

**ST. PETERSBURG CITY COUNCIL
(Non Consent Agenda Items Only)**

Meeting of August 26, 2010

Submitting Department: Housing and Community Development Department

Department Contact and Phone #: Joshua A. Johnson #5585

Agenda Category: **Public Hearing**

Agenda Subject Matter (Wording to appear on agenda):

A resolution approving a Substantial Amendment to the City's FY 2008-2009 Annual Action Plan ("Amendment") modifying the City's Neighborhood Stabilization Program ("NSP") strategy budgets to reduce the "Acquisition, Rehabilitation and Sale or Rental of Foreclosed Properties" Strategy budget by \$1,181,443 of which 1) \$950,000 will be allocated to increase the "Land Bank" Strategy budget to an amount of \$1,450,000, 2) \$155,100 will be allocated to increase the "Demolition of Foreclosed Properties" Strategy budget to a new total of \$255,100, and 3) \$76,343 will be allocated to increase the "Redevelopment of Demolished or Vacant Properties" Strategy budget to a new total of \$176,343 in order to allow the City to expend or obligate all City NSP funding prior to the September 3, 2010 deadline; authorizing the Mayor or his designee to submit the Amendment to the U.S. Department of Housing and Urban Development ("HUD") and to execute all documents necessary to implement the Amendment; and providing an effective date..

Reviewed and Approved by:

Administrative: 

Is attached back-up material complete? Yes No

If no, please list missing items: _____

ST. PETERSBURG CITY COUNCIL
(Non Consent Agenda Items Only)

Meeting of August 26, 2010

TO: The Honorable Leslie Curran, Chair and Members of City Council

SUBJECT: A resolution approving a Substantial Amendment to the City's FY 2008-2009 Annual Action Plan ("Amendment") modifying the City's Neighborhood Stabilization Program ("NSP") strategy budgets to reduce the "Acquisition, Rehabilitation and Sale or Rental of Foreclosed Properties" Strategy budget by \$1,181,443 of which 1) \$950,000 will be allocated to increase the "Land Bank" Strategy budget to an amount of \$1,450,000, 2) \$155,100 will be allocated to increase the "Demolition of Foreclosed Properties" Strategy budget to a new total of \$255,100, and 3) \$76,343 will be allocated to increase the "Redevelopment of Demolished or Vacant Properties" Strategy budget to a new total of \$176,343 in order to allow the City to expend or obligate all City NSP funding prior to the September 3, 2010 deadline; authorizing the Mayor or his designee to submit the Amendment to the U.S. Department of Housing and Urban Development ("HUD") and to execute all documents necessary to implement the Amendment; and providing an effective date.

EXPLANATION: The Neighborhood Stabilization Program ("NSP") is authorized by the Housing and Economic Recovery Act of 2008 ("HERA") The NSP grant was authorized to fund states and local governments with a total funding level of \$3.92 billion, of which \$9,498,962 was allocated to the City.

The City amended its FY 2008-2009 Annual Action Plan ("Action Plan") on November 20, 2008, to add a new Neighborhood Stabilization Program ("NSP") to the Plan.

The purpose of the NSP is to assist states and local governments in addressing the effects of abandoned and foreclosed properties in their local communities. The authorized uses of the NSP funds are:

- Establishment of financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties;
- Purchase and rehabilitation of abandoned and foreclosed homes and residential properties;
- Establishment of land banks for homes that have been foreclosed upon;
- Demolition of blighted structures; and
- Redevelopment of demolished or vacant properties.

City Council approved a Substantial Amendment to the Action Plan on September 17, 2009 to add "Redevelop demolished or vacant properties", as a City NSP strategy, to expand the Priority Area; and to clarify that abandoned homes and residential properties are included in all of the City's NSP activities.

City Council again approved a Substantial Amendment to the Action Plan on February 18, 2010, which added a new "Land Bank" Strategy.

The City was provided 18-months from the execution of the Contract/Agreement between HUD and the City (March 3, 2009) to obligate the funding allocated for the program. At the end of the statutory 18-month use period (September 3, 2010), the City must document that it expended or obligated all NSP funding.

Since implementation of the NSP Program, the City has been able to acquire approximately 65 single-family foreclosed upon properties from lenders, most of which must be demolished and reconstructed. Because the City acquired more properties that had to be demolished instead of rehabilitated or reconstructed immediately, the \$500,000 that was budgeted to establish the Land Bank Strategy is not enough to accommodate the approximate \$1,450,000 of expenditures for properties that have been acquired that have to be placed in the land bank. These budget changes will result the in the following revised Exhibit A; Budget table which will be included in the amended Plan:

Revised Exhibit A
St. Petersburg Neighborhood Stabilization Plan Budget

Activity (DRGR Project#)	Amount	50% AMI and Below Amount	Units	51-120% AMI Amount	Units
1. Planning and Administration	\$ 949,896	\$0			
2. Acquisition, Rehabilitation and Sale or Rental of Foreclosed Properties	\$6,667,623	\$3,108,291	36	\$3,559,332	22
3. Demolition of Foreclosed Properties	\$ 255,100	\$0		\$ 255,100	10
4. Redevelopment	\$ 176,343	\$0		\$ 176,343	1
5. Land Bank	\$1,450,000	\$0		\$1,450,000	38
TOTAL	\$9,498,962		36		71

The Administration has determined that this Substantial Amendment to the Action Plan will allow the City to expend or obligate its entire \$9,498,962 in NSP funding that it received from HUD by the September 3, 2010 deadline and enable the City to utilize these properties at a later date for the provision of affordable housing.

Administration must provide a 15-day Notice and comment period from the general public about the Substantial Amendment to the Action Plan in a newspaper of general circulation (August 9 to August 24, 2010) and place a Notice on the City's website to comply with the Citizen Participation Requirement of the Neighborhood Stabilization Program. A public hearing should be held on August 26, 2010, after which City Council must act. If approved, a copy of the Amendment will be provided to HUD for its approval.

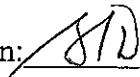
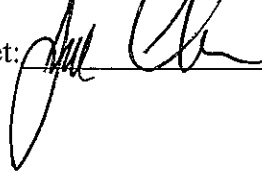
Program income/revenue generated by activities carried out pursuant to Section 2301(c) and received before July 30, 2013, may be retained if it is treated as CDBG funds and used in accordance with the requirements of Section 2301 of HERA, which could include reconstruction of these properties at a later date.

RECOMMENDATION: Administration recommends adoption of the attached resolution approving a Substantial Amendment to the City's FY2008-2009 Annual Action Plan

("Amendment") modifying the City's Neighborhood Stabilization Program ("NSP") strategy budgets to reduce the "Acquisition, Rehabilitation and Sale or Rental of Foreclosed Properties" Strategy budget by \$1,181,443 of which; 1) \$950,000 will be allocated to increase the Land Bank Strategy budget to an amount of \$1,450,000, 2) \$155,100 will be allocated to increase the "Demolition of Foreclosed Properties" Strategy budget to a new total of \$255,100 and 3) \$76,343 will be allocated to increase the "Redevelopment of Demolished or Vacant Properties" Strategy budget to a new total of \$176,343 in order to allow the City to expend or obligate all City NSP funding prior to the September 3, 2010 deadline; authorizing the Mayor or his designee to submit the Amendment to the U.S. Department of Housing and Urban Development ("HUD") and to execute all documents necessary to implement the Amendment; and providing an effective date.

ATTACHMENTS: Resolution

Approvals:

Administration:  Budget: 

Legal: 00127778.doc V. 2

A RESOLUTION APPROVING A SUBSTANTIAL AMENDMENT TO THE CITY'S FY 2008-2009 ANNUAL ACTION PLAN ("AMENDMENT") MODIFYING THE CITY'S NEIGHBORHOOD STABILIZATION PROGRAM ("NSP") STRATEGY BUDGETS TO REDUCE THE "ACQUISITION, REHABILITATION AND SALE OR RENTAL OF FORECLOSED PROPERTIES" STRATEGY BUDGET BY \$1,181,443 OF WHICH 1) \$950,000 WILL BE ALLOCATED TO INCREASE THE "LAND BANK" STRATEGY BUDGET TO AN AMOUNT OF \$1,450,000, 2) \$155,100 WILL BE ALLOCATED TO INCREASE THE "DEMOLITION OF FORECLOSED PROPERTIES" STRATEGY BUDGET TO A NEW TOTAL OF \$255,100, AND 3) \$76,343 WILL BE ALLOCATED TO INCREASE THE "REDEVELOPMENT OF DEMOLISHED OR VACANT PROPERTIES" STRATEGY BUDGET TO A NEW TOTAL OF \$176,343, IN ORDER TO ALLOW THE CITY TO EXPEND OR OBLIGATE ALL CITY NSP FUNDING PRIOR TO THE SEPTEMBER 3, 2010 DEADLINE; AUTHORIZING THE MAYOR OR HIS DESIGNEE TO SUBMIT THE AMENDMENT TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ("HUD") AND TO EXECUTE ALL DOCUMENTS NECESSARY TO IMPLEMENT THE AMENDMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, in August, 2008, the City received notification from the U.S. Department of Housing and Urban Development ("HUD") that the City would be allocated \$9,498,962 in funding from HUD's new Neighborhood Stabilization Program ("NSP"); and

WHEREAS, City Council approved a Substantial Amendment to its Annual Action Plan on November 20, 2008 to be able to receive the \$9,498,962 in NSP funding; and

WHEREAS, the NSP is authorized by the Housing and Economic Recovery Act of 2008 ("HERA"); and

WHEREAS, the purpose of the NSP is to assist states and local governments in addressing the effects of abandoned and foreclosed upon properties in their local communities, in the following manner:

- Establishment of financing mechanisms for purchase and redevelopment of foreclosed homes and residential properties;

- Purchase and rehabilitation of abandoned and foreclosed homes and residential properties in order to sell the units to income eligible households;
- Establishment of land banks for homes that have been foreclosed;
- Demolition of blighted structures; and
- Redevelopment of demolished or vacant properties.

WHEREAS, since implementation of the NSP the City has acquired approximately 65 foreclosed upon single-family properties from lenders, most of which need to be demolished and reconstructed; and

WHEREAS, because of the substantial number of properties that the City has in its portfolio, and due to the current slow home buyer market, the City will not be able to immediately reconstruct the new units where old units had to be demolished; and

WHEREAS, the proposed Substantial Amendment will allow many of these properties to be placed into the City's Land Bank which is an authorized strategy under the City's NSP; and

WHEREAS, the City originally budgeted \$500,000 for its NSP Land Bank Strategy and \$100,000 for its NSP Demolition Strategy and has determined that it should increase the Land Bank Strategy's budget to \$1,450,000 and the Demolition Strategy's budget to \$255,100; and

WHEREAS, a minor modification to the City's NSP Redevelopment Strategy budget is also requested to increase the budget by \$76,343 to a new total of \$176,343; and

WHEREAS, these NSP strategy budget amendments will allow the City to expend or obligate its entire \$9,498,962 in NSP funding that it received from HUD by the September 3, 2010 deadline and enable the City to utilize these properties at a later date for the provision of affordable housing; and

WHEREAS, program income/revenues generated by activities carried out with NSP funds before July 30, 2013, may be retained if it is treated as CDBG funds and used in accordance with the requirements of Section 2301 of HERA, which could include reconstruction of these properties at a later date; and

WHEREAS, the Administration recommends receiving public comment, and approving a Substantial Amendment to the FY 2008-2009 Annual Action Plan in order to accomplish the requested NSP strategy budget amendments.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of St. Petersburg, Florida that a Substantial Amendment to the City's FY2008-2009 Annual Action Plan ("Amendment") modifying the City's Neighborhood Stabilization Program ("NSP") strategy budgets to reduce the "Acquisition, Rehabilitation and Sale or Rental of Foreclosed Properties" Strategy budget by \$1,181,443 of which; 1) \$950,000 will be allocated to increase the "Land Bank" Strategy budget to an amount of \$1,450,000, 2) \$155,100 will be allocated to increase the "Demolition of Foreclosed Properties" Strategy budget to a new total of \$255,100 and 3) \$76,343 will be allocated to increase the "Redevelopment of Demolished or Vacant

Properties" Strategy budget to a new total of \$176,343 in order to allow the City to expend and obligate all City NSP funding prior to the September 3, 2010 deadline; and

BE IT FURTHER RESOLVED that the Mayor or his designee is authorized to submit the Amendment to the U.S. Department of Housing and Urban Development ("HUD") and to execute all documents necessary to implement the Amendment.

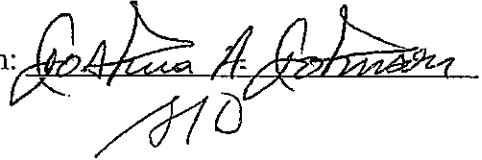
This resolution shall become effective immediately upon its adoption.

Approvals:

Legal: _____



Administration: _____



Legal: 00127776.doc V. 2

LEGAL NOTICE

LEGAL NOTICE

CITY OF ST. PETERSBURG
PUBLIC NOTICE

AMENDMENT TO THE
2008-2009 ANNUAL ACTION PLAN

Notice is hereby given that the City of St. Petersburg is making available for citizen review and public comment a proposed amendment to the 2008-2009 Annual Action Plan. The U.S. Department of Housing and Urban Development ("HUD") Consolidated Annual Action Plan regulations at 24 CFR 91.105 and the Housing and Economic Recovery Act ("HERA") of 2008, require that the City will receive and consider comments on substantial amendments to the Consolidated Plan for 15 days before implementing those amendments. The City of St. Petersburg is proposing to make the following substantial amendment to the Program Year 2008/2009 Annual Action Plan:

- Reduce the Neighborhood Stabilization Program ("NSP") Project Budget titled "Acquisition, Rehabilitation and Sale or Rental of Foreclosed Properties" by \$1,181,443 to a revised new total of \$6,667,623 and allocate the funds to the Projects titled "Demolition of Foreclosed Properties", "Land Bank", and "Redevelopment of Demolished or Vacant Properties".
- Increase the "Demolition of Foreclosed Properties," Project Budget by \$155,100 to a revised new total of \$255,100.
- Increase the "Land Bank," Project Budget by \$950,000 to a revised new total of \$1,450,000.
- Increase the "Redevelopment of Demolished or Vacant Properties," Project Budget \$76,343 to a revised new total of \$176,343.

Revised Exhibit A
St. Petersburg Neighborhood Stabilization Plan Budget

Activity (DRGR Project#)	Amount	50% AMI and Below Amount	Units	51-120% AMI Amount	Units
1. Planning and Administration	\$ 949,896	\$0			
2. Acquisition, Rehabilitation and Sale or Rental of Foreclosed Properties	\$6,667,623	\$3,108,291	36	\$3,559,332	22
3. Demolition of Foreclosed Properties	\$ 255,100	\$0		\$ 255,100	10
4. Redevelopment	\$ 176,343	\$0		\$ 176,343	1
5. Land Bank	\$1,450,000	\$0		\$1,450,000	38
TOTAL	\$9,498,962		36		71

The City Council of the City of St. Petersburg will hold a public hearing to receive comments on the proposed amendment on Thursday, August 26, 2010, beginning at or about 6 p.m., at City Council Chambers, 175 Fifth Street North, St. Petersburg, Florida. Written comments on the proposed amendment may be submitted to the Housing and Community Development Department, One Fourth Street North, or P.O. Box 2642, St. Petersburg, Florida 33731 by 4:00 p.m. on August 20, 2010. For additional information concerning this notice, please contact Joshua Johnson at: 892-5585.

Persons with disabilities requiring reasonable accommodations under the Americans with Disabilities Act of 1990, please contact the City Clerk at 893-7202, or call our TDD number, 892-5259, at least 24 hours prior to the proceedings.

8/09/2010

334334-01

you strong, clear and stable connections to mobile phones, TV, stereos and computers
• Stereo sound is streamed directly to your hearing instruments

for comfort, even when situations change

Come to professionals you can trust

Bay Area Hearing has been providing hearing help to those with hearing loss for over 55 years. Utilizing only the latest state of the-art testing and fitting equipment ensures the best hearing possible with hearing instruments. Our commitment to better hearing is further enhanced with our extensive line of digital products that have proven themselves to be the leading edge in hearing aid technology. A convenient location with personal service only adds to the effectiveness of the hearing care we can give you and your family.

Professional hearing healthcare services:

- Hearing evaluation and consultation • Hearing instrument dispensing • Cleaning for all makes • Custom hearing protection and earmolds • Hearing aid accessories and batteries • Assistive listening devices and the best amplified phones • Service and repair warranties • Loss and damage insurance on all new instrumentation at no extra charge

Our Guarantee -

With expert care you too can succeed with hearing aids. We are so confident with our products that all hearing instruments come with a 60-day money back guarantee that ensures your satisfaction.

COME TO OUR 5-DAY SPECIAL EVENT

Monday, August 9 through Friday, August 13, 2010

\$1000 off any New Alera hearing aids purchased during this event!

Over 1,600 Network Locations • North America's largest hearing care professional network

Call today to schedule an appointment:

Bay Area Hearing Care Professionals

Since 1955

Elite Member

Your Elite Network Provider

ST. PETE-GULFPORT
(1 Block East of 66th St.)
6533 CENTRAL AVE.
727-343-5230

CLEARWATER
FREE In-Home Hearing Tests
(Corner of N.E. Coachman)
752 N. BELCHER RD.
727-446-8392

LARGO
(Home Depot Shopping Ctr.)
10461 LUMBERTON RD.
727-587-0544

SEMINOLE
FREE In-Home Hearing Tests
(Next to Creak (Rage Rest))
1125 PARK BLVD., #112
727-392-1931

ZEPHYRHILLS
(SR 54 West • Mission Sq. Plaza)
6050 MISSION SQ. CIRCLE
813-780-7461

DADE CITY
(Corner of 7th & Florida Ave.)
13920 7th St.
352-567-1169

TAMPA
(Next door to Bob's Carpet Mart)
13907 N. DALEWAGY HWY., STE 102
813-962-1737

We Accept
Blue Cross Blue Shield of Florida



For home delivery. 877-843-8463

St. Petersburg Times