

LEGISTAR # 200937  
Attachment A



**Gainesville Community  
Reinvestment Area**

City of Gainesville

2153 SE Hawthorne Road, Suite 223  
Gainesville, FL 32601

Office 352 393 8200

info@gainesvillecra.com

## Memo

**To:** Lee Feldman, City Manager

**From:** Sarah Vidal, Director, GCRA

**Via:** Chelsea Bakaitis, Project Manager, GCRA

**Date:** June 24, 2021

**Re:** Justification for My Neighborhood Program Applicant Eligibility City Commission Revisions

On April 1, 2021 at City Commission Meeting, The My Neighborhood Grant Program, (Legistar Item #200937) was presented for approval. The proposed program ("Program") provides a \$25,000 grant for Recipients to purchase a house or lot in an eligible neighborhood. Grant Recipients ("Recipients") must agree to stay in the home at least ten years or pay back a portion or all of the program funds. Program neighborhoods ("Neighborhoods") are as follows: Porters, Pleasant Street, Fifth Avenue, Cedar Grove II, Duval, Springhill, Sugarhill, and North Lincoln Heights.

The Commission motioned to approve the program upon the following revisions: "1) [(1a)] Applicant must have lived in the neighborhood or one of the neighborhoods before 2011 for at least three years, or [(1b)] they can be a current renter [who] has lived [in the neighborhood] continuously for [at least] the [past] three years; 2) Clear up the conflicting information about townhouses and condominiums in Section 2, to allow them; 3) Applicant must have an accepted offer within 120 days of being approved through the program; and 4) [Applicant] is not eligible for the program if [they] currently own a home in one of the eligible areas."

Revisions # 2-3 have been updated in the program policy per legal review. This memo provides justification for eligibility requirement (1a), and explains why staff recommends eligibility requirement (1b) be excluded as there is not adequate justification.

**Requirement (1a): Applicant must have lived in the neighborhood or one of the neighborhoods before 2011 for at least three years.**

The public purpose of Requirement (1a) as stated by the City Commission is to build generational wealth for families. This investment is intended to prevent a trend towards poverty and increase the number of homesteaded properties in these neighborhoods.

At the April 1 meeting, the City Commission explained their choice to set the year limit to 2011—ten years before the current year of 2021. Their reasoning is that Requirement (1a) will target generations that lived in a Neighborhood before there was significant changes such as a rise in poverty rates,

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stagnation in the number of homesteaded properties, and an increase in the price per square foot of single family homes.

Over the past decade poverty rates in Neighborhoods have continued to be high. In correlation homesteaded properties have been consistently numbered at 50% or less of total residences and the price per square foot of a single-family home increased. Studies performed under the former CRA have also declared findings of slum and blight in all of these neighborhoods.

From 2008 to 2019 the estimated percentage of homesteaded properties decreased in the Fifth Avenue, Pleasant Street, Duval, North Lincoln Heights, Cedar Grove II and Springhill neighborhoods. Percent of homesteaded properties stayed the same in Porters Neighborhood and increased by only 9% in the Sugarhill neighborhood. For details please see Attachment B.

Between the years 1990 and 2021 the price per square feet of single-family housing increased for the Pleasant Street/Fifth Avenue and Porters Neighborhoods, when adjusted for inflation (106.59%). Although the neighborhoods of Cedar Grove and Duval did not experience any significant increase in price per square foot, when adjusted for inflation, there poverty rates are high as in all program neighborhoods. For details see attachments.

The long term residential population of the Neighborhoods is aging and being replaced by short term renters. The Program is designed to target long term renters that are first time homebuyers. In the U.S. the average of a first time homebuyer is 34 years old.

A community that is inter-generationally diverse has a higher social capital, and are more likely to have lower crime rates, better community health, higher educational achievement, and thus economic growth\*. In light of the COVID-19 pandemic crisis, economic stress on families is increasing as members of different ages try to support each other by moving closer.

The My Neighborhood Program intentionally fosters generational interdependence, promotes long term housing investment in a neighborhood, and builds generational wealth. Intergenerational communities are economically more successful when there are multiple generations and family connections living within proximity to one another.

**Requirement (1b): [Applicant may] be a current renter [who] has lived [in an eligible neighborhood] continuously for [at least] the past three years**

Under this City Commission direction (Requirement (1b)) GCRA staff and the City Legal Department are not able to justify why renters who have lived in a neighborhood for the past three years are eligible, but other similar groups are excluded—for examples renters who lived in a Neighborhood from 2011-2020 would not be eligible despite having residence for nine years.

In order to move the program forward, staff recommends that this eligibility requirement be removed.

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To conclude this memorandum GCRA staff recommend that the Program move forward with Eligibility Requirements #1(a) and #2-4 but exclude Eligibility Requirement #1(b) from the revised final Program Policies.

Please don't hesitate to reach out to me by email at [bakaitisch@cityofgainesville.org](mailto:bakaitisch@cityofgainesville.org) or by cell phone at 352-792-2997.

Sources:

\*<https://www.aarp.org/content/dam/aarp/livable-communities/old-learn/civic/intergenerational-community-building-lessons-learned-aarp.pdf>

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FIGURE 1.

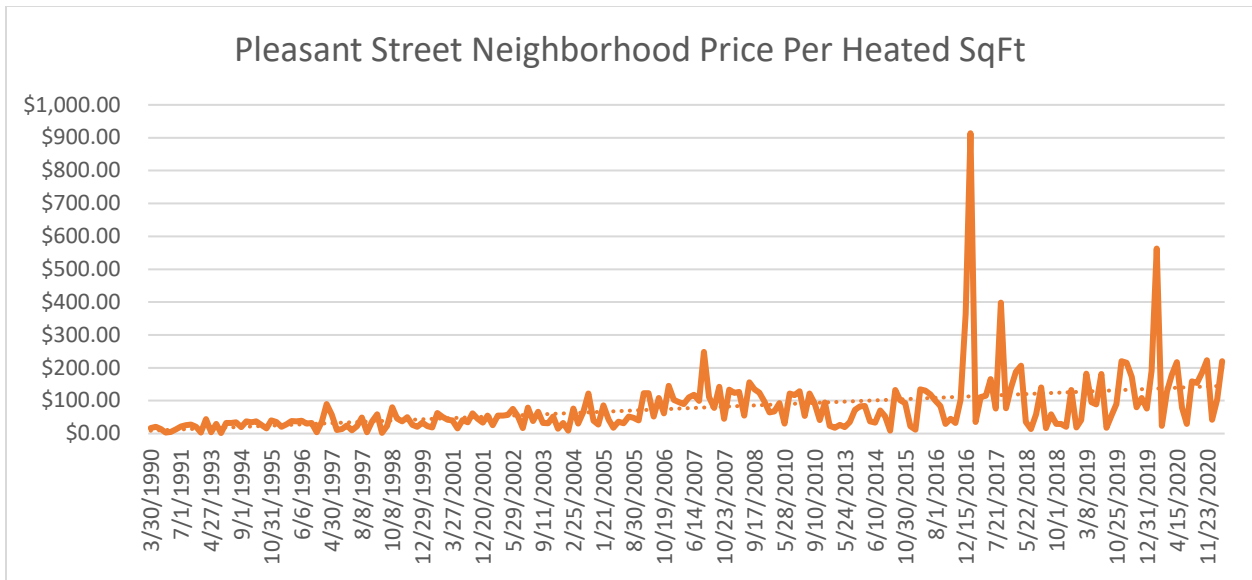
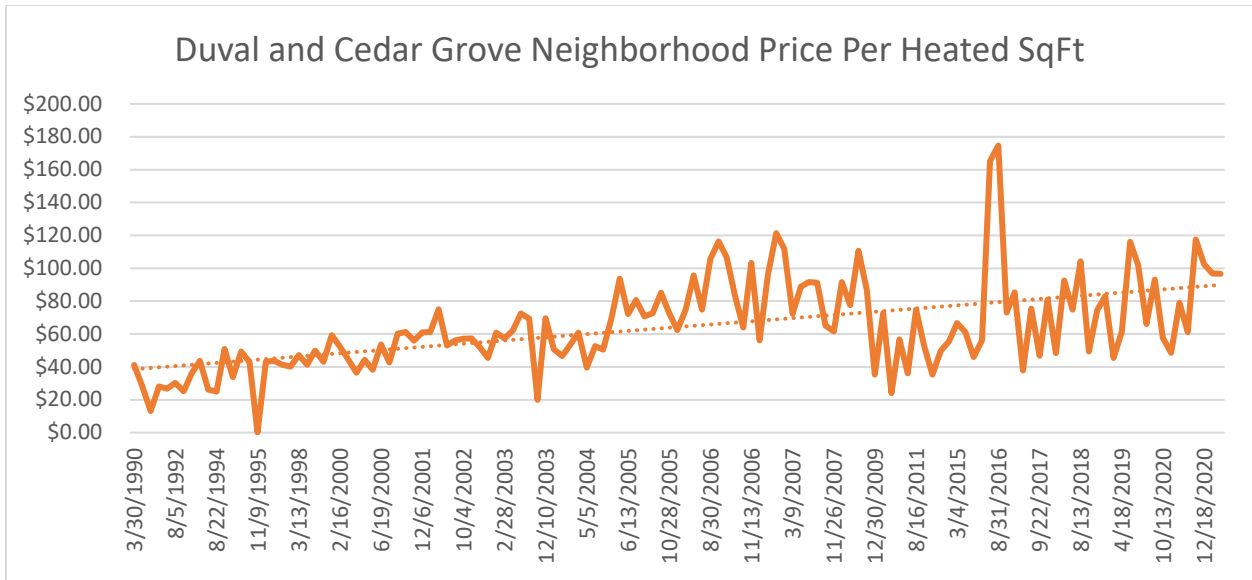
NEIGHBORHOOD	2008-2019 Homesteaded Properties Rate of Change
FIFTH AVENUE	-3.70%
PLEASANT STREET	-2.40%
PORTERS	0.00%
SPRINGHILL	-7.00%
SUGARHILL	9.20%
NORTH LINCOLN HEIGHTS	-7.40%
DUVAL	-3.20%
CEDAR GROVE	-1.5%





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