

ST. PETERSBURG CITY COUNCIL
Committee Report
Council Meeting of November 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 October 22, 2009**

New Business:

Presentation by Gary MacMath, CEO/President and Jack Humburg, Director of Housing Development of Boley Centers, Inc. about Boley's affordable housing developments throughout the City of St. Petersburg

Mr. Jack Humburg began the presentation by giving a background on the Boley Centers' ("Boley") and its history and purpose. Boley was founded in 1970, as a 20-bed halfway house for men. Almost 40 years later, the agency now maintains a \$20 million budget and provides services to individuals with medical disabilities, homeless households, and youth in Pinellas, Hillsborough, Manatee, Pasco and Sarasota Counties. All of Boley's housing developments are in Pinellas County, with the majority in St. Petersburg.

Boley received its accreditation in 1988 and has more than 200 full-time staff and another 55 part-time and pool staff. During FY 2008-2009, over 2,400 people were served through Boley's programs and housing services. One thousand one hundred eighty nine (1,189) individuals and families reside within 846 units of Boley's managed housing, with 119 of the community's youth who received life and leadership skills and worked to increase their grade level or obtain their General Education Development (GED) Diploma. In addition, 430 people were placed in employment last year.

Mr. Humburg provided a PowerPoint which showed Boley's various developments and how the City plays a major part in assisting with leveraging of funding for Boley to secure the needed funding from HUD and the Federal Home Loan Bank (FHLB) to implement its many developments. In addition, Boley sometimes uses funding as a bridge-loan from the Bessie Boley Foundation and the City provides assistance in like amount to replace Boley's acquisition of the properties, which allows Boley to put that money back into the Foundation to acquire additional properties in the future.

Since 1988, Boley Centers' has developed eight HUD Section 811 properties in St. Petersburg, and three in Pinellas County. HUD provides a capital advance to develop the property and a Project Rental Assistance Contract that provides an annual project based rental subsidy for forty years, in three year contracts. In order to reside in one of Boley's developments, a person must have a chronic mental illness and be at or below 50% of the Area Median Income. Mr. Humburg provided pictures of Boley's developments and listed their address as follows:

- Dave Miller Apartments (14 Units), 840 34th Avenue South, St. Petersburg
- Dome District Apartments (18 Units), 1029 Burlington Avenue North, St. Petersburg
- 128 Place Apartments (18 Units), 2780 1st Avenue North, St. Petersburg

- Clam Bayou Apartments (18 Units) 3910 34th Avenue South, St. Petersburg
- Palmetto Breeze Apartments (12 Units), 2426 & 2962 1st Avenue North, St. Petersburg
- Twin Brooks Phase I & II (14 & 28 Units), 3450 24th Avenue South, St. Petersburg which is under construction
- Arlington Avenue Apartments, (14 Units), construction to begin by January 2010 with occupancy in October.
- Butterfly Apartments (12 Units), 715 5th Avenue North, St. Petersburg

Boley also provides homeless services in the form of City of St. Petersburg HOME Tenant Based Rental Assistance Vouchers to 50 households, Oaks Transitional Housing which serves 20 individuals, Permanent Supportive Housing which serves 48 households, Safe Havens, serving 45 Chronically Homeless individuals, and Shelter Plus Care Vouchers serving 79 households. The impact of Boley is as follows:

- Residential Treatment Facilities 92
- Permanent Housing 264
- Homeless Housing 124
- Vouchers 420

Total Housing Units/Beds 900

Mr. MacMath and Mr. Humburg were complimented by the Committee for the work that they do and the quality of the developments that they provide their tenants. What Boley does blows the myth about what affordable housing could look like.

The Chair shared a story of a homeless artist who was able to obtain residence at the Safe Haven, has been able and travel to sell his work, and is now on a waiting list to receive housing in one of the available units.

A question was asked as to how many people were on the waiting list. Mr. Humburg responded that the waiting list is about 1-year and that they have three separate waiting lists. Boley close the waiting list when they think that they have enough people on the list. He does not have the numbers with him, but can provide the numbers to the Committee.

A question was asked whether Boley uses SBE's on its construction sites. Mr. Humburg responded that Boley does and that HUD requires Boley to use Section 3 to promote the hiring of persons of low income, and that they are working with contractors to bring in small business and minority and woman owned businesses.

A question was asked about the turnover rate. Mr. Humburg responded that turnover usually does not occur, and only when Boley construct a new facility, some individuals on the list are placed in the new development.

Action: No Action Taken.

Update on the Neighborhood Stabilization Program (Stephanie Lampe, Tom de Yampert, Mike Psarakis)

Stephanie Lampe, Senior Coordinator, Housing and Community Development, began by discussing the first NSP multi-family proposal as part of the update and that the Project Review Team Members reviewed the request and recommended approval. The property is located at 3461 Burlington Avenue North and has been previously identified as a problem property by the Codes Compliance Department. The City did set aside \$2.3 million for multi-family developments to be occupied by households whose incomes are below 50% of AMI, and received Boley's request for a multi-family redevelopment that came in at \$1.6 million which will leave approximately \$700,000 of funding for another multi-family development, and Boley is looking for additional sites. This loan will forgive at the successful affordability period (30-years). The property will be purchase at a discount from the lender, and will meet the NSP requirements. Four tenants currently reside at the facility. Income certifications have been received on three, with the fourth being conducted.

A question was asked of the team (Boley owns, General Home Development constructs, what does Catholic Charities and Family Resources do). Mr. Humburg responded that Boley is working with Catholic Charities and Family Resources to develop other projects. This development will not be for the disabled, but for households who are at or below 50% of AMI.

A question was asked if the partnership with Boley and Family Resources was for youth aging out of foster care. Mr. Humburg responded yes.

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

Ms. Lampe continued the discussion of activities in the NSP and **item a**). The proposed resolution from Real Estate and Property Management for approval to acquire a single-family property located at 1305 43rd Street South. Ms. Lampe discussed the 21 properties have been approved for acquisition, and the current inventory of closed properties stands at 18, with one additional property to close tomorrow. She provided a list and address of properties that will be reconstructed and those that will be rehabilitated.

A question was asked whether we received the properties from Fannie Mae first look. Mr. Psarakis replied that what we are doing with Fannie Mae, because of their regulations, would allow us to only go after properties that are less than 50 years old. Fannie Mae will not allow us to investigate the property and go through environmental. That is why we are going after properties that are 50 years old or less. Mr. Psarakis will follow up on what is being done with vacant properties and short sales at a future meeting.

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

A question was asked about how many weeks were being planned between the first round of reconstruction and the follow up round. Ms. Lampe responded that the first reconstruct will be set up as models and if a customer comes in and would like a similar model, a lot will be identified by the client and a home will be constructed. Deputy Mayor Metz responded that all rehabilitations will be moved forward. Mr. Raul Quintana responded that the bids will be received within 3 weeks for reconstructs with prototype plans. If you had a lot that was identified, we can go back and provide minimal modification of the site plan.

A follow up question was asked about Fannie Mae's 50 year statement and that there is concern that it will take some of the target areas and preclude them from participating in NSP (far north and far west). Mr. Psarakis responded that he is working on three properties now for possible acquisition.

Mr. Quintana began the discussion of **item b**). The case study that was prepared for rehabilitation (current and additional living space) that will be gutted and consist of a 2 bedroom, 2 bathroom 1158 square feet home which will be brought up to energy standards, meet the City's accessibility requirements, be designed to withstand category 3 hurricane requirements and Florida Building Code, and meet green building standards. The Purchasing Department received six bids on the property located at 3482 16th Avenue South, the lowest of which was found to be non responsive. The bid that is being recommended is for Voeller Construction, Inc. ("Voeller") at \$137,984 which is lower than the City's estimate. The City estimated the bid would be between \$150,000 and \$160,000, and five bids were received that were responsive. Staff talked with Voeller about their bid and Voeller responded that they are willing and able to receive the work. They have looked at the numbers and are satisfied with the results. Administration would like to include the bid award for Voeller on the November 5, 2009 Agenda.

A question was asked whether the Contractor was out of Palm Harbor. Mr. Quintana responded that all bidders who were allowed to bid projects were selected earlier through an RFP process earlier this year where 21 qualified, and that is the group from whom the Purchasing Department solicits bids. They are all required to meet a 10% SBE goal and that is a process have been determined that these are the bidders who will bid on the various projects.

A question was asked about the acquisition price of the property. Ms. Lampe responded that she believes that it cost approximately \$20,000. The property will be appraised after it is rehabilitated, and sold at or below what the City put into the property (acquisition, rehabilitation) to households at or below 120% of Area Median Income.

Action: Committee moved to forward the resolution to Full council for approval.

A question was asked if staff could add the acquisition prices to the list of properties acquired with NSP funding. Deputy Mayor Metz responded that we can accommodate the request.

Update on the Neighborhood Stabilization 2 (NSP2) Program (Joshua Johnson, Director, Housing and Community Development Department)

Mr. Johnson responded that there is no report. We should hear from HUD sometime during the month of December, 2009.

Action: No action taken.

Item Added to the Agenda "Request for Modification of a PIN Loan" (Tom de Yampert, Manager, Housing, Finance and Rehabilitation)

Mr. de Yampert discussed that in 2007 the City Council capped the purchase price and the transactional costs associated with the PIN Program whether they be acquisition or rehabilitation at \$300,000. Since that time we have had a few requests to purchase homes above that threshold. One of the Officers decided not to come forward and challenge the cap, however, one Officer who purchased his home a few years ago and utilized the PIN Program, whose home is valued substantially higher than the \$300,000 cap.

He currently has a first mortgage, the City has a second mortgage, and the third mortgage is a home equity line of credit (HELOC) used for the construction of the property. He has come with a request to the City to be able to refinance the first and some of the second which will increase the first mortgage above the \$300,000 cap. The City will still stay in second position. The City's current assistance to the officer is \$5,600 balance on the PIN loan which will be reduced to \$2,800 by the end of this year, and next year will be satisfied. Mr. de Yampert stated that he does not believe that staff has the authority to underwrite the subordination without the permission of City Council.

A question was asked whether the Officer will refinance his loan and when added together places his home over the \$300,000 cap. Mr. de Yampert responded that the first mortgage is \$417,000, the second mortgage would be \$5,600, and the third mortgage would be \$198,000.

A Committee Member responded that he believes that we had rules in place and changed the rules and he does not believe the Officer should be penalized for that.

A question was asked about the timing sensitivity of this. Mr. de Yampert responded that he believes that the Officer has been working on this for some time and would like to take advantage of the current interest rates, as there is an interest rate uptick in the not too distant future.

A Committee Member moved to approve the request. Deputy Mayor Metz responded that we can structure a resolution that will reflect that policy.

A question was asked if this was for a one time refinance situation. Mr. de Yampert responded that it would not be specific to a particular Officer it would be a refinancing clause will be added to address an Officer who currently has a home and comes to us with a refinance request as opposed to a purchase request.

Action: Committee moved to approve a resolution that will be prepared to allow the refinance of a PIN Loan to Full Council for approval.

The Committee briefly discussed meetings for the months of November and December 2009. It was determined that the Committee will meet as needed.

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: Meetings will be held as needed.

Topics:

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



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

FROM: Joshua A. Johnson, Director Housing and Community Development Department 

DATE: October 26, 2009

SUBJECT: Correction of Information and Disclosure of no Need to Prepare Resolution for Amendment of Police In Neighborhoods ("PIN") Policy

Please be advised that at the Housing Services Committee ("Committee") meeting held on Thursday, October 22, 2009, staff from the Housing and Community Development Department presented a request for the Committee to authorize the preparation of a resolution that would amend the current \$300,000 ceiling that was placed on the purchase price of all City assisted Police In Neighborhood Program ("PIN") purchases, or rehabilitations. An Officer submitted a request to the Housing and Community Development Department that would allow him to refinance his home, which would enable him to secure a lower interest rate, have lower payments, and have the City take second position behind his new loan. His new loan would be substantially above the \$300,000 ceiling. Staff advised the Officer that he can be assisted only if Council authorizes the removal of the cap.

While preparing the resolution and conducting a research of City Council's agenda for the meeting held on August 23, 2007, the review reflected that a request was presented by staff of Housing and Community Development for Council to approve a \$300,000 cap on the homes that Police Officers may purchase, or rehabilitate with assistance from the PIN program. Additionally, a review of the Action Taken Agenda and discussion with the City Clerk revealed that the action taken by Full Council was that it referred the draft resolution to the Housing Services Committee for further discussion. Further research revealed that the item was never placed on the Agenda of a future Housing Services Committee for further discussion, which means that it was never implemented. Therefore, the current request of the Officer may be honored without the need of an amendment to current PIN Policy by City Council.

/jaj

cc: Tish Elston, First Deputy Mayor, City Administrator
David Metz, Deputy Mayor, Neighborhood Services
Tom de Yampert, Manager, Housing, Finance and Rehabilitation