



City of Gainesville Agenda Report

File #: 2022-760

Agenda Date: December 1, 2022

Department: Housing & Community Development

Title: 2022-760 HOME-ARP Allocation Plan (B)

Description: Approval of HOME-ARP Allocation Plan for Submittal to the U.S. Department of Housing and Urban Development

Explanation: The City of Gainesville (City) Draft HOME-ARP Allocation Plan has been completed with an emphasis on addressing the need for homelessness assistance and supportive services, as directed by the U.S. Department of Housing and Urban Development (HUD) – HOME Investment Partnerships Program (HOME) to perform four (4) activities that must primarily benefit qualifying individuals and families who are homeless, at risk of homelessness, or in other vulnerable populations.

These activities include: (1) development and support of affordable rental housing, (2) tenant-based rental assistance (TBRA), (3) provision of supportive services; and (4) acquisition and development of non-congregate shelter units. HOME-ARP requires that funds be used to primarily benefit individuals and families in the following specified 'qualifying' populations: (a) homeless; (b) at risk of homelessness; (c) fleeing, or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking; (d) part of other populations where providing supportive services or assistance would prevent a family's homelessness or would serve those with the greatest risk of housing instability; or (e) Veterans and families that include a veteran family member that meet the criteria in one of (1)-(4) above.

The City received a total allocation of \$1,968,639 HOME-ARP funding, of which \$1,673,343.15 is available to carry out the small-scale development of affordable rental housing. Staff proposes to develop approximately fifteen (15) rental units through redevelopment and construction of scattered site Accessory Dwelling Units (ADU's). The intention is to utilize all units to provide shelter or house individuals meeting one or multiple qualifying populations as defined in the Notice, however no more than 30% of the total units assisted with HOME-ARP funding will be occupied by low-income households not meeting a qualifying population. The proposed production goal is an estimate based on current costs of construction and is subject to change with the market.

The City will closely monitor fluctuations in pricing and may have to adjust production goals accordingly.

The City intends to decrease homelessness and provide housing stability for qualifying populations through the development of decent, safe, and sanitary rental housing. The City's strategy to increase access to housing units for its most vulnerable populations includes redevelopment of city-owned lots and construction of ADU's.

The City will also implement an Accessory Dwelling Unit (ADU) Pilot Program. The construction of ADU's is an affordable housing solution that is gaining traction across the nation and provides multiple benefits for low-income and vulnerable populations as well as homeowners themselves. Creating affordable units through the construction of ADU's is also a goal in the City's Comprehensive Plan, meaning that land use regulations have already been modified to allow for this type of housing.

The City has recently seen a rise in interested residents wanting to construct ADU's and has issued nearly 40 permits since its inception. This strategy is a great way to champion affordable housing efforts while addressing the unmet needs of qualifying populations, specifically the need for additional beds to shelter individual adults. This type of housing is multi-faceted as units can be used as permanent housing or emergency shelter.

The ADU strategy involves participation by local homeowners willing to construct a unit on their property. To incentivize homeowners to participate, the city will underwrite either a portion of construction costs or fully fund the project in exchange for homeowners renting to qualifying populations. Units must remain affordable to families whose annual income does not exceed 60% of the median family income for a minimum of fifteen (15) years per HOME-ARP requirements.

The City also plans to partner with local qualified and experienced architects to design three (3) ADA accessible ADU floorplans which will be available to homeowners to choose their preference. Additionally, housing staff will work in tandem with staff from the Sustainable Development Department to "pre-permit" these ADUs to streamline the permitting process.

Strategic Connection: Goal 3 – A Great Place to Live and Experience

Fiscal Note: The City anticipates receiving a total funding allocation for HOME-ARP of \$1,968,639.00. \$1,673,343.15 will be used for affordable housing projects and \$295,295.85 (15% of the total allocation) will be utilized for administrative costs.

Recommendation:

The City Commission 1) approve the submittal of the HOME-ARP Allocation Plan to HUD for review and expected approval; and 2) authorize the City Manager, or designee, to execute all required and related documents.