



MEMORANDUM

Citizen Advisory Committee for the South St. Petersburg CRA

Prepared by the Planning and Economic Development Department

For Public Hearing and Executive Action at 5:00 pm on October 2, 2018
Room 100 of City Hall
175 5th St N, St. Petersburg, Florida

City File: SSPCRP-2018-1

REQUEST

The St. Petersburg Housing Authority (SPHA) is requesting \$2.06 million to fund the rehabilitation of 206 residential units at the Jordan Park complex located at 2400 9th Avenue South.

RECOMMENDATION

The Citizen Advisory Committee for the South St. Petersburg Community Redevelopment Area recommends **APPROVAL** of the following actions regarding the SPHA request:

- 1) Appropriate \$885,000 in tax increment financing (TIF) from the FY2018 and FY2019 budget for the CRA Redevelopment Trust fund to pay for costs related to the installation of new windows in the 206 units.
- 2) Authorize the execution of a grant agreement between the City and SPHA requiring payment of the grant award by the City after the completion of the project, issuance of a Certificate of Completion by the City's Building Division, and the submission of materials documenting the actual costs of the new windows. To the extent Jordan Park remains under the ownership of an SPHA-controlled ownership entity, such ownership entity must acknowledge and agree to be bound by the terms of the grant agreement.
- 3) Include in that grant agreement authorization for annual inspection of the residential units by the City of St. Petersburg's Codes Compliance Assistance Department for a period of 5 years subject to tenant consent. Specific terms of the program are discussed below, as part of the recommendations.

OVERVIEW

The Jordan Park redevelopment will include the substantial rehabilitation of 206 existing units originally completed in 2003. The SPHA's requested contribution from the City of \$2.06 million would enable it to add new roofing for all units (as opposed to 25% of the units), redesign kitchens, add termite treatment, install gutters and downspouts, replace kitchen appliances in the remaining 50 percent of units not included in the current scope, replace an additional 292 toilets, and install a CCTV/Surveillance system in Jordan Park per Crime Prevention through Environmental Design report. The cost of each item for which SPHA is requesting City funding is detailed below.

The full scope of the rehabilitation work will total \$12.67 million if SPHA's requested funding from the City is approved. With no City funding, construction costs will be reduced to \$10.61 million. The full scope of work, including sources and uses of funds and construction costs, is described in detail in Attachment 1. In summary, the scope will include the replacement of floors, upgrade of kitchen cabinets and countertops, replacement of kitchen appliances in 50% of the units, replacement of windows and doors, replacement of some (but not all) plumbing fixtures and light fixtures, stucco repair and repainting of buildings, replacement roofs, and related plumbing and electrical work. Attachment 2 provides photos of existing conditions at Jordan Park.

SPHA expects to close on the financing for Jordan Park in December 2018. Rehabilitation of the 206 units will begin in January 2019. To minimize the inconvenience to the residents, the rehab process will be performed in phases of approximately 30 units per phase. The residents in the initial 30 units will be relocated off-site for the duration of the rehab process. The second group of residents will be relocated into the rehabilitated units in the first 30 units after completion of the rehab, and each phase in Jordan Park will continue in this manner until completion on or before (estimated) December 2020. Rehabilitation of each block of units will take approximately 45 days.

CITY ADMINISTRATION RECOMMENDATION

City Administration finds that the proposed Jordan Park project, which would upgrade all the major building systems for the residential complex built in 2003, is consistent with the goals and objectives for constructing and renovating affordable housing in the South St. Petersburg CRA. Although the SPHA's proposed request exceeds the current allowable \$90,000 award amount under the "Multifamily Residential Property Improvement Grant" (MFRPIG), Administration is proposing amendments to the program that include removing the cap on the award with City Council approving amounts exceeding \$60,000. These amendments have been presented to the Housing, Land Use and Transportation Committee on August 23rd and the Citizen Advisory Committee on September 11th. No concerns about removing the cap were raised by either body. The CAC is expected to make a recommendation on the MFRPIG amendments to City Council on November 6th who will act on November 15th.

While SPHA’s proposal potentially could be fully funded under the amended MFRPIG program, the City is not obligated to award the full amount. In fact, the amended MFRPIG program envisions City Council evaluating the budgetary impact on other South St. Petersburg CRA priorities when approving large funding amounts. These programs include promoting single-family homeownership, incentivizing the construction of new multifamily housing, providing capital access for commercial businesses through loans and grant, and rolling out early childhood and teen job readiness programs. The combined CRA budget for FY2018 and FY2019 will exceed \$5.4 million and the SPHA request would comprise 37 percent of the entire budget and reduce funding that could otherwise go to competing priorities.

City Administration does recognize the importance Jordan Park plays in providing affordable housing for South St. Petersburg and the need to renovate the structure. As a compromise, Administration is recommending that \$885,000 in TIF from the South St. Petersburg CRA FY2018/2019 budget be used to fund the installation of new windows on the 206 units that will be rehabilitated. Administration’s recommended funding represents 16.4 percent of the total CRA budget for FY2018/2019. As with other South St. Petersburg CRA programs, the City will require the execution of a grant agreement and will not grant the funding to the SPHA until the project receives a Certificate of Completion and documents through invoices and receipts the final cost of window installation

In arriving at the recommendation, Administration wanted to support the construction or installation of major building systems at Jordan Park that would extend the economic life of the structures, rather than use TIF funding for appliances, termite treatment and other items of less importance. The major systems identified from the construction estimates in Appendix 1 consistent with this approach are:

Item	Cost
Asphalt Shingles	\$810,000
Windows	\$885,000
Plumbing	\$785,000
Electric	\$840,000
Total	\$3,320,000

Administration chose to fund windows partly because of their visibility but primarily because the installation of new windows will improve the energy efficiency of each unit and potentially yield savings on annual utility bills for residents.

To protect the City’s investment in the renovated units, Administration proposes that authorization for an annual inspection program be included in the grant agreement using terms substantially similar to the following:

Annual inspections: During the applicable inspection period, the City may inspect the interior of each unit at Jordan Park on an annual basis, subject to the following limitations:

- (a) The inspection period begins upon substantial completion of the first building renovated with grant funding and ends five years after substantial completion of the final building renovated with the grant funding.
- (b) Each inspection will be performed by City staff and will include at least one staff member from the City's Codes Compliance Assistance Department. A representative from SPHA may accompany such City staff, but accompaniment by an SPHA representative is not required.
- (c) The City is not obligated to inspect all units at Jordan Park in any given year of the inspection period and may, in its sole discretion, elect to inspect a smaller number of units in any given year of the inspection program.
- (d) Prior to the start of each calendar quarter during the inspection period, the City will provide written notice to SPHA of the number of units it plans to inspect in that calendar quarter. That amount may not exceed one-quarter of the total units at Jordan Park.
- (e) SPHA shall make reasonable efforts to coordinate completion of the planned number of inspections by the City during the applicable calendar quarter.
- (f) Before scheduling inspection of a tenant-occupied unit, SPHA shall (i) provide those tenants with documentation from the City concerning the inspection and (ii) obtain written consent to the inspection from a tenant in a form approved by the City.
- (g) SPHA shall make reasonable efforts to ensure that inspections cover a representative sample of the units, and at least ten months must elapse between any two inspections of a given unit.
- (h) The City acknowledges that tenant consent is required for inspection of any occupied unit. Accordingly, SPHA is not in breach of this provision if, despite reasonable efforts by SPHA to coordinate the planned number of inspections, the planned number of inspections cannot be completed due to insufficient tenant consent. But SPHA shall not take any action to dissuade any tenant from consenting to an inspection, and the City may contact

any tenant to confirm that SPHA is coordinating inspections in compliance with this provision.

- (i) Any inspection performed by the City pursuant to another agreement between the City and SPHA may be counted towards compliance with this provision as long as it satisfies the requirements of this provision.

RECOMMENDATION

The Citizen Advisory Committee for the South St. Petersburg Community Redevelopment Area recommends that \$885,000 from the FY2018/19 South St. Petersburg CRA redevelopment trust fund budget to the Community Redevelopment Agency.

- Attachment 1 Construction Budget and Detailed Costs
- Attachment 2 Photographs of Jordan Park