



## U.S. Department of Housing and Urban Development

Region IV, Miami Field Office  
Brickell Plaza Federal Building  
909 SE First Avenue, Rm. 500  
Miami, FL 33131-3042

March 25, 2019

Board of Commissioners  
St. Petersburg Housing Authority  
2001 Gandy Blvd. North  
St. Petersburg, Florida 33702

SUBJECT: Notice of Violation of Affordability Requirement at Saratoga Apartments

Dear Members of the Board,

On March 1, 2019, the Tampa Bay Times published an article titled, “St. Petersburg Housing Authority CEO lived rent-free in low-income housing — while earning \$140,000 salary”. Mr. Tony Love resided at Saratoga Apartments, an affordable housing development for 9 months, from January through September 2016. The Office of Public Housing, Miami Field Office of HUD (OPH-Miami) confirmed that this report was accurate.

On February 1, 2008, the OPH-Miami approved the use of public housing sales proceeds for the acquisition and rehabilitation of Saratoga Apartments (attached). These proceeds totaling \$3,222,792.50 was earned from the 2005 disposition of James Park, a public housing development. HUD’s Special Application Center’s (SAC’s) approval of the disposition of James Park restricted the use of any sale proceeds for affordable housing purposes only. In accordance with this SAC mandate, the OPH-Miami approved the use of proceeds to acquire and rehabilitate Saratoga Apartments on the condition that all 34 units would be operated as affordable housing. Only households earning 80%, or less of Area Median Incomes (AMI) are eligible to reside at this property.

We acknowledge that Section 5(g) of the December 14, 2015 employment agreement between the Housing Authority of the City of St. Petersburg (the Authority) and its CEO, Mr. Love, states that, “reasonable residential cost will be paid by the Authority for a period of up to six (6) months”. We are also aware that on August 25, 2016, after 8 months (exceeding the term of the original agreement), the Board retroactively approved a contract amendment extending this benefit to 9 months, through September 2016. However, in 2016, 80% of AMI in Pinellas County for a one-person household was \$33,150. Mr. Love’s annual salary of \$140,000 in 2016 was 422% of the eligible income threshold. Under no circumstances should Mr. Love have been permitted to reside at Saratoga Apartments.

The OPH-Miami was notified that the sum of \$28,700 was transferred from the Authority’s Central Office Cost Center (COCC) accounts to the Saratoga operating accounts on February 28, 2019, to compensate for Mr. Love’s 9-month residency at Saratoga Apartments in 2016. While we recognize that replenishing the accounts of Saratoga Apartments was done in good faith, and in response to media and OPH-Miami scrutiny, please note that only non-federal fees generated in the

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COCC should have been used to replenish the account of Saratoga Apartments. However, Sections 8 and 9 fee income earned by the COCC from the HCV, CFP and Operating Fund programs remain federalized and should not be used in this situation to repay Saratoga Apartments. We hereby request that the Authority provide documentation verifying that only non-federal COCC funds were used in this transaction.

Being selected to serve on the Authority's Board of Commissioners is a high honor and privilege, but one that carries with it a serious responsibility to serve the interests of the Authority and its residents, as well as oversee the Authority's operations. As fiduciaries of the Authority's resources, each Board member has the basic responsibility of understanding the Authority's mission and programs. We recognize that all may not come to this role with a complete understanding of the myriad of housing programs and regulations. Nevertheless, various training opportunities exist, which Board members are expected to avail themselves of.

The Authority must provide evidence to this office within 30 days of this letter to show that funds used to reimburse the Saratoga operating account were from non-federal sources. Board-members should also make concerted efforts to immediately undertake necessary training to ensure they adequately understand the requirements of the various programs administered by the Housing Authority. Henceforth, in light of this and various other recent issues, the OPH-Miami will closely monitor the affairs of the Authority.

If you have any questions, or require additional information, please contact me by phone at 305-520-5091, or email: [Uche.A.Oluku@hud.gov](mailto:Uche.A.Oluku@hud.gov).

Sincerely,



Uche A. Oluku, PhD  
Director,  
Office of Public Housing

Cc: Mr. Tony Love  
CEO, St. Petersburg Housing Authority