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Building Blocks for Affordable Housing - Work Plan in Development (B)

On March 17, 2022 the Affordable Housing Framework for Discussion was presented to the City Commission. After that presentation, the City of Gainesville began the process of building a new foundation for an innovative, collaborative and strategic path forward to develop a Work Plan to address the issues highlighted in the Framework.

The City of Gainesville and community partners, including the Alachua County Housing Authority, Bright Community Trust, Gainesville Housing Authority, HR&A Advisors, Neighborhood Housing and Development Corporation, and Rebuilding Together North Central Florida, worked together to plan, organize and successfully execute three community workshops designed to generate feedback from participants about strategies to improve affordable housing in Gainesville. Topics discussed during these meetings included: affordable housing basics, affordable housing preservation, development and management of a community land trust, first-time homebuyer programs, funding priorities for affordable housing, housing vouchers, infill housing, rental housing programs, inclusionary zoning, exclusionary zoning, information on housing resources and programs offered by the City and other partners. The three community workshops were held on May 9th, June 2nd and June 4th.

Due to the heightened community interest in the discussion around affordable housing, especially on the topic of Exclusionary Zoning, the City Commission directed staff to organize neighborhood workshops to continue the discussion and information sharing. Through the date of this report, staff has facilitated four neighborhood workshops in the following communities: Springhill (June 9th), Azalea Trails (June 14th), Porters (June 16th) and 5th Avenue (July 12th). In total, approximately 200 neighbors attended these meetings and more neighborhood workshops are in process of being scheduled.

The *Building Blocks for Affordable Housing - Work Plan in Development* (Work Plan) includes: neighbor feedback on the Affordable Housing Workshops conducted in partnership with the City and community stakeholders, the City's enhanced approach to housing and community development, additional data regarding Gainesville's demographics and housing distribution, an update to the Multipart Motion from August 31, 2020, and an overview of funding available for affordable housing initiatives. The Work Plan also includes nine recommendations for a path forward, five of which are focused on a recommended spend plan for the \$8 million American Rescue Plan Act Affordable Housing Earmark approved by the City Commission on June 16, 2022 (Agenda #210267):

1. \$6 million from the ARPA Affordable Housing Earmark 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.
2. \$1.2 million from the ARPA Affordable Housing Earmark 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.
3. \$320,000 from the ARPA Affordable Housing Earmark for an owner-occupied rehabilitation program for households under 50% AMI to increase housing stability.
4. \$320,000 from the ARPA Affordable Housing Earmark to expand down payment assistance programs for households under 80% AMI.
5. \$160,000 from the ARPA Affordable Housing Earmark for land acquisition to purchase a tract of land or infill lots close to shopping, transit, and an employment center.
6. Develop a robust redevelopment strategy for all City-owned land.
7. Engage community partners to bolster creation of new affordable housing units.
8. Provide financial and technical assistance to Gainesville neighbors for the construction of Accessory Dwelling Units (ADUs).
9. Increase capacity of nonprofit housing entities.

These recommendations are crafted to move the needle towards the creation of new homes and rental units and allow for an increase in financial support services to encourage homeownership.

In addition, on May 26, 2022 (Agenda #211192), the City Commission directed staff to analyze the feasibility and impact of an affordable housing general obligation bond ranging from \$30-\$50 million. Staff researched several local governments that successfully passed a general obligation bond referendum for affordable housing and these cities ranged from the Pacific Northwest to South Florida, with the success of the implementation of their affordable housing general obligation plans varying in success.

The following expenditure categories are recommended for the City of Gainesville:

1. 75% for Public-Private Partnerships: Support scalable, non-profit projects and other rental projects.
2. 15% for Low-Income Housing Financing: Allows developers to build new affordable housing options for low- to moderate-income residents which will be marketed for sale.
3. 5% for Owner-occupied Home Rehabilitation: Helps pay for major repairs so residents can stay in their homes.
4. 5% for Homebuyer Assistance: Provides down-payment assistance to eligible first-time homebuyers in acquiring homes.

A breakout of the different funding scenarios ranging from \$25 million to \$50 million and their potential impact on affordable housing initiatives is included in the Work Plan. Should the City Commission decide to move forward with this type of financing initiative, there will need to be further research and analysis conducted to assess the City's capacity to implement and commit funds at this level.

Strategic Connection: Goal 3: A Great Place to Live and Experience

The proposed Work Plan provides funding recommendations for the use of American Rescue Plan Act (ARPA) funds and leverages all other City funds set-aside for affordable housing projects.

The General Policy Committee review and provide feedback on the *Building Blocks for Affordable Housing - Work Plan in Development*.