

ST. PETERSBURG CITY COUNCIL

Meeting of November 5, 2009

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

SUBJECT: A resolution authorizing the Mayor or his Designee to negotiate and provide a 0% interest Neighborhood Stabilization Program loan in the amount of \$1,669,215.00, including a provision to forgive the loan at the end of a successful thirty-year affordability period, to Boley Centers, Inc., for the acquisition, rehabilitation, ownership, and operation of Burlington Gardens located at 3461 Burlington Avenue North; authorizing the Mayor or his designee to execute all documents necessary to effectuate this transaction; and providing an effective date.

EXPLANATION:

On October 1, 2009, the City received a request from the Boley Centers, Inc. ("Boley") for the Housing & Community Development Department to consider funding a proposal for the acquisition, rehabilitation, ownership, and operation of the Burlington Garden Apartments located at 3461 Burlington Avenue North ("Development") using the City's Neighborhood Stabilization Program ("NSP") funds.

The Development consists of 20 one and two bedroom apartment units located in two buildings; all 20 units will be renovated to provide affordable permanent rental housing for occupancy by households with incomes at or below 50% of the Area Median Income ("AMI"), which currently for a two person household is a \$1,975 monthly income.

The City's Project Review Team ("PRT") reviewed the loan request on October 8, 2009 and forwarded a recommendation to the Housing Services Committee. On October 22, 2009, Housing Services voted that the funding request should be forwarded to the full St. Petersburg City Council for approval. The loan will be funded by the City using \$1,669,215 from the 2,374,741 Neighborhood Stabilization Program funds ("NSP") budget for the purpose of providing housing for households at or below 50% AMI.

The City's loan is proposed to be secured by a first mortgage on the property, which will be forgiven at the end of thirty years of affordability.

RECOMMENDATION:

The Administration recommends that City Council adopt the attached resolution authorizing the Mayor or his Designee to negotiate and provide a 0% interest Neighborhood Stabilization Program loan in the amount of \$1,669,215.00, including a provision to forgive the loan at the end of a successful thirty-year affordability period, to Boley Centers, Inc., for the acquisition, rehabilitation, ownership, and operation of Burlington Gardens located at 3461 Burlington Avenue North;

authorizing the Mayor or his designee to execute all documents necessary to effectuate this transaction; and providing an effective date.

**COST/FUNDING/ASSESSMENT INFORMATION:**

Funds have been previously appropriated in the NSP Fund (award 80590)

**ATTACHMENTS:**

Photos  
Resolution

**Approvals:**

Administration: *Mumford*

Budget: *Brook Street*

Legal: *RBS*  
(As to consistency w/attached legal documents)

Legal: 00114341.doc V. 1

Resolution No. 2009-\_\_\_\_\_

A RESOLUTION AUTHORIZING THE MAYOR OR HIS DESIGNEE TO NEGOTIATE AND PROVIDE A 0% INTEREST NEIGHBORHOOD STABILIZATION PROGRAM LOAN IN THE AMOUNT OF \$1,669,215.00, INCLUDING A PROVISION TO FORGIVE THE LOAN AT THE END OF A SUCCESSFUL THIRTY-YEAR AFFORDABILITY PERIOD, TO BOLEY CENTERS, INC. FOR THE ACQUISITION, REHABILITATION, OWNERSHIP, AND OPERATION OF BURLINGTON GARDENS LOCATED AT 3461 BURLINGTON AVENUE NORTH; AUTHORIZING THE MAYOR OR HIS DESIGNEE TO EXECUTE ALL DOCUMENTS NECESSARY TO EFFECTUATE THIS TRANSACTION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Neighborhood Stabilization Program (“NSP”) was funded under Title III of the Housing and Economic Recovery Act of 2008 (“HERA”) which was intended to stabilize and revitalize communities hit hardest by the negative impact of the nation’s economic decline and housing market collapse;

WHEREAS, on March 3, 2009, the City executed an Agreement with HUD which enabled the City to receive \$9,498,962 in NSP funds which must be fully committed by September 3, 2010; and

WHEREAS, the NSP Program requires that each grantee must use at least 25% of the total NSP grant plus program income for the purchase and redevelopment of abandoned or foreclosed upon residential properties to house individuals or families with incomes at or below 50% of the area median income (“AMI”); and

WHEREAS, as a result of the above mentioned requirement, the City of St. Petersburg set-aside \$2,374,741 of NSP funds for this purpose; and

WHEREAS, on June 4, 2009 by Resolution 2009-272, City Council approved Boley Centers, Inc. (“Boley”) and Homes for Independence, Inc. as the two non-profit developers qualified to assist the City to accomplish this goal; and

WHEREAS, on October 1, 2009, Boley submitted a request to the City’s Project Review Team for \$1,713,871 of NSP funding to purchase, renovate, own, and operate Burlington Gardens located at 3461 Burlington Avenue North (“Development”) which was foreclosed upon early this year and is currently bank owned; and

WHEREAS, the Development consists of 20 one and two bedroom apartment units located in two buildings, all 20 units will be renovated to provide affordable permanent rental housing for individuals or families with incomes at or below 50% AMI for a 30 year compliance period; and

WHEREAS, Boley has requested that the City provide a 0% interest loan, that will be forgiven after a successful thirty-year affordability period; and

WHEREAS, on October 8, 2009, the Project Review Team reviewed the merits of the Development and agreed unanimously that the request should be forwarded to the Housing Services Subcommittee with a budget revision which resulted in a \$1,669,215.00 reduced loan amount; and

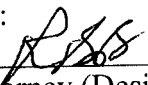
WHEREAS, the Housing Services Committee has reviewed the request and recommends that it be forwarded to City Council for approval.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of St. Petersburg, Florida, that the Mayor or his designee is authorized to negotiate and provide a 0% interest Neighborhood Stabilization Program loan in the amount of \$1,669,215.00, including a provision to forgive the loan at the end of a successful thirty-year affordability period, to Boley Centers, Inc., for the acquisition, rehabilitation, ownership, and operation of Burlington Gardens located at 3461 Burlington Avenue North; and

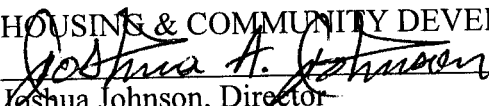
BE IT FURTHER RESOLVED that the Mayor or his designee is authorized to execute all documents necessary to effectuate this transaction.

This Resolution shall become effective immediately upon its adoption.

LEGAL:

  
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City Attorney (Designee)

HOUSING & COMMUNITY DEVELOPMENT:

  
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Joshua Johnson, Director