

PRESERVING NORTON APARTMENTS: IT TOOK A VILLAGE AND WELL WORTH THE EFFORT



By Christine Allamanno

When Patricia Redding, who uses a wheelchair because of multiple sclerosis, moved into Clearwater's Norton apartments in the fall of 2010, the property manager assured her that the landlord would modify her unit to accommodate her disability and widen the doorways so that her wheelchair could easily pass through.

The property manager also promised hand railings for the bathroom and an ADA-compliant ramp for the concrete porch steps outside the apartment.

The promised modifications never happened. Furthermore, raw sewage backed up into Ms. Redding's apartment and soaked her carpet. Christopher Goolsby, who has lived in Norton for seven years with his wife and two young daughters, assisted Ms. Redding in cleaning up as best he could, but a promised replacement carpet never arrived either, nor did ADA-compliant ramps for Redding

and other disabled residents. Mr. Goolsby built makeshift ramps himself for several of the residents who could not access their front porch steps. And Ms. Redding felt trapped in the apartment that was never modified as promised to meet her medical needs. "I live on social

security disability and food stamps," said Ms. Redding, whose cousin, Nehemiah Dillard, also lives with her as her full-time medically necessary caretaker. "I was trapped in this apartment. I could not afford to move."

Landlord Preparing to File Chapter 11 Bankruptcy

What Ms. Redding and the other 47 other low-income families who lived in Norton Apartments did not know was that their landlord was preparing to file Chapter 11

bankruptcy on a total of 19 affordable multi-family housing properties in Florida, including Norton, thus jeopardizing their housing. As one of the few project-based Section 8 multi-family communities remaining in Pinellas County, families living at Norton paid 30 percent of their annual income as rent, with the balance of the market rent being paid by HUD to the landlord pursuant to an annual Housing Assistance Payments (HAP) contract. The HUD rent subsidy is critical to prevent homelessness for families like Ms. Redding's and Mr. Goolsby's, whose incomes consist of social security disability payments and food stamps. Other Norton families work at low wage jobs;



Jritta Belk with Christopher Goolsby, who was the tenant representative in the bankruptcy. Belk has been his next door neighbor for eight years and says she does not know what she would do without Chris and his family to look after her.



Patricia Redding, seated in center, has multiple sclerosis. She will receive the first ADA-compliant unit at Norton; her caregiver Nehemiah Dillard who lives with her, stands to the right. At far left is Maria Bogomaz, an intern from Stetson Law School.



Desiree Garrison with her smiling children.

are frail elderly with health issues where treatment eats into their meager incomes, making it impossible for them to rent safe, decent housing at an affordable rate. Some Norton families also have custody of children of relatives who cannot keep their own children housed because of the parents' own precarious economic situations or health issues. One resident, who came to Norton from a Pinellas County homeless shelter, was able to take custody of a family member's disabled child once she was safely housed at Norton. They have been in Norton for two years while the child finishes school.

Deteriorating Living Conditions

While HUD's HAP contracts require that private landlords use the government subsidy to maintain multifamily properties in quality condition, this did not happen at Norton. The six concrete block buildings containing one-, two-, three-, and four-bedroom garden apartments to accommodate families of all shapes and sizes, had not been painted in years. Termite damage was evident; sewage backups were the norm; property managers were hired and then fired or resigned frequently; foundations were being lifted by tree roots which had grown under the buildings, and some second floor units had unstable upper floors caused by leaks in the second floor plumbing, as well as damage from pests. Desiree and Ray Garrison, who live in one of the four bedroom apartments with their five children, worried about the safety of their second floor. "It sags a lot," Desiree pointed out, and then demonstrated when giving tours of her unit as the floor would buckle and then bounce back.

Nonetheless, Norton never had trouble filling its apart-

are un- employed due to the downturn in the economy; are receiving job training to work towards family self-sufficiency; or

ments. The small size of the community, along with the unique configuration of buildings with front porches facing each other, gave the residents a sense of extended family and friends. Adults sat on the porches to chat while watching their children play ball and ride bikes in front of their apartments. Many residents stayed at Norton despite the condition because of the relationships forged by living there. Senior citizens and the disabled grew to rely on the younger families to help run errands, and kept an eye out for their neighbors' children. With tears in her eyes, senior citizen Jritta Belk, a long-time Norton resident who is disabled and is the Goolsby's next door neighbor, said, "I don't know what I would have to do if I had to move away from Chris and his family." Prior to being diagnosed with health issues, which have slowed her down (but not stopped her), Susan Armour, another long-time Norton resident, once ran a food bank, school supply drive, and tutoring program for Norton's children out of the community center that was featured in the *St. Petersburg Times*. All of the residents call Armour "Miss Sue," and to many she is



Children play and ride bikes safely in front of their apartments. Down the street are the lake and nature trail.

simply, "Momma." Accustomed to years of landlord neglect and mismanagement, the Norton families simply helped each other with makeshift repairs and support as best they could, with Mr. Goolsby emerging as a resident leader and coordinating support and practical help for families as he was able, despite health issues and two young daughters of his own.

The Village of Experts Come Together

In 2009 and 2010, however, HUD gave Norton's landlord consecutive failing scores on the condition and management of the property, and required the owner to develop a plan for repairs to bring the housing into compliance with HUD standards. When the landlord did not respond to the notice, HUD began the process of abating the HAP Contract and terminating the rental assistance. HUD had approved relocation assistance with housing choice vouchers for the residents and was poised to shut Norton down when the greater community in Pinellas County decided this housing should not be allowed to fall out of the Pinellas County affordable housing inventory.

Once HUD terminates a project-based Section 8 contract, that particular housing subsidy is lost to a community's low-income residents. HUD does not put the project-based subsidy back or transfer it to another development. It is lost for good, and it is happening all over Florida at a time when we have a critical need for subsidized housing due to economic conditions. At the same time that HUD was preparing to terminate Norton's HAP contract and move the residents off the property, Dorothea Lee, of Bay Area Legal Services and I were coincidentally attending a seminar in Tampa sponsored by the Florida Housing Coalition, the National Housing Trust, and the Shimberg Center for Affordable Housing at the University of Florida. At the seminar, local and national experts in housing preservation came together to teach affordable housing advocates practical, legal, and financial strategies for preserving the remaining project-based section 8 subsidies in Florida, to stem cascading losses to the affordable housing inventory. We were taught the warning signs of an impending loss of a project-based subsidy; the warning signs include older, smaller communities; consecutive failing inspec-

tion scores by HUD; a HAP contract nearing its expiration date when a property owner might choose not to renew; and financial problems of the owner.

Debra Johnson, the Executive Director of the Pinellas County Housing Authority, also attended the seminar. Ms. Johnson had worked with Dorothea Lee and me in the past, and pointed us to resources which could help us identify project-based Section 8 properties in jeopardy. Norton met all the criteria. I called HUD and learned that abatement and then termination of the subsidy were imminent. I decided to visit the property to see how bad things actually were.

It was love at first sight. It was a sunny summer day in July, the kids were playing, the adults were sitting outside, everyone said hello and made me feel welcome even though I was a total stranger. The property is next door to a state of the art recreation center and water park for the kids, with baseball diamonds recently refurbished by the Tampa Bay Rays. There is a park with a lake and a nature trail two blocks north, and a fresh produce and seafood market two blocks south. There were amenities here for the families that would be lost to them if the property closed.

Residents instinctively knew that something was wrong, but not quite what. We scheduled two mass meetings with resident families at the rec center next door to explain what HUD's intentions were toward the property and steps that might be taken to persuade HUD to maintain the project-based subsidy. For ideas on how to slow down the process while preservation strategies



took shape, I also contacted Jaimie Ross, President of the Florida Housing Coalition, who contacted the president of the National Low Income Housing Coalition, who in turn contacted Carol Galante at D.C. HUD, to help slow the abatement and termination of the project-based subsidy down.

Turn of Events Favor Norton

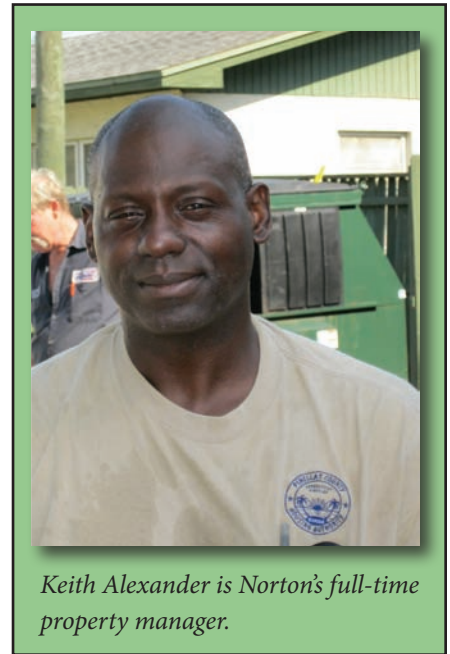
An incredible stroke of luck: We learned that the owner had taken the Norton property into Chapter 11 bankruptcy, along with at least 18 of his other affordable housing properties. The bankruptcy meant that an automatic stay prevented HUD from terminating the subsidy without first asking leave of the bankruptcy court, because all executory contracts and unexpired leases remain in place during the pendency of a bankruptcy. The owner's bankruptcy gave us the time we needed to put together a plan to save Norton Apartments.

The residents would need to make an appearance and be represented in the bankruptcy, so that the bankruptcy court would be aware that they wanted to maintain their housing. It was critical to find an attorney to assist who had bankruptcy expertise, as bankruptcy law is a complex specialty. Kent Spuhler, Executive Director of Florida Legal Services, located John Lamoureux, a principal at Carlton Fields with extensive bankruptcy and construction law expertise. Lamoureux visited the property to determine whether he wanted to take the case pro bono. He took a tour and met several residents. Lamoureux enthusiastically agreed to join the legal team, free of charge, and rolled up his sleeves to represent the Norton residents at numerous upcoming bankruptcy hearings. He also began crafting a strategy whereby an entity that would be approved by HUD could purchase the property out of bankruptcy by paying off the mortgage due on the property, with the approval of the bankruptcy court, and take ownership of the property free and clear. It was an exit strategy that would benefit all of the parties involved – the owner; who would be out from under the obligation of the mortgage; the bank, who would get its mortgage paid off; HUD, who could form a future relationship with a responsible entity to manage the property and maintain the subsidy going

forward; and most importantly for the Norton families, who would at last be living in renovated housing with responsible management. The strategy would only work if an entity acceptable to HUD were found to take over the property; and if funding could be secured to purchase Norton, which had been appraised at \$1.8 million dol-

ars. Dorothea Lee inadvertently secured the funding for the property at the reception at last October's Florida Housing Coalition conference, when she explained the plight of the Norton residents to Frank Bowman, the Housing Development Manager for the Pinellas County Department of Community Development. Bowman, who was partially in charge of administering Pinellas County's \$18.5 million Neighborhood Stabilization Program (NSP) II award as part of the Pinellas/Pasco Consortium, immediately grasped the opportunity. He and his supervisor Anthony Jones, Director of Housing and Community Development

for Pinellas County, agreed to work with the rapidly expanding team of preservation advocates to attempt to secure the Norton property. "A condition of all of our NSP acquisitions is that they be placed in the community land trust," Bowman said, "which we conditioned our acquisition of Norton on. This way the housing remains affordable for successive generations." Pinellas County also provided an added "bonus" to the acquisition fund in the form of a \$390,000 grant from the Department of Energy to provide Energy Star certified ranges, refrigerators, and air conditioners to the residents as part of the renovations to lower skyrocketing utility bills. The City of Clearwater also caught the spirit and committed a large portion of its NSP II award toward the acquisition and rehabilitation of Norton.



Keith Alexander is Norton's full-time property manager.

Attorney John Lamoureux, a principal at Carlton Fields, enthusiastically agreed to join the legal team, free of charge, and rolled up his sleeves to represent the Norton residents.

Pinellas County Housing Authority Takes Ownership

At this point Debra Johnson re-entered the picture, offering to ask the Board of the Pinellas County Housing Authority (PCHA) whether it would approve the PCHA taking over ownership and management of the property if the County would provide the funding for the acquisition. The PCHA jumped at the chance to preserve 48 units of housing for extremely low-income residents. HUD, in turn, was delighted that one of its highest-ranked housing authorities was willing to devote its resources to turn Norton around. Negotiations continued for several months, and culminated with US Bankruptcy Judge C. Rodney May signing an order approving the sale of the property to the Housing Authority to resolve the bankruptcy of the owner. The closing was March 15, 2011, and two days later, the Housing Authority brought its team to the community room to meet the Norton residents. The community room, unused for many years, was a happy place that day. Ms. Johnson announced that Resident Services would maintain an office on site two half days a week and that a staffed after school computer lab would open for the children. She then introduced something Norton had been lacking for quite some time, the new full-time property manager, Keith Alexander, who drew cheers from the residents when he said, “I grew up in a community just like Norton.”

Conclusion

Since the closing, the Housing Authority has been busy correcting the conditions that caused Norton to fail its consecutive HUD inspections. New refrigerators secured with the Department of Energy grant arrived the week of April 18, with more appliances to come. A long-time sewage back-up issue is being addressed with a reputable contractor; tree roots are being removed to correct the problems with the foundations; and Keith Alexander, the new property manager, is implementing a unit-by-unit inspection with a fine tooth comb to uncover, as he says, “every nut and bolt and screw and condition that needs to be repaired.” Clearwater community police officers, long discouraged from policing the development because of the lack of cooperation from the prior landlord, have also forged a new partnership with the Housing Authority and the residents to ensure that outside criminal activity does not infiltrate the Norton family. Mr. Goolsby attends meetings of the Neighborhood Association to stay in touch with the adjoining community outside of Norton so that communication is established with neighborhood leaders.

Most importantly, Ms. Johnson announced at the initial resident meeting that at least two of the Norton units would be made fully ADA compliant. Patricia Redding, who has waited for almost two years to be able to move her wheelchair into the bathroom, will finally receive the ADA-compliant unit she was promised when she first moved into the Norton community.

This was a real life example of ‘it takes a village.’ If any of the pieces had fallen out of the picture – the NSP money provided by Pinellas County and Clearwater, the Housing Authority’s willingness to step up, the connections we made through the Florida Housing Coalition which enabled us to reach the proper parties at HUD, the expert bankruptcy assistance in negotiating with the bank and the owner that we received from Carlton Fields, the grant from the Florida Bar Foundation which enables Dorothea Lee and me to do this work, and most importantly, the patience and perseverance of the residents in fighting for their community, those buildings would be vacant and crumbling right now instead of becoming a hub for revitalization and community services for the neighborhood. [HNN](#)

“It takes a village.”



Norton is now the hub for revitalization and community services for the neighborhood.

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