



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Special Applications Center  
77 W. Jackson Blvd., Room 2401  
Chicago, Illinois 60604-3507  
Phone: (312) 353-6236 Fax: (312) 886-6413

OFFICE OF PUBLIC HOUSING

August 25, 2017

Mr. Tony Love  
Executive Director  
St. Petersburg Housing Authority  
2001 Gandy Boulevard North  
St. Petersburg, FL 33702

Dear Mr. Love:

The U.S. Department of Housing and Urban Development's (Department) Special Applications Center (SAC) has reviewed the St. Petersburg Housing Authority's (SPHA) application for the disposition of 9 dwelling buildings containing 31 dwelling units and 2.87 acres of underlying land at New Jordan Park 21A, FL002000003. The SAC received application DDA0008158 on May 30, 2017, via the Inventory Management System/Public and Indian Housing Information Center (IMS/PIC) system. Supplemental information was received through July 31, 2017.

**Office of Public Housing and Fair Housing and Equal Opportunity Certification**

The HUD Miami Office of Public Housing (OPH) performed the Environmental Review (ER) in accordance with 24 CFR part 50 on July 26, 2017 for the proposed disposition action.

On July 21, 2017, the Region IV Fair Housing and Equal Opportunity (FHOO), Program and Compliance Branch, recommended the disposition approval.

Under 24 CFR 970.7(a)(1), in order for a demolition or disposition application to be approved after November 24, 2006, the effective date of this regulation, a Public Housing Agency (PHA) must provide a certification that the PHA has described the demolition or disposition in the PHA Annual Plan and timetable under 24 CFR part 903, and that the description in the PHA Annual Plan is identical to the application submitted pursuant to this part and otherwise complies with Section 18 of the Act (42 U.S.C. 1437p) and this part.

The SPHA submitted the Agency Annual Plan to the Miami OPH on May 8, 2017, which includes a description of the proposed disposition action at the development. The HUD Miami OPH approved the Agency Annual Plan on June 16, 2017.

### Development History

PIC Application	Removal Type	Number of Non- dwelling Bldgs Approved	Number of Acres Approved	Date of Approval
DDA0005535	Disposition	2	5.32	10/17/2014
DDA0005570	Disposition	1	0.33	10/17/2014
DDA0006532	Disposition	1	2.34	11/18/2015
DDA0006532	Amend Disposition	1	2.04	05/24/2017

### Description and Proposed Removal Action

The SPHA proposed the disposition of 9 dwelling buildings containing 31 dwelling units and 2.87 acres of underlying land at New Jordan Park 21A, FL002000003. Details of the proposed disposition are as follows:

<i>New Jordan Park 21A, FL002000003</i>						
DOFA: 06/30/2002						
Bedroom Size	0-BR	1-BR	2-BR	3-BR	4+BR	Total
Existing Units	0	33	109	90	5	237
Proposed Units	0	27	4	0	0	31
Number of Dwelling Buildings Existing						103
Number of Dwelling Buildings Proposed						9
Number of Non-Dwelling Buildings Existing						0
Number of Non-Dwelling Buildings Proposed						0
Number of (Dwelling and Non-Dwelling) ACC Units in PHA's Total Housing Inventory for All Developments						371
Existing Land				24.00 Acres		
Proposed Land				2.87 Acres		
Unit Numbers Per PIC: 2331 10 <sup>th</sup> Ave S, 2333 10 <sup>th</sup> Ave S, 2335 10 <sup>th</sup> Ave S, 2301 10 <sup>th</sup> Ave S, 2303 10 <sup>th</sup> Ave S, 2305 10 <sup>th</sup> Ave S, 2310 9 <sup>th</sup> Ave S, 2316 9 <sup>th</sup> Ave S, 2312 9 <sup>th</sup> Ave S, 2314 9 <sup>th</sup> Ave S, 2320 9 <sup>th</sup> Ave S, 2322 9 <sup>th</sup> Ave S, 2324 9 <sup>th</sup> Ave S, 2321 Johnny Mack Place So, 2323 Johnny Mack Place So, 2325 Johnny Mack Place So, 2311 Johnny Mack Place, 2315 Johnny Mack Place, 2317 Johnny Mack Place, 2319 Johnny Mack Place, 2300 Johnny Mack Place, 2302 Johnny Mack Place, 2304 Johnny Mack Place, 2330 Johnny Mack Place, 2332 Johnny Mack Place, 2334 Johnny Mack Place, 2336 Johnny Mack Place, 2338 Johnny Mack Place, 970 Jordan Park Street South, 972 Jordan Park Street South, 974 Jordan Park Street South						

### Reason for Action (Justification)

The SPHA proposed the disposition based on 24 CFR 970.17(c), and has certified in Exhibit A: Reason for Removal of the PHA Certification of Compliance that the disposition is appropriate for reasons that are in the best interests of the residents and the PHA, are consistent with the goals of the PHA, the PHA Plan, and are otherwise consistent with the Housing Act.

The 31 units proposed for disposition are obsolete as to physical condition, location, or other factors, making them unsuitable for housing purposes, and no reasonable program of modifications is cost-effective to return them to useful life.

The SPHA's consultant, Robert Reid Wedding, Architects and Planners (RRWAP) provided an Opinion Letter based on facts, visual inspections, tests and concluded that the 31 units proposed for Disposition are obsolete. RRWAP indicated in their Opinion Letter that the 31 units were originally constructed in 1937 (80 years old), and were renovated in 2001-2002, but the basic structure remained the same. RRWAP also indicated that there is evidence of termite damage and deterioration of various structural components. The consultant also indicated that there is no vapor barrier or consistent thermal break in the floors adversely affecting the energy efficiency of these units, besides other issues making the 31 units not meet current day standards and codes. Based on all the above facts, RRWAP recommends that the 31 units are obsolete and need to be demolished and replaced with new units.

The Department concurs with the SPHA's determination that the 31 are obsolete due to their age and condition.

### **Appraisal**

The SPHA submitted an appraisal with the application. The Integra Realty Resources, an independent appraiser, determined the Fair Market Value (FMV) to be \$180,000 for the land, as of June 22, 2016.

### **Negotiated Sale**

The SPHA proposed the disposition via a negotiated sale at FMV to Pinellas County Land Trust at \$180,000, and will be contributed to the St. Petersburg Affordable Housing, LP for development costs.

### **Use of Proceeds**

The SPHA will realize proceeds from this disposition at an estimated fair market value of \$180,000. These proceeds will be used towards the building of the new 60-unit mid-rise.

### **Relocation**

When the application was developed, and transmitted to the Department, all 31 units proposed for disposition were occupied. The SPHA has submitted a certification regarding relocation as required by 24 CFR 970.21(e) (f). The SPHA estimated the relocation cost for the remaining residents to be \$155,000, which includes moving expenses and counseling/advisory services. The funds for relocation are allocated under Affordability Reserve. The housing resources offered will be Housing Choice vouchers.

### **Resident Consultation**

1. Project(s) Specific Resident Organization(s): None
2. PHA-wide Resident Organization: None

3. Resident Advisory Board (RAB) in accordance with 24 CFR 903.13: SPHA RAB

24 CFR 970.9(a) requires that an application for disposition be developed in consultation with residents who will be affected by the proposed action, any resident organizations for the development, PHA-wide resident organizations that will be affected by the disposition, and the Resident Advisory Board (RAB). The PHA must also submit copies of any written comments submitted to the PHA and any evaluation that the PHA has made of the comments.

The SPHA met the RAB on April 24, 2017 at 1 pm at the Jordan Park Management Office located at 1245 Jordan Park Street South, St. Petersburg, FL, 33712. The revised Annual Plan for 2017 to submit an application for Rental Assistance Demonstration (RAD) for all SPHA properties, as well as, the disposition of the 31 public housing units at Jordan Park Apartments, known as Historic Village were discussed.

The SPHA met with the 31 residents twice. The first meeting was on May 10, 2017 and the sign-up sheet list submitted showed that 17 residents were present. The second meeting was on May 17, 2017 and the sign-in sheet submitted showed that 12 residents were present. The residents did not have any questions or comments in both meetings, but all thought it was a good plan. One resident verbally commented that was a great plan.

#### **Offer for Sale to the Resident Organization**

24 CFR 970.9(b) (1) of the regulation requires that a public housing agency offer the opportunity to purchase the property proposed for disposition to any eligible resident organization, eligible resident management corporation as defined in 24 CFR part 964, or to a nonprofit organization acting on behalf of the residents, if the resident entity has expressed an interest in purchasing the property for continued use as low-income housing. The SPHA has chosen not to provide an opportunity based on the exception found in 24 CFR 970.9(b) (3).

(ii) “A PHA seeks disposition outside the public housing program to privately finance or otherwise develop a facility to benefit low-income families (e.g., day care center, administrative building, mixed-finance housing under 24 CFR part 905 subpart F, or other types of low-income housing)”

The Department concurs with the SPHA’s determination that it has complied with the requirements of 24 CFR 970.9.

#### **Mayor/Local Government Consultation**

As required by 24 CFR 970.7(a) (14), the application package includes a letter of support from the Honorable Rick Kriseman, Mayor of the City of St. Petersburg, dated May 24, 2017.

### Board Resolution

As required by 24 CFR 970.7(a) (13), the SPHA's Board of Commissioners approved the submission of the disposition application for the proposed property on May 25, 2017, via Resolution Number 2457. The last resident consultation was on May 17, 2017. The consultation with the local government took place on May 24, 2017.

### Approval

The Department has reviewed the application and finds it to be consistent with Section 18 of the Act, and the implementing regulations, 24 CFR part 970, including requirements related to resident consultation, relocation and opportunity to purchase the property by the resident organization. Based upon the review, the Department finds that the requirements of 24 CFR part 970 and Section 18 of the Act have been met, the proposed disposition, as described in the application and identified below, is hereby approved.

<i>New Jordan Park 21A, FL002000003</i>				
Approved for Disposition: Buildings: 9; Units: 31; Acres: 2.87				
Total Units to be Redeveloped: 60 Buildings: 1	Less than 80% of Area Median Income			
	ACC	Non-ACC	PBV	Market Rate
Rental	0	0	60	0
Acquiring Entity (Land)	Pinellas County Land Trust			
Acquiring Entity (Rental Units)	St. Petersburg Affordable Housing, LP			
Method of Sale (Land)	Sale at FMV, Land to be Ground Leased to St. Petersburg Affordable Housing, LP			
Method of Sale (Improvements)	Sale at Below FMV			
Sale Price (Land)	Appraised Value; to be Contributed to St. Petersburg Affordable Housing, LP for Development Costs			
Sale Price (Improvements)	Donation (Nominal Consideration)			
Purpose	Development of New Affordable Housing			

### Conditions

The SPHA shall ensure that 60 units of other housing are developed on the property and operated as affordable and reserved for families at or below 80 percent of AMI for a period of not less than 30 years.

These use restrictions requiring that St. Petersburg Affordable Housing LP develop and operate the properties as 60 units affordable at incomes at or below 80 percent of AMI for 30 years, must be enforced by use agreements, or other legal mechanisms as determined by the HUD Miami OPH. Such use restriction documents must be recorded in a first priority position against the properties, prior to any financing documents or other encumbrances, and remain in effect even in the event of default or foreclosure on the properties.

- The St. Petersburg Affordable Housing LP shall maintain ownership and operation of the property during the use restriction period. The owner shall not convey, sublease or transfer the property approved for this disposition without prior approval from the SPHA and the Department at any point during the period of use restriction;
- The use restrictions shall be covenants that run with the land, and shall bind and inure to the benefit of the parties, their successors and assigns, and every party now or hereafter acquiring any right, title, or interest therein or in any part thereof;
- Certain involuntary transfers of the property, such as to a secured lender upon default under the security documents, or pursuant to foreclosure, may occur, with the use restrictions surviving the transfer. Any subsequent transfers shall require prior written approval from the SPHA and HUD; and
- The SPHA is responsible for monitoring and enforcing these use restrictions during the period they are in effect.

Notwithstanding this approval, the PHA shall not proceed to enter into any long-term ground lease or disposition agreement until all residents have been relocated and until all demolition actions at the development (that were previously approved by HUD) are complete.

The HUD Miami OPH, with concurrence from the HUD Office of the General Counsel (OGC) and Office of Public Housing Investments (OPHI) or their designees, if required, must approve all acquiring entities, terms and conditions in the conveyance of real property, whether in whole or in part, described in this approval. If there are previous land and/or use agreements or encumbrances, other than the Declaration of Trust (DOT), disposition approval and release of the DOT does not circumvent or supersede those obligations.

The SPHA may realize \$180,000 in proceeds and may only expend the funds on authorized uses under Section 18 of the U.S. Housing Act of 1937. The agency states that the proceeds will be used for the re-development of the 60 new units; however, the use of proceeds is not approved at this time. Prior to obligation and/or use of disposition proceeds (gross or net); SPHA must obtain written approval from the HUD Miami OPH, with concurrence from the Office of the General Counsel (OGC). The proceeds must be held by SPHA in an account subject to an escrow agreement and/or HUD depository agreement, if required by the Miami OPH.

### **Other Requirements**

The Department reminds the SPHA that pursuant to 24 CFR 970.21(c)(2), if any of the following types of federal financial assistance is used in connection with the disposition of public housing, the project is subject to section 104(d) of the Housing and Community Development Act of 1974, 42 U.S.C. 5304(d) (as amended), including the relocation payment provisions and the anti-displacement provisions, which require that comparable replacement dwellings be provided within the community for the same number of occupants as could have been housed in the occupied and vacant, occupiable low- and moderate-income units converted to another use:

- Community Development Block Grant (CDBG) program, 42 U.S.C. 5301 et seq. (including loan guarantees under section 108 of the Housing and Community Development Act of 1974, 42 U.S.C. 5308 et seq.); or

- HOME program, 42 U.S.C. 12701 et seq.

Please contact the HUD Miami OPH for additional guidance, if applicable.

### **Operating Subsidy**

Please be aware that in accordance with 24 CFR Part 990, the disposition of these units will affect the SPHA's operating subsidy eligibility. Please contact your financial analyst at the HUD Miami OPH for additional guidance.

### **Tenant Protection Vouchers**

In accordance with PIH Notice 2017-10, the SPHA may be eligible to receive Section 8 Housing Choice Voucher assistance in the form of Tenant Protection Voucher (TPVs) for this disposition approval. As of the date of this approval, 31 of the 31 units proposed for removal were occupied. Therefore, the Department determined that the SPHA is eligible to receive a maximum of 31 TPVs for the occupied units in connection with this disposition.

Notice 2017-10 separates TPVs into two classes, Replacement Vouchers and Relocation Vouchers. In connection with this disposition, the SPHA intends to redevelop no public housing units, and 31 units would not be replaced as public housing units. Based on this, the SPHA may be eligible for maximum TPVs as follows:

Type of TPVs	Relocation TPVs	Replacement TPVs
Maximum TPV Award	0	31

Based on limited funding, during the fiscal year, the total number of TPVs that may be awarded in connection with applications under Section 18 is capped at the number of units that are occupied at the date of this letter. If the SPHA's plans change, and HUD approves a future amendment to this approval which allows for a different unit configuration, the SPHA's type of TPV award may be impacted.

### **Capital Fund Financing Program**

As of June 7, 2017, the SPHA did not have HUD approval of a Capital Fund Financing Program (CFFP) proposal.

### **PIC and Monitoring - SPHA**

In accordance with 24 CFR 970.7(a)(4), the SPHA provided the following general timetable based on the number of days major actions will occur following approval of the application:

	Milestone	Number of Days after Approval
A	Begin relocation of residents	100
B	Complete relocation of residents	160
C	Execution of contract for removal (e.g. sales contract or demolition contract)	180
D	Actual Removal Action (e.g. demolition or sale closing)	180

The Department recognizes that a PHA's plans to start relocation sometimes change. However, because the Department relies on this information to determine Operating Funds subsidy, PHAs are responsible for ensuring the days to relocation information in a SAC application is reasonably accurate. If days to relocation in a SAC application is not reasonably accurate, asset repositioning fee (ARF) payments under 24 CFR 990.190 may begin prematurely and a PHA may receive less Operating Fund subsidy than it otherwise would be entitled to receive. A PHA may even find itself in a situation where it is operating public housing units without any Operating Fund subsidy. Therefore, it is essential that PHAs make timely requests to the Department for any necessary modifications to the days to relocation in a SAC application. Note that after the Operating Fund subsidy revisions deadline in the first year of ARF eligibility, no further changes to the days to relocation in an approved SAC application or HUD-52723 can be made.

If the SPHA becomes aware that the days to begin relocation information (noted in Field A above table - Begin relocation of residents) is not reasonably accurate, the SPHA must send an email to the Director of Miami OPH within five business days, with a copy to the HUD PIH staff member assigned to the PHA using the following Subject "*PHA Code, SAC application DDA Number, Modification to Days to Relocation*". The SPHA must include the new estimated number for the days to relocation, along with a brief explanation of the reason for the modification. The Miami OPH will review the request to ensure it is reasonable/it has no information that is inconsistent with the request (e.g. information from residents that relocation has started) and that the new estimated days to relocation is not past the Operating Fund subsidy revisions deadline in the first year of ARF eligibility. If the SPHA's request is acceptable, SAC will modify the days to relocation in the SAC application in IMS/PIC and email the PHA notifying it that it has made the change. SAC processes these modifications as technical corrections and will not issue a formal written amendment to this approval. If the SPHA's request is not acceptable (e.g. the requested new days to relocation is past the Operating Fund subsidy revisions deadline in the first year of ARF eligibility), the Miami OPH will deny the request in writing. The SPHA must keep adequate records of all relocations (including actual relocation start dates) for purposes of HUD monitoring.

In accordance with 24 CFR 970.35 of the regulation, your agency is required to inform the HUD Miami OPH of the status of the project (i.e., delays, actual disposition, modification requests or other problems). Within seven days of disposition completion, the SPHA must enter the "actual" dates of disposition, directly into the IMS/PIC data system, Inventory Removals sub-module under "Removed from Inventory" tab for the HUD Miami OPH approval, using the following procedure:

- On the screen, select the appropriate "Development Number", then select "Add Transaction". On the next screen, select the appropriate "Application Number" from the drop-down menu. In the "Action/Closing Date" box, enter the removal date. If the properties in an application were removed on multiple dates, a separate transaction is needed for each action date. The remaining steps are as applicable.
- If removal is by building(s), use "Remove Residential Inventory By Building" section, select the appropriate building(s) available in the "Complete Buildings Available" box and transfer them to the "Proposed Buildings" box.
- For removal of some units in a building, use "Remove Residential Inventory By Unit" section. To select the appropriate unit(s) available, use the drop-down "Select the building number" box which populates the "Units Available" box. Transfer the appropriate units to the "Proposed Units" box.
- For removal of land and non-dwelling buildings without PIC building numbers, use "Remove Non-Residential Inventory" section. Fill in the number of acres and non-dwelling buildings without PIC building numbers.
- Save the information using the "Save" button. The status of this information is then displayed as "Draft."
  - SPHA supervisory staff submits the information to the SPHA Executive Director, or the designated final reviewer at the SPHA, using the Submission sub tab. The status becomes "Submitted for Review".
  - The SPHA Executive Director or designee uses the Review sub tab to reject the transaction, which places it in a "Rejected" status, or approves, which places it in a "Submitted for Approval" status.
- If the submission is rejected by HUD, the SPHA may modify the information by repeating the previous procedure. If the transaction is rejected, the status becomes "Rejected." If the HUD Miami OPH approves the transaction, the status in IMS/PIC permanently changes to "Removed from Inventory (RMI)".

When the disposition is completed in its entirety, please submit a report to the HUD Miami OPH confirming the action and certifying compliance with all applicable requirements. Auditable financial statements, expenditures and files for each transaction relative to the action must be maintained, available upon request and forwarded with the final report.

### **PIC and Monitoring – OPH**

It is the Miami OPH's responsibility to monitor this activity based on its latest risk assessment. The Miami OPH must review the relocation change request submitted by SPHA, within 10 business days, to ensure it is reasonable/it has no information that is inconsistent with the request (e.g. information from residents that relocation has started) and that the new estimated days to relocation is not past the Operating Fund subsidy revisions deadline in the first year of ARF eligibility. If the SPHA's request is acceptable, notify [SACTA@hud.gov](mailto:SACTA@hud.gov) via an email. The SAC will modify the days to relocation in the SAC application in IMS/PIC and email the SPHA notifying that change has been made. If the SPHA's request is not acceptable (e.g. the requested new days to relocation is past the Operating Fund subsidy revisions deadline in the first year of ARF eligibility), the Miami OPH will deny the request in writing.

The Miami OPH must verify that the actual data is entered in IMS/PIC by the SPHA within seven days of disposition to ensure the Department is not overpaying operating subsidy and the Capital Fund formula data is correct. Since this action expects to generate proceeds of \$180,000, it is the Miami OPH's responsibility to verify the funds were used as approved, and the SPHA's records are adequately documented to support this assertion.

When the PHA submits an Inventory Removal action in IMS/PIC, your Office will be notified seeking inventory removal approval via a PIC system generated email to your designated PIC coach or another person. Below is a sample notification email:

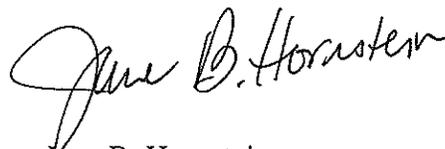
"Subject: Inventory Removal Submittal Notification (HA code)  
Inventory removals have been submitted for approval by your office on [submission date] by [HA Code]."

When the above email is received, your Office is responsible for the review and approval or rejection of the PHA's Inventory Removal submission within seven days.

The HUD Miami OPH has been informed of this approval. Its staff is available to provide any technical assistance necessary for your agency to proceed with the disposition.

As the SPHA starts the process of implementation, I urge you to continue to maintain an open dialogue with your residents and local officials. If you have to modify your plans, please contact the SAC at [SACTA@hud.gov](mailto:SACTA@hud.gov). As always my staff and I are available to assist you in any way possible.

Sincerely,



Jane B. Hornstein  
Director

Cc: Miami OPH