

# TAMPA BAY Business Journal

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## Bank of America loan program pumps \$1.5B into area

Critics want more evidence of help to low-income families

Tampa Bay Business Journal - by [Margie Manning](#) Senior Staff Writer

Nearly 200 low-income seniors got to stay in their downtown St. Petersburg homes, thanks to a \$6 million loan from Bank of America.

The loan to Sage Partners LLC for renovations at the Viridian was one of hundreds of loans or investments totaling nearly \$1.5 billion that Bank of America provided in the Tampa-St. Petersburg area in the first year of a national community development initiative. Across the country, Bank of America (NYSE: BAC) intends to provide \$1.5 trillion over 10 years, the largest community development goal ever established by a U.S. financial institution, said Bill Goede, market president.

The bank's local numbers bolster claims that in general, lenders are loosening up credit and making loans.

Nearly \$1.2 billion in loans locally were for affordable housing, including the loan to Sage. Bank of America also loaned \$222.8 million to small businesses in the Tampa-St. Petersburg area and made \$60.4 million in consumer loans. Another \$7.6 million was invested or loaned for economic development projects.

Not included in the first-year report was funding for Encore, a high-profile mixed-use project on 30 acres in downtown Tampa. That funding closed early in 2010 and will be on next year's report, said Christina Toth, a Bank of America spokeswoman.

'Go out and make a difference'

Affordable housing has been front and center because people are needed to sustain growth in a community, Goede said. "We benefit as a company if the community can grow," he said.

The Viridian, formerly known as the Columbian Apartments, is among the few properties in St. Petersburg with rent subsidies for very low-income seniors. Residents' yearly incomes average \$10,491, and they pay an average monthly rent of \$230.

The building was three months from losing its subsidies when Sage bought the property in June 2009. The purchase kept the 188 apartments, which have spectacular views of downtown and the waterfront, from becoming market-rate properties with rents topping \$1,000 a month, said Debra Koehler, president of Sage.

Sage put together a complex financing package for the \$20 million project, but the \$6 million provided by Bank of America was the critical piece at a crucial time, Koehler said.

"We were still lending last year when others weren't," Goede said. "The idea was to go out and make a difference."

Sage built a computer lab, fitness room, an outdoor deck and a garden. Nine of the 10 floors with apartments have been renovated.

Apartments have energy efficient appliances and floors and window coverings that are easy to clean and replace. Low-flow toilets and a new cooling tower have saved 4 million gallons of water in one year, Koehler said.

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Sage banned smoking in the building, but offered smoking-cessation classes, so residents are healthier and there's less burden on the health care system, Goede said.

Sage and Bank of America plan to work together on two more projects, but declined to disclose details until the sales close.

### **Still, more transparency sought**

The Viridian project is the type of project that's needed, but they are few and far between, said Al Piña, chair of the Florida Minority Community Reinvestment Coalition.

Piña, a frequent critic of Bank of America, said he hasn't seen evidence that the community development initiative has made a difference in low- to moderate-income communities. He has asked for a meeting with Mike Fields, Bank of America's Florida president, seeking more transparency in the numbers.

Piña also wants change in the Community Reinvestment Act, the federal law that requires banks reinvest deposit funds back into the communities in which they are located. He would like to see CRA revamped to place less weight on housing loans and more focus on loans to small businesses that create jobs.

"The best affordable housing project is called a good-paying job," he said, recalling a comment he made to former Federal Reserve Chairman Alan Greenspan.

Also seeking CRA change is Eugene Ludwig, former comptroller of the currency. "Lenders should receive CRA credit for loans to businesses that generate new jobs in [low to moderate income] areas and additional credit, if the loan is to an LMI borrower," Ludwig said in written testimony before a Congressional committee in April.

Federal regulatory agencies have announced a series of public hearings this summer on modernizing CRA regulations.

### **INFO**

#### **Bank of America community development lending and investment**

**National goal (10 years):** \$1.5 trillion

**Progress to date (one year)**

**National:** \$168.2 billion

**Florida:** \$10.7 billion

**Tampa-St. Petersburg:** \$1.5 billion

**Source:** Bank of America

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