

PROCEDURE FOR DISPOSITION OF FORECLOSURE PROPERTIES POLICY

PROCEDURES

IDENTIFICATION OF PROPERTY

This procedure shall only apply to residential properties that are in the process of being acquired by the City through the foreclosure process, or have already been acquired by the City through the foreclosure process. For purposes of this procedure, the foreclosure process shall include any property that is acquired by the City, either at public auction or from an owner in response to the instigation or threat of foreclosure litigation. The properties to be included in this program shall be confirmed by City Council.

CRITERIA FOR DEVELOPERS

1. The City shall develop a List of Interested Developers (“LID”) for this program.
 - a. The City shall conduct public outreach to attract people/businesses/organizations to take part in this program.
2. In order to be added to the LID, a prospective developer shall be required to submit proof of the following minimum qualifications:
 - a. Solvency
 - b. Legally entitled to own/operate a business in Florida
 - c. Financial ability to build homes
 - d. Basic business acumen necessary to successfully manage home construction from start to finish, including but not limited to obtaining the proper permits, hiring appropriate professionals, and managing accompanying liability or willingness to partner with someone who has such acumen
3. Compliance with these criteria and addition to the LID shall be determined by the Foreclosure Properties Committee (“FPC”).
 - a. The FPC shall consist of two administrative employees and a citizen selected by the Mayor or his designee.
 - b. FPC meetings shall be conducted quarterly.
 - c. All FPC meetings shall be noticed and open to the public.
4. The FPC may also from time to time request other information from an Interested Developer, including but not limited to, information related to the Relevant Criteria, as set forth below.
5. “Interested Developer” shall be defined as any prospective developer who is approved for addition to the LID, as well as any Qualified Homebuyers, as defined below, who express interest in Foreclosure Property and are able to adequately demonstrate to the City their ability to timely construct a compliant structure.

NOTIFICATION OF AVAILABLE PROPERTY

1. Once the City has acquired a property through the foreclosure process and City Council has confirmed its inclusion in this program, all Interested Developers on the LID shall be notified by email that a Foreclosure Property is available.
 - a. This notification shall include the address and Parcel Identification Number of the Foreclosure Property.

- b. The notification shall also be posted on the City's standard real estate disposition page and any other appropriate medium as determined by administration.
2. Administration shall also advertise the disposition of the Foreclosure Properties in compliance with Florida Statutes governing CRA property, if the property is located within a CRA.

SELECTION OF DEVELOPER

1. Any Interested Developer shall have 30 days to respond, in writing, to the notice to be considered for any individual Foreclosure Property.
 - a. This "Response" shall affirmatively state the Interested Developer's interest in acquiring the Foreclosure Property and shall include appropriate information on all Relevant Criteria. Failure to address any Relevant Criteria in the Response shall be interpreted, at the sole discretion of the FPC, as an indication that the Interested Developer does not meet the Relevant Criteria.
2. The FPC shall review each Response submitted for each Foreclosure Property to determine the order of preference among all Interested Developers.
3. The order of preference of Interested Developers shall be determined by a point system, with points assigned the FPC, with input from City staff, according to the following "Relevant Criteria":
 - a. Does the Interested Developer have experience working in the neighborhood of the Foreclosure Property?
 - b. Does the Interested Developer have adequate experience and expertise building houses or a verified partner with such experience and expertise?
 - c. Can the Interested Developer begin work promptly upon acquiring leasehold?
 - d. Will the Interested Developer contribute to the improvement of the surrounding area?
 - e. Does the Interested Developer have the capacity to take on the Foreclosure Property without adversely impacting its work on any other Foreclosure Properties?
 - f. Is this the first Foreclosure Property on which the Interested Developer would acquire leasehold?
 - g. Is the Interested Developer a non-profit?
 - h. Is the Interested Developer using local labor employees and contractors?
 - i. Is the Interested Developer a Qualified Homebuyer who has adequately demonstrated their ability to construct a compliant structure?
 - j. Will the Interested Developer restrict the purchaser to 80% of the area median income?
4. The FPC shall, at its sole discretion, determine compliance with Relevant Criteria and assign points as it sees fit to determine an order of preference.
 - a. The FPC may, but is not obligated to, contact any Interested Developer who sent a Response to ask further questions, or seek more information or assurances.
 - b. The FPC shall resolve any ties and determine the final order of preference by considering any other relevant factors.
5. The FPC shall notify all Interested Developers who sent a Response of the final order of preference and all assigned points, including notifying the top preference and, if appropriate, the second preference.
 - a. Notwithstanding the above, the FPC shall set a minimum number of points for Interested Developers to be considered to be offered a leasehold. This minimum may be amended by the FPC from time to time as appropriate based on experiences within the program.

- b. Additionally, the FPC may, but is not obligated to, request administration to engage with any Interested Developer to assist with their participation in the program.
6. Upon receiving notification from the City that an Interested Developer has preference, the Interested Developer shall respond within seven (7) days of their acceptance of the Foreclosure Property or the FPC, at their sole discretion, may remove the Interested Developer from consideration for the Foreclosure Property.
7. If there is no response from an Interested Developer on a specific property, the City may dispose of the property through the surplus property procedure at appraised value or higher or dispose of the property to a land trust at the same cost it would have been offered to an Interested Developer in this program.

DISPOSITION PROCESS

1. Once an Interested Developer, who was given preference for a Foreclosure Property, accepts the property as outlined above ("Selected Developer") administration shall prepare a Lease with option to purchase ("Lease") which shall be executed by the Selected Developer within 30 days of receiving the Lease from the City.
2. The Lease shall include the following terms:
 - a. The Lease shall be for a term of 99 years to allow the Selected Developer to obtain financing to build a house (or renovate an existing house) on the Foreclosure Property.
 - b. The Lease shall include a nominal rent of \$10 per month for the first 18 months, and beginning on the first day of the 19th month, monthly rent in the amount of \$500 shall be due to the City.
 - c. The Lease shall include strict restrictions on code compliance and compliance with all laws during the term.
 - d. The Lease shall include an option to purchase that is contingent on the following:
 - i. A home is constructed or rehabilitated in compliance with the requirements set forth in an exhibit and a certificate of occupancy has been issued.
 - ii. The leasehold interest has been transferred at an affordable price to a qualified homebuyer whose income has been verified by the City to be at or below 120% AMI (as defined in City Code Chapter 17.5-97) ("Qualified Homebuyer").
 - e. The Lease shall provide for closing as follows:
 - i. The Selected Developer shall give to the Qualified Homebuyer all their interests under the Lease, except as may be set forth for payment.
 - ii. The Qualified Homebuyer shall exercise the option to purchase the foreclosure property from the City and the City shall transfer to Qualified Homebuyer clear title.
 - iii. Qualified Homebuyer and/or Selected Developer shall be responsible for all closing costs as set forth in the Lease.
 - iv. From closing funds, City is paid \$10, and the remainder of the funds are transferred to the Selected Developer. Each year, the FPC will review this amount in relation to costs for the City to acquire property and recommend any necessary changes to City Council.
 - v. At closing, the City shall attach a restrictive covenant on the property limiting its resale to income eligible buyers for 7 years, or the current required number of years if homebuyer assistance is provided by the City, whichever is higher. If the property is in the CRA, then other restrictions imposed by law or outlined in the CRA plan may also be attached.

AFFORDABLE HOUSING DEVELOPER APPLICATION



City of St. Petersburg
Codes Compliance Department
 Municipal Services Building
 One 4th Street North, 9th Floor
 St. Petersburg, Florida 33701
 (727) 892-5527



A. GENERAL INFORMATION:

Company/Individual Name:		
Address:	City:	Zip:
Phone:	Email:	
Contact Name/Title:		

B. TYPE OF ORGANIZATION:

Corporation		
Sole Proprietorship		
LLC		
Partnership:		
Other:		
Organization Date:	State of Incorporation:	Federal ID Number:

C. PERSONNEL:

Principal Officers	Position	Years with organization

D. CONSTRUCTION PERSONNEL:

Name/Title	Years of Experience

AFFORDABLE HOUSING DEVELOPER APPLICATION

E. OTHER DETAILS:

Please describe source of funding for construction.

What services does your organization provide and to whom?

In what location(s) geographically does your organization operate?

Does your organization have any outstanding liens/ special assessments/ judgments? If yes, please describe.

Yes

No

Is your organization financially solvent? If yes, please attach supporting documentation.

Yes

No

Please describe any experience you or your partner organization have constructing residential property.

Please describe any experience working with the City of St. Petersburg.

AFFORDABLE HOUSING DEVELOPER APPLICATION

By signing and submitting this form to the City, I hereby agree to the following: I affirm under penalty of perjury that all statements on this document are true and correct to the best of my knowledge and belief. I acknowledge that if the City determines that the information provided is inaccurate and was given with the intent to deceive that I may be disqualified from this program as a result. I agree to abide by all policies and procedures of this program, as set forth above and/or in the attached exhibits. I acknowledge that all documents submitted to the City are subject to public disclosure pursuant to Chapter 119, Florida Statutes. I acknowledge that City may reject or disqualify a proposal from any person, entity or principal of an entity that currently has any outstanding indebtedness to City or unresolved claims with or by City. I agree that this form does not bestow any rights upon the person or entity submitting it and imposes no obligations upon the City.

Applicant Print Name

Applicant Signature

Date

STATE OF FLORIDA

COUNTY OF PINELLAS

The foregoing instrument was acknowledge before me this ____ day of _____ 20____
by _____. He or she is personally known to me or provided
_____ at the time of notarization.

Notary Public – State of Florida

Notary Seal



Notary Signature

The following documents are available at stpete.org/housingdevelopers for review:

- City of St. Petersburg’s Foreclosure Disposition Policy
- Lease Example
- Restrictive Covenant Example
- Lot Disposition Property Request Form

Submit Affordable Housing Developer Application one of two ways:

1. City of St. Petersburg’s Codes Compliance Department
One 4th St N, 1st Floor
St. Petersburg, FL 33701
2. Codes Compliance Assistance Department
P.O. Box 2842
St. Petersburg, FL 33731

Contact the Codes Compliance Assistance Department at 727-892-5527 for assistance.