

Affordable housing project in Sarasota gets design approval

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Lofts on Lemon is designating roughly 40% of the complex's 130 units to "hometown heroes."



An affordable housing development called Lofts on Lemon, at Lemon and Ninth streets in Sarasota, will provide units designated for civil servants and families earning 60% of the area's median income.

SARASOTA — Plans to provide affordable housing for a small group of teachers in downtown Sarasota took a crucial step forward this week, as city planners approved the final design of a 130-unit building known as Lofts on Lemon. Roughly 40% of the units at the new building on the corner of Lemon Avenue and Ninth Street are reserved for affordable housing for teachers and other civil servants, including law enforcement officers, first responders and government employees.

"This could be the last opportunity to build affordable multifamily units in the increasingly expensive downtown urban core," Sarasota Housing Authority CEO William Russell said.

In addition to 54 units for civil servants, the building will have 76 units for residents earning up to 60% of Sarasota's median income. The current median income in Sarasota is \$70,900 for a family of four.

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The Charles & Margery Barancik Foundation originally committed \$1 million to the project in exchange for 15 units specifically reserved for Sarasota County School District teachers but ended up doubling their contribution to \$2 million to ensure the project got off the ground.

The school district and Barancik are working on a number of initiatives to improve teacher recruitment and retention as counties statewide struggle to maintain their teaching workforce. John Annis, the foundation's senior vice president for collaboration and impact, said teacher pay remains the primary concern, but the housing initiative could provide a targeted solution for a small but needed group of teachers.

"I don't know if 30 units would make the difference because we still have to get to the compensation issue, but for a smaller group, this could be the difference," Annis said.

The Barancik Foundation and Housing Authority are working out the details of how to use the units, determining whether they should be used to entice new teachers to the district or to reward existing teachers.

“Right now I think the critical need is recruiting teachers,” Russell said. If teaching applicants “are out of town and they look and they can’t see any place they can afford to live, they turn it down.”

However, both Russell and Annis said currently employed teachers commuting long distances could be a priority for the housing. A teacher living in North Port for the lower rent but commuting to teach at Booker High could be the type of educator they end up targeting.

The property where Lofts on Lemon will sit has remained vacant for years, after being swapped back and forth between the Housing Authority and Habitat for Humanity. The new project is possible through a \$14 million tax credit the agency received from Florida Housing Finance Corp.

The Housing Authority will sell the tax credit to an investor and will combine the proceeds from that sale with \$2 million from Barancik, \$3 million from the city, and an expected additional \$2 million in philanthropic money, bringing the Housing Authority’s total debt on the \$32 million project to roughly \$10 or \$11 million, Russell said.

“We’ll have way less debt than a commercial market-rate deal, and that is how we keep rents low,” Russell said.

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Russell said it is too early to announce official rental rates, but the 54 workforce units will be affordable for civil servants earning up to the median income for a family of four in Sarasota. Rental rates for the 76 affordable housing units will be set so a family earning 60% or less of the median income can afford the housing.

The Housing Authority is hoping to close on financing and break ground early next year. Russell said the building will optimally be ready for residents within 14 months closing, putting the potential move-in-ready date sometime in the spring or summer of 2021.