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City of  
**Gainesville**

**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



CITY OF GAINESVILLE, FL



**Affordable Housing Framework for Discussion**

MARCH 2022

OFFICE OF THE CITY MANAGER

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OFFICE OF THE CITY MANAGER  
CITY OF GAINESVILLE, FL

## HOUSING STRATEGIES

*What housing strategies or policies are either in place or in progress?*

### NEW DEVELOPMENTS

Increasing affordable housing through new construction




### STRUCTURE REHAB

Rehabilitation of existing housing stock



### SUPPORTIVE SERVICES

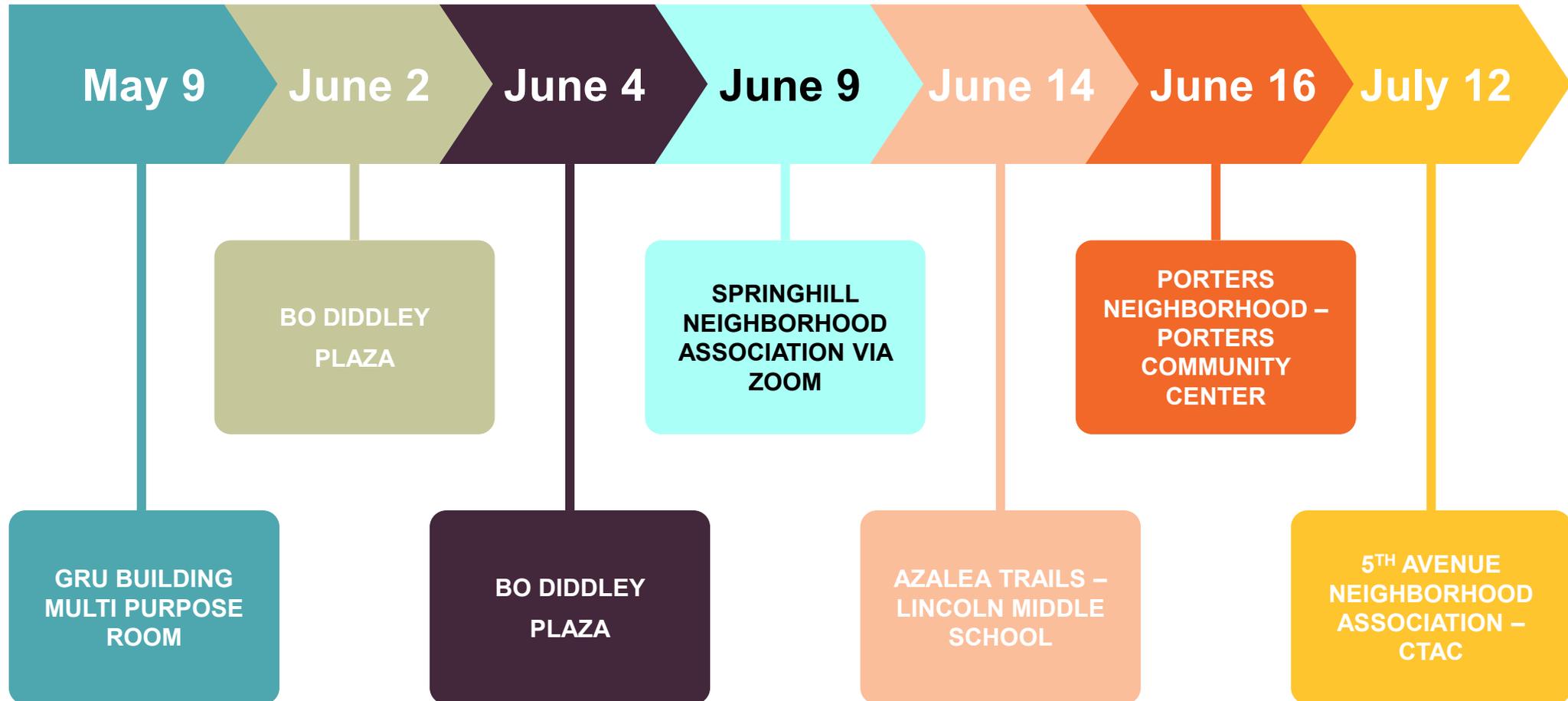
Wrap around services to support housing stability

- Energy Efficiency Education
- First Time Homebuyer Education
- Legal Services
- Housing Vouchers
- Rapid Rehousing
- Permanent Supportive Housing
- Rent-to-Own Programs
- Hers Property Assistance

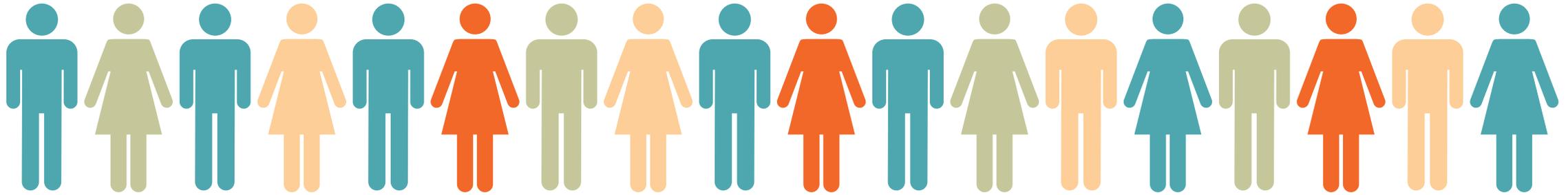
CITY OF GAINESVILLE, FL

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# Affordable Housing Workshops & Neighborhood Meetings



# Commission Sponsored Town Hall Meetings Focused on Affordable Housing

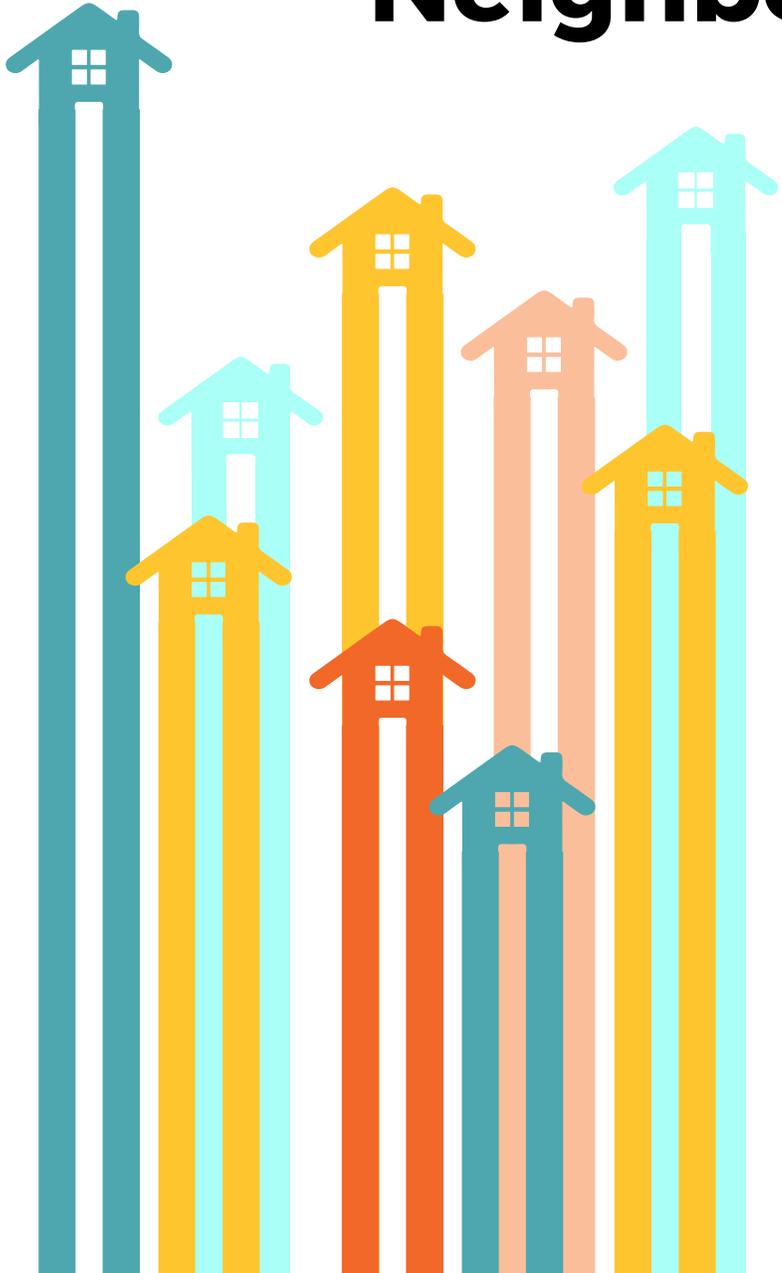


Commissioner Arreola  
**June 30<sup>th</sup>**  
City Hall



Commissioner Chestnut  
**August 8<sup>th</sup>**  
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

# S

# W

## 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

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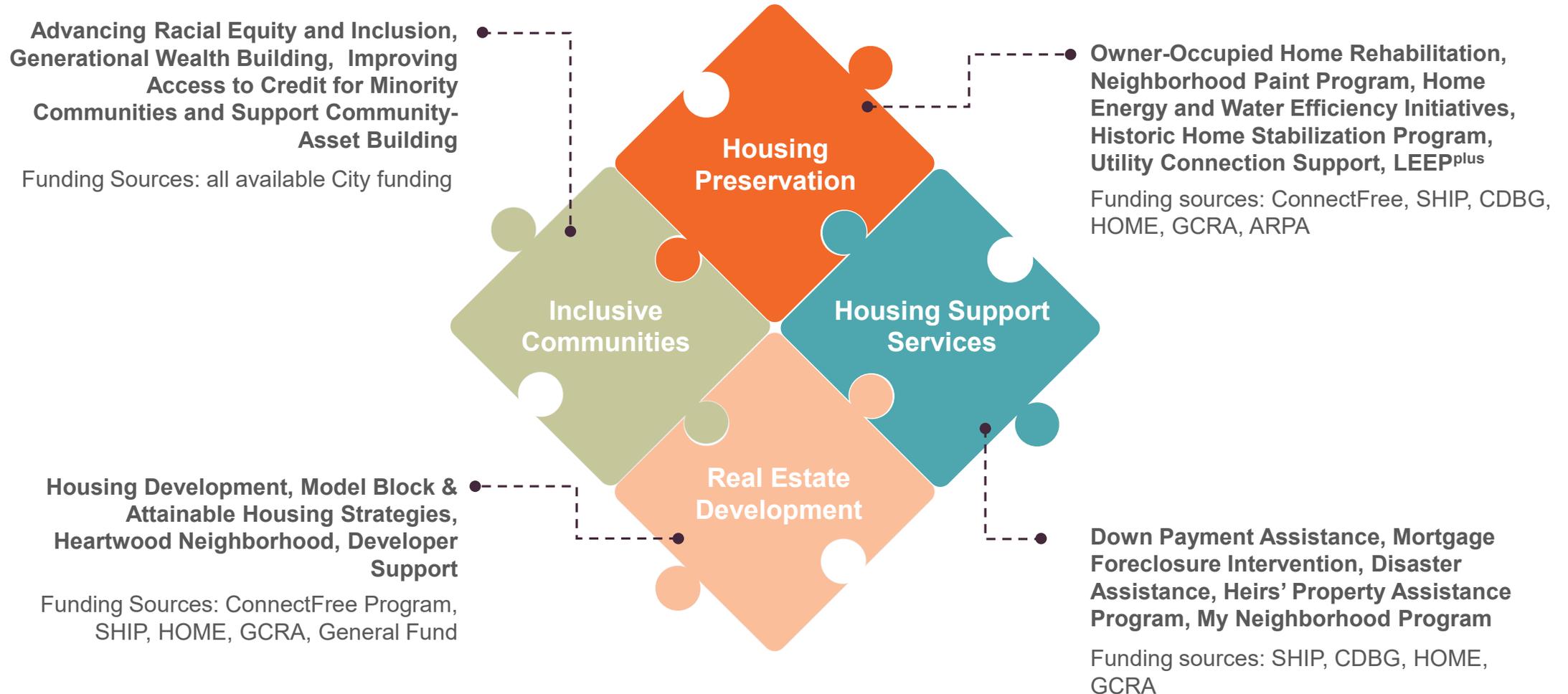
## THREATS

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

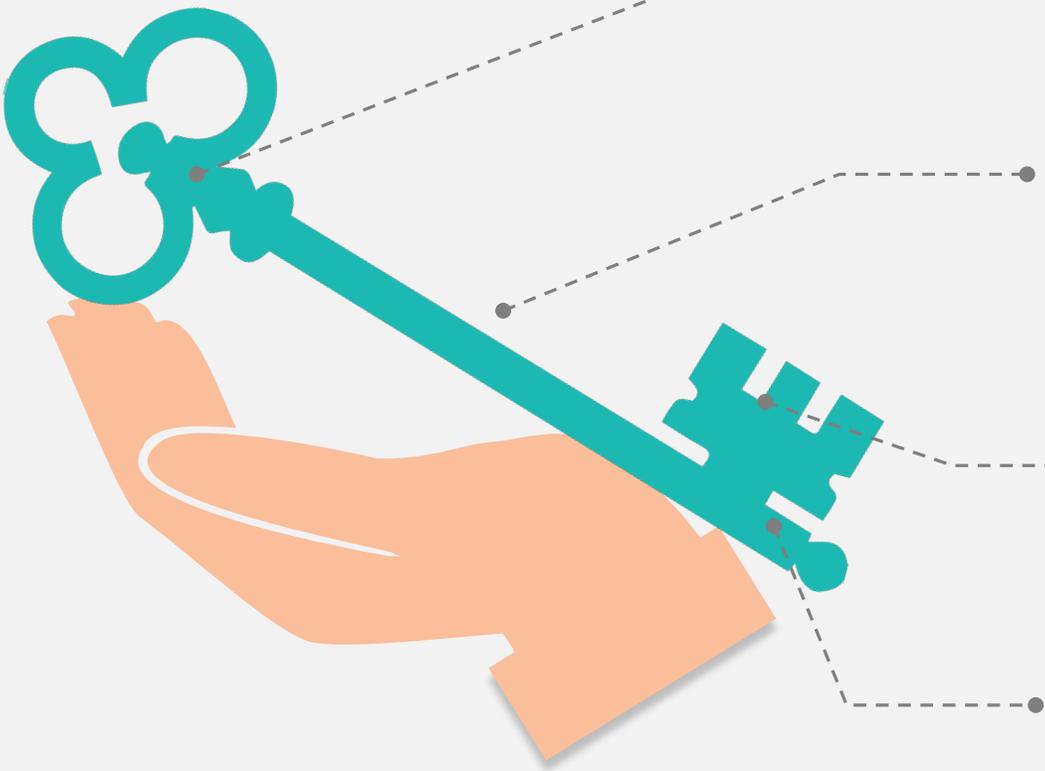
The City's *Building Blocks for Affordable Housing – Work Plan in Development* required a review of internal and external factors to determine how these elements define the future and current operations or strategies towards addressing Affordable Housing in the city.

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.**

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