



CITY OF GAINESVILLE

Affordable Housing Advisory Committee

DATE: October 25, 2022

TO: City Commission

FROM: Jamie Sortevik Bell, Chair 
SHIP—Affordable Housing Advisory Committee

SUBJECT: Local Government Area of Opportunity Funding Recommendation

Summary: *The City's State Housing Initiatives Partnership (SHIP) Program Affordable Housing Advisory Committee (AHAC), recommends that the City Commission use ConnectFree revenues to fund a \$460,000.00 loan to the Gainesville Housing Authority (GHA) and their development partners, for their Woodland Park, Phase 2 application for Low Income Housing Tax Credits.*

On behalf of the City's SHIP-AHAC, I am pleased to present our Local Government Area of Opportunity (LGAO) funding recommendation.

The Low Income Housing Tax Credit (LIHTC) Program is an important tool that the federal government uses to promote the development of affordable housing. In the State of Florida, the Florida Housing Finance Corporation, which is essentially a State agency, administers the LIHTC Program. One of the State's goals for the LIHTC Program in medium sized Counties (like Alachua) is to fund projects that have a commitment from their local government for a significant financial contribution. That contribution is known as LGAO Funding.

On July 7, 2022, the City published a Notice Of Funding Availability (NOFA) for Affordable Rental Housing Projects, including LIHTC Projects. The developers of two proposed projects responded. Each of those projects is a LIHTC Project requesting LGAO Funding.

On October 11, 2022, the City's AHAC heard presentations from the developers of those projects. After receiving the presentations, the AHAC reviewed, considered and discussed both of the projects.

Among the factors the AHAC considered when evaluating the projects are the following:

1. Number of units provided;
2. Resident income mix;
3. Number of units provided for persons with special needs (e.g., frail elders, youth aging out of foster care, homeless, persons with disabilities, persons with AIDS, and veterans);
4. Location of the project (Does the location further the City's goal of providing affordable rental housing in all areas of the City? Is the project compatible with surrounding areas? What are the nearby amenities? Are they sufficient? Will they meet the needs of the project's tenants?);

5. On-site amenities (What are they? Are they sufficient? Will they meet the needs of the project's tenants?);
6. Resident services; (What are they? Are they sufficient? Will they meet the needs of the project's tenants?);
7. Marketing and outreach to potential residents;
8. Loan terms;
9. The chances of being chosen for funding by the State, given its previously stated goals;
10. Experience of the developers; and
11. Overall feasibility of the project.


Based on the applications and presentations, AHAC believes that both of the proposals would be beneficial to the community. However, AHAC also believes that there are some important differences in the projects. For that reason, at the October 11, 2022 AHAC meeting, the Committee voted to rank the proposed projects in the following order:

PROJECT NAME	# OF UNITS	LOAN TERMS	AHAC RANK
Woodland Park, Ph. 2	96	1% interest rate for an 18-year loan with a balloon payment at loan termination, and a 30-year amortization period. The entire balance, including principal and interest, shall be paid in full at the end of the 18-year period.	1
Hawthorne Heights	70	Option 1: 1% interest rate (interest only payments during construction), 20-year term. Option 2: 3% interest rate, Residual Receipt.	2

LGAO Funding benefits the City of Gainesville in several ways. First, LGAO Funding leverages local funds to bring in millions of dollars of private and federal investment. Additionally, LGAO Funding furthers the City's goal of supporting the development of affordable housing within the community. For these reasons, the AHAC voted unanimously to recommend that the City Commission use ConnectFree revenues to fund a \$460,000.00 loan, under the terms outlined above, to the Gainesville Housing Authority and their development partners, for their Woodland Park, Phase 2 application for LIHTCs.

We respectfully and sincerely request that you consider this funding recommendation.

Cc: AHAC Committee Members
Corey Harris, HCD Director
John Wachtel, Neighborhood Planning Coordinator

Signature: 
Julie S Bell (Oct 26, 2022 12:48 EDT)
 Email: sortevikj@gmail.com