling the two acres and using the proceeds to acquire land or other properties in Venice; or, purchasing defaulted or otherwise available properties for construction of affordable housing; or, retaining the current parcel and eventually meeting the tenets of the current special warranty deed.

In discussion with Habitat representatives, it appears that Habitat would entertain a deed amendment with the provisions described above. If an amended deed is agreeable to both parties, it may be advisable to include in the deed a new time-line and benchmarks for measuring progress towards the procurement, construction, or attainment of affordable housing units.