

Council approves bonds for SRHA projects



By Jimmy LaRoue

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Suffolk City Council has given the go-ahead for the Suffolk Redevelopment and Housing Authority to issue \$22 million in bonds for restoration projects for two of its public housing developments.

The money will go toward rehabilitating both the Cypress Manor and Parker Riddick apartment communities. Council unanimously approved the bond issuance at its meeting last Wednesday.

The authority held a public hearing in July and adopted a resolution that authorized the issuing of the bonds after losing out on a 9-percent tax credit to rebuild the Parker Riddick apartments due in part to what have been acknowledged by SRHA Executive Director Tracey Snipes as mistakes made in the application process. That's when the authority approved an alternative plan to finance the rebuilding of Parker Riddick and the rehabilitation of the Cypress Manor apartments.

The authority's board voted 7-2 in June to apply for a 4-percent tax credit that would go toward tearing down and rebuilding Parker Riddick's 93 units, and rehabilitating Cypress Manor's 113 units. The 206 total housing units will be converted to Section 8 project-based voucher assistance housing.

SRHA consultant Peter Behringer, a managing member of TCG Development Advisors LLC, said the two existing developments would be combined into a single 4-percent application. As long as that meets the thresholds for the financing, it would receive it.

Behringer said there would be a "substantial rehabilitation" of Cypress Manor, while all of Parker Riddick would be torn down and rebuilt.

"The plan for the conversion of these two properties is that there will be a substantial rehabilitation, what we would call a gut rehabilitation of Cypress Manor," Behringer said.

He said the rehabilitation at Cypress Manor would cost about \$146,000 per unit, and at Parker Riddick, the teardown and rebuild will cost about \$161,000 per unit.

He anticipates having federal and state approval to begin the work on the two apartment communities by the end of the year.

"If we are able to stay on that track, the idea will be that sometime (by) late in the first quarter or early in the second quarter (of 2020), we would begin construction on the two developments," Behringer said. "And we anticipate that the construction period would last approximately 20 months."

The target date, Behringer said, is April 1, 2020, at which time the bonds would be issued.

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All of the Parker Riddick tenants would be completely relocated to facilitate construction, while Cypress Manor tenants will be moved to other apartments in that community as the work will take place in several buildings at a time, Behringer said.

Parker Riddick residents would receive tenant protection vouchers that would allow them to relocate into another home in the community and not pay any more than they are right now, Behringer said, with the balance being paid for by the federal government. Those residents would have first crack to returning to their apartments at Parker Riddick

when they are completely rehabilitated.

He said that the authority could have waited until next year to apply for a 9-percent tax credit to rebuild Parker Riddick, but there was no guarantee the authority would receive it even with a perfect application.

Councilman Tim Johnson asked whether the work would include asbestos abatement.

“Abatement of the asbestos-containing materials is subject to both the state environmental requirements as well as federal (Environmental Protection Agency) requirements,” Behringer said, “so it’s very closely both regulated and monitored by both the state and the feds.”

Johnson asked Behringer whether the city is “jumping the gun” and whether it might not be wiser to put off the bond issue for a year.

The funding the authority has now, Behringer said, will mean no reduction in quality of housing or in the amount of rehabilitation or new construction.

“We believe in creating new communities for people who need assistance in getting quality affordable housing,” Behringer said. “And this approach does just that. The residents of Cypress Manor and Parker Riddick are currently living in deteriorating housing. The housing authority is doing its best with the resources that it’s got, but the fact of the matter is that the federal government shortchanges the authority here and shortchanges authorities around the country as far as providing funding to keep these properties up.”