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Staff Analysis

# **Response to Requests from Gainesville Housing Authority**

**180394**

**(Please reference previous file item 180367 for history)**

December 13, 2018

## CITY OF GAINESVILLE STAFF ANALYSIS

**Legistar No:** 180394

**Title:** Response to Requests from Gainesville Housing Authority

**Sponsor:** Office of the City Manager

**City Staff Contact:** Fredrick J. Murry, Assistant City Manager

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### **Summary of Issue**

On September 18, 2018, the Gainesville Housing Authority (GHA) presented information about its activities and accomplishments to the City Commission. That presentation also included nine requests of the City Commission. Some of the requests are for activities that the City is already doing, while others are more complex. This item primarily is to provide a brief assessment of each request.

### **History/Background Information**

On September 18, 2018, the GHA presented information about its activities and accomplishments to the City Commission. That presentation also included nine requests of the City Commission. A brief response to each request is presented below.

### **Responses**

1. **Recognize GHA as the City of Gainesville's true partner in addressing the affordable housing issues in our community.**

**RESPONSE:** Effectively addressing affordable housing issues requires coordination between many sectors including government (federal, state and local), educational institutions, healthcare institutions, nonprofit entities, and for-profit entities. The City recognizes GHA and other affordable housing organization as true partners in this concerted effort.

2. **Create a Cooperative Agreement as required by the United States Department of Housing and Urban Development (HUD) with the establishment of a Public Housing Authority (PHA).**

**RESPONSE:** According to HUD, "Grants and cooperative agreements both are financial assistance support mechanisms. Under both mechanisms, money and/or other direct assistance are provided to an eligible entity to carry out an approved project or activity in support of a public purpose and not for the direct benefit of the

government.” HUD allows, but does not require, Cities and Counties to enter into Cooperative Agreements with their PHA’s. However, by their very nature, Cooperative Agreements require substantial involvement from the awarding agency and the grantee in carrying out the activity contemplated by the Federal award. This ‘substantial involvement’ dictates the awarding agency work closely with the PHA in performing the program. Additionally, the close relationship envisioned by a Cooperative Agreement also may include additional liability factors.

The City has a competitive process whereby the City uses Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) funds to provide grants to nonprofit organizations that implement activities designed to achieve City goals. The awarding of grants allows the City to provide oversight and monitoring of all programs to assist in successful completion of goals and projects. Currently, the Gainesville Housing Development and Management Corporation, which is associated with GHA, participates in this process and has been awarded FY 2018-2019 HOME funds to develop an affordable rental housing project.

3. **Providing GHA First Right of Refusal for any available donated or conveyed land for affordable housing.**

**RESPONSE:** There are several qualified organizations working to provide affordable housing in Gainesville. These organizations have identified goals in an effort to meet the affordable housing needs in our community. The City Commission has indicated that it values each of these organizations and desires to maintain equitable consideration in the disposition of land.

The City’s policy for disposing of surplus or escheated land allows many non-profit organizations to participate in this process and was approved by the City Commission on September 15, 2016 (File No. 100630).

4. **Identifying programs or funding that are not meeting their goals and reallocating towards affordable housing.**

**RESPONSE:** As an Entitlement Jurisdiction, the City receives limited funding through HUD each year. Most of these funds are used for City-wide programs such as Homeowner Rehabilitation, Down Payment Assistance and Cold Weather Shelter. However, up to 15% of these funds may be used for Public Service and Housing grants to nonprofit organizations that work to achieve City goals. Historically, the City has elected to allocate funds to nonprofit organizations to support housing, community development and public services initiatives to benefit low income households.

These organizations go through an extensive competitive application process via the City Commission-appointed Citizens Advisory Committee for Community Development (CACCD). Organizations are required to provide specific activities and beneficiary goals which are monitored by City staff. Each year, the CACCD makes funding recommendations to the City Commission, who ultimately make the final funding determinations.

During the Fiscal Year, City staff monitors and approves agency reimbursement requests and disbursements. Thus, as an incentive to encourage full utilization of funds, the Agreement between the City and the recipient agency clearly states that the agency will not be eligible to carry forward any unused funds. Therefore, agencies typically use all of their funding during the fiscal year.

5. **Develop a pilot program to incentivize landlords to make their properties energy efficient.**

**RESPONSE:** Further research is required to develop an incentive program for landlords. This topic is currently being discussed by several entities, including the City Commission’s Rental Housing Subcommittee, the Board of County Commissioners (as part of their Comprehensive Plan Update) and the Housing Subcommittee of the North Central Florida Alliance for the Homeless and Hungry (the local Continuum of Care).

6. **Develop a City ordinance that makes it illegal to discriminate based upon lawful source of income.**

**RESPONSE:** Housing Choice Vouchers (HCV), formerly known as Section 8 Vouchers, are essentially, a lawful source of income. Studies show that some landlords do not rent to persons paying rent with HCVs. Since the type of ordinance GHA is proposing makes it illegal for landlords to refuse to accept HCVs, the proposed ordinance could increase the number and locations of housing options available to persons with HCVs.

The City Attorney has determined that such an ordinance is legal, and if directed by the City Commission, will develop one for City Commission consideration. Recently, similar ordinances have been enacted in Broward County and in Miami-Dade County. These appear to be the only ordinances in Florida that are related to this topic.

7. **Support the Community Land Trust program.**

**RESPONSE:** Community Land Trusts (CLTs) are private non-profit organizations that can serve several purposes, including maintaining the affordability of existing housing, particularly in areas with rising property values. If the City chose to support a CLT Program, it would be imperative that the legal long-term requirements of CLT’s be considered and understood. As with any private organization that receives City support, the organization’s management and financial stability should be properly vetted.

8. **Identify a dedicated source of funding for affordable housing.**

**RESPONSE:** There may be several options to fund affordable housing, including but not limited to the following:

- A countywide sales tax similar to Wild Spaces and Public Places.
- An annual set aside of a portion of the property tax revenue. For more certainty, the City might issue a bond guaranteed to be paid back by a portion of the property tax revenue.
- A Commercial Linkage Fee which requires new development for businesses that generate low and moderate income employees, pay a fee that is used to generate nearby housing that is affordable to those employees. This option requires a nexus study to determine the amount of such a fee.

Many dedicated funding source options have been discussed previously. These issues are complex and often need a high level of coordination and communication involving several stakeholder groups and several levels of government. More study and research is required to identify a dedicated source of funding for affordable housing.

9. **Advocate to fully fund the Sadowski Trust Fund and include in the City legislative agenda.**

**RESPONSE:** The City vigorously supports fully funding the Sadowski Trust Fund and includes that support in the City’s Legislative Agenda.

**Conclusion**

The City and GHA, along with other community partners, should continue to work together to address affordable housing needs.

### **Recommendation**

The General Policy Committee provide staff with guidance regarding GHA's requests.

### **Attachments**

GHA's PowerPoint Presentation from September 18, 2018  
Staff PowerPoint Presentation  
Resolution No. 100630—Amending Real Property Policies  
Broward County Ordinance  
Miami-Dade County Ordinance