

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

Meeting of December 9, 2010

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

SUBJECT: A resolution approving a Substantial Amendment to the City's FY2008-2009 Annual Action Plan ("Amendment") modifying the City's Neighborhood Stabilization Program ("NSP-1") to allow the City to provide a non interest bearing loan from the City's Budget Clean-Up and Economic Development Designation Fund, to the City's NSP-1 Fund to construct new homes on land bank properties acquired with NSP-1 funding that have been selected by eligible buyers; authorizing the Mayor or his designee to submit the Amendment to the U.S. Department of Housing and Urban Development and to execute all documents necessary to implement the Amendment; approving a transfer in the amount of \$360,000 from the unappropriated balance of the General Fund (0001)(Economic Development Assignment) to the NSP-1 Fund (1114); approving a supplemental appropriation in the amount of \$360,000 from the increase in the unappropriated balance of the NSP-1 Fund (1114), resulting from this transfer, to the Housing Department, Neighborhood Stabilization Program (082-1089); and providing an effective date.

EXPLANATION: The City amended its FY 2008-2009 Annual Action Plan on November 20, 2008, to add a new Neighborhood Stabilization Program ("NSP-1"). The NSP-1 is authorized by the Housing and Economic Recovery Act of 2008 ("HERA") which funded \$300 billion nationally for lenders to work with homeowners who are at risk of having their homes foreclosed. The NSP-1 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 purpose of the NSP-1 is to assist states and local governments in addressing the effects of abandoned and foreclosed properties in their local communities. The uses of the NSP-1 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.

The City has committed or expended all of its NSP-1 funding to projects and activities by HUD's deadline of September 3, 2010. Because the City has committed or expended all of its funding and currently has nine homes that are undergoing substantial rehabilitations, and 12 new homes that are currently under construction, there is no funding available to address the needs of a prospective eligible homeowner who is interested in having a home built on properties that are currently in the Land Bank. Therefore, Administration requests that City Council approve a non-interest bearing loan from the General Fund (0001)(Economic Development Assignment) to the NSP-1 Fund (1114) that will be repaid on or before July 30, 2013, the date on which any program income generated by activities carried out pursuant to the Federal Neighborhood Stabilization

A RESOLUTION APPROVING A SUBSTANTIAL AMENDMENT TO THE CITY'S FY2008-2009 ANNUAL ACTION PLAN ("AMENDMENT") MODIFYING THE CITY'S NEIGHBORHOOD STABILIZATION PROGRAM ("NSP-1") TO ALLOW THE CITY TO PROVIDE A NON INTEREST BEARING LOAN FROM THE CITY'S BUDGET CLEAN-UP AND ECONOMIC DEVELOPMENT DESIGNATION FUND, TO THE CITY'S NSP-1 FUND TO CONSTRUCT NEW HOMES ON LAND BANK PROPERTIES ACQUIRED WITH NSP-1 FUNDING THAT HAVE BEEN SELECTED BY ELIGIBLE BUYERS; AUTHORIZING THE MAYOR OR HIS DESIGNEE TO SUBMIT THE AMENDMENT TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND TO EXECUTE ALL DOCUMENTS NECESSARY TO IMPLEMENT THE AMENDMENT; APPROVING A TRANSFER IN THE AMOUNT OF \$360,000 FROM THE UNAPPROPRIATED BALANCE OF THE GENERAL FUND (0001)(ECONOMIC DEVELOPMENT ASSIGNMENT) TO THE NSP-1 FUND (1114); APPROVING A SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$360,000 FROM THE INCREASE IN THE UNAPPROPRIATED BALANCE OF THE NSP-1 FUND (1114), RESULTING FROM THIS TRANSFER, TO THE HOUSING DEPARTMENT, NEIGHBORHOOD STABILIZATION PROGRAM (082-1089); AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Amended its FY 2008-2009 Annual Action Plan on November 20, 2008, to add a new Neighborhood Stabilization Program ("NSP-1") to its Annual Action Plan; and

WHEREAS, the City received a total of \$9,498,962 in NSP-1 allocations from the U.S. Department of Housing and Urban Development ("HUD"); and

WHEREAS, the purpose of the NSP-1 funding is to assist states and local governments in addressing the effects of abandoned and foreclosed properties in their local communities; and

WHEREAS, the City obligated or expended all of its NSP-1 funding by September 3, 2010, as required by HUD; and

WHEREAS, a portion of the NSP-1 funds were used to purchase property that is held in a land bank ("Land Bank"); and

WHEREAS, the City may use NSP-1 program income to construct homes on Land Bank property; and

WHEREAS, the City has received serious inquires from eligible prospective homebuyers who are interested in having homes built on properties that are currently in the Land Bank; and

WHEREAS, because the City obligated and expended all of its NSP-1 funding, it has no additional funding to accommodate the request of the prospective homebuyers; and

WHEREAS, in order to accommodate prospective homebuyers and to facilitate the availability of affordable housing to qualified buyers, the Administration recommends approving a non-interest bearing loan from the General Fund to the NSP-1 Fund in the amount of \$360,000 to be repaid dollar for dollar with program income generated from the sale of properties acquired with NSP-1 funding; and

WHEREAS, by providing this loan to the NSP-1 Program, funding will be made available which currently does not exist to assist additional homebuyers to purchase NSP-1 homes which will reduce the City's inventory of vacant lots and place properties back on the tax rolls, which will benefit the City and its citizens; and

WHEREAS, the loan shall be repaid on or before July 30, 2013, the date that officially requires that any program income generated by activities carried out pursuant to the federal Neighborhood Stabilization Program and is not authorized to be retained, must be remitted to HUD for deposit in the Treasury.

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-1") to allow the City to provide a non-interest bearing loan from the City's General Fund to the City's NSP-1 Fund to construct new homes on land bank properties acquired with NSP-1 funding that have been selected by eligible buyers is approved; and the Mayor or his designee is authorized to submit the Amendment to the U.S. Department of Housing and Urban Development and to execute all documents necessary to implement the Amendment; and

BE IT FURTHER RESOLVED that there are hereby approved the following supplemental appropriations from the unappropriated balances of their respective funds for Fiscal Year 2011:

General Fund (0001)(Economic Development Assignment)

Transfer to: NSP-1 Fund (1114) \$360,000

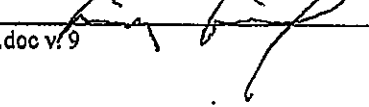
NSP-1 Fund (1114)

Housing Department, Neighborhood Stabilization Program (082-1089) \$360,000

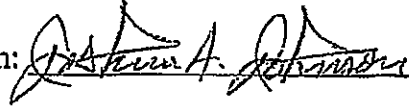
This resolution shall become effective immediately upon its adoption.

Approvals:

Legal: 

Budget: 

Legal: 00131269.doc v.9

Administration: 

St. Petersburg Times

Published Daily

St. Petersburg, Pinellas County, Florida

STATE OF FLORIDA
COUNTY OF Pinellas

} S.S.

Before the undersigned authority personally appeared B. Harr who on oath says that he/she is Legal Clerk of the *St. Petersburg Times* a daily newspaper published at St. Petersburg, in Pinellas County, Florida; that the attached copy of advertisement, being a Legal Notice in the matter RE: **AMENDMENT TO 2008/09 ANNUAL ACTION PLAN** was published in said newspaper in the issues of *City & State*, 11/12/2010.

Affiant further says the said *St. Petersburg Times* is a newspaper published at St. Petersburg, in said Pinellas County, Florida and that the said newspaper has heretofore been continuously published in said Pinellas County, Florida, each day and has been entered as second class mail matter at the post office in St. Petersburg, in said Pinellas County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement, and affiant further says that he /she has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

B. Harr

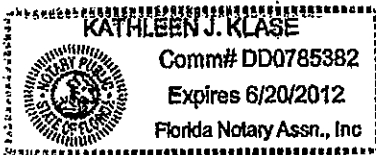
Signature of Affiant

Sworn to and subscribed before me
this 12th day of November A.D.2010

Kathleen J. Klase
Signature of Notary Public

Personally known or produced identification

Type of identification produced _____



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 (City) is making available for citizen review and public comment a proposed amendment to the 2008/09 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 is proposing to modify the Neighborhood Stabilization Program (NSP) to allow the City to provide a non interest bearing loan in the amount of \$360,000 from the City's General Fund to construct new homes on land banked properties acquired through NSP funding that have been selected by eligible home buyers.

The City Council of the City of St. Petersburg will hold a public hearing to receive comments on the proposed amendment on Thursday, December 9, 2010, beginning at or about 9:00 a.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, Third Floor, or P.O. Box 2842, St. Petersburg, Florida 33731 by 4:00 p.m. on December 8, 2010. For additional information concerning this notice, please contact Joshua Johnson at: (727) 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.

11/12/2010

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