

ST. PETERSBURG CITY COUNCIL
Committee Report
Council Meeting of April 2, 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 March 26, 2009**

New Business:

Request from Real Estate and Property Management to modify City Real Estate Policies as they relate to the Neighborhood Stabilization Program (Bruce Grimes).

Mr. Grimes began his presentation by stating that his request is to make the Real Estate Policies consistent with the requirements of the Housing and Economic Recovery Act (HERA) of 2008, and the Neighborhood Stabilization Program (NSP). The resolution will enable the City to: **1)** authorize the payment of sales commission of up to 5% of the sales price, at closing, to a licensed real estate broker who brings qualified purchasers that contracts for and closes on a City-owned, single-family home that was acquired pursuant to the NSP, or foreclosure by the City and **2)** authorize the sale of City-owned, single-family residential structures acquired in accordance with the NSP or foreclosure by the City, in an amount equal to or less than the cost to acquire and redevelop or rehabilitate such home or property up to a decent, safe and habitable condition, which may be below appraised value, pursuant to HERA and NSP guidelines.

A question was asked as to why St. Petersburg Neighborhood Housing Services would not be eligible to participate in providing potential homebuyers for the program. The Legal Department responded that you would need to be a licensed broker.

Staff was requested to obtain a position from the U.S. Department of Housing and Urban Development (HUD) on whether HUD would accept a homebuyer education certificate from a HUD approved nonprofit that is funded with other sources of funding, and not NSP funds.

Action: Committee moved to forward the attached resolution to Council for approval.

Resolution Requesting a one-year extension for the Midtown Green Housing Development (Deputy Mayor Metz/Bruce Grimes)

Deputy Mayor Metz discussed Ms. Barbara Inman's, Executive Director of Pinellas Habitat for Humanity, March 13, 2009 letter requesting an additional one year extension. Council previously provided an extension through May 1, 2009 and Habitat has requested an additional one-year extension due to market conditions which have not changed. Mr. Grimes and his staff have prepared a resolution that provides for a one-year extension which can be terminated by the City with 60-days written notice.

Action: Committee moved to forward the attached resolution to Council for approval.

Update on Neighborhood Stabilization Program (NSP), Stephanie Lampe

Ms. Lampe stated the City Team continues to work on the first RFQ for contractors and the Purchasing Department is completing its due diligence and expects to have an award recommendation for Council's first meeting in May. The RFQ for the non-profit agencies was issued and we had our first question and answer meeting on March 19, 2009 and response from those questions and answer will be addressed, for the last time,

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today at 4:00 p.m. After today's meeting, staff will be issuing clarifications to the proposers as a result of the questions. The responses from the non-profits are due on April 2, 2009, and we are hopeful that we will be able to qualify agencies at that point and issue letters for them to search for properties and bring proposals back.

The Real Estate and Property Management Department continues to work with Lenders to identify groups of houses that may be eligible to be acquired through the NSP. Vice-Chair Nurse asked if staff reviewed information on the National Communities Stabilization Trust that was provided to staff from his recent trip to Washington D.C. Ms. Lampe responded that a meeting that has been scheduled for Tampa Bay Region Cities and Counties. City staff will attend to ensure we are on the same page and, at that time, we will receive a presentation from the National Communities Stabilization Trust on April 22, 2009. The Agency is supposed to be a conduit between the banks that have foreclosed upon properties and local communities.

Councilmember Polson asked when we will be purchasing the first house. Deputy Mayor Metz responded that Real Estate has requested appraisals on a number of properties. Mike Psarakis, Senior Real Estate Coordinator responded that we have six properties that are being appraised this week. Once the appraisals come in, we can offer 85% of the appraised value or the listing price, whichever is less. Ms. Lampe discussed that we are moving forward and our main concern was that some of the larger banks are working with the Trust and may be holding back some properties for this Trust. If that is the case, we want to be involved in that process. Deputy Mayor Metz replied that we are still targeting May as the time to bring the first group of proposed home purchases to the Committee.

Chair Curran asked how many contractors applied in response to the RFQ. Ms. Lampe replied that 25 contractors responded and it appears that 20 or 21 contractors may be kept on the list. A list of contractors will be presented to Council on May 1, 2009, for approval.

Action: No action taken.

Multi-family Development Update (Stephanie Lampe)

Ms. Lampe stated that on the tax credit projects, from the 2008 funding, the funding that is coming to the State of Florida from the stimulus is "cash for credit." A hearing is being held on how to administer the money at a meeting on April 8, 2009. Some of our tax credit applicants (Columbian, 908 Group, and Burlington Sr.) are going to that public hearing to determine how the state will administer the funding and to get firm commitments to determine how much they may sell their credits.

Burlington Senior development has been acquiring about additional funding to make their deal work because the amount they were going to get for the credits were very low. It is hoped that this cash for credit scenario may help them. The Columbian and Portland have gone through the permitting process, and the Portland design is ready and its closing will be scheduled after the meeting in April. The Booker Creek Development was approved at the last meeting of Council (March 19, 2009).

The Lakewood property is completed. The Certificate of Occupancy is forthcoming (additional information must be provided by the developer for the as built survey and final information is needed for the right of way). Greenview Manor has been completed and has received a Certificate of Completion. The Twin-Brooks development located adjacent to Bethel AME Church on 34th Street South is under construction and will soon begin Phase II.

Council Chair Danner requested to have construction dates added to the multi-family list. He also asked if SPIFFS was the only City property available. Staff responded that SPIFFS, the Mercy Site, and the property to be recovered from the Coalition are City properties. Staff was requested to add to the list these vacant City properties and their status.

Action: No action taken.

Presentation of draft 3-Year Local Housing Assistance Plan (Joshua Johnson)

Mr. Johnson began the discussion by informing the Committee that what we are doing is providing information on an item that will come before Council on April 16, 2009. The Local Housing Assistance Plan informs the Florida Housing Finance Corporation about the strategies that the City proposes to use in the implementation of the Plan. The Plan is required to be in the State's possession by early May 2009, but prior to that Administration wanted to present the Plan to the Committee for its review.

Mr. Johnson discussed the strategies and advised that of the sixteen strategies, there was one new strategy (Foreclosure Prevention). Questions were asked in reference to the Community Land Trust (CLT) Strategy and staff responded why the strategy was left in the document as a place holder, and would be funded in the future should there be demand for the strategy in the future.

Mr. Tom de Yampert discussed how conditions have changed, making it unnecessary to currently provide funding for a CLT.

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: April 30, 2009.

Topics:

Update of the Neighborhood Stabilization Program