



City of Gainesville Agenda Item Report

File Number: 2023-309

Agenda Date: April 6, 2023

Department: Housing & Community Development

Title: 2023-309 Approval of the Local Housing Assistance Plan for FY2023-24, FY2024-25, and FY2025-26 (B)

Department: Housing & Community Development

Description: The State Housing Initiatives Partnership (SHIP) Program is one of the City's largest sources of funding for affordable housing programs. In order to continue to receive funds from the SHIP Program, the City must triennially update and submit its Local Housing Assistance Plan (LHAP). This item requests that the City Commission approve the proposed LHAP.

Fiscal Note: SHIP funding varies from year to year. However, staff anticipates annual SHIP Program allocations of \$1 million to \$1.3 million for FY2023-24, FY2024-25, and FY 2025-26, as appropriated by the State of Florida.

Explanation: Since 1992, the City of Gainesville has participated in the SHIP Program, which provides Florida Cities and Counties with funds to implement programs to promote and preserve affordable housing and homeownership. State law requires Cities to adopt a Local Housing Assistance Plan (LHAP) to receive SHIP funds. The LHAP describes program activities and management plans for the utilization of funds through public/private partnerships which expand the production and preservation of affordable housing within the city limits of the City of Gainesville. The LHAP addresses several affordable housing needs in the community, including homeownership, housing rehabilitation, new construction, downpayment assistance, and mortgage foreclosure intervention. The goal of the plan is to provide affordable housing opportunities for income eligible residents within the incorporated areas of the City.

During the development of the LHAP, staff solicited public and stakeholder input at Public Meetings held in February 2023. The City sent email invitations directly to more than two hundred neighborhood representatives, social service providers, Public Housing Authorities, affordable housing builders and developers, contractors, lenders,

realtors, City advisory board members, and others who had expressed interest in affordable housing issues. In addition, notice of the meetings was published in the both the Gainesville Guardian and the Gainesville Sun.

Based on community input at these and other meetings, and on staff's experience administering the programs and working with the consumers of affordable housing, the proposed LHAP contains some changes from the current LHAP. These changes are primarily to address the following factors:

- Changes to the market, including inflation, and shortages in labor and materials;
- The need to expand services (such as some Rehabilitation and Down Payment Assistance) to include more housing types (such as some multiple-family structures, and some mobile/manufactured homes);
- The recognition that households with lower incomes are less likely to be able to move from renters to homeowners without additional assistance;
- The recognition of the benefits of supporting local, small, veteran owned, minority owned, or women owned businesses;

Specifically, the proposed LHAP contains the following changes compared to the current LHAP:

1. For Owner-Occupied Rehabilitation, the maximum award is increased from \$70,000 per project to \$80,000 per project; and eligibility is expanded to include some multiple-family structures, and some mobile/manufactured homes.
2. For Roof Replacement, the maximum award is increased from \$20,000 per project to \$25,000 per project; and eligibility is expanded to include some multiple-family structures, and some mobile/manufactured homes.
3. For House Replacement, eligibility is expanded to include some mobile/manufactured homes.
4. For Down Payment Assistance, the maximum award is now based on income (\$30,000 for Very Low Income, \$20,000 for Low Income, and \$15,000 for Moderate Income).
5. For Housing Development (Homeownership), for the developer selection criteria, preference will be given to local businesses, small businesses, and businesses owned by women, veterans, and/or minorities.
6. For Rental Development (New Construction/Rehabilitation), the maximum award is simplified to \$25,000 per affordable unit; also, for the developer selection criteria, preference will be given to local businesses, small businesses, and businesses owned by women, veterans, and/or minorities.

On March 15, 2023, the Florida Housing Finance Corporation (FHFC) issued Conditional Approval of the proposed LHAP. The City's Final LHAP, with the executed attachments is due to the FHFC on May 2, 2023.

Strategic Connection:

- ☐ Goal 1: Equitable Community
- ☐ Goal 2: More Sustainable Community
- ☒ Goal 3: A Great Place to Live and Experience
- ☐ Goal 4: Resilient Local Economy
- ☐ Goal 5: “Best in Class” Neighbor Services

Recommendation: The City Commission: 1) Adopt the resolution approving the State Housing Initiatives Partnership Program Local Housing Assistance Plan for State Fiscal Years 2023/2024, 2024/2025, and 2025/2026; 2) authorize the submission of the Local Housing Assistance Plan to the Florida Housing Finance Corporation; and 3) authorize the Mayor and/or City Manager or designee to execute all necessary documents related to the Local Housing Assistance Plan, subject to review by the City Attorney as to form and legality.