

LEGISLATIVE #

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Inter-Office Communication

**Neighborhood Improvement Department
Housing & Community Development Division**

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DATE: May 11, 2011

TO: Commissioner Scherwin Henry

**VIA: Russ Blackburn, City Manager
Fred Murry, Assistant City Manager**

**FROM: Jacqueline S. Richardson, HCD Manager
Teresa Osoba, HCD Supervisor**

**SUBJECT: Purchase Assistance New Construction Program-Southeast Gainesville
Renaissance Initiative (PNC-SEGRI)**

The purpose of this memorandum is to notify the City Commission that the HCD Division is implementing a new program, the Purchase Assistance New Construction Program (PNC) as part of the Southeast Gainesville Renaissance Initiative (SEGRI). The SEGRI is one of the City's initiatives to revitalize southeast Gainesville. As part of the SEGRI, in June 2006, the former City Block Grant Division finalized a Neighborhood Revitalization Strategy (NRS). The NRS is designed to address how to revitalize areas within the SEGRI through economic development, housing development, and other social services (including community building, education, community facilities and services, crime prevention, and neighborhood character). The SEGRI NRS boundaries are bordered by East University Ave, SE 11th St, S.C.L. Railroad, SE 22nd Ave, City Limits, east of Lincoln Estates Neighborhood, part of SE 8th Ave, and SE 24th St. The SEGRI NRS covers an approximate area of 746 acres. The definition of the SEGRI NRS area helps the City of Gainesville assess the neighborhood assets and opportunities in the area through demography, housing, economic development, education, and community facilities and services, and proposes accordingly the neighborhood revitalization strategies as well as relevant implementation programs in the NRS area. Attached for reference is a copy of the SEGRI NRS map.

The PNC-SEGRI is an approved housing program as part of the City's Local Housing Assistance Plan (LHAP) for the State Housing Initiatives Partnership (SHIP) Program. The purpose of the PNC-SEGRI is to provide financial assistance to qualified first-time homebuyers to purchase new homes located within the boundaries of the SEGRI area. The City of Gainesville established the SEGRI area to revitalize lesser developed areas of southeast Gainesville through the construction of new mixed-income housing, while providing a master plan to encourage equivalent quality development on other parcels in the area. The SEGRI initiative is designed to assist in revitalizing the area to eliminating slum and blight by encouraging mixed-income infill residential developments in older neighborhoods in southeast Gainesville.

The goal of the PNC-SEGRI is to provide affordable homeownership opportunities for eligible homebuyers to purchase new homes developed in the SEGRI area. Homes must be constructed on vacant lots within the SEGRI area only, with priority given to purchasers of new homes located on the former Kennedy Homes site. The new homes must be built and sold by a qualified housing developer as approved by the City.

This program will address the need to provide decent, safe and affordable homes to income eligible families. Funds will be used as a subsidy to provide subordinate mortgage financing to make the new homes affordable. The PNC-SEGRI will provide up to \$25,000 in assistance, of which \$5,000 can be utilized on closing costs. The funds shall be made available in the form of a 0% interest rate, 10-year due on sale loan forgivable at the end of the compliance period. A mortgage will be recorded on the property. The recipient is required to own and occupy the property as a principal residence during the compliance period. If the recipient defaults on any terms of the mortgage and note during the compliance period, then the full balance of the loan shall become due and payable.

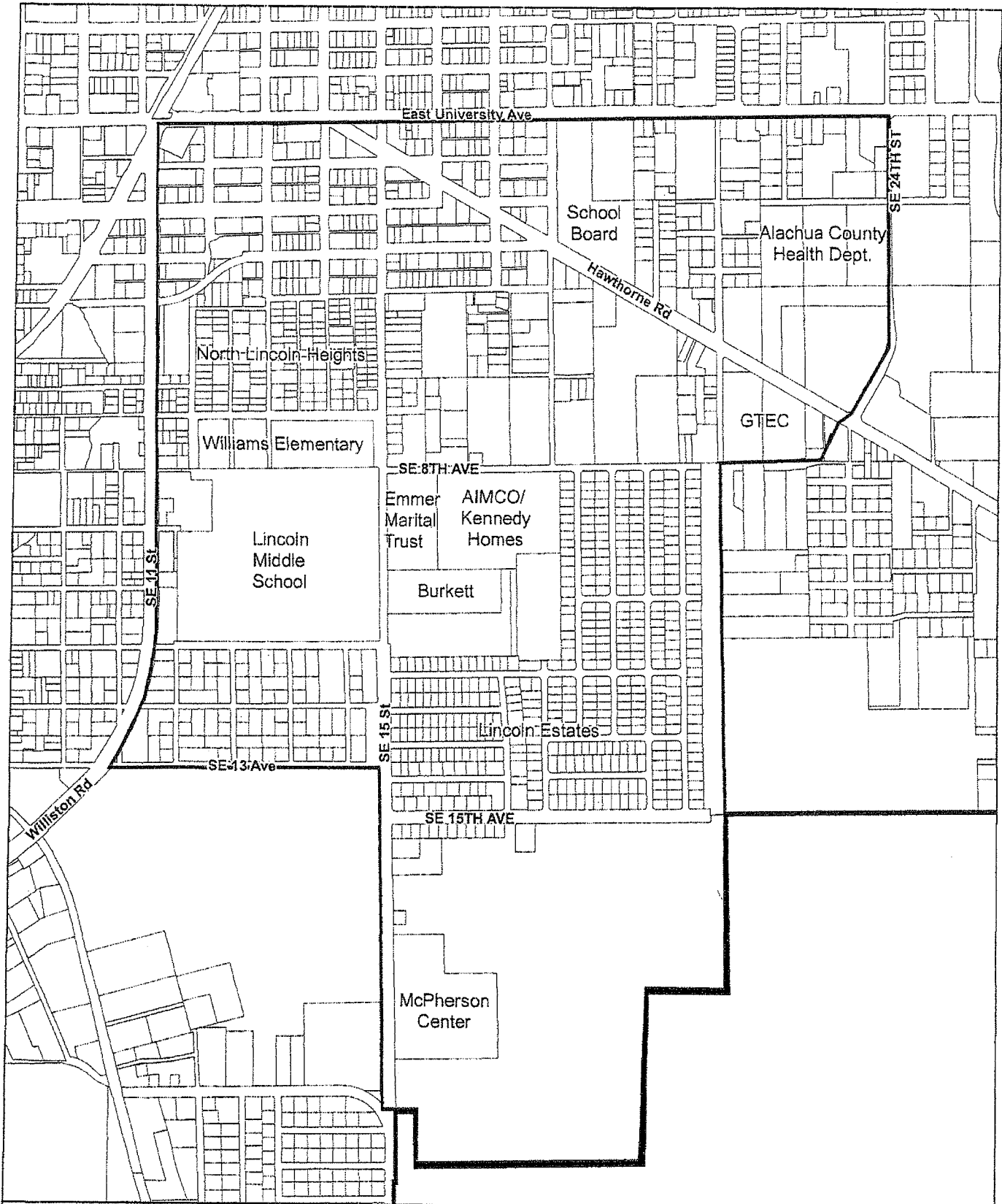
The proposed budget for the PNC-SEGRI is \$275,000. The HCD Division plans to reserve funding for the PNC-SEGRI from program income generated from the SHIP Program; and the HOME New Construction Program budget. The City's PNC-SEGRI may also be leveraged with other public/private resources to make the new home purchases affordable for the first-time homebuyers. The HCD Division will continue to make efforts to create and strengthen public/private partnerships with local area financial institutions and other community organizations to leverage the City's funding for this program.

Applications for assistance under this program will be reviewed and approved based on a competitive process based on the PNC SEGRI program guidelines. Priority will be given to eligible applicants who qualify as Essential Service Personnel (ESP), which is defined as persons in need of affordable housing who are employed in occupations or professions in which they are considered essential to the community as defined by each county or municipality. In accordance with the LHAP, the City of Gainesville defines ESP as: *"any household earning 120 % area median income (AMI) or below and, employed in the education system as teachers and educators; police, fire and code enforcement personnel; government employees; military personnel; health care personnel; or skilled building trades"*. However, due to the combined allocation of HOME program funding, the maximum household income will be limited to 80% of the AMI. The HCD Division will announce a competitive application cycle to the general public through advertisements in the local newspapers, press releases and the City's website.



The implementation of the PNC-SEGRI Program will assist in addressing the revitalization needs of the SEGRI area; and result in the creation of opportunities to stimulate economic development, recreational and cultural enrichment and ensure improvements in the overall quality of life for all of its residents.

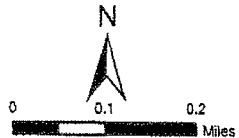
Please advise if you have any questions about the PNC-SEGRI Program.

Cc: Honorable Mayor and Members of the City Commission



SEGRI Neighborhood Revitalization Strategy (NRS) Boundary

-  NRS Boundary
-  Gainesville City Limits



Prepared by the Dept. of Community Development
 March 23, 2006
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