



Legislation Text

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Ranking of Affordable Rental Housing Projects Requesting Local Government Area of Opportunity Funding (B)

To help meet its goal to increase access to affordable housing for low-income households, the City of Gainesville wishes to fund Local Government Contributions to affordable housing development projects leveraged with federal Low-Income Housing Tax Credits (LIHTC). The State of Florida LIHTC Program provides for-profit and nonprofit organizations with a dollar-for-dollar reduction in federal tax liability in exchange for: 1) the acquisition and substantial rehabilitation; 2) substantial rehabilitation; or 3) new construction of low and very low-income rental housing units. Housing tax credits can be worth millions of dollars; and receiving this funding can assist developers to build affordable rental housing in cities and counties across the State of Florida. The use of tax credits subsidizes the cost of developing housing units, thereby producing decent, safe, and affordable housing available to low-income households.

The Florida Housing Finance Corporation (FHFC) administers the LIHTC Program for the State of Florida. The FHFC awards tax credits to affordable housing projects based on a competitive application system. Part of that system awards points to projects that meet certain criteria as established by the FHFC. Those criteria include affordability, sustainability and serving an identified housing need.

On July 20, 2021, the FHFC will issue Request For Applications (RFA) 2021-201 (a 149-page DRAFT RFA 2021-201 was issued on July 2, 2021). In RFA 2021-201, the FHFC will identify funding goals for medium sized counties like Alachua County. Those goals will include funding 10 projects in the following categories: a) locally designated revitalization area (1 project); b) near the SunRail transit project (1 project); c) in certain mapped areas of the State (2 projects); and; d) Local Government Area of Opportunity (LGAO) (6 projects).

LGAO Projects are projects where the applicant has demonstrated “a high level of Local Government interest in the project via an increased amount of Local Government contributions.” As outlined in RFA 2021-201, those contributions are generally defined as cash loans or grants. Essentially, the LGAO funding goal incentivizes a local government financial commitment. The minimum amount of the local funding commitment is \$460,000.00.

If a local government elects to fund a LGAO Project, RFA 2021-201 requires the local government to choose to fund only one project, regardless of the number of applications the local government may receive. As such, the City Commission can select and fund only one LGAO Project to apply for housing tax credit funding from the FHFC. Given the limits on the amount of State funding available, projects that meet one of the FHFC identified goals, have a much better chance of being funded by the FHFC.

On June 8, 2021, the City of Gainesville published a Notice Of Funding Availability announcing that the City would accept applications for financial assistance for the development and/or rehabilitation of affordable rental housing projects. As a result, the City received applications for four affordable rental housing projects. Each of those projects is a LIHTC Project requesting LGAO Funding.

At the July 13, 2021 Affordable Housing Advisory Committee (AHAC) Meeting, each of the four applicants will have five minutes to present their projects to the AHAC and five minutes to answer questions.

Following the presentations, each AHAC member will rank the applications based on the backup provided and the presentations. The members' rankings will be combined into an Overall AHAC Ranking. The Committee members will have an opportunity to discuss (if necessary) and vote on the Overall AHAC Ranking, which will be the Committee's recommendation to the City Commission. On August 5, 2021, the City Commission will receive AHAC's recommendation and make a final funding determination. Applications associated with RFA 2021-201 are due to the FHFC in Tallahassee on August 26, 2021.

The Affordable Housing Advisory Committee: 1) hear a presentation from staff and each of the four applicants; 2) discuss the relative strengths and weaknesses of each application; 3) use the ranking form to rank each application and give reasons for the rankings; 4) recommend that the City Commission fund the highest ranked application; and 5) authorize the Chair or another AHAC Member to present the recommendation to the City Commission at their August 5, 2021 meeting.