

2023-309B

City of Gainesville



SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)

2023-2024, 2024-2025, 2025-2026

ADOPTED APRIL 6, 2023



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I. Program Details:

A. LG(s)

Name of Local Government	City of Gainesville
Does this LHAP contain an interlocal agreement?	No
If yes, name of other local government(s)	

B. Purpose of the program:

- To meet the housing needs of the very low, low and moderate-income households;
- To expand production of and preserve affordable housing; and
- To further the housing element of the local government comprehensive plan specific to affordable housing.

C. Fiscal years covered by the Plan: 2023-2024, 2024-2025, 2025-2026

D. Governance: The SHIP Program is established in accordance with Section 420.907-9079, Florida Statutes and Chapter 67-37, Florida Administrative Code. Cities and Counties must be in compliance with these applicable statutes, rules and any additional requirements as established through the Legislative process.

E. Local Housing Partnership: The SHIP Program encourages building active partnerships between government, lending institutions, builders and developers, not-for-profit and community-based housing providers and service organizations, providers of professional services related to affordable housing, advocates for low-income persons, real estate professionals, persons or entities that can provide housing or support services and lead agencies of the local continuums of care.

F. Leveraging: The Plan is intended to increase the availability of affordable residential units by combining local resources and cost saving measures into a local housing partnership and using public and private funds to reduce the cost of housing. SHIP funds may be leveraged with or used to supplement other Florida Housing Finance Corporation programs and to provide local match to obtain federal housing grants or programs.

G. Public Input: Public input was solicited through face to face meetings with housing providers, social service providers and local lenders and neighborhood associations. Public input was solicited through the local newspaper in the advertising of the Local Housing Assistance Plan and the Notice of Funding Availability. In



addition, public input was also solicited through a notice on the City's Website, and through emails to groups and individuals who had previously expressed interest in housing issues.

- H. Advertising and Outreach:** SHIP funding availability shall be advertised in a newspaper of general circulation and periodicals serving ethnic and diverse neighborhoods, at least 30 days before the beginning of the application period. If no funding is available due to a waiting list, no notice of funding availability is required.
- I. Waiting List/Priorities:** A waiting list will be established when there are eligible applicants for strategies that no longer have funding available. Those households on the waiting list will be notified of their status. Applicants will be maintained in an order that is consistent with the time completed applications were submitted as well as any established funding priorities as described in this plan.

The following priorities for funding (very low income, Special Needs, etc.) described/listed here apply to all strategies unless otherwise stated in an individual strategy in Section II:

The City will accept applications during the advertised application period, until all funds are expended for each strategy. Applications will be placed in order of receipt and separated by strategy. When funds are available for a particular strategy, the applicants from the waiting list will be contacted to update and/or complete an application for funding assistance. Applicants will receive assistance once they have provided all required documentation and have been determined eligible to receive funding. Once a list of eligible applicants is compiled for a particular strategy, applications will be awarded for assistance on a first-qualified, first-served basis.

For strategies providing Special Needs assistance, eligible applicants will be ranked giving first priority to households qualifying as Special Needs households to meet the minimum 20% set-aside for the funding year as listed below:

1. Homeowners with a developmental disability, as defined by 393.063, F.S.
2. Households with household member with developmental disability.
3. Households with other disabilities and special needs, as defined by F.S. 420.0004 (13)
4. All other applicants that qualify.

After meeting the minimum 20% set-aside for Special Needs households for the funding year, remaining eligible applicants will be considered for assistance based upon a first-qualified, first-served basis.

- J. Discrimination:** In accordance with the provisions of ss.760.20-760.37, it is unlawful to discriminate on the basis of race, color, religion, sex, national origin, age, handicap, or marital status in the award application process for eligible housing. Additionally, in accordance with Chapter 8 of the Gainesville, Florida Code of Ordinances, it is unlawful to discriminate on the basis of sexual orientation, race, color, gender, age, religion, national origin, marital status, disability or gender identity in the award application process for eligible housing.
- K. Support Services and Counseling:** The City of Gainesville will administer a Housing Counseling Program designed to promote homeownership opportunities and improve access to affordable housing. Funds will be utilized for housing counseling activities carried out by City staff, including equipment, materials and supplies related to housing counseling activities. The Housing Counseling Program provides counseling services such as Homeownership, Credit and Money Management, Foreclosure Prevention and other general housing



counseling services based on household need.

The City of Gainesville may also partner with other housing and community based housing providers and service organizations to provide housing counseling support services, as applicable based upon availability of resources.

- L. Purchase Price Limits:** The sales price or value of new or existing eligible housing may not exceed 90% of the average area purchase price in the statistical area in which the eligible housing is located. Such average area purchase price may be that calculated for any 12-month period beginning not earlier than the fourth calendar year prior to the year in which the award occurs. The sales price of new and existing units can be lower but may not exceed 90% of the average area purchase price established by the U.S. Treasury Department or as described above.

The methodology used is:

U.S. Treasury Department	X
Local HFA Numbers	

The City of Gainesville has elected to use the United States Department of Housing and Urban Development's (HUD) Purchase Price Limits for the Alachua County/Gainesville Metropolitan Statistical Area. The Purchase Price Limits are updated annually by HUD.

- M. Income Limits, Rent Limits and Affordability:** The Income and Rent Limits used in the SHIP Program are updated annually by the Department of Housing and Urban Development and posted at www.floridahousing.org.

"Affordable" means that monthly rents or mortgage payments including taxes and insurance do not exceed 30 percent of that amount which represents the percentage of the median annual gross income for the households as indicated in Sections 420.9071, F.S. However, it is not the intent to limit an individual household's ability to devote more than 30% of its income for housing, and housing for which a household devotes more than 30% of its income shall be deemed Affordable if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30% benchmark and in the case of rental housing does not exceed those rental limits adjusted for bedroom size.

- N. Welfare Transition Program:** Should an eligible sponsor be used, a qualification system and selection criteria for applications for Awards to eligible sponsors shall be developed, which includes a description that demonstrates how eligible sponsors that employ personnel from the Welfare Transition Program will be given preference in the selection process.
- O. Monitoring and First Right of Refusal:** In the case of rental housing, the staff and any entity that has administrative authority for implementing the local housing assistance plan assisting rental developments shall annually monitor and determine tenant eligibility or, to the extent another governmental entity provides periodic monitoring and determination, a municipality, county or local housing financing authority may rely on such monitoring and determination of tenant eligibility. However, any loan or grant in the original amount of \$10,000 or less shall not be subject to these annual monitoring and determination of tenant eligibility requirements. Tenant eligibility will be monitored annually for no less than 15 years or the term of assistance



whichever is longer unless as specified above. Eligible sponsors that offer rental housing for sale before 15 years or that have remaining mortgages funded under this program must give a first right of refusal to eligible nonprofit organizations for purchase at the current market value for continued occupancy by eligible persons.

- P. Administrative Budget:** A line-item budget is attached as Exhibit A. The City of Gainesville finds that the moneys deposited in the local housing assistance trust fund are necessary to administer and implement the local housing assistance plan.

Section 420.9075 Florida Statute and Chapter 67-37, Florida Administrative Code, states: “A county or an eligible municipality may not exceed the 5 percent limitation on administrative costs, unless its governing body finds, by resolution, that 5 percent of the local housing distribution plus 5 percent of program income is insufficient to adequately pay the necessary costs of administering the local housing assistance plan.”

Section 420.9075 Florida Statute and Chapter 67-37, Florida Administrative Code, further states: “The cost of administering the program may not exceed 10 percent of the local housing distribution plus 5 percent of program income deposited into the trust fund, except that small counties, as defined in s. 120.52(19), and eligible municipalities receiving a local housing distribution of up to \$350,000 may use up to 10 percent of program income for administrative costs.” The applicable local jurisdiction has adopted the above findings in the resolution attached as Exhibit E.

- Q. Program Administration:** Administration of the local housing assistance plan will be performed by:

Entity	Duties	Admin. Fee Percentage
Local Government	Administration of the LHAP will be wholly performed and maintained by the City of Gainesville.	10%
Third Party Entity/Sub-recipient		

- R. First-time Homebuyer Definition:** For any strategies designed for first-time homebuyers, the following definition will apply: *An individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This includes a spouse (if either meets the above test, they are considered first-time homebuyers). A single parent who has only owned a home with a former spouse while married. An individual who is a displaced homemaker and has only owned with a spouse. An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations. An individual who has only owned a property that was not in compliance with state, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.*
- S. Project Delivery Costs:** Project delivery costs for the City’s Owner Occupied Rehabilitation programs will include initial inspections, work write ups, cost estimates, title searches, contractor selection, interim inspections, final inspections, counseling, and homeowner conferences. These costs shall be capped at \$3,000 and will be included as part of the loan to the homeowner.
- T. Essential Service Personnel Definition (ESP):** **ESP includes** teachers and educators, other school district, community college, and university employees, police and fire personnel, health care personnel, and skilled



building trade personnel and service industry personnel.

- U. Describe efforts to incorporate Green Building and Energy Saving products and processes:** The City of Gainesville will encourage green building requirements in the building specifications for all new construction and rehabilitation projects to include, but not limited to, the following: Energy Star rated windows, appliances, hot water heaters and ceiling fans; low flow plumbing fixtures, insulated exterior doors, increased insulations for walls and ceiling, higher efficiency HVAC units and programmable thermostats.

These building specification may be amended if federal, state and/or local regulations require a more prescriptive list.

- V. Describe efforts to meet the 20% Special Needs set-aside:** The City of Gainesville gives preference to persons applying for housing program assistance who meet the special needs definition listed in Florida State Statutes 420.0004(13). The City provides funding notification to local organizations informing them of opportunities available to provide services to its special needs clients.

- W. Describe efforts to reduce homelessness:** The City of Gainesville collaborates with Alachua County, the local Continuum of Care (CoC) and other homeless service organizations to address homelessness in the community. The City of Gainesville continues to participate and collaborate in these planning efforts to address homelessness in the community; and to assist homeless individuals and families to obtain access to stable housing and adequate referrals to resources and assistance.

Section II. LHAP Strategies:

A. OWNER OCCUPIED REHABILITATION	Codes 3 & 4
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<p>a. Summary: This strategy provides for the repair of existing homes and may include demolition and reconstruction. Funds will be awarded to owner occupied homes to correct code violations, health and safety issues, HVAC, electrical, plumbing, roofing, windows, structural items and accessibility to substantially rehabilitate the home, or demolish and reconstruct the home. When an applicant's home that has been approved for rehabilitation is determined to be beyond reasonable repair (more than 50% of structure is deemed unlivable and estimated rehabilitation costs exceed maximum award for the Owner Occupied Rehabilitation Program), the home may be eligible for demolition and reconstruction.</p>	
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- b. Fiscal Years Covered: 2023-2024, 2024-2025, 2025-2026

- c. Income Categories to be served: Very low and low

- d. Maximum award:

1. Roof Replacement Program	\$25,000
2. Owner Occupied Rehabilitation Program	\$80,000
3. House Replacement Program	\$175,000

- e. Terms:

1. Repayment loan/deferred loan/grant: Deferred loan secured by a recorded mortgage and



- promissory note.
2. Interest Rate: 0%
 3. Years in loan term:
 - a. Roof Replacement Program 10
 - b. Owner Occupied Rehabilitation Program 10
 - c. House Replacement Program 20
 4. Forgiveness: Loan is forgiven after term years:
 - a. Roof Replacement Program 10
 - b. Owner Occupied Rehabilitation Program 10
 - c. House Replacement Program 20
 5. Repayment: None required as long as loan is in good standing
 6. Default: The loan will be determined to be in default if any of the following occurs during the Loan term: sale, transfer, or conveyance of property; or failure to occupy the home as primary residence. If any of these occur during the term of the Loan, the outstanding balance will be due and payable. In the event that the owner(s) executing the mortgage and note dies during the term of the loan, the loan shall be considered satisfied and will no longer constitute a lien against the property.

A homeowner may need to refinance and/or sell the home due to extenuating circumstances such as loss of wages, job transfers, divorce, death, and/or health related issues. Under these circumstances, a subordination and/or forgiveness of the loan may be eligible as outlined below:

- Subordination: A subordination of a loan for the purpose of refinancing an existing debt that is in the superior lien position to the loan may be allowed for situations such as, to obtain a lower interest rate, debt consolidation, to make home improvements or improvements to the property, payment of medical expenses, and illness. No cash out to the homeowner. However, when a hardship exists such as, divorce, death, and health related issues, an exception may be considered in accordance with the guidelines of the City's Loan Subordination Procedure, as amended.
- Forgiveness: Forgiveness of the loan will be approved in accordance with the guidelines of the City's Loan Forgiveness Policy, as amended. If a homeowner needs to sell the home due to a hardship such as divorce, death, and/or health related issues, the homeowner may be eligible to request a loan forgiveness for all or a portion of the loan. Staff will work with the mortgage holders and/or legal representatives to recapture any funds available to satisfy the lien.
- Foreclosure: If a property is foreclosed on by a superior mortgage holder, the City will make an effort to recapture funds through the legal process if it is determined that sufficient funding may be available to justify pursuing repayment. If sufficient funding is available, recapture of the loan will be repaid to the SHIP Program and/or other leveraged program funding based on the percentage of the funding invested in the project, as applicable.

- f. Recipient/Tenant Selection Criteria: Applications for assistance under this program will be reviewed and approved based on a first-qualified, first-served basis with the following priorities:
1. Homeowners with a developmental disability as defined in 393.063.
 2. Households with household member with developmental disability.



3. Households with other disabilities and special needs, as defined by F.S. 420.0004 (13).
4. All other applicants that qualify.

After serving enough Special Needs households to meet the 20% set-aside for the funding year, all applicants determined to be eligible will be considered for Homeowner Rehabilitation Program assistance based upon a first-qualified, first-served basis.

g. Sponsor Selection Criteria: N/A

h. Additional Information: This strategy also includes contingency funding to cover unexpected costs during the construction project as follows: 1) Maximum 10% for Roof Replacement Program; 2) Maximum 10% for Owner Occupied Rehabilitation Program; and 3) Maximum 5% for House Replacement Program. In addition, the House Replacement Program may provide supplementary funding for applicants to assist with temporary relocation costs related to the construction project such as moving services, moving truck rentals, temporary housing, and storage rentals.

To be eligible for the Owner Occupied Rehabilitation Program and House Replacement Program, the homeowner must have owned and occupied the property as their primary residence for at least five (5) years prior to applying for program assistance. This does not apply to the Roof Replacement Program.

Mobile Home/Manufactured Units may be eligible for assistance under this program. To be Eligible Mobile Home/Manufactured Units must meet all of the following requirements.

1. The Mobile Home/Manufactured Unit and the land on which it is located must be owned by the same person;
2. The Mobile Home/Manufactured Unit must be affixed to the land on which it is located;
3. The City's Department of Sustainable Development must certify in writing that the unit is legally permitted and conforms to current building and land development regulations.

Owners of attached owner occupied residences are eligible for the Owner Occupied Rehabilitation Program.

Owners of attached owner occupied residences are eligible for the Roof Replacement Program only when the roof is clearly delineated, separate, and apart from any other unit or structure; OR when all of the unit owners within a building or structure are income eligible and jointly apply for the new roof. In the case of a joint application, each unit owner will assume an equal amount of the costs, and receive a loan (as described in the Terms Section) for that amount.

Owners of attached owner occupied units are not eligible for the House Replacement Program.



B. DOWNPAYMENT ASSISTANCE	Codes 1 & 2
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- a. Summary: The Downpayment Assistance Program will provide downpayment and/or closing cost assistance to eligible first-time homebuyers with the purchase of eligible homes. The program may also provide assistance for minor repairs of eligible existing homes purchased.
- b. Fiscal Years Covered: 2023-2024, 2024-2025, 2025-2026
- c. Income Categories to be served: Very low, low and moderate
- d. Maximum award:
- \$30,000 for very low
 - \$20,000 for low
 - \$15,000 for moderate
- e. Terms:
1. Repayment loan/deferred loan/grant: Deferred loan secured by a recorded mortgage and promissory note.
 2. Interest Rate: 0%
 3. Years in loan term: 10
 4. Forgiveness: Loan is forgiven after 10 year term
 5. Repayment: None required as long as loan is in good standing
 6. Default: The loan will be determined to be in default if any of the following occurs during the Loan term: sale, transfer, or conveyance of property; or failure to occupy the home as primary residence. If any of these occur during the term of the Loan, the outstanding balance will be due and payable. In the event that the owner(s) executing the mortgage and note dies during the term of the loan, the loan shall be considered satisfied and will no longer constitute a lien against the property.
- A homeowner may need to refinance and/or sell the home due to extenuating circumstances such as loss of wages, job transfers, divorce, death, and/or health related issues. Under these circumstances, a subordination and/or forgiveness of the loan may be eligible as outlined below:
- Subordination: A subordination of a loan for the purpose of refinancing an existing debt that is in the superior lien position to the loan may be allowed for situations such as, to obtain a lower interest rate, debt consolidation, to make home improvements or improvements to the property, payment of medical expenses, and illness. No cash out to the homeowner. However, when a hardship exists such as, divorce, death, and health related issues, an exception may be considered. A subordination of the loan will only be approved in accordance with the guidelines of the City's Loan Subordination Policy, as amended.
 - Forgiveness: Forgiveness of the loan will only be approved in accordance with the guidelines of the City's Loan Forgiveness Policy, as amended. If a homeowner needs to sell the home due to a hardship such as divorce, death, and/or health related issues, the homeowner may be eligible to request a loan forgiveness for all or a portion of the loan. Staff will work with the mortgage holders and/or legal representatives to recapture any funds available to satisfy the lien.



- Foreclosure: If a property is foreclosed on by a superior mortgage holder, the City will make an effort to recapture funds through the legal process; if it is determined that sufficient funding may be available to justify pursuing repayment. If sufficient funding is available, recapture of the loan will be repaid to the SHIP Program and/or other leveraged program funding based on the percentage of the funding invested in the project, as applicable.

f. Recipient/Tenant Selection Criteria: Applications for assistance under this program will be reviewed and approved on a first-qualified, first-served basis, following receipt of an application, income qualification, lender approval of mortgage, completion of a City approved homeownership training program provided by either the City or a HUD-approved entity to determine applicant eligibility.

g. Sponsor Selection Criteria: N/A

h. Additional Information: For existing homes that do not require repairs, the maximum funding available to assist with downpayment and/or closing costs will be as follows:

\$30,000 for very low income applicants;
\$20,000 for low income applicants; and
\$15,000 for moderate income applicants.

For existing homes that require repairs, this program may provide up to \$2,000 as identified by a SHIP certified home inspection report.

The recipient must pay up-front costs associated with the purchase of the home, per the sales contract. Additional homebuyer contribution may be required by the Lender. Only the amount of SHIP subsidy required to qualify will be awarded. The home inspection must be performed by a City SHIP certified home inspector.

The minor repairs must be performed by a City approved vendor and/or contractor. The funds approved for the minor repairs are paid directly to the vendor and/or contractor upon satisfactory completion of the specified scope of work as determined by the City of Gainesville. The repairs must begin within the timeframe specified by the scope of work after closing and must be completed within 60 days of commencement of the work.

The homebuyers must qualify and obtain a first mortgage loan from a lender or not-for profit organization. Any person listed on the mortgage must complete a homebuyer education and training course from a City-approved homeownership training program. Proof of program completion is required before assistance can be provided to the homebuyer.

Mobile homes are not eligible to receive assistance from this program.



C. HOUSING DEVELOPMENT PROGRAM (HOMEOWNERSHIP)

Codes 9 & 10

a. Summary: This program is designed to provide an additional resource for the provision of affordable housing, and for increasing homeownership. This program supports the creation, expansion and preservation of owner occupied affordable housing stock. Under this strategy, the City retains the option to act as the developer; however, the City may select other developers or builders through a competitive process. Funds may be awarded for acquisition, demolition, rehabilitation, reconstruction and/or new construction. All units that receive funds under this program will be sold to income eligible buyers at an affordable price. The City will provide downpayment/closing cost assistance to the homebuyer.

- b. Fiscal Years Covered: 2023-2024, 2024-2025, 2025-2026
- c. Income Categories to be served: Very low, low and moderate
- d. Maximum award: \$50,000 per unit
- e. Terms:
1. Repayment loan/deferred loan/grant: Deferred loan secured by a recorded mortgage and promissory note.
 2. Interest Rate: 0% (Sponsor and Buyer)
 3. Years in loan term: 2 (Sponsor), 10 (Buyer)
 4. Forgiveness: Sponsor: Loan will be transferred upon the sale of the property to an eligible buyer at an affordable price.
Buyer: Loan forgiven after 10 years
 5. Repayment: Sponsor: If the home is not completed and sold within 24 months.
Buyer: None required as long as loan is in good standing
 6. Default:

Sponsor: The loan will be determined to be in default if any of the following occurs during the loan term:

 - The home is not completed and sold to an income eligible buyer at an affordable price within 24 months from the date of funding award.
 - Failure to maintain standards for compliance as required by other funding sources.

If any of these events occur, then the full amount of the loan provided to the Developer/Builder becomes due and payable.

Buyer: The loan will be determined to be in default if any of the following occurs during the Loan term: sale, transfer, or conveyance of property; or failure to occupy the home as primary residence. If any of these occur during the term of the Loan, the outstanding balance will be due and payable. In the event that the owner(s) executing the mortgage and note dies during the term of the loan, the loan shall be considered satisfied and will no longer constitute a lien against the property.



A homeowner may need to refinance and/or sell the home due to extenuating circumstances such as loss of wages, job transfers, divorce, death, and/or health related issues. Under these circumstances, a subordination and/or forgiveness of the loan may be eligible as outlined below:

- Subordination: A subordination of a loan for the purpose of refinancing an existing debt that is in the superior lien position to the loan may be allowed for situations such as, to obtain a lower interest rate, debt consolidation, to make home improvements or improvements to the property, payment of medical expenses, and illness. No cash out to the homeowner. However, when a hardship exists such as, divorce, death, and health related issues, an exception may be considered. A subordination of the loan will only be approved in accordance with the guidelines of the City's Loan Subordination Policy, as amended.
- Forgiveness: Forgiveness of the loan will only be approved in accordance with the guidelines of the City's Loan Forgiveness Policy, as amended. If a homeowner needs to sell the home due to a hardship such as divorce, death, and/or health related issues, the homeowner may be eligible to request a loan forgiveness for all or a portion of the loan. Staff will work with the mortgage holders and/or legal representatives to recapture any funds available to satisfy the lien.
- Foreclosure: If a property is foreclosed on by a superior mortgage holder, the City will make an effort to recapture funds through the legal process; if it is determined that sufficient funding may be available to justify pursuing repayment. If sufficient funding is available, recapture of the loan will be repaid to the SHIP Program and/or other leveraged program funding based on the percentage of the funding invested in the project, as applicable.

- f. **Recipient Selection Criteria:** The recipient must be a first-time homebuyer, as defined in Section I, Program Details, Paragraph R. Recipients will be selected through the Developer's application process, which shall include the following: submittal of a buyer's application, income qualification of the buyer, buyer's mortgage approval from a lender, completion of a City approved homeownership training program and other program criteria as required to determine applicant eligibility.
- g. **Sponsor/Sub-recipient Selection Criteria:** Under this strategy, the City retains the option to act as the developer. The City may select other developers or builders through a competitive process. The selection criteria may include, but is not limited to: past experience working with target population; past experience working with similar programs; capacity to administer the program; number of units built or rehabilitated; affordability of the units; development timeframes; location of the project; and other criteria as may be determined appropriate. Both non-profit and for-profit businesses are eligible. Preference will be given to local businesses, small businesses, and businesses owned by women, veterans, and/or minorities.
- h. **Additional Information:** The funds will be given to the Developer in the form of a deferred loan, but transferred to the homebuyer at the time of the sale.

The developer must place a deed restriction on the property ensuring a 10 year affordability period that begins when the home is sold to a homebuyer. The deed restriction will ensure that during the affordability period, the home can only be sold to a first-time homebuyer (as defined in Section I, Program



Details, Paragraph R) at an affordable price.

The homebuyers must qualify and obtain a first mortgage loan from a lender or not-for profit organization. Any person listed on the mortgage must complete a homebuyer education and training course from a City-approved homeownership training program. Proof of program completion is required before assistance can be provided to the homebuyer.

This program is subject to funding availability and may not be funded every fiscal year.

D. MORTGAGE FORECLOSURE INTERVENTION

Code 7

a. Summary: The Mortgage Foreclosure Intervention Program provides assistance to eligible homeowners to prevent foreclosure and retain ownership of their homes. Funds will be provided to eligible homeowners who are at least 3 months delinquent, to assist with bringing their mortgage payments current. Eligible expenses include, but are not limited to: delinquent mortgage payments (principal, interest, taxes and insurance), attorney's fees, late fees and other customary fees, if applicable.

b. Fiscal Years Covered: 2023-2024, 2024-2025, 2025-2026

c. Income Categories to be served: Very low, low and moderate

d. Maximum award: \$7,500

e. Terms:

1. Repayment loan/deferred loan/grant: Funds will be awarded as a grant with no recapture terms.
2. Interest Rate: N/A
3. Years in loan term: N/A
4. Forgiveness: N/A
5. Repayment: N/A
6. Default: N/A

f. Recipient/Tenant Selection Criteria: Applications for assistance under this program will be reviewed and approved on a first-qualified, first-served basis. To participate in this program, an applicant must provide all of the following items: an application, proof of ownership, proof of mortgage arrearage, and evidence of hardship. If an applicant provides these items and the City determines that the applicant is income qualified, the applicant will receive foreclosure counseling from City Staff.

g. Sponsor Selection Criteria: N/A

h. Additional Information: Mobile homes are not eligible for this program. Owner-financed and/or private mortgage loans are not eligible for assistance.



E. DISASTER ASSISTANCE

Codes 5 & 16

a. Summary: The Disaster Assistance strategy aids households in the aftermath of a disaster as declared by the President of the United States or Governor of the State of Florida. This strategy will only be funded and implemented in the event of a disaster using any funds that have not yet been encumbered or with additional disaster funds allocated by Florida Housing Finance Corporation. SHIP disaster mitigation funds may be used for items such as, but not limited to:

1. Immediate threats to health and life safety (i.e., sewage, damaged windows, tree/debris removal, roofing) in cases where the home is still habitable.
2. Imminent residual damage to the home (such as damage caused by a leaking roof) in cases where the home is still habitable.
3. Repairs necessary to make the home habitable.
4. Repairs to mitigate dangerous situations (i.e., exposed wires)
5. Relocation expenses such as security deposit and rental assistance for eligible recipients who have been displaced from their homes due to the declared disaster.
6. Temporary rent and utility payments for up to 3 months for tenants financially impacted by a Public Health Emergency, as declared by the Governor.
7. Temporary mortgage and utility payments for up to 3 months for homeowners financially impacted by a Public Health Emergency, as declared by the Governor.

b. Fiscal Years Covered: 2023-2024, 2024-2025, 2025-2026

c. Income Categories to be served: Very low, low and moderate

d. Maximum award: \$10,000

e. Terms:

1. Repayment loan/deferred loan/grant: Funds will be awarded as a grant with no recapture terms.
2. Interest Rate: 0%
3. Years in loan term: N/A
4. Forgiveness: N/A
5. Repayment: N/A
6. Default: N/A

f. Recipient/Tenant Selection Criteria: Applicants will be assisted on a first-qualified, first-served basis, with priority for very-low and low income households, and with the following additional requirements:

Applicants for Assistance NOT Related to a Public Health Emergency, as declared by the Governor must:

1. Provide proof of ownership;
2. Provide proof of homeowner's insurance; and
3. File for and use proceeds from homeowner's insurance as first option



Applicants for Assistance Related to a Public Health Emergency, as declared by the Governor must:

1. Provide proof that the Public Health Emergency caused them to be unemployed; or caused a reduction in their work hours, which resulted in a reduction in their wages.
- g. Sponsor Selection Criteria: N/A
- h. Additional Information: Funds for disaster assistance will only be allocated from unencumbered funds or additional funds awarded through Florida Housing Finance Corporation for the declared disaster. Mobile homes are not eligible for assistance, except for assistance related to a Public Health Emergency, as declared by the Governor.

F. RENTAL DEVELOPMENT (NEW CONSTRUCTION/REHABILITATION)

Codes 14, 15, 20 & 21

a. Summary: To promote the production of affordable multi-family rental housing in the City, particularly for special needs households as defined by Section 420.0004 (13), Florida Statutes.

- b. Fiscal Years Covered: 2023-2024, 2024-2025, 2025-2026
- c. Income Categories to be served: Very low and low
- d. Maximum award: \$25,000 per unit
- e. Terms:
1. Repayment loan/deferred loan/grant: Funds will be awarded as a deferred loan secured by a recorded mortgage and promissory note.
 2. Interest Rate: 0%
 3. Years in loan term: 15
 4. Forgiveness: Deferred loan is forgiven after a 15 year term.
 5. Repayment: Not required as long as loan is in good standing.
 6. Default: For all awards, a default will be determined as: sale, transfer, or conveyance of property; conversion to another use; failure to maintain standards for compliance as required by any of the funding sources. If any of these occur, the outstanding balance will be due and payable.

If a property is foreclosed on by a superior mortgage holder, the City will make an effort to recapture funds through the legal process, if it is determined that sufficient funding may be available to justify pursuing repayment. If sufficient funding is available, recapture of the loan will be repaid to the SHIP Program and/or other leveraged program funding based on the percentage of the funding invested in the project, as applicable.

- f. Recipient Selection Criteria: All applicants for residence in a SHIP-assisted unit must meet income qualifications of the program, as determined and reported by the developer's management company and/or other managing entity for the development.
- g. Sponsor Selection Criteria: Developers will apply to the City of Gainesville through an application process that is open year round. The application will require proof of developer experience in providing affordable



rental housing, proof of financial capacity, proof of property management experience, evidence of site control (or contract for sale) and proof of ability to proceed once all funding is closed. Both non-profit and for-profit businesses are eligible. Preference will be given to local businesses, small businesses, and businesses owned by women, veterans, and/or minorities.

Other program criteria may apply to determine eligibility for a funding award.

All funding awards will be subject to the developer receiving final approval of other funding sources leveraged in the project.

- h. Additional Information: Funds may be used as a match for US Department of Housing and Urban Development's HOME program and various other programs offered by the federal government and the State of Florida to develop affordable housing. Developers will be required to meet compliance reporting requirements on the development necessary to meet the statutory requirements for monitoring of SHIP rental units.

This program is subject to funding availability and may not be funded every fiscal year.

III. LHAP Incentive Strategies

In addition to the **required Incentive Strategy A and Strategy B**, include all adopted incentives with the policies and procedures used for implementation as provided in Section 420.9076, F.S.:

A. Name of the Strategy: **Expedited Permitting**

Permits as defined in s. 163.3177 (6) (f) (3) for affordable housing projects are expedited to a greater degree than other projects.

Provide a description of the procedures used to implement this strategy: The City's Housing and Community Development Division staff certifies as "Affordable Housing Projects" residential projects that are either, funded by SHIP, CDBG, HOME, Low-Income Housing Tax Credits, the State Apartment Incentive Loan program, or similar programs; or built by nonprofit affordable housing providers like Habitat for Humanity and Neighborhood Housing Development Corporation. When reviewing and inspecting HCD certified Affordable Housing Projects, the City's Building Department moves those projects to "the front of the line," thus expediting them to a greater degree than other projects.

B. Name of the Strategy: **Ongoing Review Process**

An ongoing process for review of local policies, ordinances, regulations and plan provisions that increase the cost of housing prior to their adoption.

Provide a description of the procedures used to implement this strategy: The City has implemented an ongoing review of local policies, ordinances, regulations and comprehensive plan provisions that affect the cost of housing. Through this process, the City reviews new regulations to determine their potential impact on affordable housing. When appropriate and feasible, the



City mitigates for negative impacts. As part of this process, the City reviews and evaluates zoning and other housing regulations to ensure that they do not limit housing opportunities for lower-income groups within the City. Petitions that regulate land use are required to include a fiscal impact statement regarding the impact of proposed development on affordable housing in the City.

Other Incentive Strategies Currently Being Implemented by the City

C. Reservation of infrastructure capacity for housing for low- and very-low-income persons.

The City plans ahead to ensure that there is adequate infrastructure capacity to accommodate all new development. Part of that planning includes extensive coordination with various Federal, State, Regional and County Agencies. At present, GRU maintains sufficient water and wastewater treatment capacity. Each development is required to demonstrate that it provides the minimum stormwater retention level of service through either on-site retention or a coordinated system.

For automobiles, nearly all roads in the City operate at or better than the adopted level of service. The Transportation Mobility Program Area allows for development, such as urban redevelopment and infill development, to occur along roads that operate below their adopted level of service. Although the City may permit the development, the exemption does not relieve the developer from various improvements stated in the Transportation Mobility Element of the Comprehensive Plan.

D. Preparation of an inventory of locally owned public lands suitable for affordable housing.

A Land Rights Coordinator (LRC) within the City's Department of Sustainable Development maintains an inventory of City-owned lands, including land that may be appropriate for residential uses. If those lands are not needed for another use, such as an infrastructure project, they are considered to be available for affordable housing. The LRC routinely shares that inventory with various City departments and with other governmental and nonprofit agencies that provide affordable housing.

In addition, as recommended in the City's Housing Action Plan, the Land Rights Coordinator and a Geographic Information Systems (GIS) Specialist in the City's Department of Sustainable Development have worked together to identify land owned by other public or private nonprofit agencies (e.g., the Alachua County School District, the University of Florida, or Santa Fe College) that is appropriate for residential uses and is within City limits.

E. Support of affordable housing development near transportation hubs, major employment centers and mixed-use developments.

The following objective and policies of the Future Land Use Element of the City's Comprehensive Plan encourage, support or require affordable housing near mixed use and employment centers:



- Objective 1.4
- Policy 1.4.1
- Policy 1.5.7
- Policy 4.1.3
- Policy 4.3.4g.6 (Plum Creek)
- Policy 4.3.6a.4 (Butler Development PUD)

Additionally, review of the City's Future Land Use and Zoning Maps indicate that residential zoning often is located near bus routes, major roads, mixed use areas and employment centers.

F. Allowance of accessory residential units in residential zoning districts.

The City's land development code defines an Accessory Dwelling Unit (ADU) as "an independent self-contained dwelling unit with kitchen and bathroom facilities, on the same lot as an associated primary use or structure. An ADU may be within, attached to, or detached from a primary structure." ADUs, are essentially the same as accessory residential units.

On September 3, 2020, the City Commission adopted Ordinance #190988, which increased allowances for ADUs in several ways, including removing most of the restrictions on ADUs in single family zoning districts, and allowing up to two ADUs, with some restrictions, on a lot.

Other Incentive Strategies Recommended by AHAC

The AHAC noted that the incentives discussed below have at least some economic value to developers. These incentives deal with density, building height, setbacks, and lot configuration. Because these incentives have economic value, a reasonable person would conclude that at least some developers would be willing to provide something, such as affordable housing, in exchange for that value.

Given that government cannot subsidize enough affordable housing to meet the City's need, AHAC generally recommends the following for the Incentives discussed below:

If and when the City decides to use any of these four incentives, the City should significantly revise its Comprehensive Plan and Land Development Regulations to link any use of the incentives to the provision of affordable housing. Essentially, this means requiring developers that choose to accept the incentive, to legally commit themselves to providing affordable housing, in exchange for receiving the benefit of the incentive. This can only be done after a great deal of public engagement to address the numerous questions such a revision would generate. At a minimum, those questions would include the following:

1. How much affordable housing would the City require (i.e., how many units)?
2. How affordable would the housing need to be?
3. How long would the housing remain affordable?
4. How, and by whom, would this requirement be monitored and enforced?
5. What would be the cost of monitoring and enforcement, and who will pay it?
6. What penalties would be implemented if the required affordable housing was not provided?



7. How much, if any, would the provision of affordable housing increase the cost of other units?
8. Would there be any places or circumstances where these incentives could not be available?
9. Would there be a minimum development size threshold for these incentives to be available?
10. How would the City evaluate the success of the incentives, and if necessary, change them?

In addition, while not endorsing the Study or its findings, AHAC recognizes that in the Exclusionary Zoning & Inclusionary Zoning (EZIZ) Study presented to the City Commission on January 6, 2022, the authors provide specific recommendations addressing the first three and the last two questions. Those recommendations are summarized on pages 62 and 84 of the Study. AHAC was not involved in the development of this study and does not endorse its recommendations.

G. Allowance of flexibility in densities for affordable housing.

Discussion

By most measures (including age, wealth, income, and household size) Gainesville is a diverse community with diverse types of households and diverse housing needs. Therefore, to effectively serve its market, Gainesville needs a diverse housing stock, including (but not limited to) the following housing types:

- Detached single-family homes on large lots;
- Detached single-family homes on small lots;
- Mobile homes;
- Courtyard homes;
- Accessory dwelling units;
- Small complexes of attached homes (2-10 units);
- Townhomes; and
- Multiple-family complexes.

Although the City's current Land Development Regulations (LDRs) allow a wide variety of densities, those LDRs limit most of the City's residential land area to detached single-family homes (See Attachment 2). The EZIZ Study noted that, "In Gainesville, 63% of residential parcels allow for the construction of only one housing unit." As detailed in the study, that development pattern incentivizes building larger, more expensive homes and can result in units that meet the needs of, and are affordable to, higher income households, but is not compatible to the development of housing that is affordable to the community's moderate- and low-income residents.

The existing and developing housing stock does not match the community's housing needs, particularly for its lower income residents. Nevertheless, Gainesville's experience with increasing density has been mixed. Generally, increasing density increases development potential and increases property values, both of which can spur development and redevelopment. While there are several benefits of development and redevelopment, they can increase the cost of both land and housing, and reduce the amount of affordable housing. This often results in the displacement of low-income renters and property owners. At the same time, increased density is often a



windfall for developers and large property owners.

For these and other reasons, the City has retained a consultant to study how City regulations can be amended to incentivize new development that is affordable to those that need it most (i.e., the City's lower income residents).

AHAC Recommendation

The City should consider revising its Comprehensive Plan and Land Development Regulations in two important ways. These changes can and should be implemented simultaneously. The first way would be to consider increasing maximum residential densities and/or height limits, in at least some residential districts. The second way would be to link any density and/or height limit increase to the provision of affordable housing. In other words, the increase would not be by-right, it would be an incentive that would only be available to developments that legally commit themselves to providing affordable housing.

If the City implements this incentive, it should recognize a potential "loop-hole." That loop-hole is that this incentive only works if the access to the additional density is through the provision of affordable housing, not by-right. If property owners can obtain the additional by-right density by changing their zoning or comprehensive plan land use designations, then they have no reason (or incentive) to provide affordable housing.

H. Reduction of parking and setback requirements for affordable housing.

Discussion

Future Land Use Element Policy 1.2.4 of the City's Comprehensive Plan allows for reduced parking requirements, where appropriate. In instances where analysis demonstrates that a proposed use will generate less parking than the minimum required by City ordinances, a City process allows for the reduction of required parking spaces.

The City's current parking regulations require fewer parking spaces for low- and moderate-income housing. City code currently requires one parking space per bedroom for market rate multiple-family housing.

In contrast, reducing setbacks currently requires a variance for individual lots or a Planned Development Approval for a subdivision. In both instances, the provision of affordable housing is not a criteria. For subdivisions, this is an instance, like additional density, where the City controls an item of value to some developers. For that reason, the City could adopt an incentive, essentially stating that reduced setbacks are available only when a certain amount of affordable housing is provided.

AHAC Recommendation

The City should continue reduced parking requirements for affordable housing. Additionally, the City should revise its land development code to make reduced setbacks for Planned Development Subdivisions available only if a certain amount of affordable housing is provided. Finally, the City should also consider allowing reduced setbacks for subdivisions that provide a certain amount of



affordable housing (and perhaps meet certain other standards), without requiring those subdivisions to go through the entire Planned Development process.

I. **Allowance of flexible lot configurations, including zero lot line configurations, for affordable housing.**

Discussion

Zero lot line developments have no required setbacks on one or more sides. Consequently, they allow the use of a greater percentage of the lot. As a result, the allowance of zero lot line developments in appropriate locations can lower overall housing costs by reducing land costs.

In general, City regulations that control the creation of subdivisions have little flexibility in terms of lot configurations unless an applicant incurs the additional expense of going through the Planned Development process. Applicants, however, may request that some subdivision requirements be modified for certain reasons. Those reasons are described in the code and currently include factors such as unusually steep topography. The code does not include the provision of affordable housing as a criterion for modifying subdivision requirements.

Again, this is one of the few instances where the City has some leverage to offer something of value in exchange for affordable housing. For that reason, the City could revise its land development code to make the provision of a certain amount of affordable housing one of the justifications for modification of subdivision requirements.

AHAC Recommendation

The City should revise its land development code to make the provision of a certain amount of affordable housing one of the justifications for modification of subdivision requirements.

J. **Consider Employer Assisted Housing Programs**

Discussion

The City's Housing Action Plan suggests that the City of Gainesville can work with the University of Florida, UF Health, Santa Fe College, North Florida Regional Medical Center, Alachua County Schools, and other large employers to create an Employer-Assisted Housing (EAH) Program to support workforce housing for low- and moderate-income employees. An EAH Program could include a broad partnership with developers, lenders, and other 501(c)(3) housing organizations to help promote and administer the program. Employers could offer their employees a payroll savings matching grant that could go along with the City's down-payment and closing cost assistance to help overcome the initial barrier to homeownership. They could also offer rental assistance or security deposit assistance to their employees. Other options for EAH programs include gap financing, land donation, or simply sponsoring homebuyer education and counseling services for employees.

The HAP uses Washington D.C. and Howard University as an example of a City and a large employer working together to develop a mutually beneficial project. The HAP specifically



mentions Trellis House, a large mixed income housing multi-family housing project, located near campus

AHAC Recommendation

The City should consider reaching out to other large employers to discuss the pros and cons of EAH; and share information about how to build affordable housing and/or subsidize access to affordable housing for income-qualified employees.

K. Facilitate Homeowner Repair Program

Discussion

The AHAC received much public input, and has personally observed that many owner-occupied homes are not taking advantage of the City's Homeowner Repair Program. Residents and staff have cited several reasons for this (including lack of awareness of the program, lack of computers for online applications, fear of potential liens on the property, and others).

AHAC Recommendation

The City should consider different ways to reach this specific market. This could mean meeting people where they are, or "on their own turf." More specifically, the City should consider asking neighborhood institutions like churches, community centers, and neighborhood associations for help in reaching potential home repair recipients.

L. Enhanced Community Engagement and Education

AHAC Recommendation

The City should continue to study ways to increase meaningful community engagement as early as possible in the development process. This is especially relevant for initiatives that set the rules for development (e.g., the Comprehensive Plan, the Zoning Map, and LDRs). The goal is to use public engagement to develop plans and rules that reflect the community's vision. Too often, the current system results in frustration from both the existing residents and the development community, particularly the affordable housing development community (both non-profit and for-profit). To begin to address this problem, the AHAC recommends the following:

- The City should continue to require and improve "pre-application neighborhood workshops." These workshops are a requirement that a developer meet with the community surrounding and/or affected by the development. However, these workshops are not a substitute for the City's responsibility engage the community before setting zoning and land development regulations; and
- The City should create a planning and development outreach program. A core principle of this program should be to "meet people where they are." This means that, in contrast to the City holding a meeting, City staff should attend a neighborhood or advocacy group's regular meetings. This program should provide key concepts related to planning, zoning, and development. After completing the program, participants should have a basic understanding of zoning and LDRs. They should also know how to determine the zoning of



any parcel in the City. Eventually, both City staff and participants should be able to describe the group's vision, and how that vision fits into the overall community vision. Furthermore, both staff and participants should recognize whether or not the existing zoning and LDRs fit with the overall community vision. If not, City staff and the community should discuss realistic, proactive options to change or mitigate the existing zoning and LDRs. All participants in this program (including City staff) should recognize the complexity of the subject and be willing to take the time required to gain the needed understanding.

M. Study Anti-Displacement and Anti-Gentrification Plans

Discussion

One of the AHAC's and the community's biggest concerns with new development incentives, including allowances for some multi-family housing types in single-family areas, is the potential for the displacement of existing moderate- and low-income households in order to build student apartments and more expensive homes. The City has already implemented some programs to help address this issue. These programs include the following:

- The My Neighborhood Program: The City provides financial assistance to encourage homeownership for former residents of certain neighborhoods.
- The Heirs' Property Assistance Program: The City coordinates with a nonprofit organization to provide free probate legal assistance to individuals with an heirs' property located within a special district.
- The Legal Assistance for Eviction Prevention Program: The City coordinates with a nonprofit organization to provide on-site counseling, education and training for renters, to enhance awareness of their legal responsibilities and rights.
- The Predatory Practices Education Program: The City coordinates with a nonprofit organization to provide a series of legal presentations, with each session focusing on a limited number of legal topics related to homeownership.
- The Land Donation Program: The City donates land to organizations that build affordable owner-occupied housing. The City uses deed restrictions to ensure that many of these homes will be permanently affordable.
- The Community Land Trust Program: The City is working with a nonprofit organization that acquires, develops, and manages land for permanently affordable owner-occupied housing.

AHAC Recommendation

To further address this issue, the AHAC recommends that the City consider taking the following actions:

- Continue to study and evaluate the programs described above.
- Research and study how other Cities and Counties deal with this problem.
- Identify and obtain Anti-Displacement and Anti-Gentrification Plans from other jurisdictions.



- Analyze neighborhood market and demographic data to determine to what degree displacement may be occurring in Gainesville's neighborhoods.
- Determine if, how, and to what degree, the City can require new development to document, and possibly mitigate, impacts on existing residents. Those impacts can include direct displacement, increasing rents, and increasing property values.

Ultimately, the City should consider developing an Anti-Displacement/Anti-Gentrification Plan that can be useful whenever and wherever development pressures threaten to displace existing residents.

IV. EXHIBITS:

Required

- A. Administrative Budget for each fiscal year covered in the Plan.
- B. Timeline for Estimated Encumbrance and Expenditure.
- C. Housing Delivery Goals Chart (HDGC) For Each Fiscal Year Covered in the plan.
- D. Signed LHAP Certification.
- E. Signed, dated, witnessed or attested adopting resolution.

Optional

- F. Ordinance: (If changed from the original creating ordinance).
- G. Interlocal Agreement (Required if applicable).
- H. Other Documents Incorporated by Reference.
 - Loan Subordination Procedure
 - Loan Forgiveness Policy