

**RESOLUTION NO. 160874**

**PASSED April 6, 2017**

**A resolution of the City Commission of the City of Gainesville, Florida approving the Local Housing Assistance Plan as required by the State Housing Initiatives Partnership Program Act, Sections 420.907-420.9079, Florida Statutes; and Chapter 67-37, Florida Administrative Code; authorizing and directing the Mayor to execute any necessary documents and certifications needed by the State; authorizing the submission of the Local Housing Assistance Plan for review and approval by the Florida Housing Finance Corporation; and providing an effective date.**

**WHEREAS**, the State of Florida enacted the William E. Sadowski Affordable Housing Act, Chapter 92-317 of Florida Sessions Laws, allocating a portion of documentary stamp taxes on deeds to local governments for the development and maintenance of affordable housing; and

**WHEREAS**, the State Housing Initiatives Partnership (SHIP) Act, Sections 420.907-420.9079, Florida Statutes, and Chapter 67-37, Florida Administrative Code, requires local governments to develop a one- to three-year Local Housing Assistance Plan outlining how funds will be used; and

**WHEREAS**, the SHIP Act requires local governments to establish the maximum SHIP funds allowable for each strategy; and

**WHEREAS**, the SHIP Act further requires local governments to establish an average area purchase price for new and existing housing benefiting from awards made pursuant to the Act; The methodology and purchase prices used are defined in the attached Local Housing Assistance Plan; and

**WHEREAS**, as required by Section 420.9075, Florida Statutes, it is found 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. The cost of administering the program may not exceed 10 percent of the local housing distribution plus 5% of program income deposited into the trust fund, except that eligible municipalities receiving a local housing distribution of up to \$350,000 may use up to 10 percent of program income for administrative costs; and

**WHEREAS**, the Neighborhood Improvement Department has prepared a three-year Local Housing Assistance Plan for submission to the Florida Housing Finance Corporation; and

**WHEREAS**, the City Commission finds that it is in the best interest of the public for the City of Gainesville to submit the Local Housing Assistance Plan for review and approval so as to qualify for said

documentary stamp tax funds.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA that:**

**Section 1.** The City Commission of the City of Gainesville hereby approves the Local Housing Assistance Plan attached as Exhibit "A" and incorporated hereto, for submission to the Florida Housing Finance Corporation as required by Sections 420.907-420-9079, Florida Statutes, for fiscal years 2017-2018, 2018-2019, and 2019-2020.

**Section 2.** The Mayor is hereby designated and authorized to execute any documents and certifications required by the Florida Housing Finance Corporation as related to the Local Housing Assistance Plan, including the Certification attached as Exhibit "B" and incorporated hereto, and to do all things necessary and proper to carry out the terms and conditions of said program.

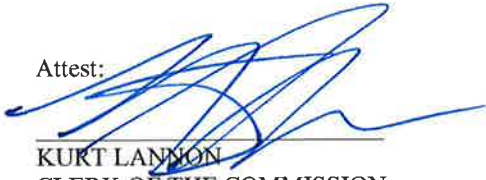
**Section 3.** This resolution shall take effect immediately upon adoption.

**PASSED AND ADOPTED** this 6th day of April, 2017.



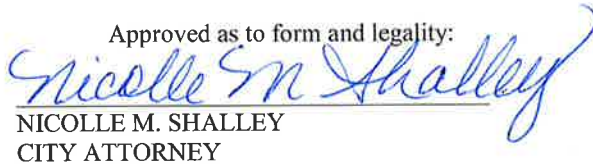
LAUREN POE  
MAYOR

Attest:



KURT LANNON  
CLERK OF THE COMMISSION

Approved as to form and legality:



NICOLLE M. SHALLEY  
CITY ATTORNEY



***CITY OF GAINESVILLE***

**STATE HOUSING INITIATIVES  
PARTNERSHIP (SHIP) PROGRAM**

**LOCAL HOUSING ASSISTANCE  
PLAN**

**STATE FISCAL YEARS  
2017-2018, 2018-2019, and 2019-2020**

**Resolution #** 160874

**Passed** April 6, 2017



<b>C. Section IV, Exhibits</b>	<b>30</b>
<b>A. Administrative Budget for each fiscal year covered in the Plan</b>	
<b>B. Timeline for Estimated Encumbrance and Expenditure</b>	
<b>C. Housing Delivery Goals Chart (HDGC) for each Fiscal Year covered in the plan</b>	
<b>D. Signed LHAP Certification</b>	
<b>E. Signed, dated, witnessed or attested adopting resolution</b>	
<b>F. Ordinance (if changed from the original creating ordinance)</b>	
<b>G. Interlocal Agreement</b>	

The priorities for funding described below apply to all strategies unless otherwise stated in the specific strategy:

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.
2. Households with household member with developmental disability.
3. Households with other disabilities and special needs, as defined by F.S. 420.0004
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, the City of Gainesville must comply with applicable local discrimination regulations in which there are no barriers to obtaining housing due to race, religion, color, age, sex, familial status, national origin, handicap, sexual orientation or gender identity.
- 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 staff that have appropriate training and are certified to provide the training, including equipment, materials and supplies related to housing counseling activities.

The Housing Counseling Program assists any person who wants to rent housing and/or purchase housing to obtain the counseling and resources needed for seeking, financing, maintaining, renting, or owning a home to become successful homeowners and responsible renters. The Housing Counseling Program offers support services from various sources, but is not limited to: Homeownership Counseling (Pre and Post), Credit Counseling, Foreclosure Prevention Counseling, Tenant Counseling and other general housing counseling services based on household need. The Housing Counseling Program also provides one-on-one counseling to applicants, as needed. In addition, group seminars are conducted to provide general consumer information on the home purchase process, financing options, credit repair, financial literacy and other topics that help meet the goals of homeownership to assist clients with making informed and reasonable decisions regarding their housing needs.

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 of proposed Administrative Expenditures is attached as Exhibit A. The City of Gainesville finds that the moneys deposited in the local housing assistance trust fund shall be used 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(17), 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 wholly performed and maintained by the City of Gainesville.
- R. Project Delivery Costs: Project delivery costs will be granted to the recipient. These project delivery costs are costs incurred for implementing and carrying out eligible program activities. The project delivery costs also cover services that are necessary for successful completion of the activity including, but are not limited to: title searches, home inspections, lead based paint inspections, credit reporting, engineering plans, surveys, appraisals and recordation fees. These project delivery costs are actual amounts of services and deliverables. In cases where an activity is outsourced to a third party, the project delivery cost will be included as part of the contractual services.
- S. Essential Service Personnel Definition: For purpose of SHIP funding, the City of Gainesville defines essential services personnel as: any household earning up to 120 % of the Gainesville Metropolitan Statistical Area median income; and employed as teachers and educators; police, fire and code enforcement personnel; government employees; military personnel; health care personnel; or skilled building trades.
- T. The City of Gainesville shall, through implementation of the various housing strategies, encourage and support green, storm resistant, and low maintenance construction, including energy efficient features that are economically sound with respect to the goals and beneficiaries of each strategy. When economically feasible, the City of Gainesville will utilize the following Green Building requirements on housing rehabilitation and new construction projects:

## Section II. LHAP Strategies:

### A. HOMEOWNER REHABILITATION

Code 3

- a. Summary of Strategy: SHIP funds will be awarded to households in need of repairs to correct code violations, health and safety issues, electrical, plumbing, roofing, windows, structural items and accessibility. Homes eligible under this program must be financially feasible to rehabilitate as determined by the City of Gainesville. Eligible costs may include construction costs and related project soft costs (e.g., architectural, engineering, related professional services such as credit reports, recordation and filing fees, appraisal fees, lead based paint inspections, building permits, builders fees).
- b. Fiscal Years Covered: 2017-2018, 2018-2019 and 2019-2020
- c. Income Categories to be served: Very-Low and Low
- d. Maximum award: \$50,000
- e. Terms:
1. Loan/deferred loan/grant: Deferred loan secured by a recorded mortgage and promissory note.
  2. Interest Rate: 0%
  3. Years in Loan Term: 10 years
  4. Forgiveness: Loan is forgiven after 10 year term
  5. Repayment: N/A
  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 a homeowner may need to refinance and/or sell his/her home for a variety of reasons including financial difficulties, job transfers, divorce, death, health related issues and other occurrences that are a normal part of family life. Under these circumstances, a subordination and/or forgiveness of the loan may be eligible as outlined below:

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, educational reasons, 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.

**B. HOUSE REPLACEMENT****Code 4**

- a. **Summary of Strategy:** The House Replacement Program will address housing units that are infeasible to rehabilitate due to the existing major health and safety violations, and the exorbitant cost of repairs required to make these dwellings meet the minimum housing code requirements. Funding for this program will be reserved for homeowners who applied to the Homeowner Rehabilitation Program for assistance and their homes were subsequently determined to be infeasible to rehabilitate. The House Replacement program will assist a homeowner with demolishing the existing home and rebuilding a new home on the same site or other equivalent site. The house plans will be established by the City of Gainesville. Eligible costs include construction costs and related project soft costs (e.g., architectural, engineering, related professional services such as credit reports, recordation and filing fees, appraisal fees, survey fees, lead based paint inspections, building permits, builders fees). Mobile homes are not eligible to receive assistance from this program.
- b. **Fiscal Years Covered:** 2017-2018, 2018-2019 and 2019-2020
- c. **Income Categories to be served:** Very-Low and Low
- d. **Maximum award:** \$125,000
- e. **Terms:**
1. **Loan/deferred loan/grant:** Deferred loan secured by a recorded mortgage and promissory note.
  2. **Interest Rate:** 0%
  3. **Years in Loan Term:** 20 years
  4. **Forgiveness:** Loan is forgiven after 20 year term
  5. **Repayment:** N/A
  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 a homeowner may need to refinance and/or sell his/her home for a variety of reasons including financial difficulties, job transfers, divorce, death, health related issues and other occurrences that are a normal part of family life. Under these circumstances, a subordination and/or forgiveness of the loan may be eligible as outlined below:

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, educational reasons, payment of medical expenses, and illness. No cash out to the homeowner.



e. Terms:

1. Loan/deferred loan/grant: Deferred loan secured by a recorded mortgage and promissory note.
2. Interest Rate: 0%
3. Years in Loan Term: 5 years
4. Forgiveness: Loan is forgiven after 5 year term
5. Repayment: N/A
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 a homeowner may need to refinance and/or sell his/her home for a variety of reasons including financial difficulties, job transfers, divorce, death, health related issues and other occurrences that are a normal part of family life. Under these circumstances, a subordination and/or forgiveness of the loan may be eligible as outlined below:

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, educational reasons, 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 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 sale his/her home due to a hardship such as divorce, death, and/or health related issues, may be eligible to request a loan forgiveness for all or a portion of the loan. Staff will work with the existing lenders and/or legal representatives to recapture any funds available to satisfy the lien, which may vary under by request.

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.

The program restrictions on the property shall terminate upon foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD.

- A home that is being newly constructed involving a construction agreement between the eligible homebuyer and a licensed general contractor; or
- A newly constructed home that has obtained a certificate of occupancy within the 12-month period preceding the purchase and sale contract; or
- A newly constructed home that was built as a model home and has never been occupied; and/or
- An existing home with no repairs identified by a SHIP certified home inspection report.
- Homes purchased through the FHA 203K Loan Program.

A maximum of up to \$10,000 will be available to assist with downpayment and/or closing cost assistance. Minor repairs are not eligible for newly constructed homes or FHA 203K Loan Program funded homes.

- b. Fiscal Years Covered: 2017-2018, 2018-2019 and 2019-2020
- c. Income Categories to be served: Very-Low, Low and Moderate
- d. Maximum award: \$10,000
- e. Terms:
  - 1. Loan/deferred loan/grant: Deferred loan secured by a recorded mortgage and promissory note.
  - 2. Interest Rate: 0%
  - 3. Years in Loan Term: 5 years
  - 4. Forgiveness: Loan is forgiven after 5 year term
  - 5. Repayment: N/A
  - 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 a homeowner may need to refinance and/or sell his/her home for a variety of reasons including financial difficulties, job transfers, divorce, death, health related issues and other occurrences that are a normal part of family life. Under these circumstances, a subordination and/or forgiveness of the loan may be eligible as outlined below:

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, educational reasons, 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.

Funds will be used to subsidize the construction of a new home. The house plans must be approved by the City of Gainesville. Eligible costs include construction costs and related project soft costs (e.g., architectural, engineering, appraisals, surveys, building permits and recordation fees).

- b. Fiscal Years Covered: 2017-2018, 2018-2019 and 2019-2020
- c. Income Categories to be served: Very-Low, Low and Moderate
- d. Maximum award: \$25,000
- e. Terms:
  - 1. Loan/deferred loan/grant: Deferred loan secured by a recorded mortgage and promissory note.
  - 2. Interest Rate: 0%
  - 3. Years in Loan Term: 10 years
  - 4. Forgiveness: Loan is forgiven after 10 year term
  - 5. Repayment: N/A
  - 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 a homeowner may need to refinance and/or sell his/her home for a variety of reasons including financial difficulties, job transfers, divorce, death, health related issues and other occurrences that are a normal part of family life. Under these circumstances, a subordination and/or forgiveness of the loan may be eligible as outlined below:

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, educational reasons, 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 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 sale his/her home due to a hardship such as divorce, death, and/or health related issues, may be eligible to request a loan forgiveness for all or a portion of the loan. Staff will work with the existing lenders and/or legal representatives to recapture any funds available to satisfy the lien, which may vary under by request.

- 4. Forgiveness: N/A
- 5. Repayment: N/A
- 6. Default: N/A
- f. Recipient Selection Criteria: Applications for assistance under this program will be reviewed and approved on a first-come, first-qualified, first-serve basis, following receipt of an application, income qualification, proof of ownership, proof of mortgage arrearage, evidence of hardship, approval of a mortgage loan workout plan with a lender, if applicable, receive foreclosure counseling; and other program criteria as required to determine applicant eligibility.
- g. Sponsor/Developer Selection Criteria: N/A
- h. Additional Information: N/A

<b>G. DISASTER MITIGATION</b>	<b>Code 5</b>
-------------------------------	---------------

- a. Summary of Strategy: Funds will be awarded to applicants in need of home repairs directly caused by a disaster that is declared by an Executive Order of the President or Governor. SHIP funds will be used to leverage available federal, state and/or insurance funds to provide assistance to eligible households for the purpose of repairing eligible housing. Mobile homes are not eligible for this program. Use of funds for repairs will be prioritized as follows:
  - 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.
- b. Fiscal Years Covered: 2017-2018, 2018-2019 and 2019-2020
- c. Income Categories to be served: Very-Low, Low, Moderate
- d. Maximum award: \$5,000
- e. Terms:
  - 1. 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

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.

The program restrictions on the property shall terminate upon foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD.

- 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/Developer 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. Other program criteria may apply to determine eligibility for a funding award. All housing unit design plans must comply with the City of Gainesville's Housing Element in the Comprehensive Plan.

The City of Gainesville reserves the right to select developments that meet all of the above requirements and:

1. Are located in areas of immediate need due to lack of available units; and/or
2. Propose to preserve and improve existing units.

All funding awards will be subject to closing on other funding sources.

- h. Additional Information: Developers will be required to meet compliance reporting requirements on the development necessary to meet the statutory requirements for monitoring of SHIP rental units.

<b>I. RAPID REHOUSING RENTAL ASSISTANCE</b>
---

<b>Code 26</b>
----------------

- a. Summary of Strategy: SHIP funds will be awarded to eligible recipients who are in need of a rental subsidy to assist with obtaining a lease on a rental unit.

Eviction prevention applies only to rental dwellings to prevent homelessness. Eligible recipients may seek assistance for rent payments in arrears that are equal to no more than six (6) months rent.

- b. Fiscal Years Covered: 2017-2018, 2018-2019 and 2019-2020
- c. Income Categories to be served: Very-Low and Low
- d. Maximum award: \$3,000
- e. Terms:
  - 1. Loan/grant: Funds will be awarded as a grant.
  - 2. Interest Rate: N/A
  - 3. Term: N/A
  - 4. Forgiveness: N/A
  - 5. Repayment: N/A
  - 6. Default/Recapture: N/A
- f. Recipient Selection Criteria: Applications for assistance under this program will be reviewed and approved based on a first-come, first-qualified, first-served basis.
- g. Sponsor/Developer Selection Criteria: The Alachua County Department of Community Support Services will administer the City of Gainesville Eviction Prevention Program via an Interlocal Agreement between the City of Gainesville and Alachua County. Implementation of the Eviction Prevention Program is based upon funding availability.
- h. Additional Information: The recipient's lease must be at least twelve (12) months. Case management will be provided by Alachua County Community Support Services Department Social Services Division or referred to community social service agencies. Collaboration with local Continuum of Care (CoC) lead agency, landlords and realtors will be fostered to provide monitoring and improve program efficiency and effectiveness.

The City expedites Affordable Housing Projects in the two ways listed below.

- The Building Department expedites the review and inspection of Affordable Housing Projects to a greater degree than other projects.
- The Planning Department offers the affordable housing concept review and approval process to help Affordable Housing Projects meet the State of Florida Low-Income Housing Tax Credit Program application requirements. The review process notifies applicants as to problems and objections pertaining to proposed developments. The money saved by developers through the reduced expenditures in the development of detailed engineered plans can result in the delivery of housing at a lower cost than it would have been without these savings.

**Recommendation:** Ongoing/Continue.

**Board Action:** Adopted.

**B. Modification of impact fee requirements including reduction or waiver of fees and alternative methods of fee payment.**

**Review Synopsis:** The City does not currently require the payment of impact fees for new development.

**Recommendation:** Not applicable.

**Board Action:** Adopted.

**C. Allowance of flexibility in densities for affordable housing.**

**Review Synopsis:** In some multiple-family zoning districts, the City currently allows developers to increase the density of a project, within specified limits, based on a point system. In this system, the City awards points for desired design and development features, including affordable housing.

Staff has identified several problems with this system including the fact that it does not define the term “affordable.” Although not codified, in the past, staff has usually defined affordable as monthly rent or mortgage payments, including taxes and insurance, not exceeding 30% of the median annual gross income for households in the Gainesville Metropolitan Area.

Another problem is that this system does not state the number or percentage of units that must be affordable for a project to earn the bonus points. According to staff, in the few instances when the City and a developer have agreed to use this provision, they have negotiated to determine the amount of affordable units needed to obtain the bonus points (in other words, how many units must be affordable to get the points).

The City permits developers of projects that earn enough density bonus points to build projects at a higher density than is otherwise allowed. With this incentive, the City intends to lower land costs and subsequently, lower per unit housing costs.

However, the City’s system of density bonuses, and its affordable housing density bonus in particular, are rarely used. There are probably several reasons for that fact, including the following:

- compared to market demand, most City residential zoning districts allow relatively high density by right; as a result, most residential projects are permitted their preferred density without having to utilize the density bonus system; and

In other words, they are “grandfathered in.” Because ARUs are difficult to track and document, enforcement of many of these regulations can be difficult.

By comparison, in the unincorporated part of Alachua County, the County does allow “Accessory Living Units” in all single-family residential zoning districts. Even in the City, ARUs are permitted where single-family units are built within multiple-family zoning districts.

Many Gainesville residents have major concerns about the impacts of ARUs on neighborhood quality of life. Those concerns are greatest in the neighborhoods close to the University of Florida, where many anticipate that the demand for ARUs is the highest. The conversion of owner occupied units to rental units has already had a large negative impact on many aspects of these neighborhoods. As a result, residents have coordinated to create a vocal and well-organized opposition to any attempts to expand allowances for ARUs.

**Recommendation:** Ongoing/Continue.

**Board Action:** Adopted.

**F. Reduction of parking and setback requirements for affordable housing.**

**Review Synopsis:** 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.

**Recommendation:** Ongoing/Continue.

**Board Action:** Adopted.

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

**Review Synopsis:** 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. Additional cost savings in subdivision and building design can also be gained through the *Cluster Subdivision Ordinance*, found in *Section 30-190 of the LDC*.

**Recommendation:** Ongoing/Continue.

**Board Action:** Adopted.

**H. Modification of street requirements for affordable housing.**

**Review Synopsis:** The City’s street requirements provide flexibility in regards to width and construction techniques. Many older neighborhoods have thrived with narrower street widths, even including on-street parking and two-way traffic. Developers are encouraged to select alternative street specifications (including reductions in pavement widths) for all residential development, to reduce construction costs while benefitting the environment. Flexibility exists for right of way widths, pavement widths, turn around dimensions, intersection curb radii, reduced curb and gutter requirements, etc. Modified street requirements, can reduce construction costs for all housing, including affordable housing.



**L. Additional Recommendations**

**Other affordable housing incentives identified by the advisory committee.**

**Subsidizing Water and Wastewater Utility Connection Fees for New Affordable Housing:** Connection fees are a significant portion of the cost of new development, including residential development. This is particularly relevant to small, local, non-profit organizations that build new affordable housing.

These fees are an important part of GRU's budget. The City has adopted the philosophy that, to some extent, new growth should pay for itself, rather than existing rate-payers subsidizing the entire cost of serving that growth. Additionally, certain bond covenants require the City to collect connection fees for repayment. For those reasons, the City cannot simply waive the fees for affordable housing projects.

The City, however, can use other funding sources to subsidize at least a portion of the fees for projects that meet certain criteria. If the City chose to subsidize those fees, further study would be required to identify those funding sources. Funding options include, but are not limited to, State and Federal programs, surcharges on connection fees for market rate projects, and the General Fund.

Additionally, the City would need to establish criteria used to determine which projects to subsidize. As with determining the funding sources, further study would be required to identify those criteria. To limit the initial budget impacts, the City generally designs such criteria to include only specific, limited projects (e.g., nonprofit organizations that build new, affordable, single-family houses). The City does this with the understanding that, if warranted, it can amend the criteria in the future.

**Recommendation:** Consider studying possible funding sources and criteria to help subsidize the costs of connection fees for nonprofit organizations that build new, affordable, single-family houses.

# EXHIBIT A

## ADMINISTRATIVE BUDGET

<u>Fiscal Year 2017/2018</u>	
Salaries and Benefits	\$ <u>70,000</u>
Office Supplies and Equipment	\$ <u>7,000</u>
Travel Per Diem Workshops, etc.	\$ <u>1,500</u>
Advertising	\$ <u>3,000</u>
<b>Total</b>	\$ <b>81,500</b>
<u>Fiscal Year 2018/2019</u>	
Salaries and Benefits	\$ <u>70,000</u>
Office Supplies and Equipment	\$ <u>7,000</u>
Travel Per Diem Workshops, etc.	\$ <u>1,500</u>
Advertising	\$ <u>3,000</u>
<b>Total</b>	\$ <b>81,500</b>
<u>Fiscal Year 2019/2020</u>	
Salaries and Benefits	\$ <u>70,000</u>
Office Supplies and Equipment	\$ <u>7,000</u>
Travel Per Diem Workshops, etc.	\$ <u>1,500</u>
Advertising	\$ <u>3,000</u>
<b>Total</b>	\$ <b>81,500</b>

# EXHIBIT C

## HOUSING DELIVERY GOALS CHART FY 2017-2018

FLORIDA HOUSING FINANCE CORPORATION HOUSING DELIVERY GOALS CHART FY 2017-2018												LHAP EXHIBIT C		2017					
Name of Local Government: <span style="border: 1px solid black; padding: 2px;">City of Gainesville</span>												Please check applicable box, & if Amendment, enter number							
												New Plan:		X					
		Amendment:																	
		Fiscal Yr. Closeout:		2020															
										Allocation:		\$815,270.00							
Strategy # From Plan Text	Code	HOMEOWNERSHIP STRATEGIES	VL1	Max. SHP	LI	Max. SHP	MI	Max. SHP	A	B	C	D	E	F					
			Units	Award	Units	Award	Units	Award	New Construction SHP Dollars	Rehab/Repair SHP Dollars	Without Construction SHP Dollars	TOTAL SHP Dollars	TOTAL Percentage	TOTAL Units					
A	3	Homeowner Rehabilitation	4	\$50,000	4	\$50,000				\$427,000.00		\$427,000	52.38%	8					
B	4	House Replacement	1	\$125,000		\$125,000				\$75,000.00		\$75,000	9.20%	1					
C	3	Roof Replacement	2	\$15,000	2	\$15,000				\$60,000.00		\$60,000	7.36%	4					
D	1,2	Downpayment Assistance w/Repairs	1	\$10,000	3	\$10,000	2	\$10,000		\$60,000.00		\$60,000	7.36%	6					
E	10	Infill Housing Development		\$25,000		\$25,000		\$25,000				\$0	0.00%	0					
F	7	Mortgage Foreclosure Intervention		\$5,000	1	\$5,000	1	\$5,000			\$10,000.00	\$10,000	1.23%	2					
G	5	Disaster Mitigation		\$5,000		\$5,000		\$5,000				\$0	0.00%	0					
<b>Subtotal 1 (Homeownership)</b>			<b>8</b>		<b>10</b>		<b>3</b>		<b>\$ -</b>	<b>\$622,000</b>	<b>\$10,000</b>	<b>\$632,000</b>	<b>77.52%</b>	<b>21</b>					
Strategy # From Plan Text	Code	RENTAL STRATEGIES	VL1	Max. SHP	LI	Max. SHP	MI	Max. SHP	A	B	C	D	E	F					
			Units	Award	Units	Award	Units	Award	New Construction SHP Dollars	Rehab/Repair SHP Dollars	Without Construction SHP Dollars	TOTAL SHP Dollars	TOTAL Percentage	TOTAL Units					
H	14,15,21	Rental Development		\$37,500		\$37,500		\$37,500				\$0	0.00%	0					
I	26	Rapid Rehousing Rental Assistance	20	\$6,000							\$100,000	\$100,000	12.27%	20					
J	13	Eviction Prevention		\$3,000		\$3,000													
<b>Subtotal 2 (Non-Homeownership)</b>			<b>20</b>		<b>0</b>		<b>0</b>		<b>\$0</b>	<b>\$0</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>12.27%</b>	<b>20</b>					
Administration Fees												\$81,500	10.00%						
Admin. From Program Income												\$0	0.0%						
Home Ownership Counseling												\$1,770	0.22%	100					
<b>GRAND TOTAL</b>			<b>28</b>		<b>10</b>		<b>3</b>		<b>\$0</b>	<b>\$622,000</b>	<b>\$110,000</b>	<b>\$815,270</b>	<b>100.00%</b>	<b>41</b>					
Add Subtotals 1 & 2, plus all Admin. & H.O. Counseling																			
Percentage Construction/Rehab												Calculate Constr/Rehab by adding Grand Total columns A&B, then divide by Annual Allocation Amt.		76.3%					
Maximum Allowable																			
Purchase Price:												New		\$228,000		Existing		\$157,000	
Allocation Breakdown			Amount			%													
Very-Low Income			\$407,000			49.92%													
Low Income			\$290,000			35.57%													
Moderate Income			\$35,000			4.29%													
<b>TOTAL</b>			<b>\$732,000</b>			<b>89.79%</b>													
									Projected Program Income		\$ -		Max Amount Program Income/Admin:		\$ -				
									Projected Recaptured Funds:		\$ -								
									Distribution:		\$815,270								
									Total Available Funds:		\$815,270								

# EXHIBIT C

## HOUSING DELIVERY GOALS CHART FY 2019-2020

		FLORIDA HOUSING FINANCE CORPORATION HOUSING DELIVERY GOALS CHART FY 2019-2020							LHAP EXHIBIT C		2019				
Name of Local Government:		City of Gainesville							Please check applicable box, & if Amendment, enter number:						
									Allocation:		\$815,270.00				
Strategy # From Plan Text	Code	HOMEOWNERSHIP STRATEGIES		VLJ	Max. SHIP	LI	Max. SHIP	M	Max. SHIP	A	B	C	D	E	F
		Units	Award	Units	Award	Units	Award	Units	Award	New Construction SHIP Dollars	Rehab/Repair SHIP Dollars	Without Construction SHIP Dollars	TOTAL SHIP Dollars	TOTAL Percentage	TOTAL Units
A	3	4	\$50,000	4	\$50,000						\$427,000.00		\$427,000.00	52.38%	8
B	4	1	\$125,000		\$125,000						\$75,000.00		\$75,000.00	9.20%	1
C	3	2	\$15,000	2	\$15,000						\$60,000.00		\$60,000.00	7.36%	4
D	1,2	1	\$10,000	3	\$10,000	2	\$10,000				\$60,000.00		\$60,000.00	7.36%	6
E	10		\$25,000		\$25,000		\$25,000						\$0	0.00%	0
F	7		\$5,000	1	\$5,000	1	\$5,000					\$10,000.00	\$10,000.00	1.23%	2
G	5		\$5,000		\$5,000		\$5,000						\$0	0.00%	0
<b>Subtotal 1 (Homeownership)</b>		<b>8</b>		<b>10</b>		<b>3</b>				<b>\$ -</b>	<b>\$622,000</b>	<b>\$10,000</b>	<b>\$632,000</b>	<b>77.52%</b>	<b>21</b>
Strategy # From Plan Text	Code	RENTAL STRATEGIES		VLJ	Max. SHIP	LI	Max. SHIP	M	Max. SHIP	A	B	C	D	E	F
		Units	Award	Units	Award	Units	Award	Units	Award	New Construction SHIP Dollars	Rehab/Repair SHIP Dollars	Without Construction SHIP Dollars	TOTAL SHIP Dollars	TOTAL Percentage	TOTAL Units
H	14,15,21		\$37,500		\$37,500		\$37,500						\$0	0.00%	0
I	26	20	\$6,000									\$100,000	\$100,000	12.27%	20
J	13		\$3,000		\$3,000										
<b>Subtotal 2 (Non-Homeownership)</b>		<b>20</b>		<b>0</b>		<b>0</b>				<b>\$0</b>	<b>\$0</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>12.27%</b>	<b>20</b>
Administration Fees													\$81,500	10.00%	
Admin. From Program Income													\$0	0.0%	
Home Ownership Counseling													\$1,770	0.22%	100
<b>GRAND TOTAL</b>		<b>28</b>		<b>10</b>		<b>3</b>				<b>\$0</b>	<b>\$622,000</b>	<b>\$110,000</b>	<b>\$815,270</b>	<b>100.00%</b>	<b>41</b>
Add Subtotals 1 & 2, plus all Admin. & H.O. Counseling															
<b>Percentage Construction/Rehab</b>		Calculate Constr/Rehab by adding Grand Total columns A&B, then divide by Annual Allocation Amt.													<b>76.3%</b>
<b>Maximum Allowable</b>															
<b>Purchase Price:</b>				<b>New</b>		<b>\$228,000</b>				<b>Existing</b>		<b>\$157,000</b>			
<b>Allocation Breakdown</b>		<b>Amount</b>	<b>%</b>												
<b>Very-Low Income</b>		\$407,000	49.92%												
<b>Low Income</b>		\$290,000	35.57%												
<b>Moderate Income</b>		\$35,000	4.29%												
<b>TOTAL</b>		<b>\$732,000</b>	<b>89.79%</b>												
<b>Projected Program Income</b>		\$ -		<b>Max Amount Program Income/Admin:</b>		\$ -									
<b>Projected Recaptured Funds:</b>		\$ -													
<b>Distribution:</b>		\$815,270													
<b>Total Available Funds:</b>		\$815,270													

**WHEREAS**, the City Commission finds that it is in the best interest of the public for the City of Gainesville to submit the Local Housing Assistance Plan for review and approval so as to qualify for said documentary stamp tax funds.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA that:**

**Section 1.** The City Commission of the City of Gainesville hereby approves the Local Housing Assistance Plan attached as Exhibit "A" and incorporated hereto, for submission to the Florida Housing Finance Corporation as required by Sections 420.907-420-9079, Florida Statutes, for fiscal years 2017-2018, 2018-2019, and 2019-2020.

**Section 2.** The Mayor is hereby designated and authorized to execute any documents and certifications required by the Florida Housing Finance Corporation as related to the Local Housing Assistance Plan, including the Certification attached as Exhibit "B" and incorporated hereto, and to do all things necessary and proper to carry out the terms and conditions of said program.

**Section 3.** This resolution shall take effect immediately upon adoption.

**PASSED AND ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
LAUREN POE  
MAYOR

Attest:

Approved as to form and legality:

\_\_\_\_\_  
KURT LANNON  
CLERK OF THE COMMISSION

\_\_\_\_\_  
NICOLLE M. SHALLEY  
CITY ATTORNEY

**EXHIBIT G**

**INTERLOCAL AGREEMENT**

**Not Applicable**

## CERTIFICATION TO FLORIDA HOUSING FINANCE CORPORATION

Name of Local Government: CITY OF GAINESVILLE

- (1) The local government will advertise the availability of SHIP funds pursuant to Florida Statutes.
- (2) All SHIP funds will be expended in a manner which will insure that there will be no discrimination on the basis of race, religion, color, age, sex, familial or marital status, handicap, or national origin.
- (3) A process for selection of recipients for funds has been developed.
- (4) The eligible municipality or county has developed a qualification system for applications for awards.
- (5) Recipients of funds will be required to contractually commit to program guidelines.
- (6) The Florida Housing Finance Corporation will be notified promptly if the local government (or interlocal entity) will be unable to comply with the provisions the plan.
- (7) The Local Housing Assistance Plan shall provide for the expenditure of SHIP funds within 24 months following the end of the State fiscal year in which they are received.
- (8) The plan conforms to the Local Government Comprehensive Plan, or that an amendment to the Local Government Comprehensive Plan will be initiated at the next available opportunity to insure conformance with the Local Housing Assistance Plan.
- (9) Amendments to the approved Local Housing Assistance Plan shall be provided to the Corporation within 21 days after adoption.
- (10) The trust fund shall be established with a qualified depository for all SHIP funds as well as moneys generated from activities such as interest earned on loans.
- (11) Amounts on deposit in the local housing assistance trust fund shall be invested as permitted by law.
- (12) The local housing assistance trust fund shall be separately stated as a special revenue fund in the local governments audited financial statements, copies of the audits will be forwarded to the Corporation as soon as available.
- (13) An interlocal entity shall have its local housing assistance trust fund separately audited for each state fiscal year, and the audit forwarded to the Corporation as soon as possible.
- (14) SHIP funds will not be pledged for debt service on bonds or as rent subsidies.
- (15) Developers receiving assistance from both SHIP and the Low Income Housing Tax Credit (LIHTC) Program shall comply with the income, affordability and other LIHTC requirements. Similarly, any units receiving assistance from other federal programs shall comply with all Federal and SHIP program requirements.