



Legislation Text

File #: 021200, **Version:** 0

Resolution Amending Local Housing Assistance Plan - Fiscal Year 2002/03-2004/05 (B)

The City began constructing new homes in the Cedar Grove II Development during 1998. During the last five years there have been significant increases in the cost of construction materials. As a result, two of the existing Cedar Grove II model homes (D and E) cannot continue to be built and sold for the approved maximum sales price of \$106,365. The D and E models are the largest model homes, two-story with three or four bedrooms. HUD has increased its maximum sales price for new homes built in the Gainesville area to \$154,896 and the State of Florida has increased the maximum SHIP sales price to \$131,603. To date, only five D models and two E models have been built. Staff does not anticipate building more than a few D and E models prior to the completion of the development. Currently, the development contains mostly A and B models, which are one-story and smaller than the D and E models. Continuing to offer the D and E models as an option to homebuyers will result in a more diverse development of homes. As Phase 3 is completed and Phase 4 (the final phase) begins, staff anticipates the smaller houses will continue to be the most popular plans. However, allowing even a few units to be the larger 2-story units will allow diversity of housing types and income ranges in the neighborhood.

Maximum City homebuyer subsidy assistance awards will not change; however, homebuyers that purchase models D and E will have to qualify for a larger mortgage amount. The larger mortgage amounts will remain affordable for the homebuyers purchasing the D and E model homes.

The City Commission: 1) approve increasing the maximum sales price for the New Construction Program to \$120,000; 2) authorize the City Manager or his designee to amend the City of Gainesville Local Housing Assistance Plan for the SHIP Program to reflect the increased maximum sales price for the New Construction Program to \$120,000; 3) approve a Resolution approving the amended City of Gainesville Local Housing Assistance Program for State fiscal years 2002-2003 through 2004-2005; 4) authorize the City Manager to execute the required documents and certifications; and 5) authorize submission of the amended plan for review and approval by the Florida Housing Finance Corporation; and providing an immediate effective date.