

City of
Gainesville

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**BUILDING BLOCKS FOR AFFORDABLE
HOUSING – WORK PLAN IN DEVELOPMENT**

CITY MANAGER'S OFFICE

CYNTHIA W. CURRY, INTERIM CITY MANAGER

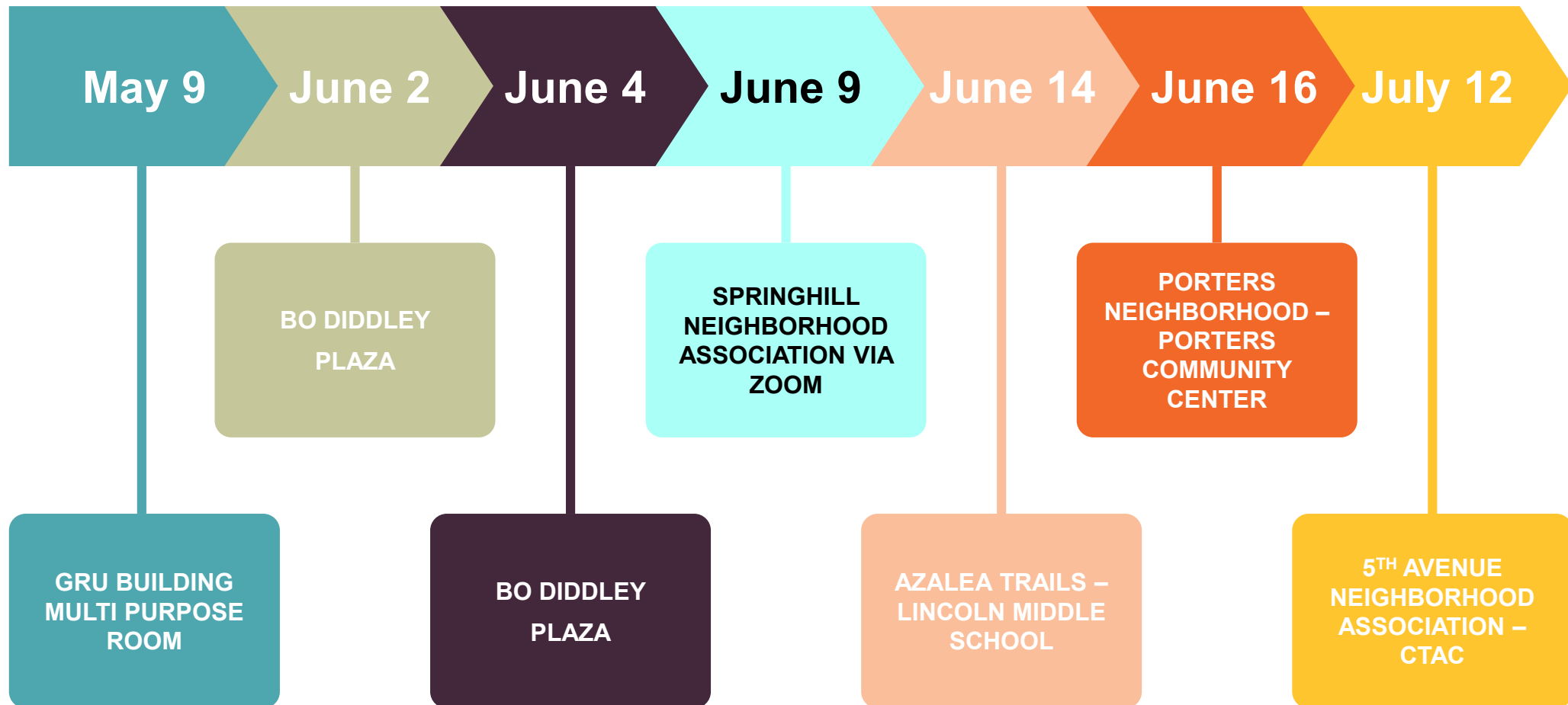
PRESENTED BY: COREY J. HARRIS, DIRECTOR OF HOUSING & COMMUNITY DEVELOPMENT

JULY 28, 2022

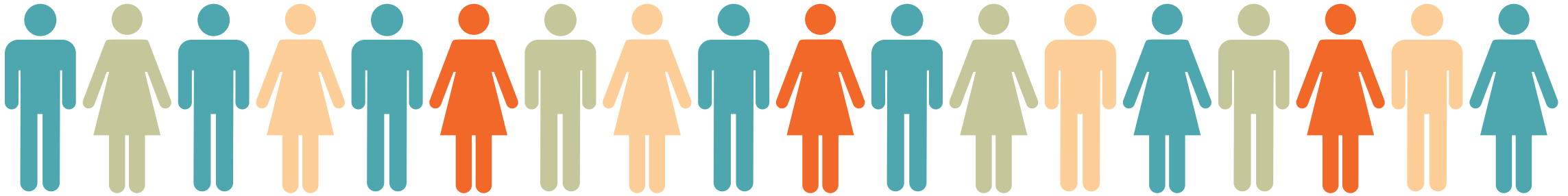
Affordable Housing Framework Presented to City Commission on March 17, 2022



Affordable Housing Workshops & Neighborhood Meetings



Commission Sponsored Town Hall Meetings Focused on Affordable Housing



Commissioner Arreola
June 30th
City Hall



Commissioner Chestnut
August 8th
Mt. Pleasant United Methodist Church

Neighbor Feedback Summary



01

Neighbors acknowledged the need for affordable housing in our communities and the need to create more housing units together with community partners.

02

Neighbors expressed their love for the vibrancy of their neighborhoods and want to live in peace and harmony with other neighbors in the city, and expressed a desire to see more community engagement opportunities with the City.

03

Neighbors expressed concerns about protecting and preserving the culture and ethnic fiber of neighborhoods and expressed concerns about the lack of investment in their neighborhoods by the City.

04

Neighbors would like for the City to explore leveraging intellectual capital that exists locally to resolve some of the affordable housing issues.

05

Many neighbors are concerned that the proposed changes to the comprehensive plan (including elimination of exclusionary zoning, amending the occupancy limits, etc.) would not result in the production of affordable housing units, and are concerned changes would reduce the quality of life in the city's neighborhoods.

Affordable Housing Analysis

STRENGTHS

- Commitment to protecting and preserving green spaces
- Commitment to affordable housing programs (more than 20 affordable housing initiatives)
- Availability of Funding
- City-owned land available for development is close to amenities.
- Relationships with local housing providers
- Community is engaged and invested
- High quality organizations (private, public, for profits and non-profits) supporting affordable housing efforts

WEAKNESSES

- Compared to other cities, housing is generally pricier in the City of Gainesville
- High utility rates and property taxes
- Financing for development is hard to come by
- Limited development experience of City staff
- Lack of visible “wins”
- Approach to affordable housing projects
- Funding in housing program areas are small compared to other cities in Florida

OPPORTUNITIES

- Existing Assets: City owns lands that could be developed into affordable housing
- Public involvement
- Ability to learn from the previous development missteps
- Increased opportunities to improve financial literacy of neighbors
- Continue to promote energy efficiency programming
- Collaborate with UF, SFC, SBAC, UF Health, Veteran Administration, Chamber of Commerce and Alachua County to promote affordable housing efforts
- Data collection specific to Gainesville

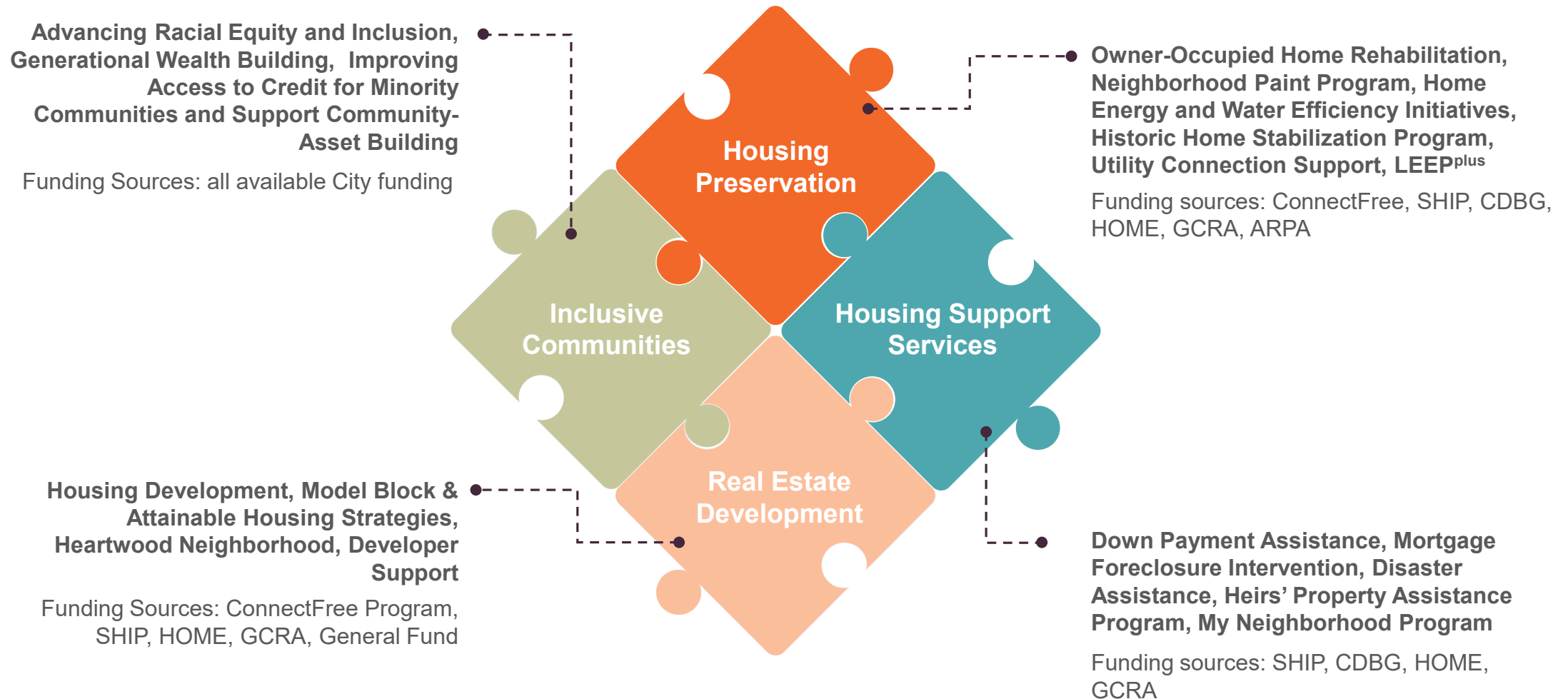
THREATS

- Increases in mortgage interest rates
- Labor shortage
- Increases in soft and hard costs for construction and materials
- Affordability index
- Cost of land

The City's *Building Blocks for Affordable Housing – Work Plan in Development* required a review of internal and external factors to determine how these elements define the future and current operations or strategies towards addressing Affordable Housing in the city.

The opportunities are significant – but so are the weaknesses. A holistic approach that addresses these areas should be considered for a path forward towards addressing affordable housing challenges.

Department of Housing & Community Development



Work Plan Components



Planning & Research

Support development of affordable housing on available land within reasonable proximity to transit, job centers and commercial cores.

Funding Resources

Develop and support a reliable housing financing fund and investment strategy.

Incentives & Regulations

Reduce constraints on the development of achievable housing by supporting a mix of housing types for a mix of household incomes.

Strategic Relationships & Community Engagement

Encourage partnerships and outreach to inspire innovation and support of safe achievable housing for City of Gainesville neighbors.

Recommendations for \$8 Million Affordable Housing ARPA Earmark

Recommendation 1

- **\$6 million** to underwrite the development of new rental housing units (single family and multifamily) for very low income households (< 50% AMI) and remain affordable for at least 30 years.
- Provide up to \$35,000 per unit

CREATE

171

Residential Units



Recommendation 2

- **\$1.2 million** to underwrite the development of new single family homes which will be marketed for sale to low income households (< 80% AMI) and remain affordable for at least 15 years.
- Provide up to \$50,000 per unit

CREATE

24

Residential Units

Recommendations for \$8 Million Affordable Housing ARPA Earmark

Recommendation 3

- **\$320,000** for an owner-occupied rehabilitation program for households under 50% AMI to increase housing stability.
- Provide up to \$50,000 per unit

REHABILITATE

6

Residential Units

Recommendation 4

- **\$320,000** to expand down payment assistance programs for households under 80% AMI.
- Provide up to \$15,000 per unit

ASSIST

21

Households

Recommendation 5

- **\$160,000** for land acquisition to purchase a tract of land or infill lots close to shopping, transit, and an employment center.

CREATE

8

Residential Units

Additional Recommendations



Recommendation 6

Develop a robust redevelopment strategy for all City-owned land.

Recommendation 7

Engage community partners to bolster creation of new affordable housing units.

Recommendation 8

Provide financial and technical assistance to Gainesville neighbors for the construction of Accessory Dwelling Units (ADUs).

Recommendation 9

Increase capacity of nonprofit housing entities.

General Obligation Bond Analysis (\$25-\$50 million)



- 75% for Public-Private Partnerships: support scalable, multifamily and other small scale rental projects.
- 15% for Low-Income Housing Financing: for developers to build new affordable housing for low to moderate income neighbors.
- 5% for Owner-Occupied Home Rehabilitation: financial assistance for major repairs so neighbors can stay in their homes.
- 5% for Homebuyer Assistance: down-payment assistance to eligible first-time homebuyers.

General Obligation Bond Funding Scenarios

Scenario 1: \$25 million

Real Estate Development:

- Rental (\$35k/Unit) - \$18,750,000
- Homeownership (\$50k/Unit) - \$3,750,000

Rehabilitation:

- Owner-Occupied (\$50k/HH) - \$1,250,000

Down Payment Assistance:

- Homeownership (\$15k/HH) - \$1,250,000

Scenario 2: \$30 million

Real Estate Development:

- Rental (\$35k/Unit) - \$22,500,000
- Homeownership (\$50k/Unit) - \$4,500,000

Rehabilitation:

- Owner-Occupied (\$50k/HH) - \$1,500,000

Down Payment Assistance:

- Homeownership (\$15k/HH) - \$1,500,000

Scenario 3: \$35 million

Real Estate Development:

- Rental (\$35k/Unit) - \$26,250,000
- Homeownership (\$50k/Unit) - \$5,250,000

Rehabilitation:

- Owner-Occupied (\$50k/HH) - \$1,750,000

Down Payment Assistance:

- Homeownership (\$15k/HH) - \$1,750,000

CREATE

611

Residential Units

ASSIST

108

Households

CREATE

733

Residential Units

ASSIST

130

Households

CREATE

855

Residential Units

ASSIST

152

Households

General Obligation Bond Funding Scenarios

Scenario 4: \$40 million

Real Estate Development:

- Rental (\$35k/Unit) - \$30,000,000
- Homeownership (\$50k/Unit) - \$6,000,000

Rehabilitation:

- Owner-Occupied (\$50k/HH) - \$2,000,000

Down Payment Assistance:

- Homeownership (\$15k/HH) - \$2,000,000

Scenario 5: \$45 million

Real Estate Development:

- Rental (\$35k/Unit) - \$33,750,000
- Homeownership (\$50k/Unit) - \$6,750,000

Rehabilitation:

- Owner-Occupied (\$50k/HH) - \$2,250,000

Down Payment Assistance:

- Homeownership (\$15k/HH) - \$2,250,000

Scenario 6: \$50 million

Real Estate Development:

- Rental (\$35k/Unit) - \$37,500,000
- Homeownership (\$50k/Unit) - \$7,500,000

Rehabilitation:

- Owner-Occupied (\$50k/HH) - \$2,500,000

Down Payment Assistance:

- Homeownership (\$15k/HH) - \$2,500,000

CREATE

977

Residential Units

ASSIST

173

Households

CREATE

1,099

Residential Units

ASSIST

195

Households

CREATE

1,221

Residential Units

ASSIST

217

Households

Thank You.

City of **Gainesville**

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