

ST. PETERSBURG CITY COUNCIL
Committee Report
Council Meeting of March 5, 2009

TO: The Honorable Jeff Danner, Chair, and Members of City Council

FROM: Housing Services Committee: Leslie Curran, Council Vice-Chair, Herb Polson, Councilmember, Karl Nurse, Committee Vice Chair, Jeff Danner, Council Chair, Wengay Newton, Councilmember, Bill Dudley, Councilmember

RE: **Housing Services Committee Meeting of February 26, 2009**

New Business:

Update from St. Petersburg Housing Authority on Graham/Rogall (CEO Darrell Irions)

Deputy Mayor Davis introduced the presentation and discussed that two names for confirmation for membership on the St. Petersburg Housing Authority (SPHA) Board, at that meeting, Council requested an update on the activities at SPHA and deferred the nomination until the next Council meeting. Deputy Mayor Davis further stated that SPHA could make it as a matter of course a regular schedule update with Council Bi-Annually. Deputy Mayor Davis discussed the difficulty experienced by SPHA with closing on the property and the subsequent market conditions that have declined. He asked that Mr. Darrell Irions, Chief Executive Officer, provide the Committee with an update.

Mr. Irions began his update providing that Graham/Rogall is the largest SPHA asset in the City. Graham was built in 1971 and the Rogall side was built in 1978. He discussed the regulations that applied to each building (Section 8 and Public Housing), and advised that HUD visited with SPHA and determined that the assessment of SPHA was accurate and that the property should be sold. In 2003, an appraisal was conducted which came back at \$9.7 million. The property was listed for sale and bids ranged from \$7 million to \$11.2 million.

The sales price for the property was \$11.2 million. SPHA has been working and meeting with the residents every Tuesday since the announcement of the sale. Of the 336 apartments in Graham there are only 19 families left. Vouchers have not been received for the 150 unit Rogall families. SPHA has been paying the relocation and utilities cost of families who have been moving out. He discussed that some of his tenants are moving to Peterboro, John Know, Burlington Towers, and the Columbian Apartments. He discussed how his staff take families throughout the City to find replacement housing and that there are thousands of people on the Section 8 Waiting List. SPHA is doing very well, he is proud of his staff and

Mr. Irions was asked to discuss what he plans to do with the proceeds of the \$10 million from the sale of the property, financing of the property, and any and all contingency plans that he has for the property. Mr. Irions discussed that his plan is to take the money and purchase additional smaller multi-family developments to comply with HUD's request to de-concentrate low-income families.

Mr. Guy Burns, a partner with KGB discussed his plan to convert Graham/Rogall to a workforce housing development. He discussed that the purchase price with all cost would have been over \$40 million, and that the condominiums were to sell for amounts between the ranges of \$140,000 to \$240,000 per unit. With the economic changes, many lenders are not providing loans for condominiums. Those who are lending would only lend on condominiums that are over 50% occupied.

Mr. Irions discussed that if deal falls through, SPHA will not do anything with Graham but seal it off to the best of its ability and when the entire development is empty it needs to be demolished. Mr. Irions transitioned to discussing his Board and that they look forward to having people who are passionate about serving.

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Action: Committee moved to forward the names of two nominees to full Council for confirmation.

Update of Multi-family Developments (Stephanie Lampe)

Ms. Lampe discussed that the tax credit projects are moving along and we are hopeful for a mid March closing for the Columbian Apartments. The Portland plans have been approved, they are taking a pause on the closing to determine if they may obtain a better rate of return (80%plus instead of 70%) on their tax credits and hope that the state would fund from the stimulus, those projects that have already been approved. Burlington Senior is in the same situation, but they have indicated that they are in need of additional funding, and are moving a little slower. The Public Hearing and Amendment of the Consolidated Plan will be presented to Council on March 19, 2009, to move funding in place for the Booker Creek Apartments development.

Jill Cotton provided a summary of the status of the Lakewoods Apartment development and accompanying pictures of the development. She further provided a summary of the status of completion of Greenview Manor.

Deputy Mayor Metz provided an update on the Pinellas Hope II project, and that it on track to be funded with SAIL funding. He is optimistic that in March, there will be a decision by the Housing Finance Authority to move forward with the project.

Action: No action taken.

Update on Neighborhood Stabilization Program (NSP), Tom de Yampert

Ms. Lampe discussed that the City received 25 responses from contractors for the rehabilitation portion of the NSP. An RFQ was provided to Purchasing and they are to meet with Housing next week to discuss the RFQ with an announcement of March 6, 2009 and a 30-day response period.

Deputy Mayor Metz discussed that Real Estate continues to monitor what homes are available and as soon as the Agreement arrives, the Mayor will sign the document.

Mr. de Yampert discussed the Homeowner Affordability and Stability Plan, a \$75 billion package to address what will be done for homeowners. The Plan is divided in three sections, and the entire Plan is aimed at homeowners who are at risk, not necessarily in default. Homeowners whose home values have gone negative as part of loan to value, or those individuals whose interest rates have climbed because they were in a conforming ARM mortgage. The bill is not aimed at investors or predatory lenders. The Plan aims to restructure loans by reducing interest rates and cutting principal on 3-4 million households, Federal Government will provide additional initiatives to induce lenders to participate even farther. The aim is to reduce housing debt to 38% of gross income, with Federal Government to step in with additional funds to reduce ratios to 31%.

There will be clear and consistent guidelines for loan modifications. All lending institution that accepts stimulus money will be required to follow the guidelines. Lenders will be required to tell the Federal Government how they will work out problems and make adjustments to assist the client. Incentives will also be available for lenders to participate by providing incentives of on every deal (\$1,000 up front and \$1,000 for every year that the mortgage stays as agreed). The borrower will also be enticed with an incentive to keep their loans affordable with varying amounts in yearly intervals for not compromising the affordability of their loans. The FHA Relationship between Fannie Mae and Freddie will be a part of this Plan. Mr. de Yampert also discussed that there is assistance in the Plan for renters and that the rules are being written and will be provided at a later date.

As a follow up to the conversation, Chair Curran asked if there was a way to have City-wide numbers available for citizens who have questions about any resource that they may need. Could there be one number where this information may be accessed. Deputy Mayor Metz responded that he will discuss the request with the Marketing Department to see if a link could be placed on the front page of the City's website.

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Joshua Johnson discussed that HUD has notified the City that it will receive \$598,343 in CDBG Stimulus funding from the \$1 billion allocated nationally and \$914,999 in ESG funds from the \$1.5 billion allocated. Administration has to amend the FY 2008-2009 Annual Action Plan within the next several weeks. Mr. Johnson also advised that has not been provided the amount of funding allocations it will receive for FY 2009-2010.

Action: No action taken.

Follow-up (information only)

Provide a list of projects that are under development, or scheduled for redevelopment.
Provide spreadsheet of funding available for the production of multi-family developments.

Next Meeting:

Next meeting: March 27, 2009.

Topics:

Update of the Neighborhood Stabilization Program and a discussion by Real Estate and Property Management about proposed amendments to standards of Real Estate Procedures as they pertain to the Neighborhood Stabilization Program.

Committee Members

Leslie Curran, Chair
Karl Nurse, Vice-Chair
Herb Polson, Councilmember
Jeff Danner, Council Chair
Bill Dudley, Councilmember
Wengay Newton, Alternate