

# City of Gainesville

**DATE:** July 14, 2021

**TO:** City Commission

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

**SUBJECT:** Local Government Area of Opportunity Funding Recommendation

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On behalf of the State Housing Initiatives Partnership (SHIP) Program Affordable Housing Advisory Committee (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 June 8, 2021, the City published a Notice Of Funding Availability (NOFA) for Affordable Rental Housing Projects, including LIHTC Projects. The developers of four proposed projects responded. Each of those projects is a LIHTC Project requesting LGAO Funding.

On July 13, 2021, the City's Affordable Housing Advisory Committee (AHAC) heard presentations from the developers of three of those projects. The developers of Madison Moor did not attend that meeting and have withdrawn their application. After receiving the presentations, the AHAC reviewed, considered and discussed each of the projects.

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

1. Number of units provided;
2. Resident income mix;
3. Number of units provided for persons with special needs;
4. Location of the project (Does the location further the City's goal of providing affordable rental housing in all areas of the City? Is the project compatible with surrounding areas? What are the nearby amenities? Are they sufficient? Will they meet the needs of the project's tenants?);
5. On-site amenities (What are they? Are they sufficient? Will they meet the needs of the project's tenants?);
6. Resident services; (What are they? Are they sufficient? Will they meet the needs of the project's tenants?);
7. Marketing and outreach to potential residents;
8. Loan terms;
9. Given the goals of RFA 2021-201, what are the chances of being chosen for funding by the State (FHFC)?;
10. Experience of the developers; and

11. 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 July 13, 2021 AHAC meeting, the Committee voted to rank the proposed projects in the following order:

PROJECT NAME	# OF UNITS	LOAN TERMS	AHAC RANK
Woodland Park, Phase 2	96	18-year loan, 30-year amortization, at 1% interest. The entire balance, including principal and interest, shall be paid in full at the end of the 18-year period	1
Village at Lincoln Park	88	Not provided	2
Veranda Estates	88	10-year loan at 1% interest	3
Madison Moor	82	22-year loan at 4.75% interest	4

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 - Housing Programs  
John Wachtel, Neighborhood Planning Coordinator  
Teresa Osoba, ConnectFree Coordinator