

City of Gainesville

DATE: October 14, 2020

TO: City Commission

FROM: Eric McLarthy, AHAC Chairperson
SHIP Affordable Housing Advisory Committee (AHAC)

SUBJECT: Local Government Area of Opportunity Funding Recommendation

On behalf of the SHIP AHAC, I am pleased to present our Local Government Area of Opportunity (LGAO) funding recommendation.

The Low Income Housing Tax Credit (LIHTC) Program is an important tool that the federal government uses to promote the development of affordable housing. In the State of Florida, the Florida Housing Finance Corporation, which is essentially a State agency, administers the LIHTC Program. One of the State's goals for the LIHTC Program in medium sized Counties (like Alachua) is to fund projects that have a commitment from their local government for a significant financial contribution. That contribution is known as LGAO Funding.

On August 21, 2020, the City published a Notice of Funding Availability (NOFA) for Affordable Rental Housing Projects, including LIHTC Projects. The developers of six proposed projects responded. Each of those projects is a LIHTC Project requesting LGAO Funding.

On October 6, 2020, the City's Affordable Housing Advisory Committee (AHAC) heard presentations from the developers of all six projects. At that meeting, and at their October 13, 2020 meeting, the AHAC reviewed, considered and discussed each of the projects.

Among the factors considered when evaluating each project are the following:

1. Loan terms;
2. Number of units provided;
3. Resident income mix;
4. Number of units provided for persons with special needs;
5. Location of the project;
6. Nearby amenities and services;
7. On-site amenities;
8. Resident services;
9. Compatibility with surrounding areas;
10. Marketing and outreach to potential residents;
11. Experience of the developers; and
12. Overall feasibility of the project.

Based on the applications and presentations, AHAC believes that each of the proposals would bring at least some benefit to the community. However, AHAC also believes that there are some important differences in the projects. For that reason, at the October 13, 2020 AHAC meeting, the Committee voted to rank the proposed projects in the following order:

PROJECT NAME	# OF UNITS	Type	LOAN TERMS	AHAC RANK
Woodland Park, Ph. 2	96	Family	15-year loan, 30-year amortization, at 1% interest. The entire balance, including principal, shall be paid in full at the end of the 15-year period	1
Crest Grove Apts.	108	Family	15-year loan at 1% interest	2
Madison Pines	80	Elderly	22-year loan at 4.75% interest	3
Madison Moor	86	Elderly	22-year loan at 4.75% interest	4
Village Estates	96	Family	15.5-year loan at 3% interest only. The entire balance, including principal, shall be paid in full at the end of the 15-year, 6-month period	5
Michaels Foundation	6	Family	Not provided	6

LGAO Funding benefits the City of Gainesville in several ways. First, LGAO Funding leverages local funds to bring in millions of dollars of private and federal investment. Additionally, LGAO Funding furthers the City's goal of supporting the development of affordable housing within the community. For these reasons, the AHAC voted to recommend that the City Commission use ConnectFree revenues to fund a \$460,000.00 loan, under the terms outlined above, to the Gainesville Housing Authority, for their Woodland Park, Phase 2 application for LIHTCs.

We respectfully and sincerely request that you consider this funding recommendation.

Cc: AHAC Committee Members
 Jacqueline Richardson, HCD Manager
 Helen Harris, HCD Supervisor
 John Wachtel, Neighborhood Planning Coordinator
 Teresa Osoba, ConnectFree Coordinator