



City of Eustis

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TO: Eustis City Commission

FROM: Rick Gierok, Interim City Manager

DATE: March 19, 2026

RE: Resolution Number 2026-35: Adoption of Resolution Establishing the Surplus Residential Lot and Infill Housing Development Program and Authorization to Issue Request for Proposals

Summary

The proposed Resolution establishes the City of Eustis Surplus Residential Lot and Infill Housing Development Program and authorizes issuance of a Request for Proposals (RFP) for the development of affordable homes on certain City-owned residential parcels located within and outside of the Community Redevelopment Area (CRA).

The program is designed to facilitate infill residential development, expand homeownership opportunities for income-qualified households, and convert currently vacant City-owned parcels into improved residential property contributing to neighborhood stability and the local tax base.

The Resolution authorizes the City to declare certain parcels surplus and to solicit qualified development partners through a competitive procurement process consistent with Florida law.

Background

The City owns several vacant residential parcels within and outside of the CRA that are not currently required for municipal operational purposes. These parcels represent an opportunity to advance neighborhood revitalization and affordable homeownership objectives through targeted infill development.

Redevelopment of vacant residential lots within established neighborhoods is a recognized planning strategy that promotes efficient use of existing infrastructure, strengthens neighborhood character, and eliminates blighting influences.

Florida law specifically encourages municipalities to utilize publicly owned land for affordable housing development. Section 166.0451, Florida Statutes, authorizes municipalities to dispose of surplus property for affordable housing purposes.

In addition, disposition of property located within a Community Redevelopment Area (CRA) is governed by Section 163.380, Florida Statutes, which authorizes redevelopment agencies to dispose of property in furtherance of the adopted redevelopment plan following appropriate public notice procedures.

Consistent with these statutory authorities, the City has developed a framework for the disposition of surplus residential lots to qualified development partners for the construction of affordable homes.

Program Framework

The Surplus Residential Lot and Infill Housing Development Program establishes a structured process for the redevelopment of vacant City-owned residential parcels through partnerships with qualified housing development organizations.

Key program elements include:

Competitive Solicitation - Development partners will be selected through a Request for Proposals process.

Eligible Development Partners - The program is intended to engage qualified nonprofit affordable housing providers and similar mission-driven development entities with demonstrated experience delivering affordable homeownership projects.

Development Agreement Requirement - Prior to conveyance of any parcel, the selected development partner will be required to execute a Development Agreement establishing construction timelines, affordability obligations, and other safeguards protecting the City's interests.

Affordability Requirements

Homes developed under the program must be sold to income-qualified owner-occupants. Program income parameters are structured to prioritize workforce housing households while maintaining long-term affordability protections:

- Priority eligibility: households earning 80% or less of Area Median Income (AMI)
- Maximum eligibility: households earning 120% of AMI

Each home will be subject to a recorded affordability covenant with a minimum term of thirty (30) years to ensure the continued availability of affordable homeownership opportunities.

Municipal Safeguards

To protect the City's interests and ensure timely redevelopment of the parcels, the program includes several safeguards that will be incorporated into the Development Agreement.

Development Milestones

Building permits must be obtained within nine (9) months of property conveyance. Certificates of occupancy must be issued within eighteen (18) months of conveyance.

Reversion Protection

Failure to satisfy required development milestones or other material obligations may result in termination of the agreement and reversion of the property to the City.

Affordability Enforcement

Long-term affordability requirements will be enforced through recorded covenants approved by the City Attorney.

Legal Considerations

The program framework has been structured to comply with applicable Florida law, including:

- Section 166.0451, Florida Statutes, authorizing municipal disposition of surplus property for affordable housing purposes;
- Section 163.380, Florida Statutes, governing redevelopment agency disposition of property within a CRA; and
- Article VII, Section 10 of the Florida Constitution, which permits municipalities to expend public resources where a valid public purpose is established.

The inclusion of affordability covenants, development milestones, and reversion provisions ensures that the disposition of public property serves a clearly defined public purpose.

Fiscal Impact

The program does not require the City to provide direct construction financing. The City's participation is limited to the use of surplus residential property. Development partners will be responsible for securing all construction financing and delivering completed homes.

Redevelopment of currently vacant parcels is expected to increase taxable property value, eliminate non-performing vacant land, support neighborhood stabilization and expand workforce housing opportunities.

Impact fees associated with construction may be deferred to closing but will not be waived absent separate Commission action.

Recommendation

Staff recommends that the City Commission:

1. Adopt the Resolution establishing the City of Eustis Surplus Residential Lot and Infill Housing Development Program; and
2. Authorize issuance of the Request for Proposals to solicit qualified development partners for the construction of affordable homes on surplus residential parcels within and outside of the CRA.

Business Impact Estimate

Not applicable.

Attachments

1. Resolution 2026-35: Establishing the Surplus Residential Lot and Infill Housing Development Program

Prepared By

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Reviewed By

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