

ST. PETERSBURG CITY COUNCIL
Committee Report
Council Meeting of June 4, 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 May 28, 2009**

New Business:

Update on the Neighborhood Stabilization Program (Stephanie Lampe and Mike Psarakis)

Ms. Lampe provided an update of where Administration was with the implementation of the Neighborhood Stabilization Program (NSP). She advised that the selection of the nonprofits to acquire multi-family units, rehabilitate them and provide housing for households will be coming before Council at the June 4, 2009, City Council meeting. Mr. Psarakis informed the Committee that there is a resolution that was not part of the agenda that Real Estate would like to have included to acquire a parcel of property through the NSP. He also provided a copy of a map that showed where the property is located and the clustering effect that is beginning to take shape. Mr. Psarakis said that this was an additional acquisition that had to be kept off the previous meeting agenda due to not having a completed Phase 2 Appraisal. The appraisal has been secured and staff asked that the item be included as part of the report item to full Council.

Action: The Committee approved forwarding the item to Full Council for approval.

Status of SHIP Funding (Joshua Johnson, Director, Housing and Community Development)

Mr. Johnson informed the Committee that the State of Florida decided not to fund the State Housing Initiatives Partnership (SHIP) Program for fiscal year FY 2010. The City currently has \$2,056,175 that is budgeted in the FY 2010 budget to assist eligible households with funding, but administrative funding is not available from SHIP, as this is prior year's funding. However, staff has devised a plan in which NSP activities will be intensified to allow staff to utilize more of the NSP administrative dollars which will free up General Fund dollars that will be allocated that could be used to assist households who are between the 80% and 150% income category. Deputy Mayor Metz also provided there is enough SHIP dollars to provide assistance to households over an 11-month period, provided staff continues to expend funding at the current pace.

Action: No action taken.

Update on Neighborhood Stabilization Program 2 (NSP2), Joshua Johnson

Mr. Johnson began by discussing the information required to be included in the Neighborhood Stabilization Program 2 (NSP2) Plan. He provided the following summary:

- The process is competitive and has an available allocation of \$1.93 billion with the possibility of awarding 386 grants if every entity receives the \$5 minimum allocation.
- Proposals must be designed to reflect that the Grantee will expend at least 50% of the award within two years, and 100% within three years.
- Eligible activities are the same as those of NSP1.
- Applicants must demonstrate that they have completed like activities for at least 75 units of housing in the last 24 months.
- There is a limit of 10% of award that could be used for demolition of units.
- The discount rate has been reduced from 15% to 5%.
- A minimum of 25% of funding must be reserved for projects that provide housing for persons whose income are up to 50% of area median income (AMI).
- The grant must have the effect of either returning a minimum of 100 abandoned or foreclosed homes back to productive use, or otherwise eliminating their negative effects on the stability of the neighborhood.
- HUD is requiring that Citizens have 10-days to comment on the proposed application.
- The City must have an average Foreclosure Score and Vacancy Score of 18 to meet HUD's requirements. The City's average is 19.2 for the Foreclosure Score and 19.1 for the Vacancy Score.
- Applicants who score a minimum of 115 out of 150 will be funded.
- Deadline for HUD's receipt of applications is July 17, 2009.
- Administration plans to present the proposed Application to City Council on July 9, 2009.
- HUD will make selections in December 2009 and award funding in January or February 2010.

Mr. Johnson provided a sheet that reflected the objectives of the City's NSP 2 proposal which showed that the City will request \$20 million and produce 214 units. The City will propose to use \$10 million to acquire, rehabilitate, demolish, and sell 100 units, utilize \$8 million to acquire, rehabilitate, and make available for nonprofits to administer the rental of 114 units for households whose incomes are below 50% of AMI, and will use \$2 million to administer the program.

Ms. Barbara Inman of Pinellas Habitat for Humanity informed the Committee of her agency's interest in participating in the NSP2 should the City be awarded the grant.

Action: No action taken.

Update on Multi-family Developments (Stephanie Lampe, Sr. Coordinator, Housing and Community Development)

Ms. Lampe discussed that the Columbian will be closing on June 22nd and June 23rd. She further discussed that the Portland will be going through the process of get tax credits that was provided to the State of Florida from the Federal Stimulus Program and should close around September, Burlington Senior is scheduled to close June 23, 2009, and Booker Creek apartments is having a re-appraisal of the property and should be closing by September. Ms. Lampe also discussed that with the State not funding SHIP, there is no funding for multi-family projects for FY 2010.

Action: No action taken.

Update on Pinellas Hope (Joshua Johnson)

Mr. Johnson discussed that the Florida Housing Finance Corporation is scheduled to hold a meeting on June 5, 2009, at which time funding should be formally approved for Pinellas Hope. Mr. Nick Pavonetti provided that within a few months after approval by the State of Florida, Pinellas Hope should begin construction.

Mr. Johnson stated that the City may need to extend the Agreement it entered into with Pinellas Hope for the funding that was awarded. He believes that it expires at the end of June, and if an extension is needed, one will be prepared and brought to full Council for approval.

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: July 30, 2009

Topics:

Update of the Neighborhood Stabilization Program 1 & 2
Other items as they become available.

Committee Members

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