



August 13, 2024

Alachua County Growth Management
Attn: Angeline Jacobs
10 SW 2nd Ave.
Gainesville, FL 32601

Re: Response to Staff Review Comments – ULDC Text Amendment Application

The applicant's responses to the privately initiated ULDC text amendment application issued by e-mail on August 7, 2024 are below:

Per ULDC Sec. 402.05(16) please evaluate the impact of the proposed land development regulation amendment related to the:

- *Long-term cost of home ownership; and*
- *Fiscal impacts to the County and the County taxpayers.*

RESPONSE: A response to Sec. 402.05(16) is now included in the report.

Under heading: Proposed Text Amendments to Land Development Code

- *Please specify what is meant by "generally" in subsection (a).*

RESPONSE: The proposed ULDC text for Sec. 404.20.05(a) has been revised to clarify.

- *Please specify which "code requirement" being referenced in subsection (c).*

RESPONSE: The proposed language in Sec. 402.05(c) has been revised to reference the specific code section related to multiple-family parking requirements.

- *Is there a length of time the units would be required to be affordable?*

RESPONSE: The proposed language in Sec. 402.05(a) has been revised to include a length of time that the units would be required to be affordable.

- *Would these units be owned or rented?*

RESPONSE: The proposed language in Sec. 402.05(a) has been revised to clarify that the units will be for rent.

Under heading: Consistency with Land Development Code

- *Planning Commission recommendation is not a requirement of the privately-initiated ULDC amendment per Sec. 402.35. However, as stated an evaluation is needed for the BoCC to make a finding of consistency per Sec. 402.37.*

RESPONSE: The justification report has been revised to reference Comprehensive Plan consistency per Sec. 402.37 in several sections.

- *In (1) the need and justification for the change; Consistency: Provide the studies and reports mentioned as the basis for the “shortage”, “clearly documented need” and “solid justification” for affordable housing in Alachua County.*

RESPONSE: The report has been revised to provide studies and reports that demonstrate the local need for affordable housing in the County.

- *In part 2. Introduces a Specific Affordable Housing Requirement: Provide the “commonly identified” source for the standard of 40% units at 80% AMI.*

RESPONSE: A response to this comment is now included in the report.

Under heading: Consistency with Comprehensive Plan

- *Please evaluate the consistency of the proposed ULDC amendment with the cited Housing Element policies.*

RESPONSE: A response after each policy is now included in the Justification Report to explain why the proposed ULDC amendment is consistent with the Policy.

- *Would all BH zoned districts be able to meet those policy requirements?*

RESPONSE: A review of the Countywide zoning map indicates that a vast majority (estimated over 90%) of the properties that are zoned BH are located within the Urban Cluster and within an Activity Center. However, to further address this comment, the proposed ULDC language (Sec. 404.20.5(a)) has been revised to indicate that the new site redevelopment option (not adaptive reuse) shall be located within an Activity Center. In addition, the proposed language regarding parking is further limited to Activity Centers and served by mass transit / bus stop within ¼ mile.

If you have any questions or would like to discuss, please let me know.

Sincerely,



Clay Sweger, AICP, LEED AP
Director of Planning

UNIFIED LAND DEVELOPMENT CODE (ULDC) TEXT AMENDMENT BACKGROUND

Article VII of the Alachua County Unified Land Development Code (ULDC) outlines the process for review and approval of proposed ULDC text amendments. Sec. 402.32 states that a text amendment may be proposed by the Board of County Commissioners (BoCC), any department or other agency of the County, or any resident or landowner in the County. This application utilizes Sec. 402.32(c) as it is a privately-initiated amendment application.

This text amendment, prepared by eda consultants, is the result of productive conversations with County staff and elected officials regarding the need to prioritize and promote affordable housing opportunities in Alachua County, specifically in existing urbanized commercial areas where proper public infrastructure is available to serve future residents, including utilities, mass transit and other similar services.

PROPOSED ULDC TEXT AMENDMENT SUMMARY

The following is a summary of the proposed text amendments included in this application:

Amend Sec. 404.20.5 (Multiple-family dwelling)

The proposed amendment is related to the development of multi-family units as a limited use in the BH (commercial) zoning district. Specifically, the proposed text expands upon the existing code language that was proposed by County staff in recent history in order to allow for the adaptive reuse/conversion of aging motels to multifamily units by providing affordable housing units to serve the low-income community. The proposed amendments should result in additional affordable housing to be provided in the County.

PROPOSED TEXT AMENDMENTS TO LAND DEVELOPMENT CODE

Below is an underline / strikethrough version of the proposed text amendment:

Sec. 404.20.5. - Multiple-family dwelling.

A multiple-family dwelling is allowed as permitted use in R-2, R-2a, R-3, RP, within TNDs/TODs, and as a limited use in BH subject to the following standards.

- (a) ***Adaptive reuse.*** *Multiple-family dwellings must be a part of an adaptively reused hotel or motel structure or redevelopment of a hotel or motel site with new multiple-family structure(s) within an Activity Center. Expansion of the use in newly constructed structures is allowed such that the total number of dwelling units is equivalent to no more than two hundred (200) percent*

of the number of rooms in the existing hotel or motel structure. At least 40% of the units shall be maintained as affordable and for rent at or below 80% of the area median income for a period of not less than 30 years.

(b) *Water/sewer. The use must be served by centralized water and sewer.*

(c) Parking may be reduced to 50% of the code requirement for multiple-family dwellings (Table 407.14.1 Parking Schedule) where the project site is located within an Activity Center and served by mass transit / bus stop within 1/4 mile.

CONSISTENCY WITH LAND DEVELOPMENT CODE

Article VII of the Alachua County Unified Land Development Code (ULDC) outlines the process for review and approval of proposed ULDC text amendments. Sec. 402.35(b) provides the review criteria for proposed ULDC text amendments which must be evaluated and considered as part of any approval by the Board of County Commissioners. In addition, Sec. 402.37 states that the BoCC must make a finding that the text amendment is consistent with the Comprehensive Plan.

The evaluation criteria in ULDC Sec. 402.35(b) are listed below, with the applicant's consistency statement provided after each:

(1) *The need and justification for the change;*

Consistency: As previously stated in this report, the proposed text amendment is the result of productive conversations with County staff and elected officials regarding the need to prioritize and promote affordable housing opportunities in Alachua County, specifically in existing urbanized areas where proper public infrastructure is available to serve future residents, including utilities, mass transit and other similar services. The need for affordable housing in the County has been emphasized by the Board of County Commissioners and the Affordable Housing Advisory Committee (AHAC) on a regular basis and is supported by a number of studies and reports that document the shortage of affordable housing units in our community and the related unmet need.

This ULDC amendment aims to provide a modification to the ULDC that relates to redevelopment / reuse of certain existing commercial sites that can be converted to multifamily units with a required affordable housing component. This amendment will provide an additional tool to allow, support and encourage the introduction of additional affordable housing units in the urbanized portion of the County.

Several reports, studies and articles provide evidence that there is a need for additional housing in the County, especially affordable units. Below is a summary of a few relevant documents, with complete versions of the document attached to this report:

- The U.S. Department of Housing and Urban Development's (HUD) January 2021 Comprehensive Market Analysis indicated that homeownership in the Gainesville area is increasingly expensive, and the affordability of buying a home has trended downward since the early 2010s as home prices have increased at a much faster rate than income has increased. Demand for homes far

outpaces units under construction during the forecast period, as well. Housing affordability for renters during the reporting period in this report indicated that just over 50% of all renter households were either 'cost burdened' or 'severely cost burdened' (based on HUD definitions).

- The City of Gainesville recently commissioned H&A Advisors to prepare a comprehensive study to analyze the causes of and potential strategies to address housing instability and racial inequities. This report provides data related to housing cost burden in the greater Gainesville area. In the report, they include the following findings:
 - Extreme housing cost burden, driven primarily by low incomes, especially for renters, is a key driver of housing instability in Gainesville.
 - New rental housing in Gainesville has disproportionately benefited student renters, and non-student renters live in older, less diverse housing types as a result.
 - Gainesville's median household income is \$37,000. Renters earning <\$35,000 annually experience high rates of housing cost burden.
 - Households earning up to 80% AMI is identified as an area of need for Gainesville.
 - 80% AMI is the recommended standard for inclusionary zoning proposal by HR&A, based on their analysis.

HR&A recommends that the City of Gainesville implement an IZ policy that requires a set-aside of 10% of units affordable to households, all affordable to households earning 80% of AMI.

- The City of Gainesville released a report in 2022 (Affordable Housing Framework for Discussion), which included several relevant facts that underscore the need for affordable housing in the greater Gainesville area, including:
 - HUD defines 'Low Income' as income groups that are below 80% AMI. The Shimberg Center 2019 Rental Market Study states that low income households in Florida pay more than 40% of their income for rent.
 - Alachua County is overall losing the availability of units for rent for \$1,000 or less.
 - Renters of all races earning <\$35K per year experience high rates of housing cost burden, indicating a need for more affordable rental units.
 - Gainesville currently has a shortfall of approximately 15,968 affordable housing units.
 - Lower residential vacancy rates generally correspond with lower average monthly rents, meaning there is less availability of more affordable units.
 - The Florida Housing Coalition prepared an Action Plan for the City of Gainesville in 2020 as a blueprint for affordable housing. The plan identifies the following formula for a community that is successfully addressing housing affordability and notes where Gainesville can make improvements, including "land use planning that is responsive to the need for housing that is affordable." This report analyzed data from existing plans, the Shimberg Center for Housing Studies, and the 2018 American Community Survey to provide an overview of the City's housing needs. The report states the following related to the preponderance of cost-burdened households in our community:
 - *High Incidence of Cost Burden*

When families pay more than 30% of their income towards housing, they are considered "cost burdened." Being cost burdened makes it extremely difficult to save and often means that a single emergency (a broken-down car, a large healthcare bill, the loss of a job, etc.) will leave these families without a home.

In Gainesville, many common, essential jobs for people like police officers, retail workers, and teachers do not pay enough for their workers to afford housing. Low income older adults struggle to pay rental or owner costs in Gainesville. While older adults are, on average, wealthier than younger people, the older adults in Gainesville that are low income are overwhelmingly cost burdened. Cost burdened seniors are more likely to face horrific choices between life-saving healthcare, food, and housing than other groups because they mostly live on fixed incomes. Close to 50% of Gainesville's residents pay more than 30% of their income towards housing. The number of households struggling to pay for housing will continue to increase without changes.

Beyond the documented need for additional affordable housing units in the County referenced in the reports above and included as attachments to this report, there is further justification for the proposed text amendments, including the following:

1. Allows Additional Design Flexibility to Encourage Provision of Affordable Housing Units

The text amendment builds upon the existing County-initiated code language in Sec. 404.20.5, which was introduced in recent history by County staff to allow for the adaptive reuse/conversion of aging motels to multifamily units by providing affordable housing units to serve the low-income community. The amendment would continue to retain the adaptive reuse provisions and expand upon it by also allowing for the complete redevelopment of hotel/motel sites in BH zoning, which will result in increased opportunities for site redevelopment that includes affordable housing.

2. Introduces a Specific Affordable Housing Requirement

The current ULDC language does not include a required affordable housing component. As such, this text amendment will result in more affordable housing units introduced to the market that will serve the community.

The proposed language would require at least 40% of the units proposed to be provided at a maximum of 80% annual median income (AMI), which has been commonly identified in the previously referenced HR&A Report as the recommended standard for provision of affordable housing. In addition, the market has shown an acceptance of this proposed 80% AMI standard through the voluntary inclusion of PD conditions on at least 3 recent multifamily projects approved in the City of Gainesville.

3. Limits Development to Only Certain Commercial Areas

The text amendment is narrowly focused to only apply to commercially zoned properties (specifically, BH zoning), which are all located along major transportation corridors and almost all are located within activity centers, where compatibility with low density residential areas are not typically applicable (BH zoned properties and single family units are not typically adjacent).

4. Parking Reductions are Only Allowed in Core Areas & is Consistent with Market Conditions

The proposed text amendment provides flexibility in the amount of parking provided for certain multi-family development types. Specifically, the proposed multi-family development must be located in BH zoning, located within an Activity Center and within ¼ mile of mass transit service (bus stop). By limiting the areas where parking reductions can be proposed to areas within Activity Centers and within ¼ mile of transit service, it ensures that multi-family development will be located where there is a mix of residential and non-residential uses and transit service, all of which reduce the need for automobiles.

Further, there is evidence that the parking reductions proposed (in limited circumstances, as described above), are consistent with many existing multi-family projects that have been approved, which further provides assurance that the allowable reduction of parking will not create issues with insufficient provision of parking.

The tables below outline the parking calculations for multi-family portions of recently approved TND projects in the County and multi-family / mixed use developments in the City of Gainesville. These are compared to a test case example of a hotel redevelopment in the unincorporated area that to proceed, if the text amendment language is approved.

Table 1 - Test Case / Sample Hotel Site Redevelopment

Project Name	Parking Calculation (Spaces Per Unit & Per Bedroom)
Multi-Family (Test Case / Sample)	126 Spaces / 145 Units / 170 Bedrooms (0.9 spaces per unit/ 0.7 spaces per bedroom)

Table 2 - County Examples (Multi-Family Portion of TND)

Project Name	Parking Calculation (Spaces Per Unit & Per Bedroom)
Park Ave TND	462 Spaces / 298 Units / 523 Bedrooms (1.5 spaces per Unit / 0.8 spaces per Bedroom)*
Mivo TND	479 Spaces / 294 Units / 455 Bedrooms (1.6 space per Unit / 1 space per Bedroom)*
Newberry Park TND (The Noble)	450 Spaces / 300 Units / 494 Bedrooms (1.5 spaces per Unit / 0.9 spaces per Bedroom)*
Springhills TOD SE Quadrant	448 Spaces / 352 Units / 624 Bedrooms (1.3 spaces per Unit / 0.7 spaces per Bedroom)*
<i>*Most parking spaces are on-street and some may also be utilized for non-residential uses.</i>	

Table 3 - City Examples (Multi-Family / Mixed Use Development)

Project Name	Parking Calculation (Spaces Per Unit & Per Bedroom)
Hub 1 (Hub on Campus)	95 Spaces / 109 Units / 411 Bedrooms (0.9 spaces per Unit / 0.2 spaces per Bedroom)
Hub 2 (Hub on Campus)	172 Spaces / 197 Units / 555 Bedrooms (0.9 spaces per Unit / 0.3 spaces per Bedroom)
The Row	67 Spaces / 49 Units /182 Bedrooms (1.4 spaces per Unit/0.4 spaces per Bedroom)
The Viceroy	47 Spaces / 48 Units /132 Bedrooms

	(0.9 spaces per Unit/0.4 spaces per Bedroom)
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Table 4 – Parking Comparison

	Project Name	Parking Calculation (Spaces Per Unit & Per Bedroom)
Test Case / Sample Project	Hotel Site Redevelopment	0.9 per Unit / 0.7 per Bedroom
County Examples	Park Ave TND	1.5 per Unit / 0.8 per Bedroom
	Mivo TND	1.6 per Unit / 1 per Bedroom
	Newberry Park TND (The Noble)	1.5 per Unit / 0.9 per Bedroom
	Springhills SE Quad	1.3 per Unit / 0.7 per Bedroom
City Examples	Hub 1 (Hub on Campus)	0.9 per Unit / 0.2 per Bedroom
	Hub 2 (Hub on Campus)	0.9 per Unit / 0.3 per Bedroom
	The Row	1.4 per Unit / 0.4 per Bedroom
	The Viceroy	0.9 per Unit / 0.4 per Bedroom

Average County Project	1.4 per Unit / 0.8 per Bedroom
Average City Project	1 per Unit / 0.3 per Bedroom
Test Case / Sample Project	0.9 per Unit / 0.7 per Bedroom

As indicated in the tables above, the parking calculations for similar existing projects in the County and City are comparable to the test case / sample project that could result from the proposed text amendment allowances for reduced parking. These projects are existing (with the exception of Mivo TND, which has not yet been constructed) and all have demonstrated that adequate parking is available to serve the project. Further, the proposed text requirement for projects with reduced parking be located within Activity Centers with mass transit service will also result in reduced parking demand, similar to the conditions found in the example projects.

(2) *The consistency of the proposed amendment with the Comprehensive Plan; and*

Consistency: As required in Sec. 402.37, the BoCC must make a finding that the text amendment is consistent with the Comprehensive Plan. The proposed ULDC text amendment is consistent with the Alachua County Comprehensive Plan. See ‘Comprehensive Plan Consistency’ section of this report.

(3) *Whether the proposed change shall further the purposes of this ULDC and other County codes, regulations, and actions designed to implement the Comprehensive Plan.*

Consistency: For the reasons indicated throughout this report, the proposed text amendment will result in increased opportunities to bring forward affordable housing units to help serve the unmet need in the community, in locations that are appropriate for such development.

Sec. 402.05 (Development Application Forms), subsection (a)(16) also requires that applications address the following:

(16) An evaluation of the impacts of proposed Comprehensive Plan or land development regulation amendments on the initial cost of housing, the long-term cost of home ownership and the fiscal impacts to the County and the County's taxpayers, if applicable;

Consistency: The proposed ULDC text amendment is narrowly focused on limited use standards for development of multi-family housing within the BH zoning district. However, this amendment will provide more flexibility and ability to redevelop properties in the urban area with multi-family units that will be added to the available housing stock for the citizens of Alachua County. By nature, multi-family units are predominantly rental in nature and therefore, there should be no impact on the cost of home ownership. However, the provision of additional units for rent will aid in the placement of households in residential units and reduce the unmet need incrementally. There will not be a negative fiscal impact to the County or its taxpayers and rather, the redevelopment and reinvestment that comes with new construction will likely increase taxable valuable of the property and the subsequent tax revenue that comes with it.

CONSISTENCY WITH COMPREHENSIVE PLAN

As required in Sec. 402.37, the BoCC must make a finding that the text amendment is consistent with the Comprehensive Plan. The proposed ULDC text amendment is consistent with the Alachua County Comprehensive Plan. The proposed text amendment will create additional opportunities for provision of affordable housing in the County. The following Comprehensive Plan policies support the provision of affordable housing and as such, support the intent of the proposed text amendment:

Housing Element

Policy 1.1.1 Alachua County shall, through the policies in the Future Land Use Element, provide areas for residential development which would be suitable for the development of affordable housing. These areas shall take into account the availability of infrastructure and land, the accessibility to employment and services, the proximity to shopping, daycare facilities, transit corridors, and the promotion of infill opportunities.

Consistency: The proposed ULDC amendment will support the intent of this Policy by allowing the Board of County Commissioners to approve new text language that will provide areas for residential development which are suitable for development of affordable housing. Affordable housing is appropriate in urban areas with urban services available, including access to transit. The ULDC code language includes incentives to provide such housing in BH zoned areas and activity centers, which are proximate to shopping, daycare facilities, transit corridors and redevelopment/infill opportunities.

Policy 1.1.4 It is and shall be the policy of the Board of County Commissioners to promote the dispersion of newly built affordable housing units within developments throughout the entire County. This should include areas which are proximate to schools, shopping, employment centers, daycare facilities, and transit corridors.

Consistency: The proposed ULDC amendment with support the intent of this Policy by allowing the Board of County Commissioners to approve new text language that will promote the dispersion of newly building affordable housing units, including areas proximate to shopping, employment centers and transit corridors. The language includes incentives to provide such housing in BH zoned areas and activity centers with access to transit service.

Policy 1.2.1 *Alachua County shall provide incentives in the land development regulations for residential development at the maximum allowable density.*

Consistency: The proposed ULDC amendment has the intent to provide incentives to provide affordable housing units by providing a de-facto density bonus (conversion of hotel/motel units to residential units at a 200% rate, provided affordable units are included), which supports this policy, specifically Policy 1.2.2(d).

Policy 1.2.2 *Alachua County shall provide incentives in the land development regulations for the development and redevelopment of affordable housing. These incentives may include but are not limited to:*

- (a) *fee relief;*
- (b) *provisions for expedited development review, approval, and permitting processes;*
- (c) *special provisions for reservation of infrastructure capacity for concurrency;*
- (d) *density bonuses;*
- (e) *provisions for reduced lot sizes and modification of setback requirements; and*
- (f) *grants and other financial incentives.*

Consistency: The proposed ULDC amendment has the intent to provide incentives to provide affordable housing units by providing a de-facto density bonus (conversion of hotel/motel units to residential units at a 200% rate), which supports this policy, specifically Policy 1.2.2(d).

Policy 1.2.4 *Alachua County shall periodically review and evaluate its zoning and other regulations to ensure that requirements are reasonable and do not unduly limit opportunities for lower income groups to secure housing in desirable locations, consistent with the health, safety, and welfare of the public.*

Consistency: The review and consideration of the ULDC amendment is one example of how the County can periodically review and evaluate its regulations in relation to reducing limits on opportunities to provide affordable housing for lower income groups in the County in desirable locations with urban services available. The approval of this proposed amendment will support this policy.

The COVID-19 pandemic has resulted in unprecedented large and rapid changes in many data series, and similarly unprecedented large policy responses, making analysis of, and longer run predictions for, the economy and housing markets exceptionally difficult and uncertain. HUD will continue to monitor market conditions in the HMA and provide an updated report/addendum in the future.

COMPREHENSIVE HOUSING MARKET ANALYSIS

Gainesville, Florida

U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

As of January 1, 2021



Share on:   



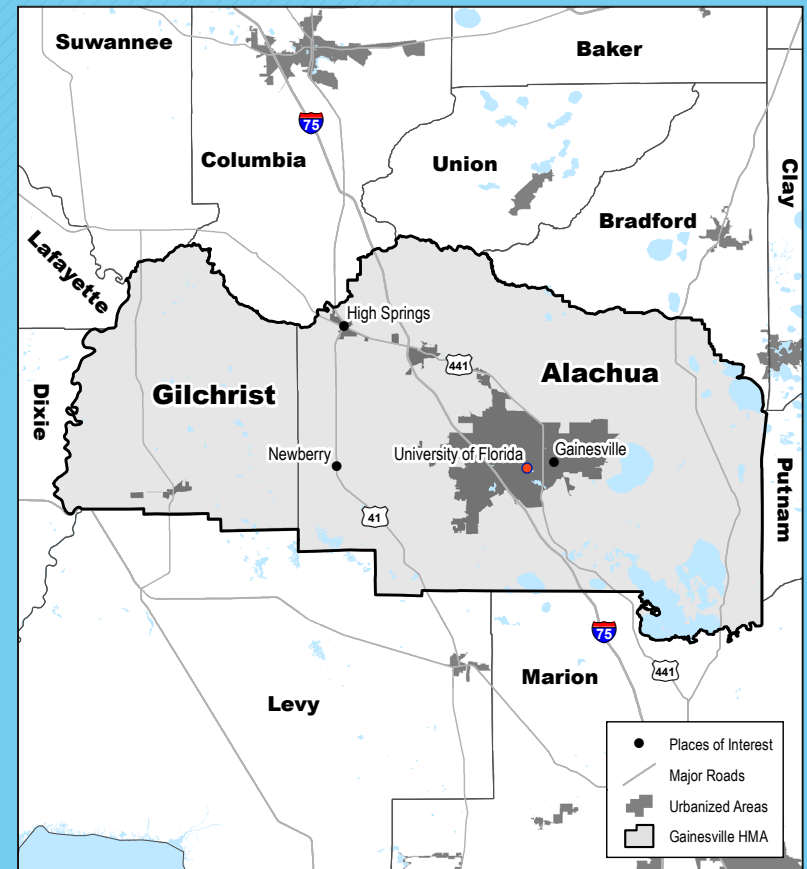
Executive Summary

Housing Market Area Description

The Gainesville Housing Market Area (HMA) is coterminous with the Metropolitan Statistical Area of the same name, including Alachua and Gilchrist Counties.

The population is currently estimated at 290,600.

The HMA is in northern central Florida and is home to the University of Florida (UF) and UF Health. The presence of the university supports high-tech jobs, and tourists are attracted to the HMA for its museums, performing arts, natural spring waters, and more than 200 miles of walking trails.



Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's [Market-at-a-Glance tool](#). Additional data for the HMA can be found in this report's [supplemental tables](#). For information on HUD-supported activity in this area, see the [Community Assessment Reporting Tool](#).



Market Qualifiers

Economy



Weak: During 2020, nonfarm payrolls decreased 3.6 percent, following more than 8 years of job gains

Nonfarm payrolls increased by an average of 2,700 jobs, or 2.0 percent, a year from 2012 through 2019, before declining by 5,400 jobs, or 3.6 percent, to 142,600 jobs in 2020. Job losses during the recent year were concentrated in the second quarter of 2020 as a result of actions taken to slow the spread of COVID-19. By comparison, 2,400 jobs, or 1.6 percent, were added in 2019. During 2020, job losses were greatest in the leisure and hospitality sector, which declined by 2,600 jobs, or 16.1 percent. During the 3-year forecast period, nonfarm payroll growth is expected to average 1.6 percent annually as jobs lost during the pandemic are regained.

Sales Market



Balanced: New and existing home sales decreased 2 percent during 2020.

The sales housing market has an estimated 1.5-percent vacancy rate, down from a 3.1-percent rate in 2010. During 2020, existing home sales decreased 4 percent, whereas the average existing home sales price was up 8 percent from a year earlier, to \$226,700 (Zonda). During the next 3 years, demand is expected for 2,475 new homes; the 840 homes currently under construction are expected to meet part of the demand during the first year of the forecast period.

Rental Market



Balanced: During the fourth quarter of 2020, the average apartment rent increased 1 percent from a year earlier to \$1,013 a month.

The rental housing market in the HMA had an overall estimated vacancy rate of 11.8 percent, down from 12.4 percent in April 2010. Apartment market conditions are slightly tight, with a 3.2-percent vacancy rate during the fourth quarter of 2020, compared with a 2.5-percent rate a year earlier (Moody's Analytics REIS). During the forecast period, demand is expected for 1,775 new rental units. The 1,625 units currently under construction are expected to satisfy most of the demand during the forecast period.

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3-Year Housing Demand Forecast

	Sales Units	Rental Units
Gainesville HMA	Total Demand	2,475
	Under Construction	840

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of January 1, 2021. The forecast period is January 1, 2021, to January 1, 2024.
Source: Estimates by the analyst



Economic Conditions

Largest sector: Government

The government sector represents 30 percent of the payrolls in the Gainesville HMA.

Primary Local Economic Factors

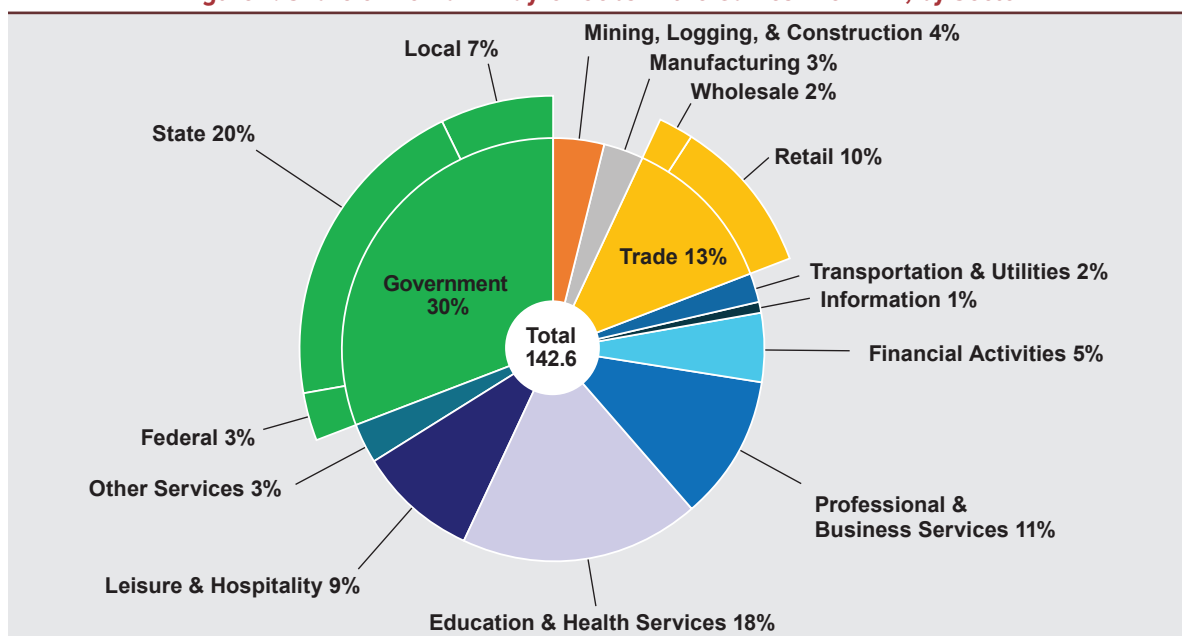
The Gainesville HMA is supported by UF, the largest employer in the HMA and a state-funded institution with 31,500 employees (Table 1) that enrolls more than 50,000 students a year. The state government subsector accounts for 20 percent of all jobs in the HMA (Figure 1) and includes UF. Students, faculty, and graduates of UF, along with research centers at the university, support creating high-tech jobs in the HMA. The UF Innovation District is a mixed-use community of offices, luxury apartments, and entertainment venues between UF and downtown Gainesville. Collaboration between UF and companies in the Innovation District bolsters payrolls in the HMA, including jobs in the transportation and utilities sector, which nearly doubled from 2001 through 2019, and in the professional and business services sector, which increased by an average of 300 jobs, or 2.1 percent, during the same period (Figure 2). At the Innovation District, Kimley-Horn, a consulting company, has hired 120 UF graduates since 2013. In addition to the importance of UF, tourism strengthens the local economy, and the leisure and hospitality sector accounts for 9 percent of payrolls in the Gainesville HMA. Before the

Table 1. Major Employers in the Gainesville HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
University of Florida	Government	31,500
University of Florida Health	Education & Health Services	12,950
Malcom Randall Department of Veterans Affairs Medical Center	Government	6,125
North Florida Regional Medical Center	Education & Health Services	1,950
Gator Dining Services	Leisure & Hospitality	1,200
Nationwide Mutual Insurance Company	Professional & Business Services	1,325
Sante Fe College	Government	900
Walmart Inc.	Wholesale & Retail Trade	900
Publix Super Markets, Inc.	Wholesale & Retail Trade	750
RTI Surgical Inc.	Manufacturing	550

Note: Excludes local school districts.
Source: Greater Gainesville Chamber of Commerce

Figure 1. Share of Nonfarm Payroll Jobs in the Gainesville HMA, by Sector



Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Percentage of retail and wholesale do not add up to total trade sector due to rounding. Based on 12-month averages through December 2020.
Source: U.S. Bureau of Labor Statistics



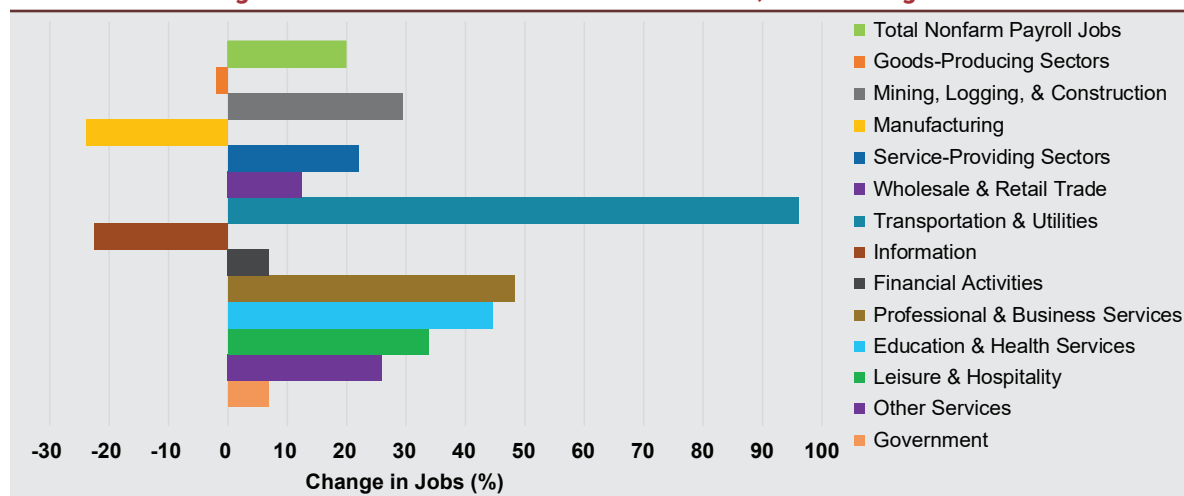
pandemic, during 2019, this sector accounted for 11 percent of payrolls in the HMA. Tourists are attracted to the HMA to enjoy unspoiled wetlands and fresh springs, UF Gators football, and university museums and galleries. Visitors to UF Health come from throughout the northern Florida region for the highly rated healthcare.

Current Conditions—Impacts of COVID-19

Nonfarm Payrolls

During 2020, nonfarm payrolls in the Gainesville HMA decreased by 5,400 jobs, or 3.6 percent (Table 2). By comparison, during 2020, nonfarm payrolls in the state and nation decreased 4.3 and 5.8 percent, respectively. In the HMA, the mining, logging, and construction sector increased by 100 jobs, or 1.6 percent. Some of the sector gain can be attributed to the recent increase in homebuilding, the construction of the new baseball field at UF that was finished in October of 2020, and the three-story tower at North Florida Regional Medical Center that was completed in November 2020. However, most nonfarm payroll sectors in the HMA lost jobs during 2020. The largest decline was in the leisure and hospitality sector, which lost 2,600 jobs, or 16.1 percent. COVID-19 was declared a pandemic by the World Health Organization on March 11, 2020. The state of Florida issued a shelter-in-place order beginning on April 3, 2020. Among other restrictions, the order resulted in the closure of all schools, restaurant dining rooms, barbershops and

Figure 2. Sector Growth in the Gainesville HMA, 2001 Through 2019



Note: The current date is January 1, 2021.
Source: U.S. Bureau of Labor Statistics

Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Gainesville HMA, by Sector

	12 Months Ending December 2019	12 Months Ending December 2020	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	148.0	142.6	-5.4	-3.6
Goods-Producing Sectors	10.9	11.0	0.1	0.9
Mining, Logging, & Construction	6.1	6.2	0.1	1.6
Manufacturing	4.8	4.8	0.0	0.0
Service-Providing Sectors	137.1	131.6	-5.5	-4.0
Wholesale & Retail Trade	18.0	17.9	-0.1	-0.6
Transportation & Utilities	3.3	3.3	0.0	0.0
Information	1.8	1.7	-0.1	-5.6
Financial Activities	6.8	6.7	-0.1	-1.5
Professional & Business Services	15.3	15.4	0.1	0.7
Education & Health Services	27.5	26.3	-1.2	-4.4
Leisure & Hospitality	16.1	13.5	-2.6	-16.1
Other Services	4.4	4.2	-0.2	-4.5
Government	44.0	42.9	-1.1	-2.5

Notes: Based on 12-month averages through December 2019 and December 2020. Numbers may not add to totals due to rounding. Data are in thousands.
Source: U.S. Bureau of Labor Statistics

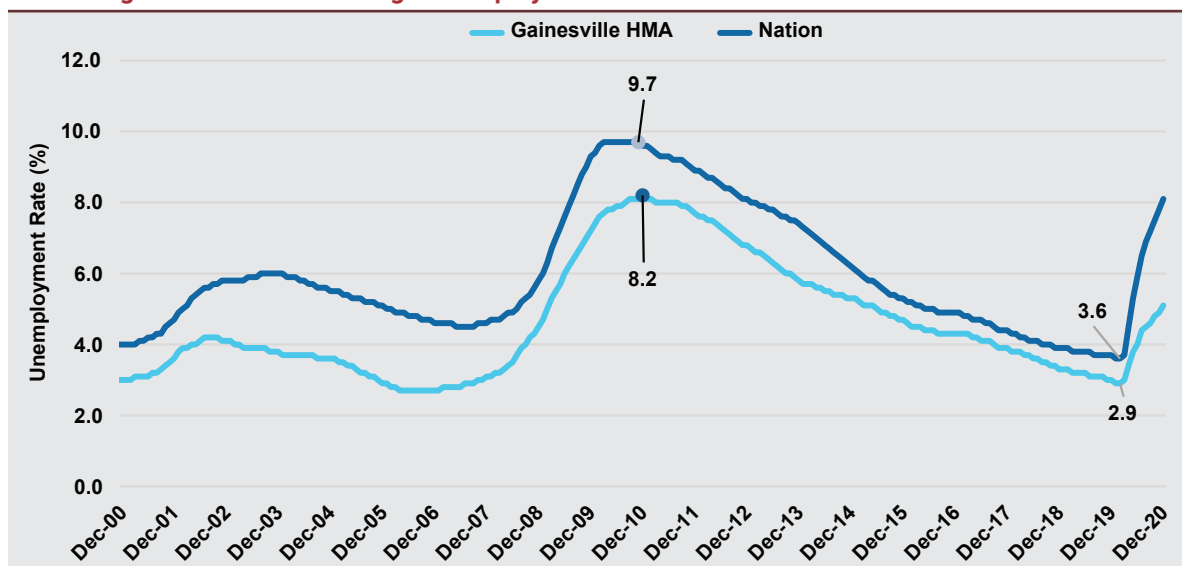


salons, bars, and gyms in the state; the order also required that all businesses deemed nonessential must limit their activity to minimum basic operations. Although the order was relaxed in late April, many businesses had significantly lower sales as commerce slowed due to the unwillingness of consumers to return to pre-pandemic behaviors. From February to April 2020, nonfarm payrolls declined by 18,600 jobs, or 12 percent. As of January 1, 2021, 10,900 jobs had been regained, representing 59 percent of jobs lost. Currently, nonfarm payrolls are still 5 percent below the February 2020 level (not seasonally adjusted).

Unemployment

After the unemployment rate in the HMA peaked at 8.2 percent during 2010, the rate declined to a low of 2.9 percent during the 12 months ending February 2020 (Figure 3). As a result of the efforts used to contain the spread of COVID-19, the unemployment rate increased to 5.1 percent during 2020, up from 3.0 percent a year earlier. The rate in the HMA has been consistently below the national rate, which increased from a low of 3.6 percent during the 12 months ending February 2020 to the current rate of 8.1 percent. The national rate peaked during the 12 months ending November 2010 at 9.7 percent.

Figure 3. 12-Month Average Unemployment Rate in the Gainesville HMA and the Nation



Note: Based on the 12-month moving average.
Source: U.S. Bureau of Labor Statistics

Economic Periods of Significance

2001 through 2008

The economy expanded by an average of 1,400 jobs, or 1.1 percent, annually from 2003 through 2008, following a period of relatively flat nonfarm payroll growth during 2001 and 2002 (Figure 4). The leisure and hospitality, the professional and business services, and the education and health services sectors led the growth from 2003 through 2008, adding an average of 400, 300, and 300 jobs, or 3.0, 3.3, and 1.5 percent, a year, respectively. In 2007 and 2008, Walmart Inc. and Sysco Corporation added facilities in the warehouse and distribution hub located between Interstate 75 and U.S. Route 41 in northern Alachua County, adding 600 and 150 jobs, respectively.



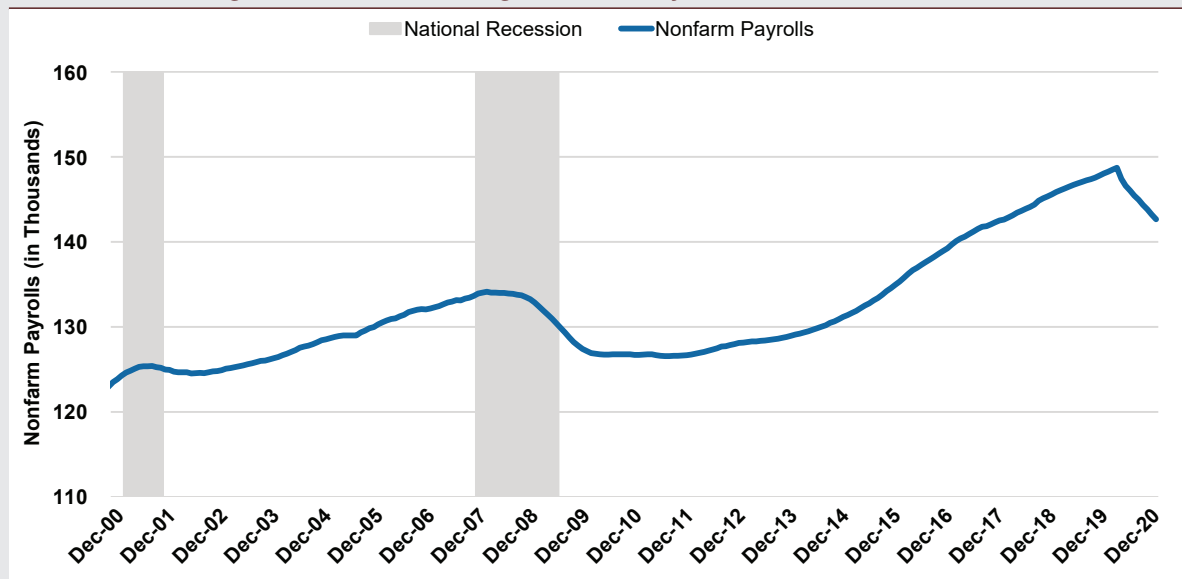
2009 through 2011

In the wake of the Great Recession (which lasted nationally from December 2007 through June 2009), nonfarm payrolls in the HMA declined by an average of 2,200 jobs, or 1.7 percent, annually from 2009 through 2011. The largest annual losses in the HMA were in the goods-producing sectors. The mining, logging, and construction sector decreased by an average of 600 jobs, or 11.9 percent, a year, and the manufacturing sector declined by an average of 400 jobs, or 7.7 percent, annually. Losses in the construction industry can be attributed to the sudden drop in homebuilding from 2009 through 2011. In 2011, the Coca-Cola Company laid off 87 employees in High Springs, and Georgia-Pacific eliminated 400 jobs.

2012 through 2015

The local economy began a modest recovery in 2012. Nonfarm payrolls rose an average of 2,100 jobs, or 1.6 percent, a year from 2012 through 2015. The education and health services and the professional and business services sectors led the growth, increasing by an average of 500 jobs, or 2.0 and 4.5 percent, respectively. UF Health expanded its pediatric cardiac intensive care unit and opened UF Health Congenital Heart Center in 2014. These developments, along with the construction of the \$46 million UF education building in 2015, contributed to gains in the mining, logging, and construction sector, which added an average of 200 jobs, or 4.8 percent, annually from 2012 through 2015.

Figure 4. 12-Month Average Nonfarm Payrolls in the Gainesville HMA



Note: 12-month moving average.
Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

2016 through 2019

Nonfarm payroll growth in the Gainesville HMA accelerated from 2016 through 2019, increasing by an average of 3,300 jobs, or 2.3 percent, annually. During 2015, nonfarm payrolls exceeded the 2008 high. Although the rate of growth in the HMA during this period was stronger compared with previous periods, it was slower than the average growth of 2.4 percent for the nation and 3.5 percent for Florida. Again, the education and health services and the professional and business services sectors led the growth, increasing by respective averages of 800 and 600 jobs, or 3.2 and 4.4 percent, annually. Payrolls in the transportation and utilities sector increased by an average of 100 jobs, or 4.2 percent, annually from 2016 through 2019. Optym, an automation transportation and logistics company, opened its headquarters in the Innovation District in 2017 and added 155 employees. Amazon.com, Inc. opened a distribution center in 2018 in northern Gainesville, which added 100 employees. The mining, logging, and construction sector had the largest average annual percentage increase from 2016 through 2019, up 6.7 percent, or by an average of 400 jobs. Some of these gains can be attributed to an increase in homebuilding as well as UF Health construction projects during this period.



Economic Sectors of Significance

State Government Subsector

Payrolls in the state government subsector represent nearly two-thirds of the government sector, which is the largest sector in the HMA, comprising 30 percent of all payrolls. The state subsector decreased by 1,000 jobs, or 3.5 percent, during 2020. This is compared with a gain of 200 jobs, or 0.6 percent, during 2019. The state government subsector includes UF, with an annual statewide economic impact estimated at \$10.4 billion for the 2017–2018 fiscal year (UF Economic Impact Analysis, 2018). Employment at UF rose from 29,600 full- and part-time employees during the fall of 2015 to nearly 31,500 employees in the fall of 2019, an average annual increase of 480 employees, or 1.6 percent. During the same period, UF enrollment increased by an average of 1,000 students annually. Approximately 57,850 students were enrolled at UF in the fall of 2020, up from 56,550 a year earlier. The university has been gaining in popularity and was ranked sixth-best public university in the nation by *U.S. News and World Report* in 2020.

Education and Health Services

The education and health services sector is the second largest sector in the Gainesville HMA and currently accounts for 26,300 jobs, or 18 percent of total nonfarm payrolls. During 2020, payrolls in the sector decreased by 1,200 jobs, or 4.4 percent, compared with a gain of 1,100 jobs, or 4.0 percent, during 2019. The education and health services sector has added jobs nearly every year since

Employment Forecast

During the 3-year forecast period, nonfarm payrolls are expected to increase an average of 1.6 percent annually, with most sectors expected to add jobs. Job growth is expected to continue in the education and health services sector. North Florida Regional Medical Center, just east of Interstate 75 in Gainesville, expects to expand its workforce at the newly completed South Tower by more than

2001, increasing by an average of 400 jobs, or 1.8 percent, annually from 2001 through 2018. In December 2017, UF Health opened the UF Health and Vascular Hospital and UF Health Neuromedicine Hospital, which added 216 new rooms at the cost of \$415 million. A new North Florida Regional Medical Center freestanding emergency facility also opened in Gainesville in 2017—one of four emergency facilities added to the Gainesville HMA since 2015—adding 45 jobs.

Leisure and Hospitality

The leisure and hospitality sector increased by an average of 300 jobs, or 2.2 percent, from 2011 through 2019. During the past year, however, the leisure and hospitality sector declined by 2,600 jobs, or 16.1 percent, because travel slowed amid efforts to limit the spread of COVID-19. Tourists are attracted to the sporting events, museums and art galleries at UF, the wetlands, and the natural springs in the northern part of the HMA. In 2019, visitors to Alachua County spent an estimated \$841 million (Alachua County Visitor and Convention Bureau). Some of these visitors attended UF Gators football games. In 2019, the average Gators game filled more than 96 percent of the nearly 89,000 seats at Ben Hill Griffin Stadium, the largest football stadium in Florida. Visitors also come to the HMA to access the UF Health Shands Hospital, which was tied with the Mayo Clinic as the best ranked hospital in Florida by *U.S. News and World Report* in 2020. Hotel Eleo, a \$32 million, 173-room boutique hotel, opened in the summer of 2020 on the UF campus to accommodate patients and other university visitors. Six hotels were completed in the HMA from 2016 through the current date, adding approximately 770 rooms.

250 jobs during 2021. The mining, logging, and construction sector is expected to continue to grow partly because construction of a new \$85 million football complex at UF began in late 2020 and is expected to be completed in the winter of 2021.



Population and Households

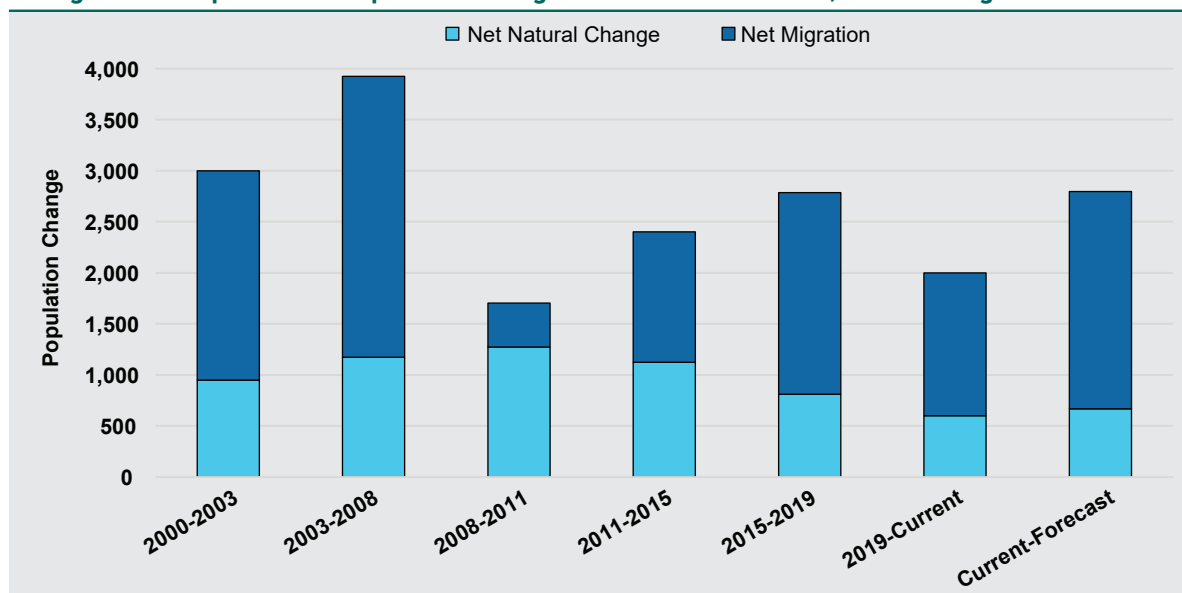
Current population: 290,600

Population growth since 2010 has been weaker than during the previous decade because net in-migration and net natural increase have slowed.

Population Trends

Population growth has generally followed economic trends in the HMA because net in-migration accompanied job gains. During the early-to-mid 2000s, when the economy expanded, the population growth rate rose from an average of 1.3 percent, or 2,975 people, annually from 2000 to 2003 to an average of 1.6 percent, or 3,925 people, annually from 2003 to 2008 (Census Bureau decennial census counts and population estimates as of July 1; Figure 5). Net in-migration increased from an average of 2,025 in the early 2000s to 2,750 a year from 2003 to 2008, and net natural change increased from an average of 950 to 1,175 a year. Population growth slowed during the economic downturn to an average of 1,725 people, or 0.7 percent, from 2008 to 2011, and net in-migration declined to 450 people a year, but net natural change increased to an average of 1,275 people. When the economy began expanding, net in-migration averaged 1,275 people a year,

Figure 5. Components of Population Change in the Gainesville HMA, 2000 Through the Forecast



Notes: Net natural change and net migration totals are average annual totals over the time period. The forecast period is from the current date (January 1, 2021) to January 1, 2024.

Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

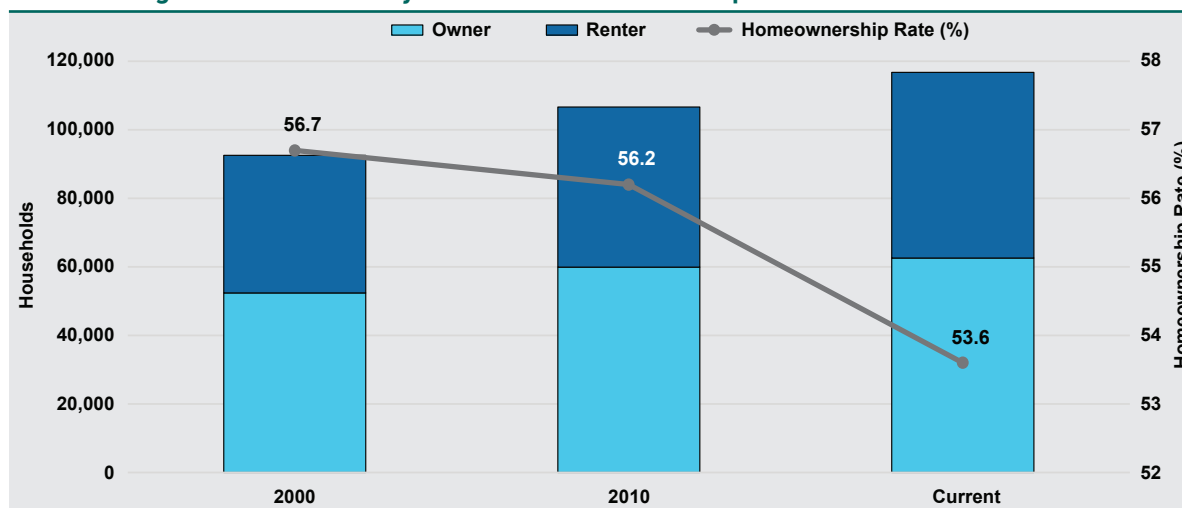
which offset a slowdown in net natural change to an average of 1,125 people, resulting in moderate population growth of 2,400 people, or 0.9 percent, annually from 2011 to 2015. As the expansion accelerated, from 2015 to 2019, net in-migration increased to an average of 2,000 people a year, and net natural change slowed further to an average of 800 people a year; population increased by an average of 2,800 people, or 1.0 percent, annually. Despite strengthening economic conditions, the rate of population growth since 2010 was slower than during the previous decade; this was due to a reduction in both net in-migration and net natural increase, which averaged 1,525 and 990 a year, respectively, from 2010 to 2019, compared with 2,225 and 1,125 a year, respectively, from 2000 to 2009. UF students represent nearly 20 percent of the population in the HMA as of January 1, 2021, slightly higher than the 19-percent student portion of the population in 2010. UF enrollment has grown an average of 1.4 percent annually since 2010 compared with 0.9 percent for the overall population.



Household Trends

As of January 1, 2021, the number of households is estimated at 116,700 (Figure 6). Similar to population growth, household growth has slowed since 2010, averaging 930, or 0.8 percent, annually, compared with an average annual increase of 1,400, or 1.4 percent, from 2000 to 2010. During the 2000s, the homeownership rate declined slightly from 56.7 percent in 2000 to 56.2 percent in 2010. From 2010 to the current date, the homeownership rate has declined to 53.6 percent. Only 27 percent of the growth in households has been attributed to owner households since 2010, compared with 53 percent of growth from 2000 to 2010. On the other hand, renter household formation has continued at a similar pace since 2010, averaging 1.4 percent, or 690 households, annually, compared with an average annual increase of 1.5 percent, or 660 households, during the 2000-to-2010 period. Some of the new renter households in the HMA were students. At UF, approximately 11,550 students live on campus (UF Housing). Most of the remaining 46,250 students live nearby in privately-owned apartments and homes, representing approximately 15,400 households, or approximately 13 percent of total households in the HMA and 28 percent of renter households. Since 2010, approximately 600 beds have been added to the UF dormitory inventory, whereas enrollment has increased by more than 7,000 students.

Figure 6. Households by Tenure and Homeownership Rate in the Gainesville HMA



Note: The current date is January 1, 2021.
Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by the analyst

Forecast

During the next 3 years, the Gainesville HMA population is expected to increase by an average of 2,800, or 1.0 percent, annually to 299,000, slightly higher than the population growth rate since 2010 (Table 3). Net in-migration of 2,125 people is expected annually, and net natural increase is estimated to slow slightly to 675 people a year. The HMA will continue to attract new residents due to added payrolls and increased student enrollment because of the high ranking of the university. The number of households in the HMA is expected to increase at a slightly slower rate of 1,125, or 0.9 percent, a year to 120,000 by the end of the forecast. Slower household growth is expected partly because students tend to form larger households. More than 40 percent of the new households in the HMA are expected to be renter households.

Table 3. Gainesville HMA Population and Household Quick Facts

	2010	Current	Forecast	
Population Quick Facts	Population	264,275	290,600	299,000
	Average Annual Change	3,200	2,450	2,800
	Percentage Change	1.3	0.9	1.0
	2010	Current	Forecast	
Household Quick Facts	Households	106,637	116,700	120,000
	Average Annual Change	1,400	930	1,125
	Percentage Change	1.4	0.8	0.9

Notes: Average annual changes and percentage changes are based on averages from 2000 to 2010, 2010 to current, and current to forecast. The forecast period is from the current date (January 1, 2021) to January 1, 2024.

Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by the analyst



Home Sales Market

Market Conditions: Balanced

Total home sales are currently at approximately two-thirds of the 2006 pre-Great Recession peak.

Recent Conditions

The sales housing market in the Gainesville HMA is currently balanced, with an estimated vacancy rate of 1.5 percent (Table 4), down from 3.1 percent in April 2010 when conditions were soft. Approximately 5,325 new and existing homes sold during 2020.

Approximately 17 percent of the homes sold ranged in price from \$150,000 to \$199,000 (Figure 7).

The inventory of active home listings during December 2020 averaged 1.6 months of supply, down from 2.6 months of supply during December 2019 (Gainesville-Alachua County Association of Realtors®). The sales market has tightened considerably compared with the recent high of December 2012 when the average months of supply of homes was 7.8 months.

Existing Home Sales

Existing home sales have generally increased in the Gainesville HMA since a low of approximately 2,150 homes sold during 2009 (Zonda). Existing home sales declined an average of 26 percent annually from 2007 through 2009, when the economy was weak, and population growth and the demand for

Table 4. Home Sales Quick Facts in the Gainesville HMA

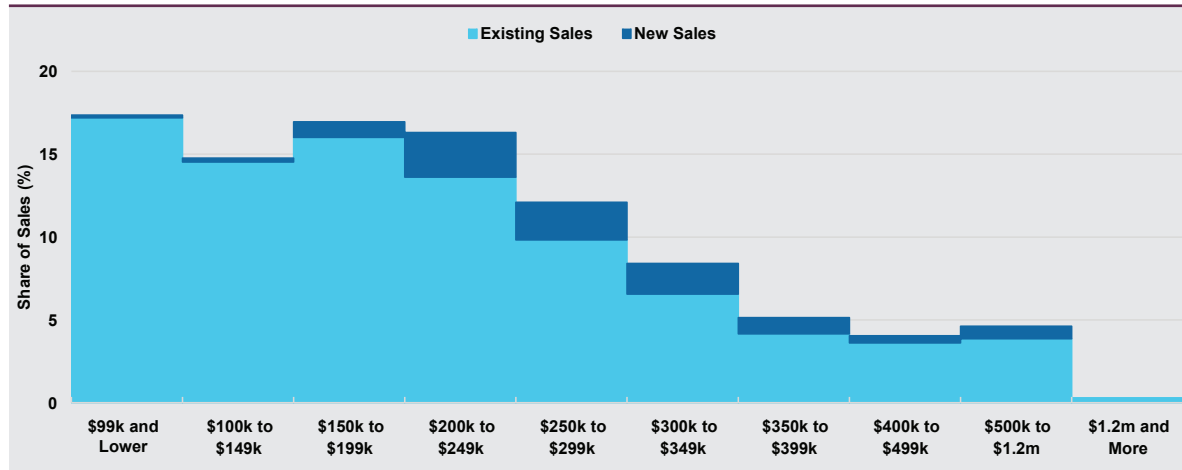
Home Sales Quick Facts	Gainesville HMA	Nation
	Vacancy Rate	1.5%
Months of Inventory	1.6	2.3
Total Home Sales	5,325	6,212,000
1-Year Change	-2%	-4%
New Home Sales Price	\$305,500	\$387,800
1-Year Change	0%	1%
Existing Home Sales Price	\$226,700	\$324,700
1-Year Change	8%	12%
Mortgage Delinquency Rate	3.7%	4.0%

NA = data not available.

Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending December 2020; and months of inventory and mortgage delinquency data are as of December 2020. The current date is January 1, 2021.

Sources: Vacancy rate estimate by analyst; CoreLogic, Inc.; Zonda; Gainesville-Alachua County Association of Realtors®

Figure 7. Share of Sales by Price Range During the 12 Months Ending December 2020 in the Gainesville HMA



Note: New and existing sales include single-family homes, townhomes, and condominium units.

Source: Zonda



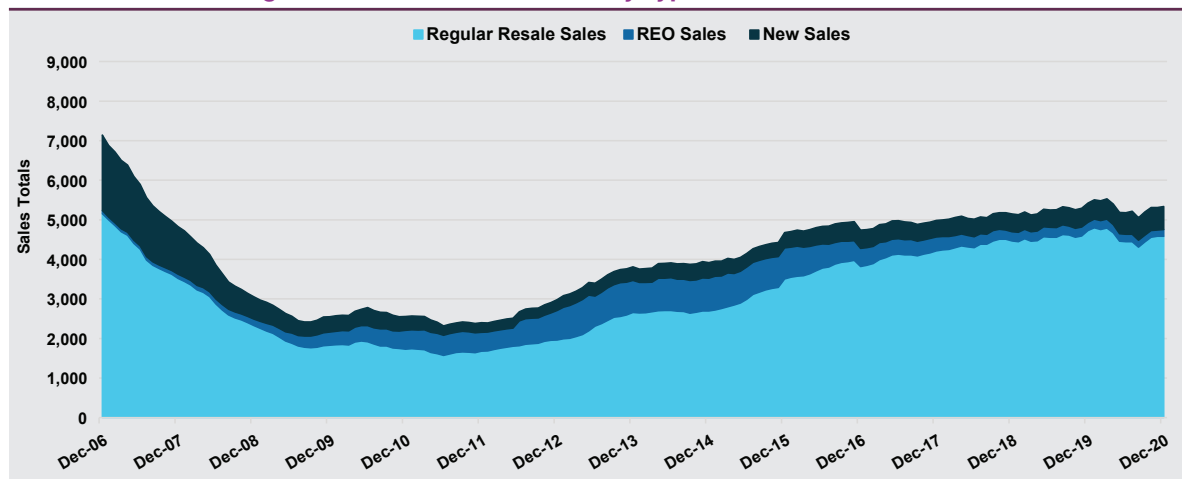
homes slowed. From 2010 through 2013, existing home sales increased rapidly, averaging gains of 13 percent annually, to 3,475 homes during 2013, while net in-migration began to increase because the economy was improving. From 2014 through 2019, the economy improved, and existing home sales rose an average of 6 percent a year to 4,950 homes sold during 2019. During 2020, approximately 4,750 homes sold, down 4 percent from a year earlier due to the effects of COVID-19.

Real estate owned (REO) sales accounted for less than 2 percent of existing home sales in the Gainesville HMA in 2006 but increased to a high of 28 percent in 2012. While the economy strengthened, REO sales fell 17 percent a year from 2013 to 2020 and accounted for 4 percent of existing sales in December 2020. This downward trend is similar to the trend in REO sales for the nation, which accounted for a high of more than 27 percent of existing sales in January 2009 and decreased to slightly more than 3 percent of existing sales in December 2020.

New Home Sales

Trends in new home sales in the Gainesville HMA followed the overall trends in the economy, with sales growth accelerating with job growth. From 2007 through 2011, new home sales fell an average of 34 percent a year, decreasing from 1,900 homes in 2006 to a low of 240 homes in 2011 (Figure 8). As the economy began to recover after the Great Recession in 2012 and 2013, new home sales rose

Figure 8. 12-Month Sales Totals by Type in the Gainesville HMA



REO = real estate owned.
Source: Zonda

an average of 20 percent annually to reach 340 homes sold in 2013. Sales of new homes continued to increase from 2014 through 2019, gaining 6 percent annually because the economy continued to expand. New home sales increased 21 percent in 2020 to 590 homes, partly because buyers were more comfortable touring vacant homes during the pandemic.

Home Sales Prices

During 2020, the average price of an existing home was \$226,700, up 8 percent from a year earlier. The price was 7 percent above the pre-recession peak of \$211,200 in August 2007. From 2008 through 2012, when the local economy slowed and contracted, the average existing home sales price declined 7 percent annually, to \$144,400 in 2012, before rebounding 10 percent during 2013 to \$158,300. From 2014 through 2019, prices for existing homes increased at a moderate pace, rising an average of 5 percent annually to \$210,400 in 2019.

The average price for new homes exceeded the 2007 pre-recession high of \$236,400 in September 2014. Before the recession, the average price of a new home rose 12 percent during 2007 before falling an average of 7 percent annually from 2008 through 2010 (Figure 9). With a stronger economy, prices rose an average of 6 percent a year from 2011 through 2014. From 2015 through 2020, new home sales price growth moderated, increasing an average of 4 percent a year to \$305,500 in 2020.

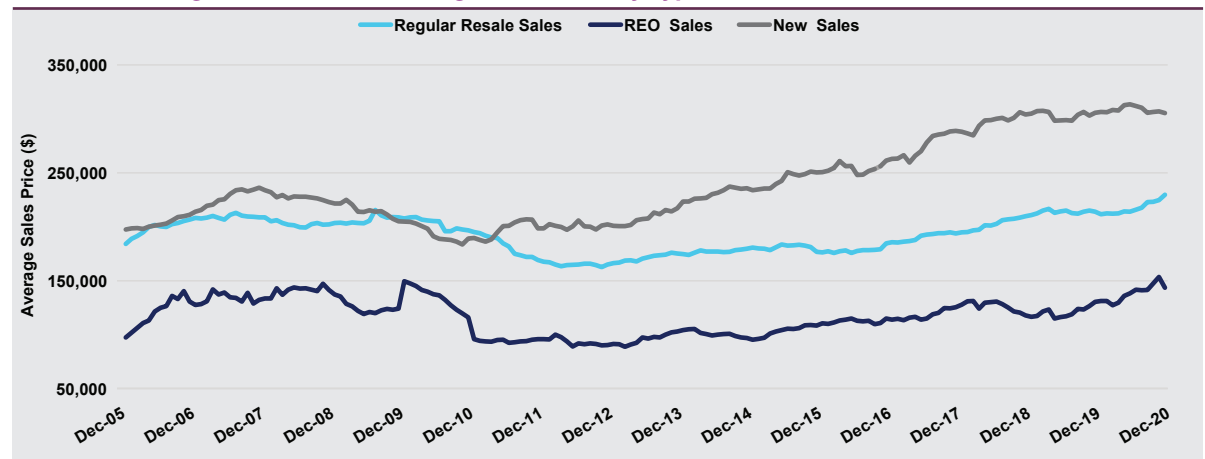
Seriously Delinquent Mortgages

The rate of home loans that were seriously delinquent or had transitioned into REO status in the HMA has increased recently due to pandemic-related job losses. During December 2020, the rate was 3.7 percent in the HMA, up from 1.5 percent a year earlier, but still well below the peak of 9.3 percent in mid-2012 (CoreLogic, Inc.). This increase is due to the approximately 960 mortgages in the HMA that were 90 or more days past due in December 2020, more than two and one-half times the number in December 2019. Despite the recent increase in mortgage delinquencies, the forbearance plans for federally backed mortgages in the Coronavirus Aid, Relief, and Economic Security (CARES) Act have allowed homeowners to avoid foreclosure. Foreclosures fell by nearly 40 percent since December 2019, and REOs have fallen by more than one-half. By comparison, the rate for the nation was 4.0 percent in December 2020, up from 1.4 percent in December 2019 and below the peak of 8.6 percent in early 2010.

Sales Permit Activity

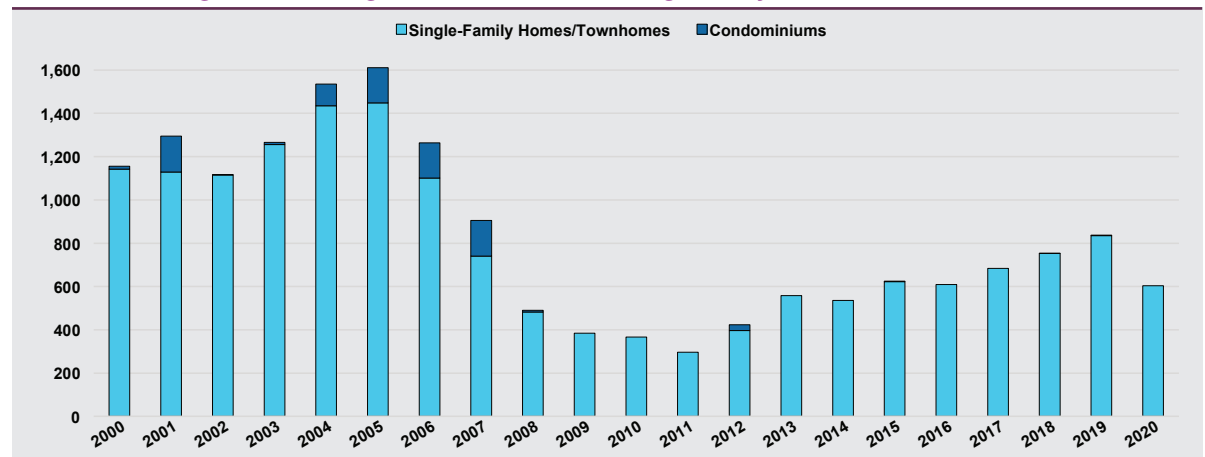
The current level of home construction activity, as measured by the number of single-family homes, townhomes, and condominiums permitted, is below the level of the early-to-mid 2000s (Figure 10). Permitting averaged 1,325 homes a year from 2000 through 2005, before declining by 220 homes, or

Figure 9. 12-Month Average Sales Price by Type of Sale in the Gainesville HMA



REO = real estate owned.
Source: Zonda

Figure 10. Average Annual Sales Permitting Activity in the Gainesville HMA



Notes: Includes single-family homes, townhomes, and condominiums. Data for 2020 are through December 2020.
Sources: U.S. Census Bureau, Building Permits Survey; 2000 through 2019—final data and estimates by the analyst; 2020—preliminary data and estimates by the analyst



25 percent, annually from 2006 through 2011 to a low of 300 homes in 2011, in response to weaker sales market conditions. Permitting increased during 2012 and 2013, averaging 490 homes a year. As the economic expansion strengthened from 2014 through 2019, permitting increased to an average of 670 homes annually. During 2020, approximately 600 homes were permitted, down 29 percent from the 840 homes permitted a year earlier (preliminary data with adjustments by the analyst). The construction of condominiums was more prevalent during the early-to-mid 2000s, averaging 90 units annually from 2000 through 2007. Since 2008, however, fewer than 30 condominium units have been permitted.

New Construction

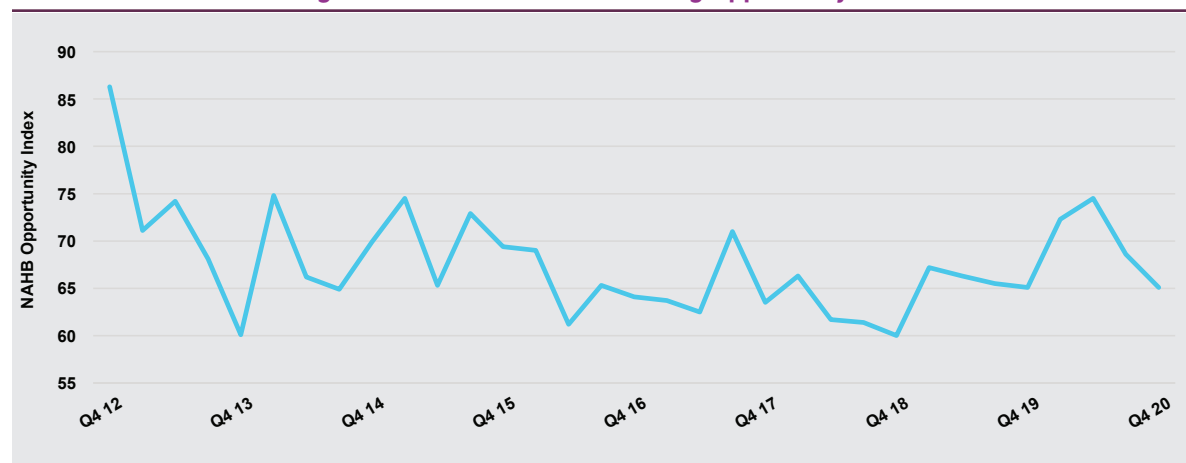
Since 2010, homebuilding activity has mostly occurred in Alachua County, in the cities of Gainesville and Newberry, a community 30 miles east of Gainesville. During the past decade, nearly 60 percent of the construction has been in unincorporated Alachua County. At Celebration Pointe, a planned community east of Interstate 75 near Gainesville, 46 townhomes, with prices starting in the low \$300,000s, have been sold at The Vue, a subdivision that will have 86 units upon completion in 2021. About 15 percent of the homes built in the past decade in the HMA were along Route 441 and Interstate 75 near High Springs in northern Alachua County, near employment centers. At Tara Village, 17 of the 20 available homes have been sold, which

range from 1,600 to 2,300 square feet and with prices starting at \$278,000. Approximately 10 percent of new homes built in the past decade were in the city of Newberry. All 80 homes have sold in Newberry Corners, now in the third and final phase of construction. These three- and four-bedroom homes range from 1,546 to 1,876 square feet, with prices ranging from \$211,900 to \$274,900.

Housing Affordability: Homeownership

Homeownership in the Gainesville HMA declined from 2010 to 2019, similar to the nation as a whole. During the previous decade, from 2000 to 2010, the homeownership rate in the HMA decreased by 0.4 percentage points, despite less stringent lending standards in the early-to-mid 2000s. Strengthening economic conditions did not reverse the trend, and the homeownership rate declined 1.9 percentage points from 2010 to 2019. Homeownership in the Gainesville HMA is becoming increasingly expensive, and the affordability of buying a home has trended downward since the early 2010s as home prices have increased at a much faster rate than income. The National Association of Home Builders' (NAHB)/Wells Fargo Housing Opportunity Index (HOI) for the HMA, which represents the share of homes sold that would have been affordable to a family earning the local median income, was 65.1 during the fourth quarter of 2020, and 131 of the 237 metropolitan areas measured had greater housing affordability than the Gainesville HMA (Figure 11). The HOI reached a high of

Figure 11. Gainesville HMA Housing Opportunity Index



NAHB = National Association of Home Builders. Q4 = fourth quarter.
Sources: NAHB; Wells Fargo

86.3 during the fourth quarter of 2012 when a relatively large number of distressed homes for sale kept downward pressure on home prices. The HOI trended downward until 2018 and then started to trend upward again. Home sales prices in the HMA increased an average of 5 percent annually from 2012 to 2020; however, the median income in the HMA increased only 2 percent annually during the same period. The downward trending index indicates a decline in affordability. The recent upward trend in the HOI since 2018 is partly because higher home prices have been offset slightly by lower mortgage rates.

Forecast

During the next 3 years, demand is expected for 2,475 new homes in the HMA (Table 5). The 840 homes currently under construction will satisfy a portion of the estimated demand during the first year of the forecast period. The sales demand is expected to be relatively stable during the 3-year period because population growth will continue to be modest and stable.

Table 5. Demand for New Sales Units in the Gainesville HMA During the Forecast Period

Sales Units	
Demand	2,475 Units
Under Construction	840 Units

Note: The forecast period is from January 1, 2021, to January 1, 2024.
 Source: Estimates by the analyst



Rental Market

Market Conditions: Balanced

The apartment market is slightly tight, with a vacancy rate of 3.2 percent.

Current Conditions and Recent Trends

Overall rental market conditions are currently balanced in the Gainesville HMA. The rental vacancy rate for all rental units (including apartments, single-family homes, townhomes, and mobile homes for rent) is estimated at 11.8 percent, down from 12.4 percent in April 2010 when the market was soft (Table 6). Rental market conditions had generally followed economic conditions, becoming soft during the economic downturn and tightening when the economy strengthened. The apartment market is typically tighter than the overall rental market because of the demand for apartments by UF students living off-campus. Students occupy approximately one-fourth of rental units in the HMA. Currently, there are fewer students on campus because of countermeasures to slow the spread of COVID-19. However, students are expected to return to pre-pandemic levels in the fall of 2021.

Apartment Market Conditions

The apartment market in the HMA is currently slightly tight. During the fourth quarter of 2020, the apartment vacancy rate was 3.2 percent, up from

Table 6. Rental Market Quick Facts in the Gainesville HMA

Rental Market Quick Facts	2010 (%)	Current (%)	
	Rental Vacancy Rate	12.4	11.8
Occupied Rental Units by Structure	2010 (%)	2019 (%)	
	Single-Family Attached & Detached	27.0	26.0
	Multifamily (2–4 Units)	16.0	18.0
	Multifamily (5+ Units)	52.0	46.0
	Other (Including Mobile Homes)	6.0	11.0

Notes: The current date is January 1, 2021. Percentages may not add to 100 due to rounding.
Sources: 2010 and 2019 American Community Survey, 1-year data; vacancy rate—2010 Census; current—estimates by the analyst

2.5 percent during the fourth quarter of 2019 and below the 5.2 percent rate for the nation (Moody’s Analytics REIS; Figure 12). The average apartment rent rose \$13, or 1 percent, from a year earlier, to \$1,013 during the fourth quarter of 2020. By comparison, the average rent decreased 1 percent, to \$1,383, nationally.

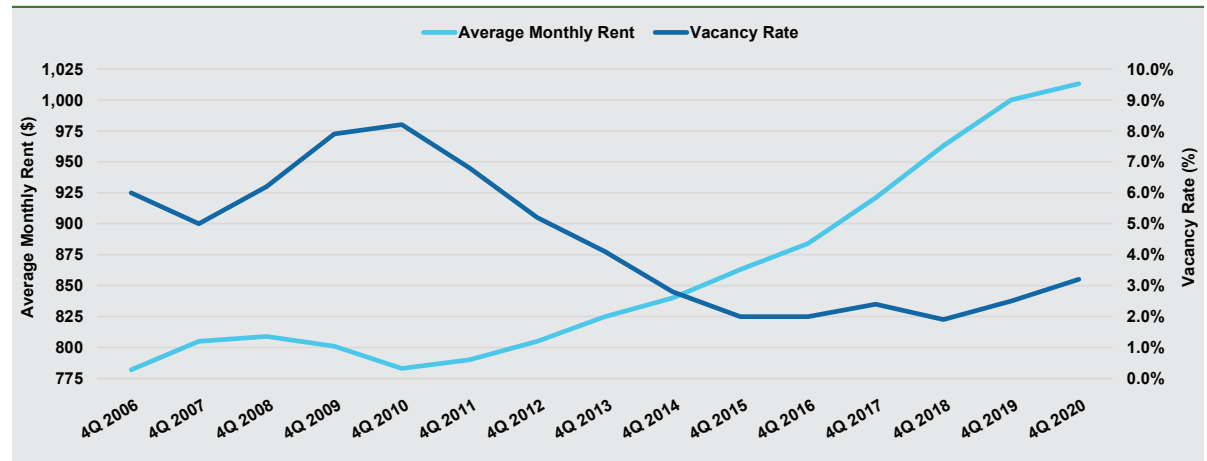
Student households account for 28 percent of renter households in the HMA. Some students rent apartments similar to dormitories in which common rooms are shared and bedrooms are private. Others rent traditional apartments, often sharing with roommates. The vacancy rate for student apartments, defined as those apartments that are within 1 mile of the university that have more than 50 percent student renters, was 0.6 percent during the fall of academic year 2020–2021, down from 2.2 percent during the fall of academic year 2019–2020. The average student apartment rent rose \$37, or 3 percent, from a year earlier, to \$1,188 during the fall of academic year 2020–2021. By comparison, student apartments that are rented by the bed are not as full. The average per bed student vacancy rate was 5.7 percent, up from 1.7 percent during the fall of academic year 2019–2020. Part of the increase in per-bed vacancy can be attributed to fewer students on campus because some have chosen to attend online courses during the pandemic. However, some vacancies can be attributed to more units being added in the past year. The average student bed rent rose \$24, or 4 percent, from a year earlier, to \$698 during the fall of academic year 2020–2021.

From 2006 through 2008, the overall apartment market in the HMA was balanced, and the supply of new apartment units kept up with demand resulting from the economic expansion; during this period, the vacancy rate averaged 5.7 percent, and the average rent increased 2 percent a year. The market softened in 2009 and 2010 during the economic downturn in the HMA; the vacancy rate rose to 8.2 percent, and rents fell 2 percent annually. Market conditions trended toward balanced, with an average vacancy rate falling from 6.8 percent



in 2011 to 4.1 percent in 2013 but tightened as economic and population growth accelerated and multifamily building remained low. Economic conditions were relatively strong from 2014 through 2018. Student enrollment increased sharply, by an average of 1,375, or 2.6 percent a year, compared with 2011 through 2013, when student enrollment increased by 160 students, or 0.3 percent a year. Market conditions transitioned from balanced to tight because multifamily construction remained low. The vacancy rate decreased from 2.8 percent in 2014 to 1.9 percent in 2018, and the average rent increased 3 percent annually. The market is expected to remain slightly tight until units currently under construction are completed in 2021 and 2022.

Figure 12. Apartment Rents and Vacancy Rates in the Gainesville HMA

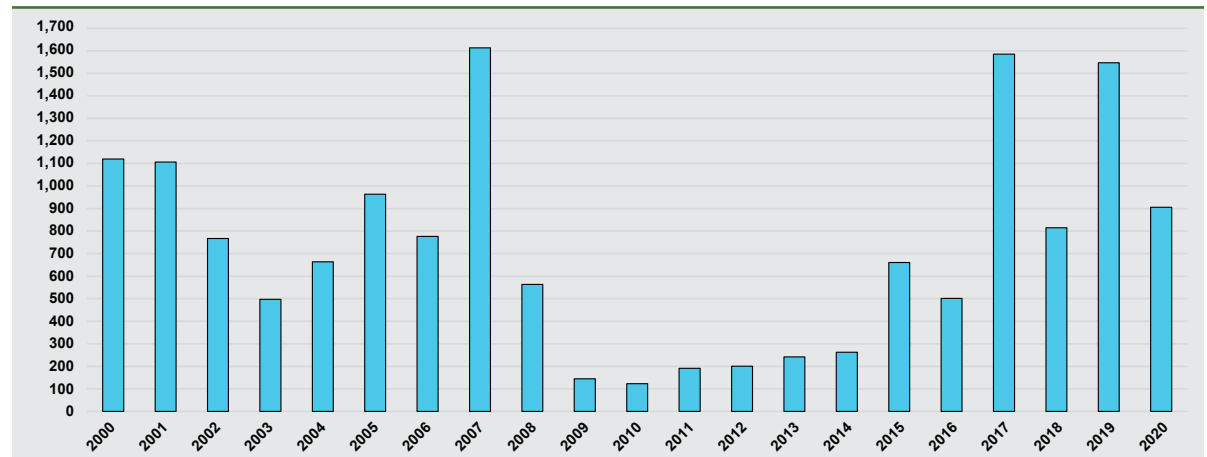


4Q = fourth quarter.
Source: Moody's Analytics REIS

Rental Permit Activity

The number of rental units permitted has trended higher since 2015 and is currently above the average level of the early-to-mid 2000s but below the 2007 peak (Figure 13). The number of rental units permitted averaged 840 units from 2000 through 2006 in response to economic and population growth. After reaching a peak of 1,625 in 2007, permitting decreased significantly to an average of only 280 units permitted annually during the economic downturn from 2008 through 2010. Permitting averaged 220 units a year from 2011 through 2014 because builders were slow to respond to the steady expansion of the local economy. The number of units permitted annually

Figure 13. Average Annual Rental Permitting Activity in the Gainesville HMA



Notes: Includes apartments and units intended for rental occupancy. Data for 2020 are through December 2020.
Sources: U.S. Census Bureau, Building Permits Survey; 2000 through 2019—final data and estimates by the analyst; 2020—preliminary data and estimates by the analyst



averaged 1,025 units from 2015 through 2019. During 2020, 900 rental units were permitted, down more than 40 percent from the 1,550 units permitted a year earlier (preliminary data with adjustments by the analyst). Some of this decline can be attributed to builder caution because of the pandemic and an increase in lumber prices.

Rental Construction Activity

Rental construction has been mostly concentrated in the city of Gainesville and unincorporated Alachua County since 2015. Integra Twenty Four, currently leasing in west Gainesville, is a 232-unit community with one-to-three-bedroom units with rents ranging from \$1,349 to \$2,275. This development is between UF and Interstate 75. Slightly more than 5 percent of the rental units completed in the HMA in the past 5 years were designed for renters age 55 and older. On the eastern edge of the city of Gainesville, Harper’s Pointe is a 66-unit, income-restricted senior community expected to begin leasing in early 2021. These one- and two-bedroom units have rents ranging from \$680 to \$875.

More than 80 percent of the rental units underway are designed for UF students. Many apartments for students consist of two-to-four-bedroom units, with shared common areas and leases for individual bedrooms. The Hub on Campus, built in 2020 across the street from UF, has 208 units, with 413 beds, and offers furnished bedrooms for rent ranging from \$750 to \$1,280 per person. Currently, apartment units under construction near UF include

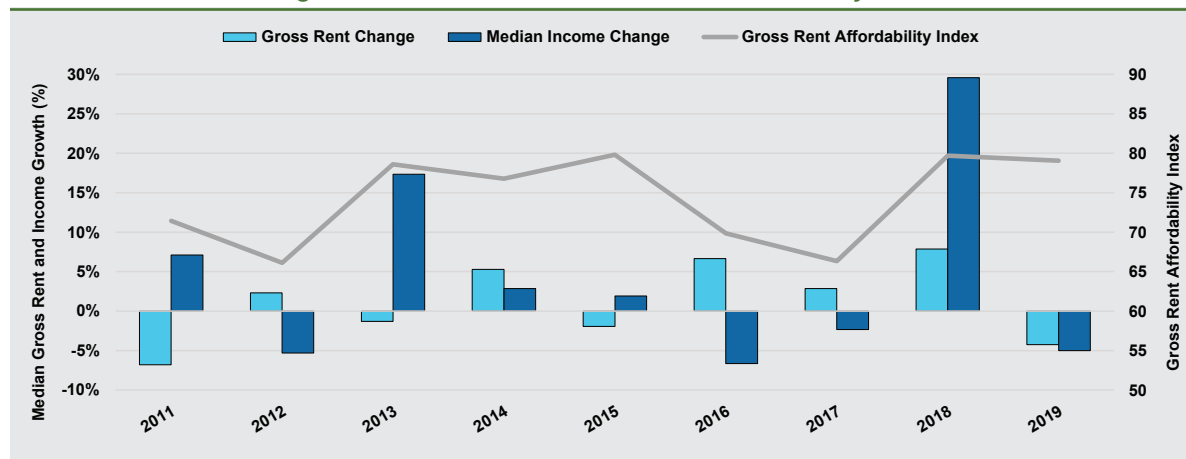
Liv+, a 235-unit apartment community, and Campus Circle, with 156 units. Both communities are within 1 mile of UF and are expected to be complete by fall of 2021. These developments will rent individual bedrooms in shared furnished apartments.

Housing Affordability: Renter

Rental affordability in the Gainesville HMA has improved since 2017 because moderate rent growth was accompanied by a sharp increase in the median income. From 2017 to 2019, the median household income for renter households in the HMA outpaced median gross monthly rent growth. As a result, the HUD Rental Affordability Index, a measure of median renter household income relative to qualifying income for the median-priced rental unit, has remained higher. Figure 14 compares the year-to-year change in the median gross rent (including single-family homes, apartments, and mobile homes for rent) with the respective change in the median gross income. After the post-recession low point of 66.1 in 2012, rent affordability fluctuated at higher levels before reaching a new low of 66.3 in 2017. In 2018, strong income growth was accompanied by an increase in the affordability index to 79.9. In 2019 the index fell slightly to 79.0.

During the 2013-through-2017 period, an estimated 20.6 percent of all renter households in the HMA were cost

Figure 14. Gainesville HMA Gross Rent Affordability Index



MSA = Metropolitan Statistical Area.

Notes: Rental affordability is for the larger Gainesville MSA. The Gross Rent Affordability Index differs from the HUD Rental Affordability Index published on the U.S. Housing Market Conditions website. It is based on combined rent and utilities expenditure.

Source: American Community Survey, 1-year data



burdened—spending between 30 and 49 percent of their income on rent—while 29.7 percent were severely cost burdened—spending more than 50 percent of income toward rent (Table 7). Nationwide, a larger proportion of renter households were cost burdened; however, fewer were severely cost burdened, at 21.8 and 22.9 percent, respectively. Cost burdens are particularly notable, however, for lower income renter households in the HMA. For renter households with incomes less than 50 percent of the Area Median Family Income (AMFI), a slightly lower proportion, 19.0 percent, were paying between 30 and 49 percent of their incomes toward rent, but more than one-half of households at these income levels, or 55.4 percent, were severely cost burdened. The share was higher nationally for cost-burdened households, at 25.6 percent, but lower for severely cost-burdened households, at 50.1 percent.

Forecast

During the next 3 years, demand is expected for 1,775 new rental units in the Gainesville HMA (Table 8). Most of the demand is expected to be met by the 1,625 units currently under construction. The demand is expected to be relatively stable during each year of the forecast period because renter growth is expected to increase at a stable rate, in line with student enrollment and job growth.

Table 7. Percentage of Cost Burdened Renter Households in the Gainesville HMA by Income, 2013–2017

	Cost Burdened		Severely Cost Burdened	
	Gainesville HMA	Nation	Gainesville HMA	Nation
Renter Households with Income <50% HAMFI	19.0	25.6	55.4	50.1
Total Renter Households	20.6	21.8	29.7	22.9

HAMFI = HUD area median family income.

Note: “Cost-burdened” households spend between 30–49 percent of their income on rent, and “severely cost-burdened” households spend over 50 percent of their income on rent.

Sources: Consolidated Planning/CHAS Data, 2013–2017 American Community Survey, 5-year estimates (huduser.gov)

Table 8. Demand for New Rental Units in the Gainesville HMA During the Forecast Period

Rental Units	
Demand	1,775 Units
Under Construction	1,625 Units

Note: The forecast period is January 1, 2021, to January 1, 2024.

Source: Estimates by the analyst



Terminology Definitions and Notes

A. Definitions

Building Permits	Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Cost Burdened	Spending more than 30 percent of household income on housing costs.
Demand	The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.
Distressed Sales	Short sales and real estate owned (REO) sales.
Existing Home Sales	Includes regular resale and real estate owned sales.
Forecast Period	1/1/2021–1/1/2024—Estimates by the analyst.



Home Sales/ Home Sales Prices	Includes single-family, townhome, and condominium sales.
Net Natural Change	Resident births minus resident deaths.
Other Vacant Units	In this analysis conducted by the U.S. Department of Housing and Urban Development (HUD), other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as “other” vacant by the Census Bureau.
Rental Market/ Rental Vacancy Rate	Includes apartments and other rental units such as single-family, multifamily, and mobile homes.
Seriously Delinquent Mortgages	Mortgages 90+ days delinquent or in foreclosure.

B. Notes on Geography

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
2.	Urbanized areas are defined using the U.S. Census Bureau 2010 Census Urban and Rural Classification and the Urban Area Criteria.
3.	The census tracts referenced in this report are from the 2010 Census.



C. Additional Notes

1.	The NAHB Housing Opportunity Index represents the share of homes sold in the HMA that would have been affordable to a family earning the local median income, based on standard mortgage underwriting criteria.
2.	This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.
3.	The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.
Cover Photo	iStock

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Exclusionary Zoning & Inclusionary Zoning Study

Final Report
December 2021

HR&A

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Acknowledgements

HR&A Advisors thanks the individuals from City, County, and non-government organizations and industry stakeholders who served as resources for our team throughout this study. In particular, we appreciate the time and thoughtful feedback provided by Gainesville City Commissioners and the study Steering Committee, and the direction provided by the Department of Sustainable Development.

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*We would also like to acknowledge former
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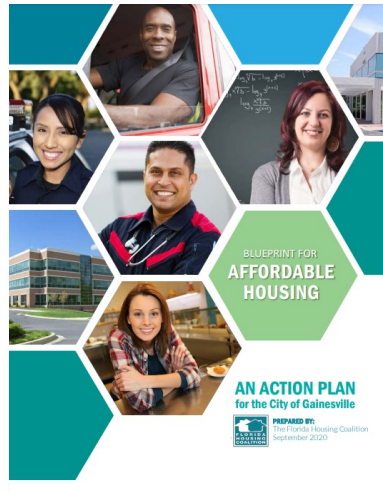
Executive Summary

Project Overview | HR&A Advisors was engaged by the City of Gainesville to analyze the causes of and potential strategies to address housing instability and racial inequities.

This study responds to the following guiding questions:

1. What drives housing instability and inequities in Gainesville?
2. How do exclusionary land use controls drive local housing market trends?
3. How can changes to exclusionary land use controls make housing in Gainesville more equitable?
4. Is an inclusionary zoning policy a feasible and effective tool for producing new affordable housing in Gainesville?
5. What other programs and policies are needed to address housing instability and inequities?

Project Overview | The City of Gainesville has been committed to creating a path toward an equitable housing landscape. This study is additive to these efforts.



Recent Housing Efforts in Gainesville:

- Gainesville's **Housing Action Plan** (2020) calls for diversifying funding sources, increased zoning flexibility, and permanent affordability.
- Gainesville's current **Comprehensive Planning Process** includes a chapter exploring housing strategies to house all Gainesville residents.
- The **Gainesville Community Reinvestment Area** has pursued urban infill housing and worked to attract investment to underserved parts of the city.
- The **Gainesville Housing Authority** has partnered with private developers to subsidize permanently affordable housing.
- The **Gainesville Housing and Community Development Department** continues to administer funding and programs through CDBG, HOME and SHIP programs.

Existing Conditions | An analysis of existing conditions in Gainesville reveals several distinct but related issues that are driving instability and unequal housing outcomes.



Racial Segregation

In Gainesville, race is a key determinant of where you live, access to diverse housing options and homeownership, and the value of your home.



Housing Cost Burden

Extreme housing cost burden, driven primarily by low incomes, is a key driver of housing instability in Gainesville.



Housing Access and Quality

New rental housing in Gainesville has disproportionately benefited student renters, and non-student renters live in older, less diverse housing types as a result.

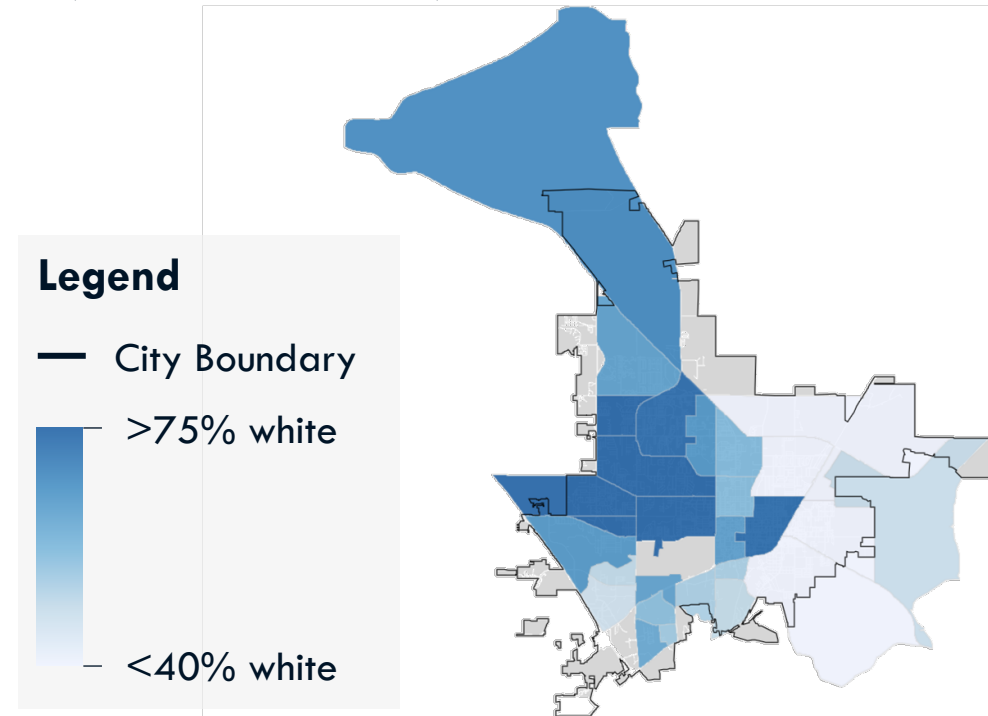
Existing Conditions | In Gainesville, race is a key determinant of where you live, your access to diverse housing options and homeownership, and the value of your home.



Racial Segregation

- White households are more likely to live in single-family homes (which are typically owned, rather than rented).
- Gainesville’s Black population occupies “missing middle” housing, or buildings with 2-4 units, at a high rate relative to the population. These units tend to be more affordable in Gainesville.
- Homes in predominately white neighborhoods are assessed at higher values, increasing the wealth that accrues to white households.

Share of Non-Hispanic or Latinx white Households (Census Tracts, All)



Source: Social Explorer – ACS 2019 (5-Year Estimates)

Existing Conditions | Extreme housing cost burden, driven primarily by low incomes, is a key driver of housing instability in Gainesville.

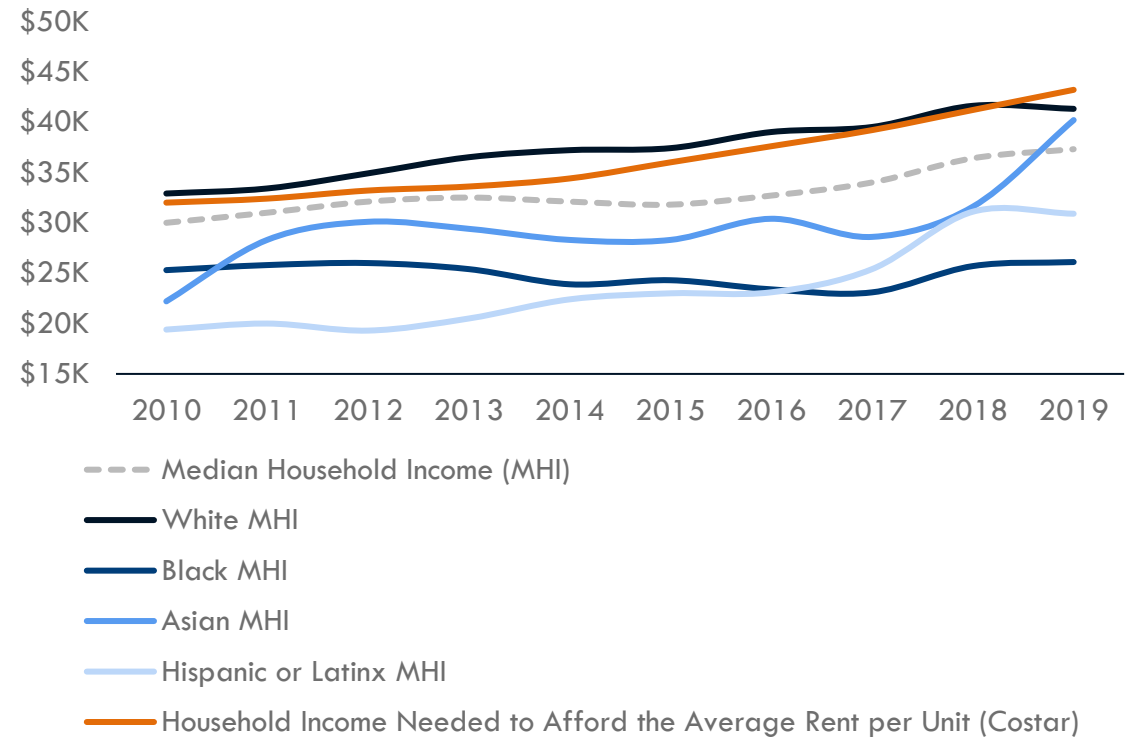


Housing Cost Burden

- Renters across all racial groups earning <\$35K annually experience high rates of housing cost burden.
- Race is a predictor of household income and poverty in Gainesville. Only white and Asian households earn above Gainesville’s median household income. Black households make 73% of the median.
- The average rental unit is currently only affordable to the typical white or homeowner household in Gainesville.

Source: Social Explorer – ACS 2019 (5-Year Estimates)

Income at which Average Rental Unit is Affordable by Race (All)



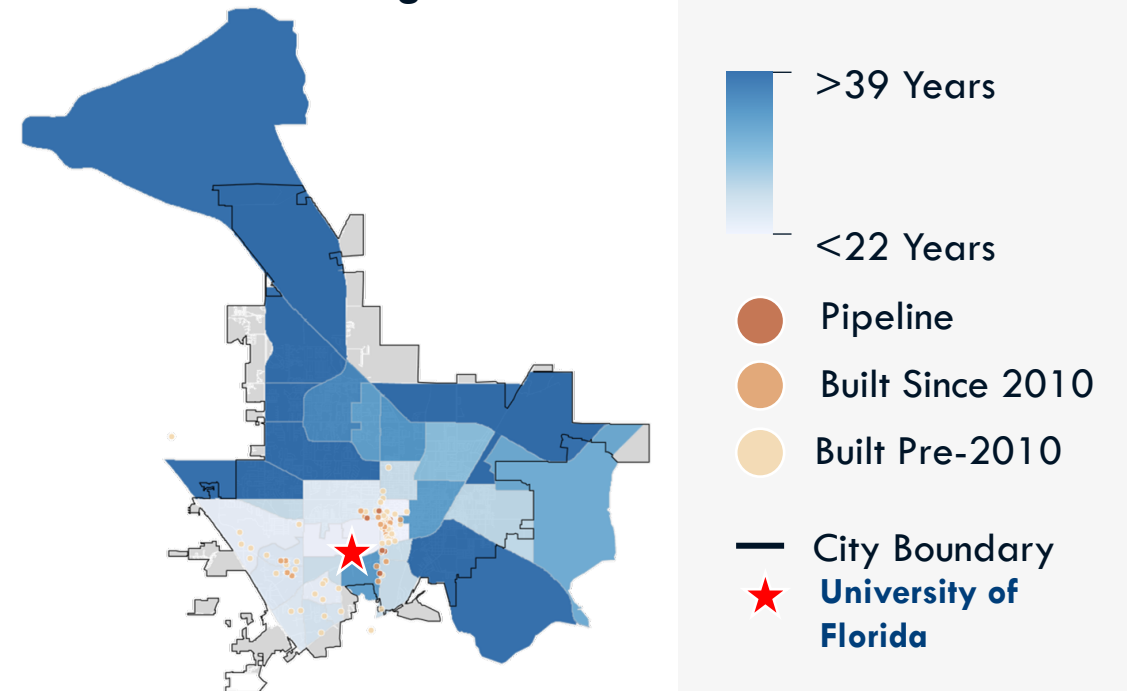
Existing Conditions | The student housing market is the strongest rental market in Gainesville. Non-student renters are not benefitting from new housing at the same rate.



Housing Access and Quality

- Student renters are the primary beneficiaries of new rental housing development in Gainesville, which makes it more difficult for non-students to access such housing.
- Student renters make up 36% of the total population but comprise 50% of the population that lives in housing built after 2000.
- The average household in Gainesville struggles to access homeownership, especially Black, Hispanic or Latinx, and renter households. As a result, 61% of households in the City are renters. Less than a third of Black and Hispanic or Latinx households are homeowners.

Median Age by Census Tract and Student Housing*



*Includes both student housing (i.e., housing that exclusively serves students) and student-focused housing (i.e., housing that caters to students but is available to all residents).

Source: Social Explorer – ACS 2019 (5-Year Estimates)

Land Use | This study explores how land use tools can help to create a housing landscape in which who you are does not determine your housing options.

While there are many housing tools, programs, and mechanisms that can improve housing equity and affordability, this study is tasked with assessing two specific land use strategies.



Land Use Tools use municipal regulations and zoning authority to indirectly improve affordability by increasing the supply of housing and to directly require the production of affordable units.



Subsidy Tools, in the form of below-market rate loans, grants, or other public resources, close the gap between what a household can afford to pay and the costs to develop and operate housing.



Tenants' Rights Tools preserve existing affordable housing and housing stability by using laws and regulations that protect current occupants.

Land Use | Land use mechanisms analyzed here include: (i) redressing exclusionary policies and (ii) implementing an inclusionary zoning program.



In general, land use tools are most effective at addressing the housing needs of moderate-income residents and are not effective at addressing the housing needs of low- and very low-income residents.

Redressing exclusionary policies is a strategy to expand housing options throughout the city, creating housing opportunities for residents of all racial and economic statuses in places that households want and can afford to live in.

Inclusionary zoning, while not necessarily the antidote to exclusionary zoning, is a strategy to produce regulated affordable housing for moderate income households in the private market by incentivizing, requiring, and/or subsidizing private housing developers to deliver new affordable housing when they build new market rate housing.

These two land use strategies can, but don't necessarily need to, work hand in hand. While this study focuses on two specific land use strategies, future housing plans should consider the full landscape of housing tools to increase housing stability and equity in Gainesville, including subsidy and tenants' rights tools.

Recommendations | This study makes recommendations on land use strategies that can help drive an equitable housing landscape in Gainesville.



The City should **redress existing exclusionary land use controls**, with a particular focus on those that have the highest exclusionary impact in Gainesville, including strict lot utilization and parcel constraints, strict design and compatibility requirements, and occupancy and mobile home limitations.

The City should implement a **mandatory IZ policy** requiring that rental developments with at least 10 residential units provide a 10 percent set-aside of units that are affordable to households earning up to 80 percent of Area Median Income, offering a density bonus incentive of up to 30 percent. If possible, the City should also explore additional incentives, such as a synthetic TIF, to deepen affordability (e.g., to create units affordable to 60 percent of AMI).

*Both of these strategies should be used in combination with a **set of housing tools** to address the housing needs of low- and very low-income Gainesville residents, who have the highest housing need. HR&A recommends that the City of Gainesville work to identify revenue sources for an Affordable Housing Trust Fund and assess the possibility of deploying local subsidy for affordable housing.*

Exclusionary Land Use Controls | Exclusionary land use controls exclude a diverse (often racially diverse) range of households from residential neighborhoods.

Exclusionary lands use controls both directly limit the types of housing that can be built, and indirect limit housing access by contributing to prohibitive housing costs. While zoning is a recognizable land use control, it is one of many tools that local government uses to control *how, where, and what kind* of development occurs. County and State land use regulations and housing policy, such as HB 7103, also play a role in determining development patterns in Gainesville. HR&A developed criteria with which to review Gainesville’s Code of Ordinances.

Exclusionary land use controls are local regulations that:

- 1. Directly decrease or limit housing supply in residential areas** (*strict lot utilization and parcel constraints*)
- 2. Increase the cost to build new housing** (*strict design and compatibility requirements*)
- 3. Limit the use of existing housing** (*strict occupancy limitations and mobile home location limitations*)

Each of these dynamics drives disparate outcomes by race.

Exclusionary Land Use Controls | Changing exclusionary land use controls is an important tool for reducing racial and economic exclusion across a housing market.



Benefits of Changing Exclusionary LUCs:

- No public funding required to induce private development
- Increases the overall supply of housing
- Can help address legacies of racial segregation by driving new housing supply more evenly across the city
- Reduces the ability of a limited constituency to prevent the creation of housing
- Supports economic growth and expands the City's tax base

Without reducing exclusionary land use controls, all other housing strategies, and those that require subsidy in particular, are less effective and more costly.

Exclusionary Land Use Controls | The City of Gainesville should complete in-depth land use analyses to consider the following changes to exclusionary land use controls.

Actions to Consider

- Reduce setbacks in low and moderate density residential areas.
- Permit lot splits in minor subdivisions.
- Reduce minimum lot dimensions.
- Allow housing typologies beyond single family ("missing middle", 2-4 unit housing) in residential districts with strict lot utilization constraints.

- Eliminate compatibility requirements between multifamily and single family uses.
- Reduce expensive design standards in historic preservation districts.

- Identify additional areas to permit mobile home uses.
- Eliminate single family occupancy limitations in low density districts.
- Increase the bedroom limit in the University of Florida Context Area when a structure includes more than one dwelling (attached housing).

Outcomes



1. Increase the amount and type of housing in residential areas



2. Decrease the cost to build and maintain housing



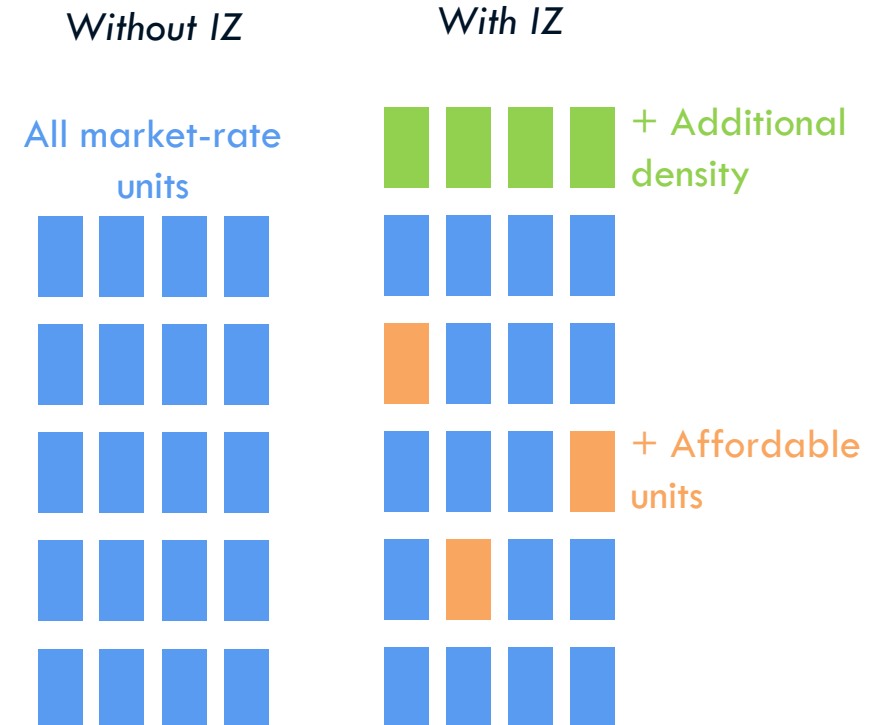
3. Increase options for the use of existing housing

Inclusionary Zoning | The goal of an inclusionary zoning policy is to support Gainesville's housing needs through the creation of affordable housing.

Inclusionary zoning is a land use tool that requires or encourages developers to create affordable units in new market-rate residential and commercial developments. Incentives such as reduced parking requirements, additional density allowances, or tax abatements are sometimes provided to encourage participation.

More than 1000 jurisdictions across 30+ states have inclusionary zoning programs. These programs vary along many design considerations, including whether the program is voluntary or mandatory, what amount and depth of affordability is required, if it applies to rental or for-sale development, whether there are alternative compliance pathways such as the payment of a fee in-lieu, and what incentives are available. These policy elements are adjusted based on local policy priorities, housing market strength, and affordability needs.

Illustrative IZ Policy with Density Bonus Incentive



Inclusionary Zoning | Inclusionary zoning is one of many tools that can support housing affordability, and it presents a variety of benefits and limitations.

Benefits of IZ

Captures value of land in areas with strong housing markets. The Gainesville market has seen steady market-rate development in recent years in some neighborhoods, suggesting the potential to support development of some affordable housing.

Serves households earning up to 80% of Area Median Income (AMI), which is an area of need for Gainesville.

Does not require public subsidy, though public subsidy may be provided as an incentive to achieve more or deeper affordability.

Limitations of IZ

Does not work in weaker housing markets and submarkets, where an overly restrictive IZ policy risks decreasing housing development, which ultimately harms affordability by both failing to deliver the mandated IZ units and limiting overall housing supply. An IZ policy that is overly restrictive relative to nearby jurisdictions also risks driving new development outside of political boundaries.

Do not serve very deep levels of affordability need, such as for households earning up to 30% AMI. For these residents, other alternatives such as housing vouchers should be layered with increased supply of rent-restricted affordable housing.

Need to triangulate and optimize between maximizing depth of affordability, ensuring continued housing development, and limiting the cost of incentives.

Inclusionary Zoning | HR&A tested the feasibility and impact of an inclusionary zoning policy in Gainesville and provided recommendations for policy design.

FEASIBILITY ANALYSIS

1. **Propose IZ scenarios to test**, based on national precedents
2. **Test IZ policy impact** on development profitability
3. **Identify and evaluate incentive tools** to narrow economic gap

POLICY RECOMMENDATIONS

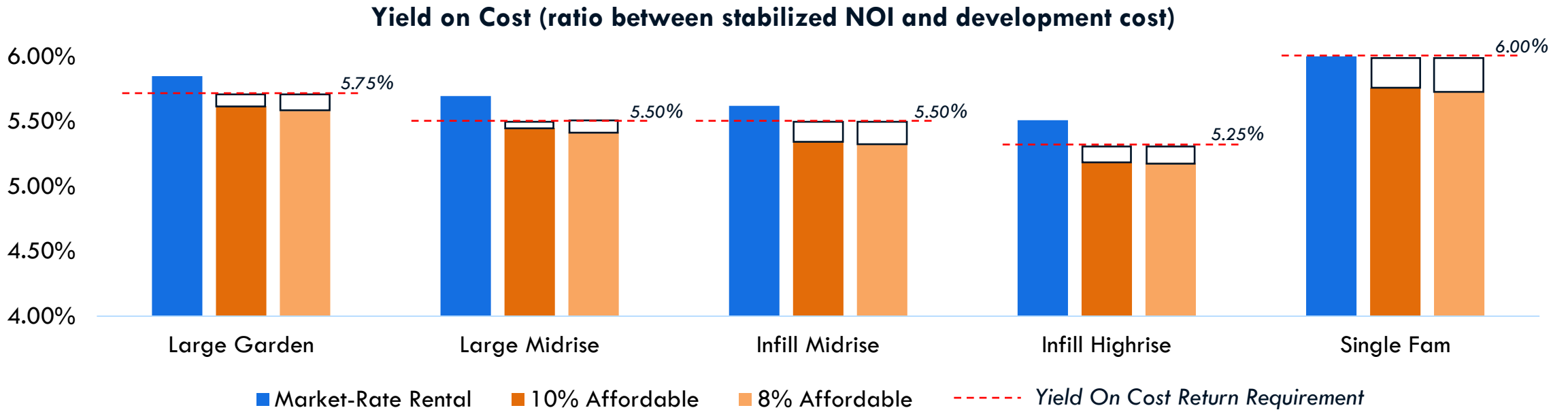
- Propose policy design**, including elements like:
- Affordability depth
 - Affordability duration
 - In-lieu fee
 - Unit pricing
 - Unit characteristics
 - Concurrency of unit delivery
 - Policy applicability

ADMINISTRATIVE RECOMMENDATIONS

- Once Gainesville has designed and adopted an IZ policy, it must administrate the policy through:
- Process Guidelines
 - Development Approvals
 - Program Management

Inclusionary Zoning | HR&A’s modeling finds that 10% and 8% IZ requirements bring project profitability below threshold return requirements for all five typologies.

Project profitability was measured using Yield on Cost, calculated for each property type using a 10-year cash flow model. The model was populated with assumptions gathered from empirical market data and developer interviews (see summary table of assumptions in the Appendix). The calculations below give a sense of the average directional impact and relative magnitude of policies. Falling below the return threshold does not mean every deal will die, but that fewer deals will happen; similarly, not every project above the return threshold will necessarily happen. Based on our model, **the likely profitability gap for a developer per required affordable unit is between \$16,000 to \$140,000.**



Inclusionary Zoning | A range of incentives are available to overcome the gap in expected financial returns.

Incentive	Proposal	Tradeoffs
Additional density	<i>Offer up to 30% additional density (more units)</i>	Can deliver strong financial value for owners without directly spending public dollars, but impact is limited if developers are currently building below existing land use regulations.
Public land contributions	<i>Waive an appropriate portion of public land costs (if density bonus is not sufficient)</i>	A highly valuable tool that reduces upfront development costs, but applicability may be limited (based on City land holdings).
Expedited review	<i>Always prioritize and expedite review for IZ projects, target 2 weeks</i>	Little to no cost to City; likely not valuable enough to be a “but for” incentive
By-right development	<i>Consider by-right approvals for IZ projects</i>	Little to no cost to City; likely not valuable enough to be a “but for” incentive
Synthetic Tax Increment Financing	<i>Explore mechanism for tax-increment financing to further deepen affordability</i>	Some cost to City, need to establish mechanism for residential properties, and requires Council vote; offers way to provide valuable subsidy without commitment of new dollars
Direct subsidy	<i>Not recommended unless reliable source of funding is identified and subsidy is used towards deepening affordability</i>	<ul style="list-style-type: none"> • No sustainable, reliable source of ongoing funding • Highly valuable to developers, but costly to the City, and likely not the highest-impact/efficiency use of limited housing funds
Parking development	<i>Not recommended</i>	Not meaningful as parking requirements are already low, sometimes below market demand

Inclusionary Zoning | HR&A recommends that Gainesville adopt an IZ policy with a 10% set-aside for households earning up to 80% AMI, with the option of an in-lieu fee.

These requirements should be periodically reviewed and adjusted, every two years.

Key Program Design Element	Recommendation
Set Aside & Affordability Requirements: calibrating depth and amount of affordable units, vs. feasibility of requiring units	<ul style="list-style-type: none"> 10% affordable units at 80% AMI
In-Lieu Fee / Flexibility for Compliance	<ul style="list-style-type: none"> Establish in-lieu fee option, set at \$120-160K per affordable unit that would have been built under IZ; adjust fee level every two years
Development Scale (Size of Developments Subject to IZ)	<ul style="list-style-type: none"> Apply IZ requirements to multifamily residential developments with ten or more units
Applicability (Voluntary vs. Mandatory, Applicability to Existing Developments)	<ul style="list-style-type: none"> Voluntary opt-in for geographies outside of IZ policy Incentives applicable to non-market rate units Not applicable to existing development
Affordability Term / Duration	<ul style="list-style-type: none"> 99 years
Unit Pricing (based on household income and size)	<ul style="list-style-type: none"> Follow existing HUD guidelines
Unit Characteristics	<ul style="list-style-type: none"> Ensure affordable units are identical with market-rate units
Concurrency of Delivery of Affordable Units	<ul style="list-style-type: none"> Include a concurrency requirement
Fractional Units	<ul style="list-style-type: none"> Adopt normal rounding rules, rounding up for fractional units above 0.5

Next Steps

Exclusionary Land Use Controls

- Provide guidance to the Department of Sustainable Development on key land use code elements for revision (all or a subset of those identified in this study).
- Implement land use control changes through land use code changes and other code or regulation changes, as needed.

Inclusionary Zoning Policy

- Explore priorities for affordable housing preservation and production to determine whether an inclusionary zoning policy is the highest-priority next step.
 - If IZ is not the highest-priority policy, pursue alternatives, such as an affordable housing trust fund.
 - If IZ is the highest-priority policy, begin to prepare for implementation by establishing an “owner” for policy design and development.

Existing Conditions: Housing Instability in Gainesville

Several distinct but related issues are driving housing instability and unequal housing outcomes in the City of Gainesville.



Racial Segregation

In Gainesville, race is a key determinant of where you live, access to diverse housing options and homeownership, and the value of your home.



Housing Cost Burden

Extreme housing cost burden, driven primarily by low incomes, is a key driver of housing instability in Gainesville.

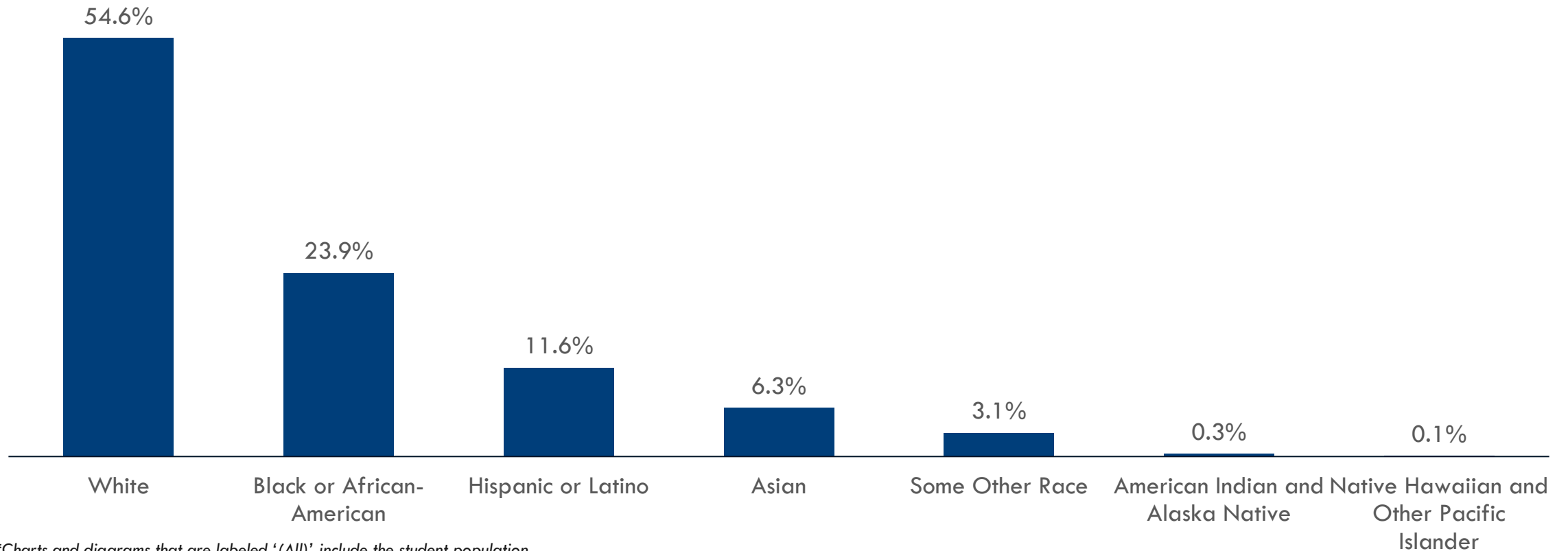


Housing Access and Quality

New rental housing in Gainesville has disproportionately benefited student renters, and non-student renters live in older, less diverse housing types as a result.

Gainesville's population is predominately (55%) white. Black or African Americans are the next largest racial group, making up ~24% of the population.

Percent of Total Population by Race (All)*



*Charts and diagrams that are labeled '(All)' include the student population.

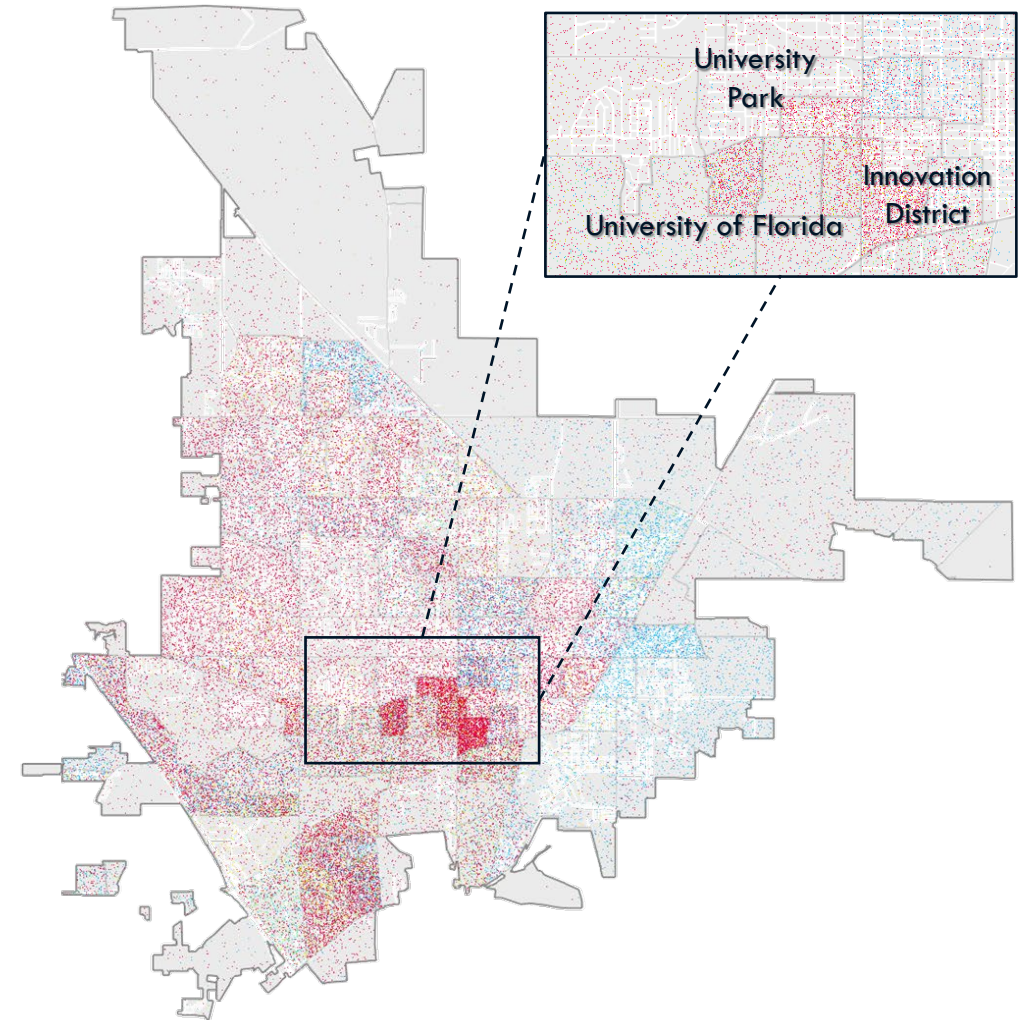
Source: Social Explorer – ACS 2019 (5-Year Estimates)

Gainesville is racially segregated.

White households are increasingly concentrated in west and northwest Gainesville, while Black households are concentrated in east Gainesville and increasingly in the southeast part of the City.

Racial Dot Density Map (All) - Legend

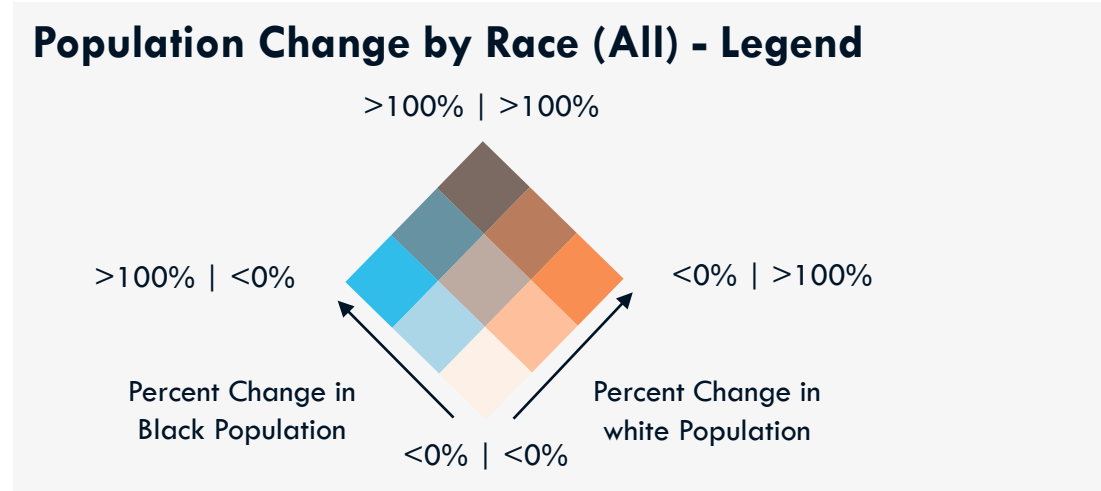
- 1 Dot = 2 People
- White Only
- Black Only
- Asian Only
- Hispanic/Latinx



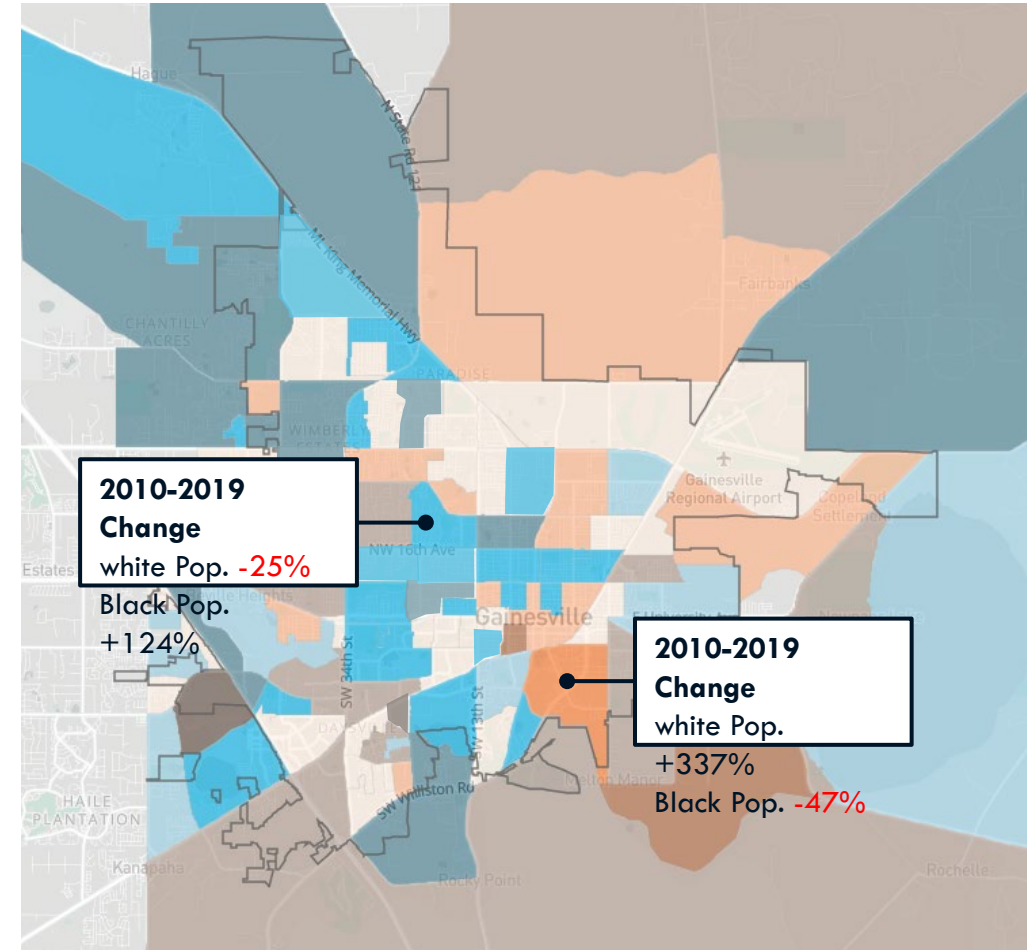
Source: Social Explorer – ACS 2019 (5-Year Estimates)

Race directly shapes population change in Gainesville.

In several areas, an increase in the Black population coincides with a decrease in the non-Hispanic white population, and vice versa. Many of the census block groups to the south of NW 16th Ave and along the Western portion of Gainesville are experiencing growth in their Black population, while also experiencing a loss in the white population. Northern Gainesville in particular has seen a substantial growth in white households while simultaneously losing Black households.



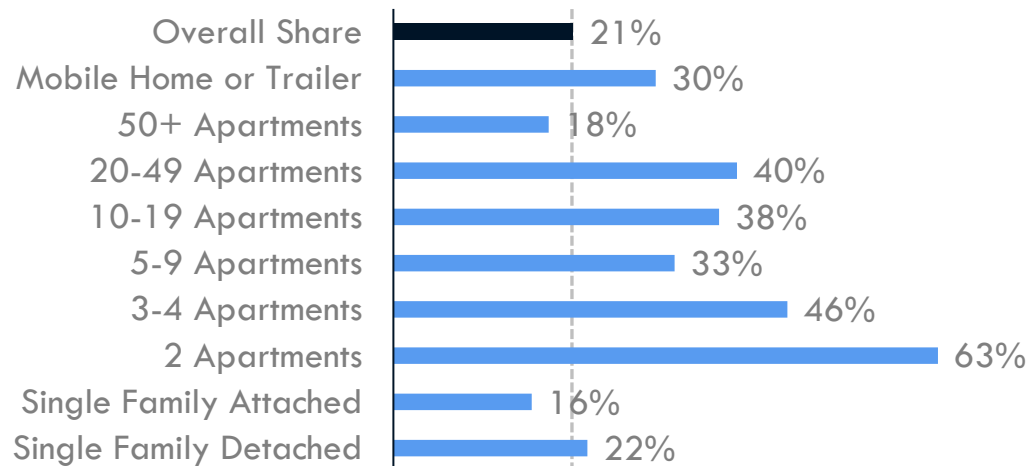
Source: Social Explorer – ACS 2010, 2019 (5-Year Estimates)



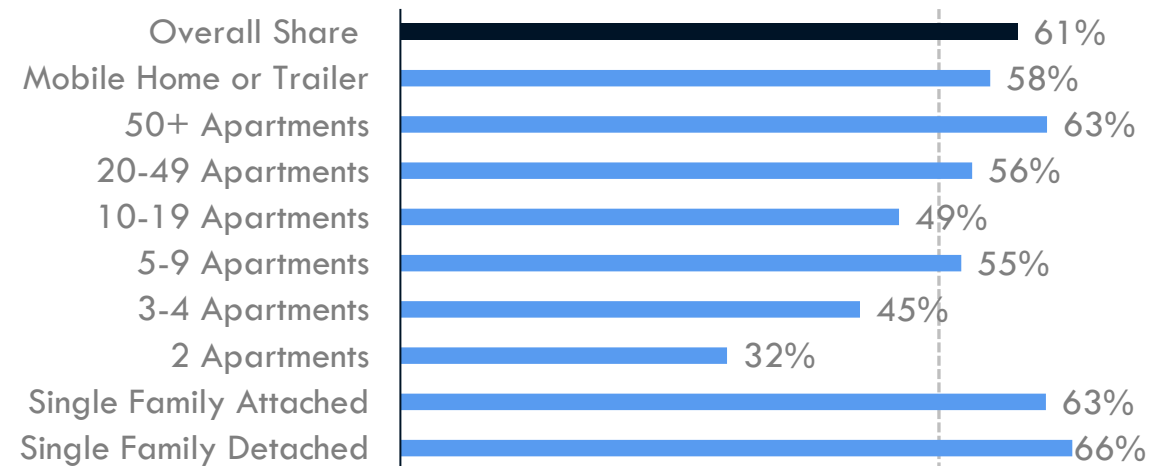
Race determines not only where people live in Gainesville, but also the type of housing in which they live.

Gainesville’s Black population occupies “missing middle” housing, or buildings with 2-4 units, at a high rate relative to the population, while white households are underrepresented in this typology. White households are more likely to live in single-family homes (which are typically owned, rather than rented) and large apartment complexes. The differences in occupancy by race reflect housing affordability trends. In Gainesville, missing middle housing tends to be more affordable to low- and middle-income residents compared to single-family homes and multifamily buildings.

Share of Black Households by Housing Type (Non-Student)



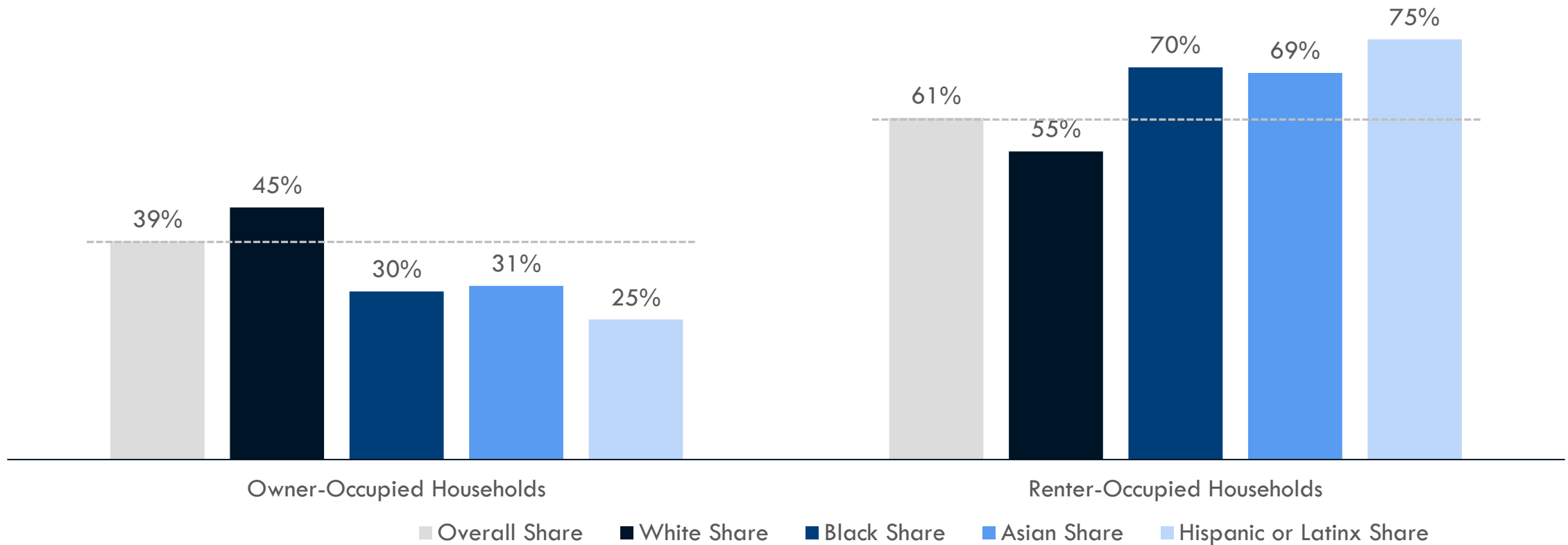
Share of Non-Hispanic White Households by Housing Type (Non-Student)



Source: Public Use Microdata Sample (PUMS) ACS 2019 (5-Year Estimates)

White households are more likely to own homes than non-white and or Hispanic households, cementing a disparity in generational wealth-building.

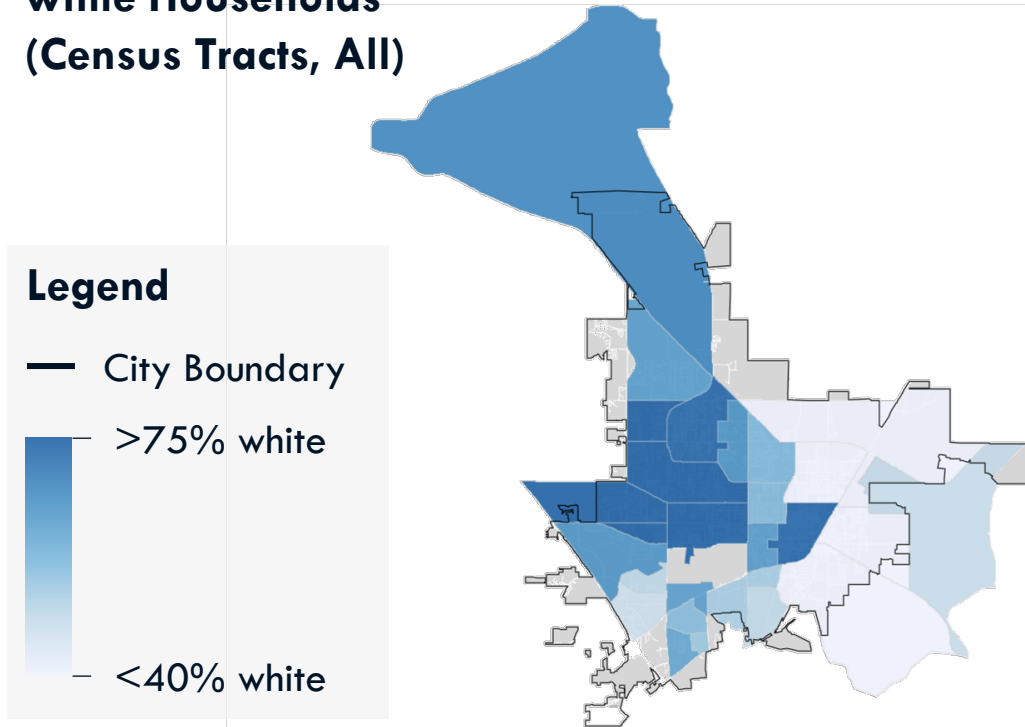
Tenure by Race (All)



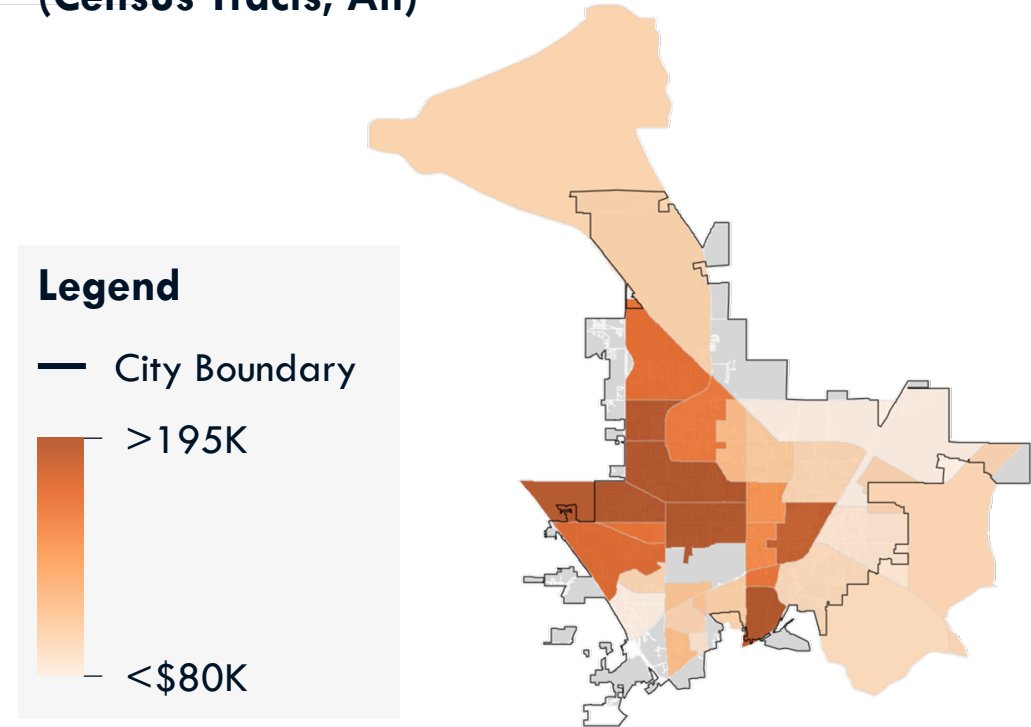
Source: Social Explorer – ACS 2019 (5-Year Estimates)

Predominately white neighborhoods correlate with higher median assessed home values, increasing the wealth that accrues to white households.

**Share of Non-Hispanic or Latinx white Households
(Census Tracts, All)**








**Median Home Value
(Census Tracts, All)**



Source: Social Explorer – ACS 2019 (5-Year Estimates)

Low household incomes, especially for renters, are a key driver of housing cost burden and instability in Gainesville.

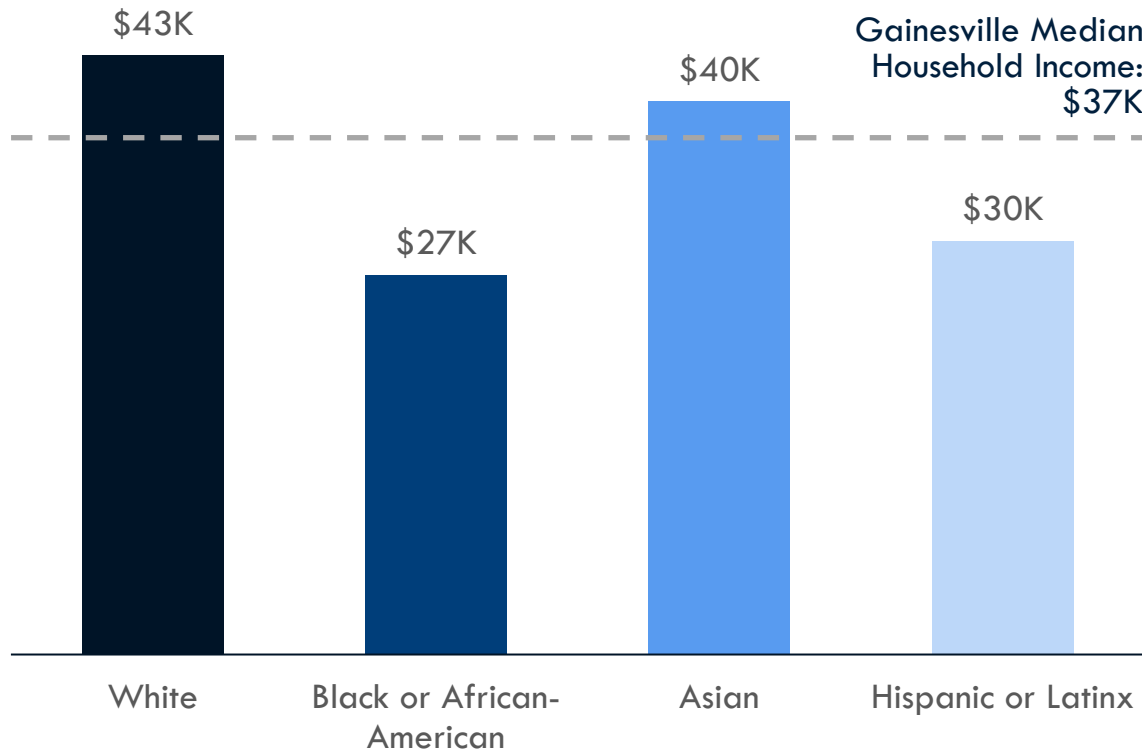
- Housing cost burden is defined by the cost of housing *relative* to incomes. The more a household spends on housing costs, the less **residual income** it has available for other basic needs, such as food and childcare. The median household income is about **\$37,000 in Gainesville**, well below what it costs to maintain a stable living standard.
- A household is considered **cost burdened** when it spends more than 30% of its gross income on housing costs. This measure can be more impactful for lower income households, as they struggle to live with **low residual incomes**.
- When affordable rental housing is unavailable, low-income households face housing instability and are more vulnerable to unsafe living conditions, overcrowding, and costly and harmful evictions.

MONTHLY COSTS	
2 adults and 2 children Gainesville metro area	
 HOUSING	\$894
 FOOD	\$892
 CHILD CARE	\$899
 TRANSPORTATION	\$1,134
 HEALTH CARE	\$1,098
 OTHER NECESSITIES	\$720
 TAXES	\$627
MONTHLY TOTAL	\$6,265
ANNUAL TOTAL	<u>\$75,183</u>

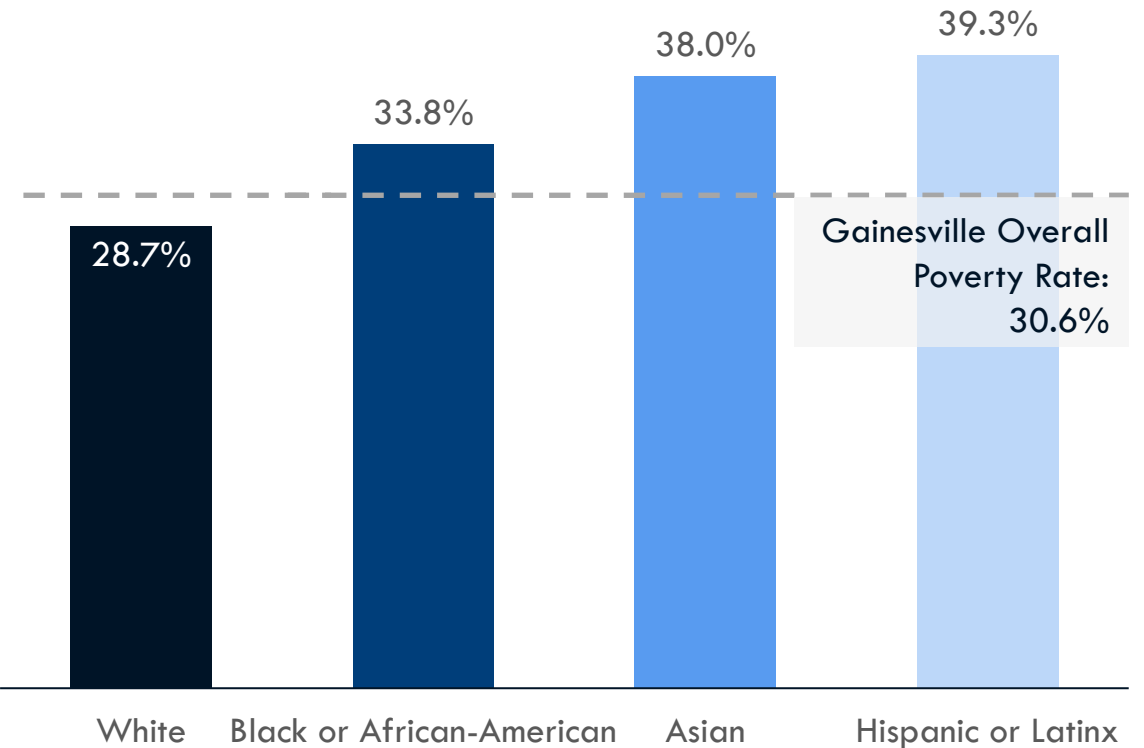
*EPI's Family Budget Calculator measures the community-specific income a family needs in order to attain a modest yet adequate standard of living. Source: Economic Policy Institute, 2018

Race is a strong predictor of household income. Only white and Asian households earn above the median. Black households earn 73% of the median.

Median Household Income by Race (All)



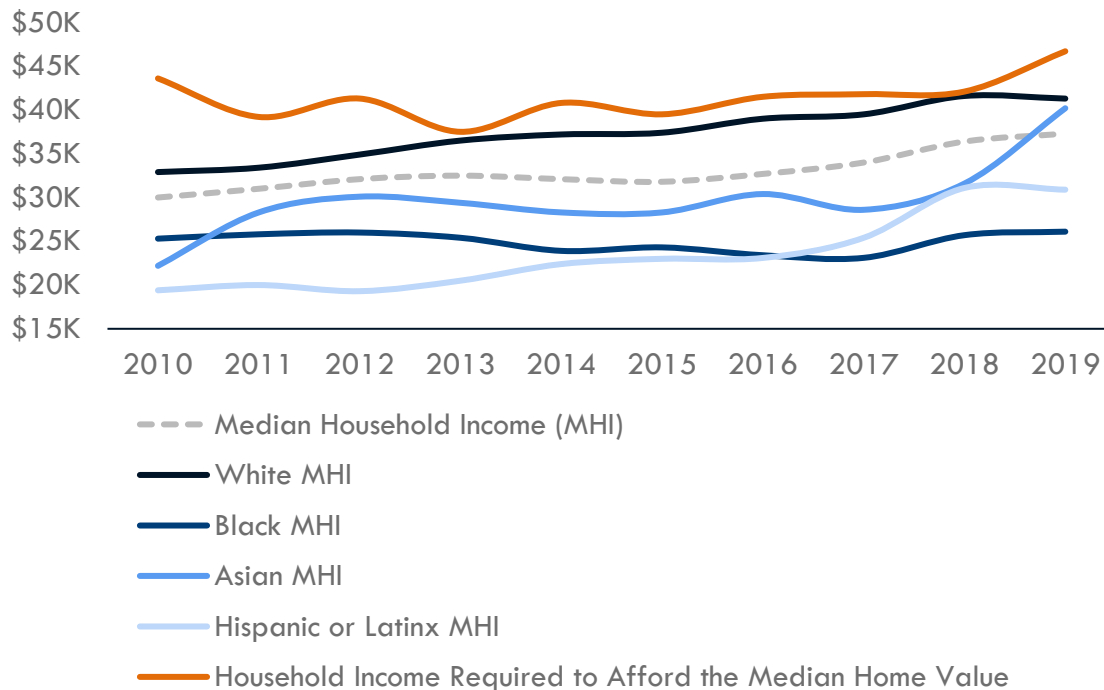
Poverty Rate by Race (All)



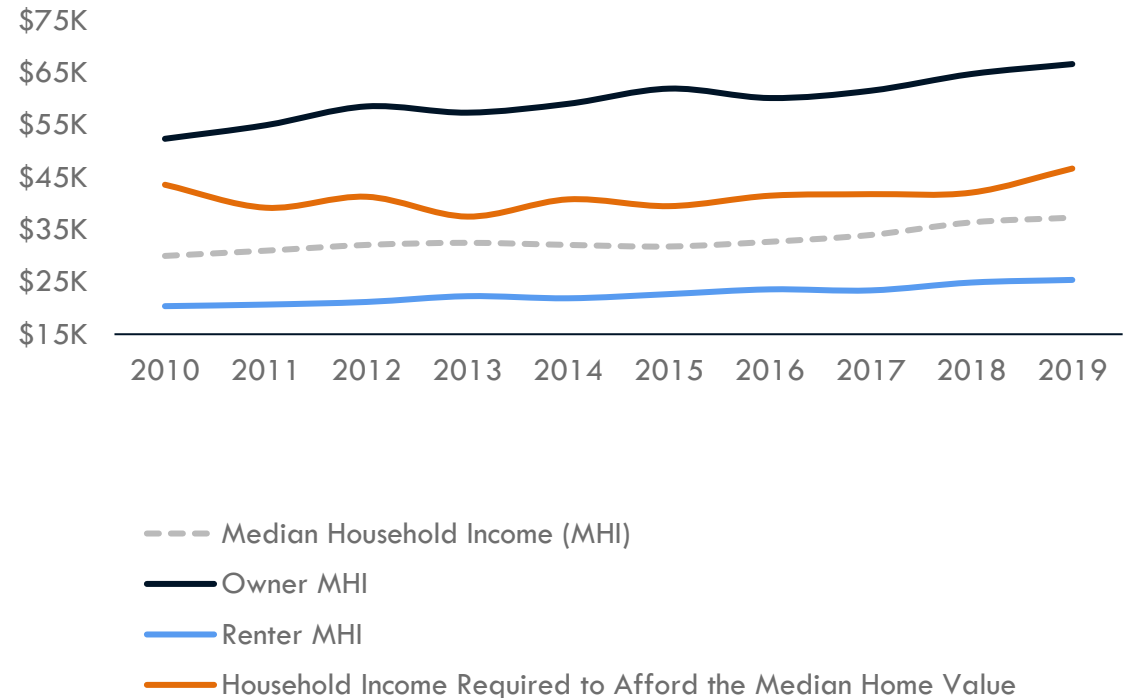
Source: Social Explorer – ACS 2019 (5-Year Estimates)

Homeownership remains unattainable for the average household in Gainesville, especially Black, Hispanic and renter households.

Income at which Median Home is Affordable by Race (All)



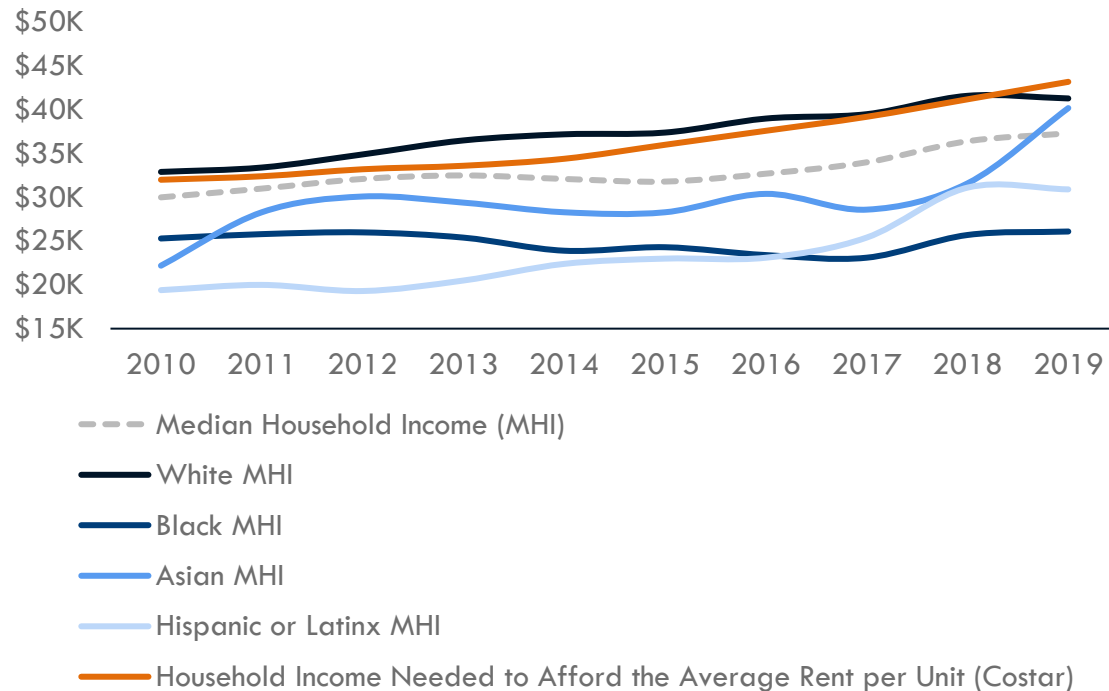
Income at which Median Home is Affordable by Tenure (All)



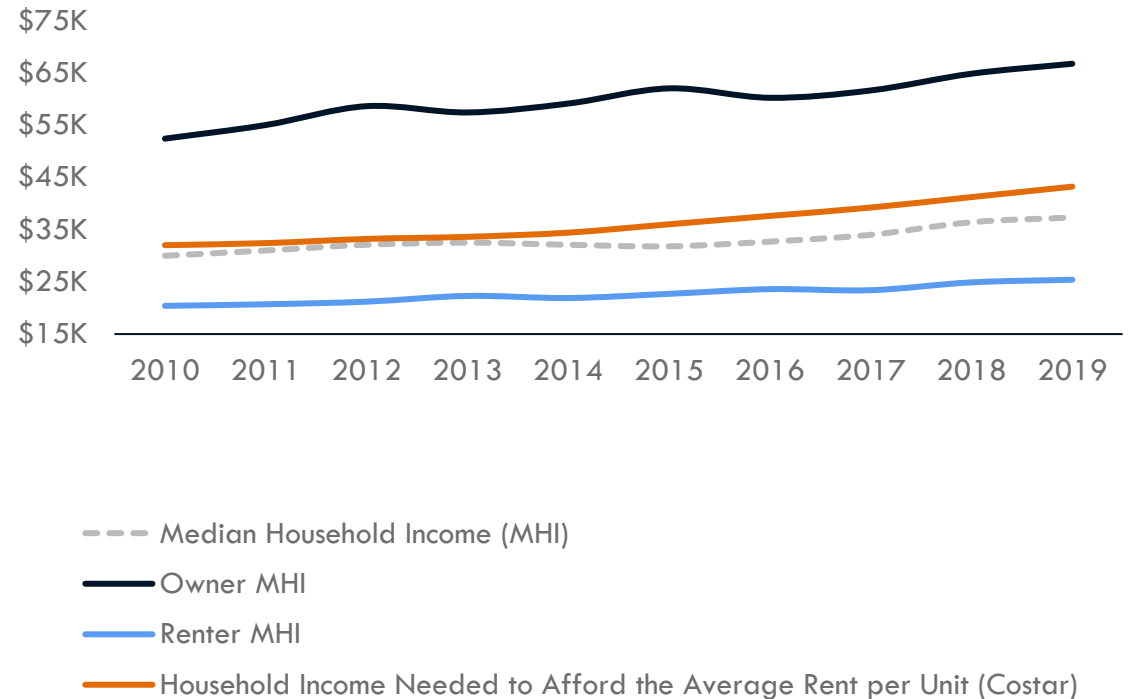
Source: Social Explorer – ACS 2010-2019 (5-Year Estimates)

The average rental unit is only affordable to the typical white or owner-occupied household in Gainesville.

Income at which Average Rental Unit is Affordable by Race (All)



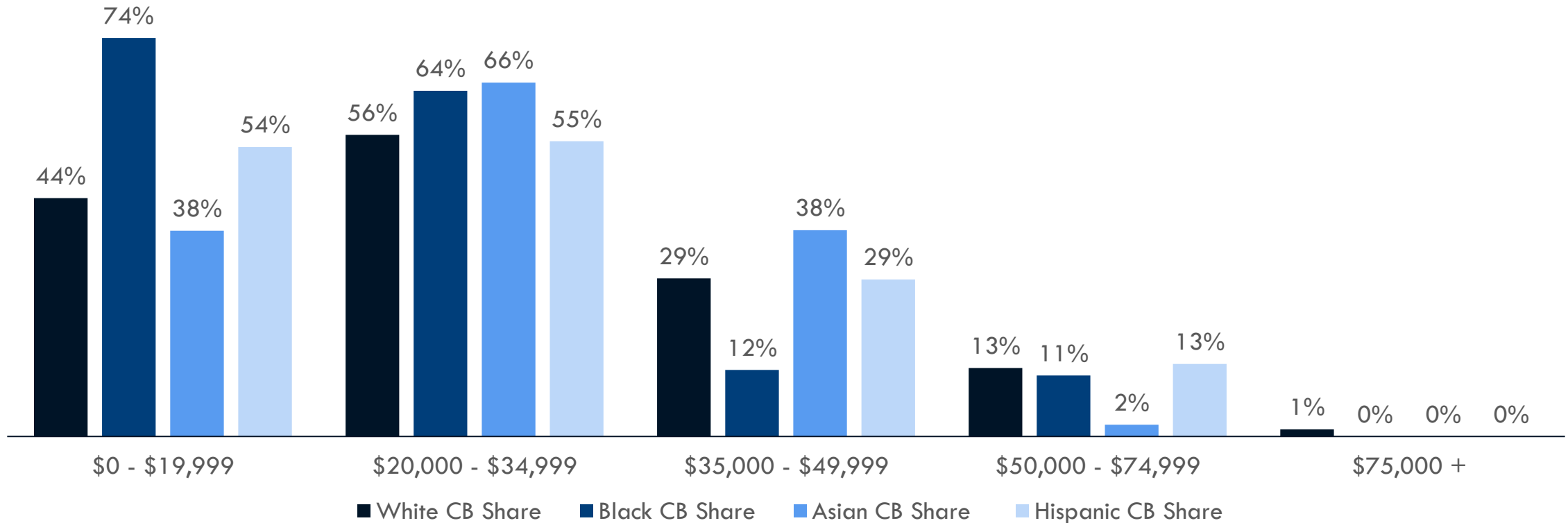
Income at which Average Rental Unit is Affordable by Tenure (All)



Source: Social Explorer – ACS 2010-2019 (5-Year Estimates)

Renters of all races earning <\$35K per year experience high rates of housing cost burden, indicating a need for more affordable rental units.

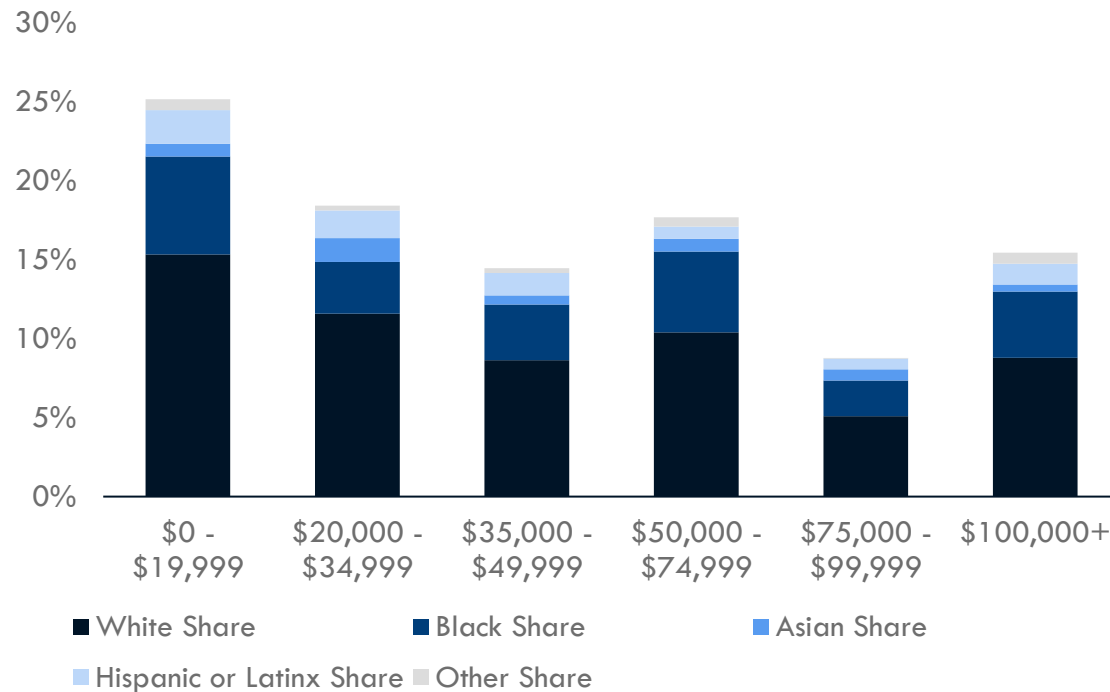
Share of Cost Burdened Renters by Race (Non-Student)



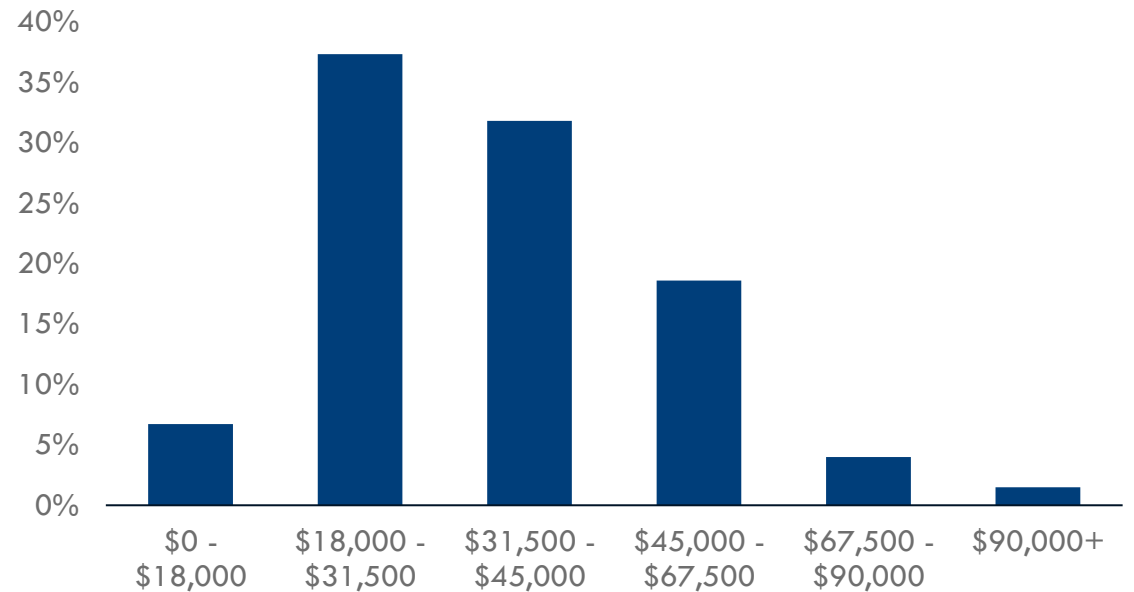
Source: Social Explorer – ACS 2019 (5-Year Estimates)

Homeownership remains unattainable for the average household in Gainesville, especially Black, Hispanic and renter households.

Distribution of Non-Student Renters by Income Group



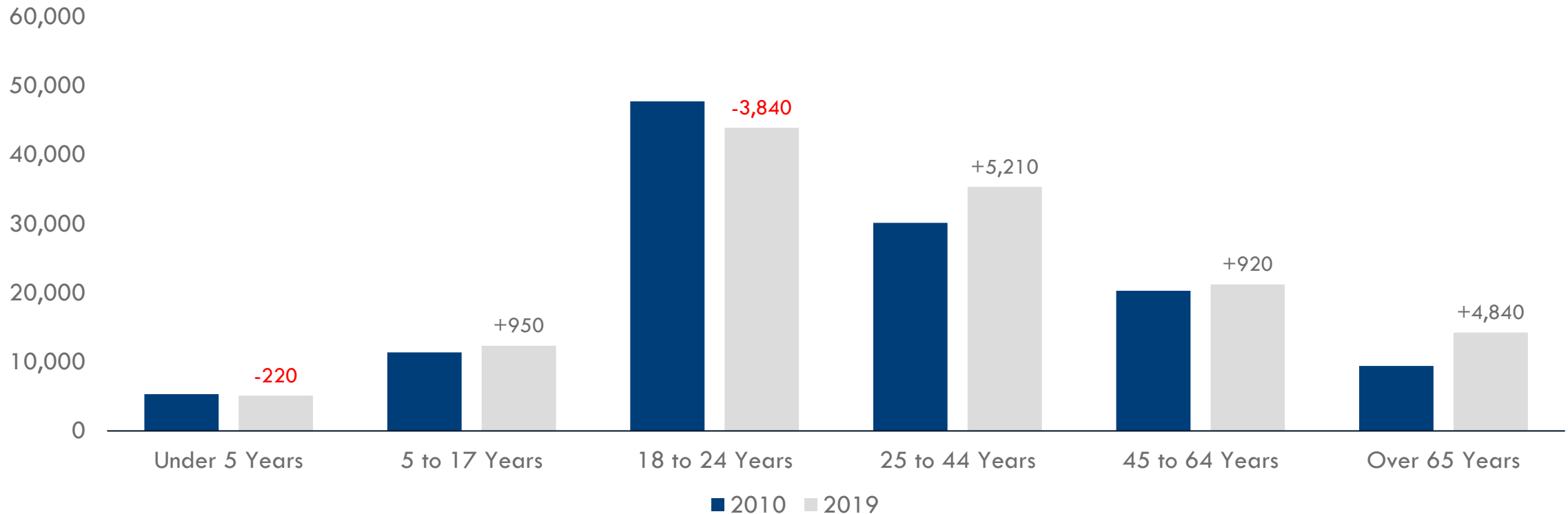
Distribution of Rental Units Affordable to Each Income Group (Non-Student)



Source: Public Use Microdata Sample (PUMS) ACS 2019 (5-Year Estimates)

Nearly a third of Gainesville’s population is between ages 18 to 24, illustrating the significant student population in schools such as University of Florida.

Population Change by Age Group (All)



Source: Social Explorer – ACS 2019 (5-Year Estimates)

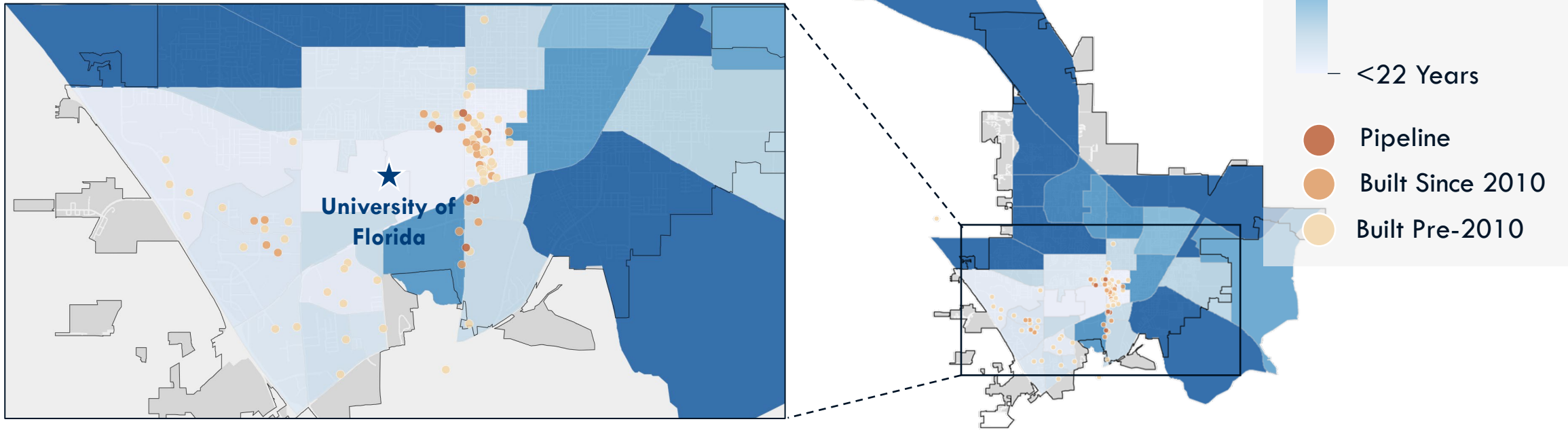
36 percent of all rental units in Gainesville exclusively serve or cater to students.

Younger residents are concentrated around the southwestern parts of Gainesville, in proximity to the University of Florida. Older adults live in the northern and southern suburbs of the City.

Median Age by Census Tract and Student Housing*

Legend

- City Boundary
- >39 Years
- <22 Years
- Pipeline
- Built Since 2010
- Built Pre-2010



*Includes both student housing (i.e., housing that exclusively serves students) and student-focused housing (i.e., housing that caters to students but is available to all residents).

Source: Social Explorer – ACS 2019 (5-Year Estimates), Costar

Exclusionary Land Use Controls

Land use regulations shape the amount, type, and location of newly developed housing, which ultimately affect the cost and affordability of housing.



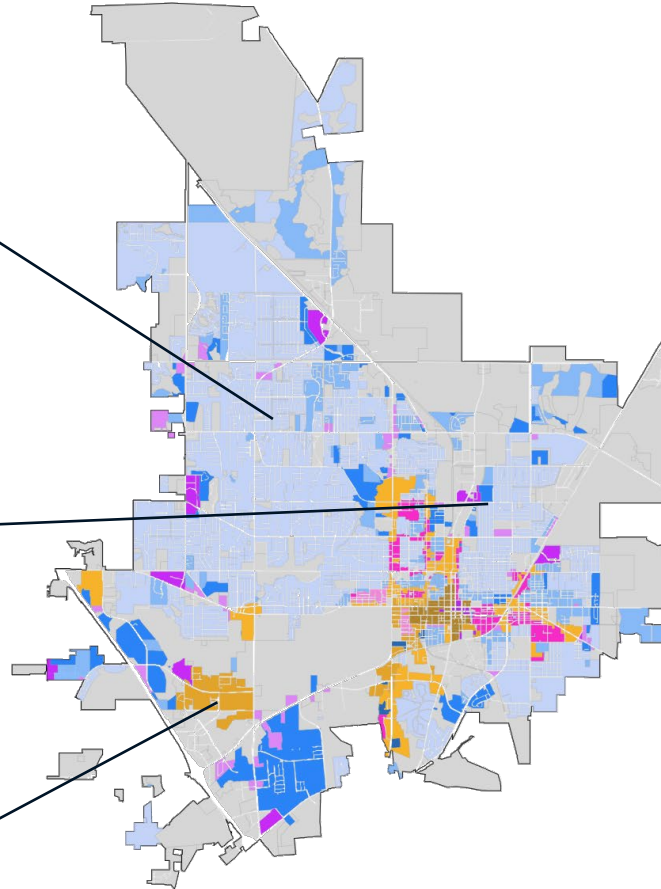
Springtree | Single-Family | 1977



Chelsea Apts. | Rental | 1992



Integra 24 | Rental | 2020



Land use is important because allowing housing supply to grow to match demand is the foundation of creating affordability in a housing market. Without sufficient supply and a range of housing options, all other housing strategies are less effective and more costly.

Legend

- Single-Family
- Residential Low
- Residential Medium
- Residential High
- Mixed-Use Low
- Mixed-Use Medium
- Mixed-Use High
- Mixed-Use Residential
- Mixed-Use Office/Resi.
- Urban Mixed-Use
- Urban Mixed-Use High
- Urban Core

Exclusionary land use controls exclude racially diverse households from residential areas: directly, by limiting what housing is built, and indirectly, by pushing up housing costs.

While zoning is the most recognizable land use control, it is one of many tools that local government uses to control how, where, and what kind of development occurs. County and State land use regulations and housing policy, such as HB 7103, also play a role in determining development patterns in Gainesville. For the purposes of this analysis, HR&A focused on local land use controls that the City of Gainesville has direct control over. HR&A reviewed the existing literature on exclusionary land use controls, the relationship between racial and economic segregation, and the connection between land use controls and the cost of housing. This literature review revealed the following themes:

- Exclusionary land use controls are rooted in explicitly racist local policy but take new forms that are primarily economic.
- “Growth management” or “smart growth” tactics, which limit the extent to which diverse housing types can be built at a rate that accommodates the preferences and price points of a diverse population, can have the same exclusionary impacts.
- The results of this economic exclusion is that non-white residents continue to be excluded from high opportunity* neighborhoods, face continued barriers to asset-building through lower assessment values, and can face displacement pressures as the burdens of growth and new development are not distributed equitably across cities.

*HR&A reviewed a range of academic and professional sources including the Lincoln Institute of Land Policy, and the National Bureau of Economic Research, among others. For a complete list of sources reviewed, see Appendix I. *Enterprise Community Partners measures neighborhood opportunity through housing stability, education, health and well-being, economic security, and mobility.*

HR&A defines exclusionary land use controls as local regulations that fit at least one of three criteria, each of which drives disparate outcomes by race.

Exclusionary land use controls are local regulations that:

- 1. Directly decrease or limit housing supply in residential areas**
(strict lot utilization and parcel constraints)
- 2. Increase the cost to build new housing**
(strict design and compatibility requirements)
- 3. Limit the use of existing housing**
(strict occupancy and mobile home limitations)

Changing exclusionary land use controls reduces racial and economic exclusion across a housing market by increasing housing supply and diversity and reducing housing costs.



Benefits of Changing Exclusionary LUCs:

- No public funding required to induce private development
- Increases the overall supply of housing
- Can help address legacies of racial segregation by driving new housing supply more evenly across the city
- Reduces the ability of a limited constituency to prevent the creation of housing
- Supports economic growth and expands the City's tax base

Without reducing exclusionary land use controls, all other housing strategies, and those that require subsidy in particular, are less effective and more costly.

Using the three exclusionary criteria, HR&A reviewed Gainesville’s Code of Ordinances to analyze the implementation and impact of land use controls in Gainesville.

The following slides describe the implementation and impact of land use controls by category.

Key Exclusionary Land Use Controls in Gainesville’s Code of Ordinances by Criteria

Criteria	Code of Ordinance Provisions
Directly decreases or limits housing supply in residential areas	<ul style="list-style-type: none"> • Lot utilization constraints (e.g., setbacks, minimum lot dimensions, height limits, density limits) • Parcel constraints (lot split limits)
Increases the cost to build new housing	<ul style="list-style-type: none"> • Design and compatibility constraints (e.g., historic preservation/conservation overlay, development compatibility)
Limits the use of existing housing	<ul style="list-style-type: none"> • Occupancy limitations • Mobile home location

Lot utilization constraints constrain the development potential of an individual lot, increasing the price point of new housing and reducing the diversity of housing types.

While there are important reasons for lot utilization constraints, when too constraining, they limit the number of housing typologies that are feasible to build on a lot. When these constraints are widespread, they limit the diversity of housing across a city and drive up the price point of individual units as developers seek to maximize the value of each lot. These exclude a broad range of households from being able to access and benefit from new housing.

Primary lot utilization constraints in Gainesville's code of ordinances:

**Residential
Density Limits**

Density limits constrain the number of units that can be built per acre of land, regardless of setbacks or height restrictions.

Setbacks

Strict minimum setback requirements on lots that permit multifamily dwellings limit the number of units that can be built, in some cases below the number of units that would otherwise be permitted through density limits.

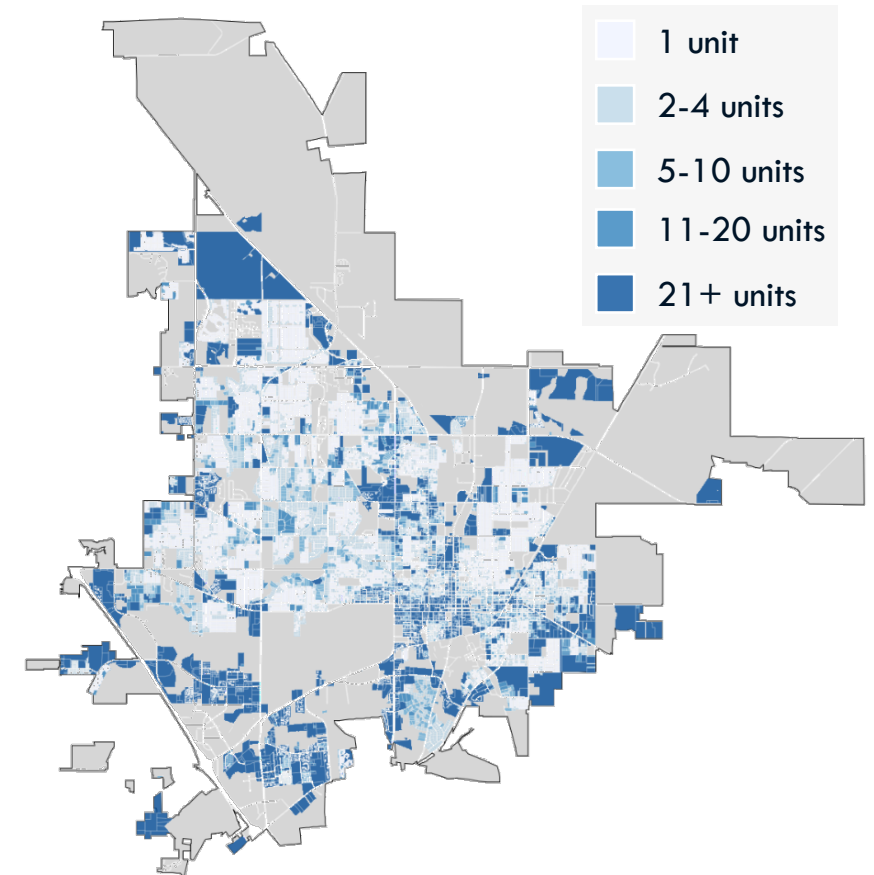
Height Limits

Building height limitations can prevent the construction of vertical housing typologies which accommodate more households on a given lot compared to single-family development.

Residential density limits are the most restrictive lot utilization constraint. In Gainesville, **63%** of residential parcels allow for the construction of only one housing unit.*

Zoning District	Max Density (Code)	Max Density Adjusted to Median Lot Size	Total Land Area in Gainesville	% of Total Residential Land Area
RSF-1	3.5 units/ac	1.2 units	5,793 ac	42.0%
RSF-2	4.6 units/ac	1.1 units	1,506 ac	10.9%
RSF-3	5.8 units/ac	1.1 units	814 ac	5.9%
RSF-4	8.0 units/ac	1.3 units	323 ac	2.3%

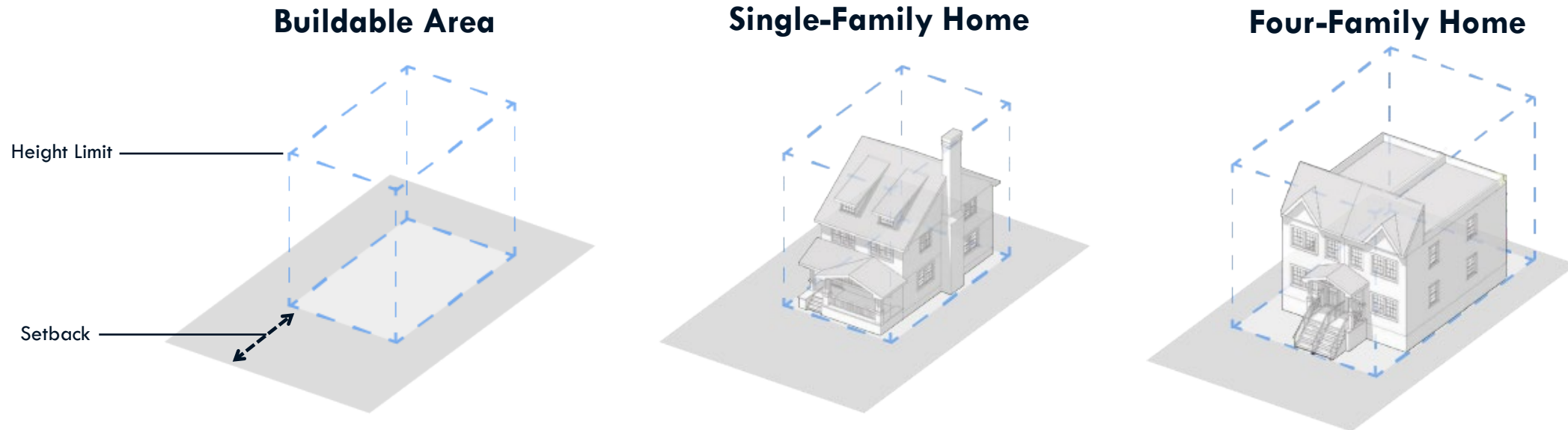
Density Limits Adjusted to Lot Size*



*One unit includes all values greater than 0 to less than 1.5, 2-4 units includes all values greater than or equal to 1.5 and less than 4.5, and so on. Excludes Planned Development zones.

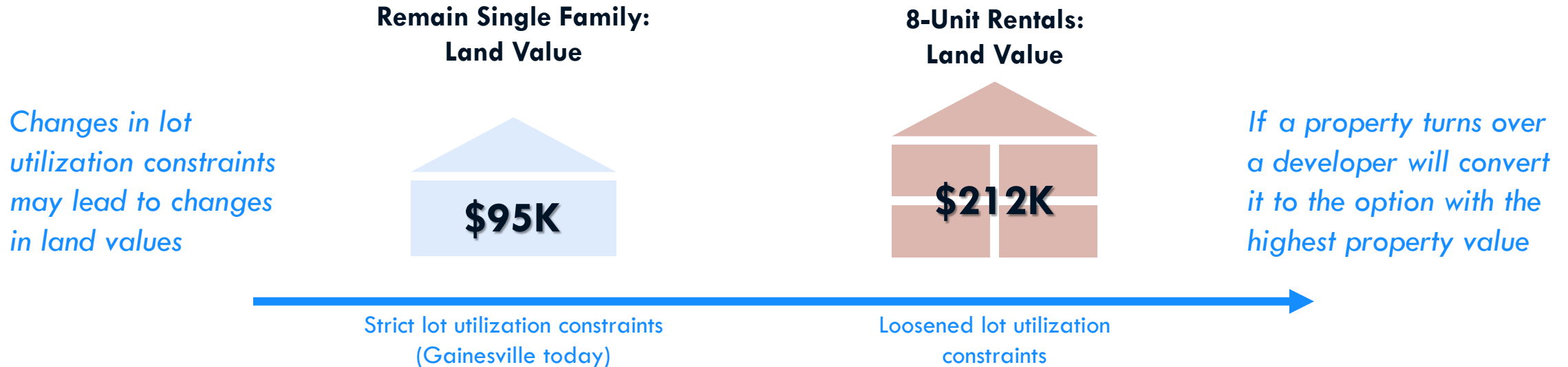
Strict lot utilization constraints incentivize developers to build larger single-family homes to maximize land value. This hurts the affordability of new for-sale housing supply.

Setbacks and height limits work together to form the **buildable area** of the lot, and the density limit determines how many units can be built within that buildable area. When the City sets strict constraints, developers will generally build larger single-family homes to maximize the value of the land within those constraints. When they are not strict, developers will generally build more units on one lot, which can house more families at a more moderate price point.



Loosening lot utilization constraints would encourage developers to build different, denser housing typologies that house more families.

HR&A analyzed development costs at the parcel level for a typical 8,500 SF lot in Gainesville and modeled land-owners decisions in response to reducing residential density limits. When developers are less constrained on a lot, they will build the number of units that maximizes the land value. Analyzing the **land value*** of different typologies on the same lot demonstrates this decision-making.



*"Land value" in this context refers to residual land value (RLV), or the price an investor will pay in a market, arms-length transaction for a piece of property and its development rights, calculated based on anticipated revenues, total development costs, and required return threshold. The 8-unit rental scenario assumes 2-bedroom units of 980 SF using the same lot coverage limits as the baseline scenario but no density limit. Sources: CoStar, Zillow, Gainesville parcel data.

Reducing lot utilization constraints creates more opportunities for families to access new housing at a lower price point.

Changing the number of units built on a single site means that units are delivered at different **price points** based on the intensity of the use.



	Remain Single Family	8-Unit Rentals
Home Price/Rent of New Housing	\$378K	\$1,500 per unit
Annual HH Income Needed to Afford*	\$78K	\$61K
Families Housed per Parcel	1	8

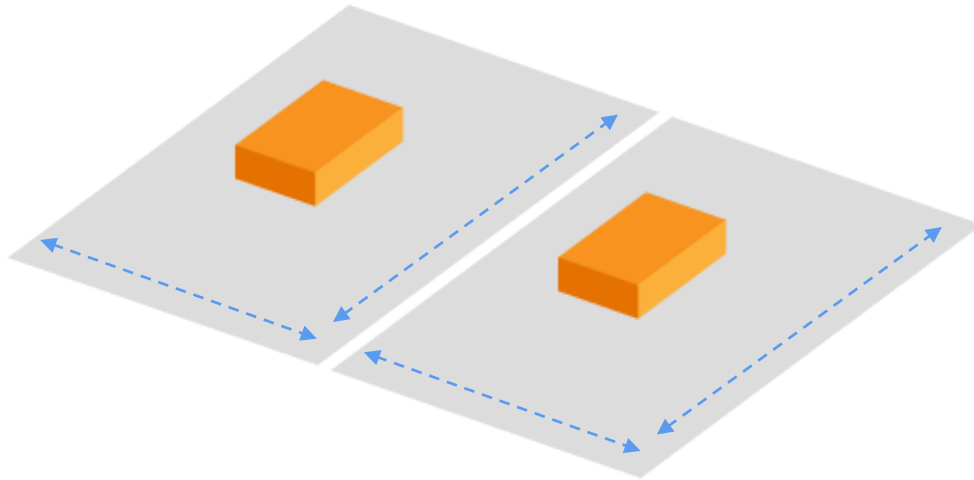
*Assumes a housing cost burden ratio of 30% as per the United States Department of Housing and Urban Development.

Sources: Zillow, CoStar

Parcel constraints limit the intensity of use of a *group* of parcels, reducing the likelihood that new, large housing developments include diverse housing types at a range of prices.

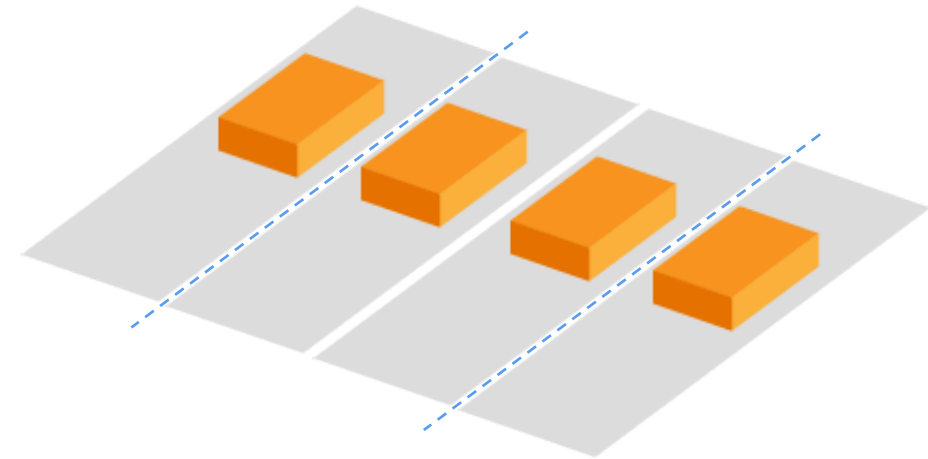
Minimum Lot Dimensions

Lot dimension requirements include minimums on lot width, depth, and overall area. In combination with lot utilization constraints, such requirements result in fewer single-family houses that can be built in an area.



Lot Split Limits

Lot split limits in minor subdivisions prevent developers and existing homeowners from subdividing larger lots to accommodate additional housing units at a more affordable price point.



Design and compatibility requirements increase the cost to build and maintain housing, which raises cost burdens for low-income homeowners and excludes renters.

Historic Preservation Overlays

Historic preservation overlays can require homeowners to construct and maintain certain architectural and aesthetic features on their properties. The upfront investment and upkeep costs related to design requirements makes these homes more expensive and can make homeownership less attainable for low- and moderate-income households in Gainesville.

Development Compatibility Requirements

The Code of Ordinances uses density restrictions and design requirements to physically separate multifamily and single-family residential development. Not only does this directly exclude residents of multifamily buildings, who tend be renters, in certain situations owners of multifamily properties must incur the costs related to building and maintaining buffer areas and partitions, which in turn limits the financial feasibility of denser (and more affordable) housing typologies.



Multifamily property owners must construct and maintain a decorative masonry wall if their property abuts a single-family home.

Strict occupancy requirements encourage developers to build single-family structures rather than attached housing, which would allow more families to live on the same lot.

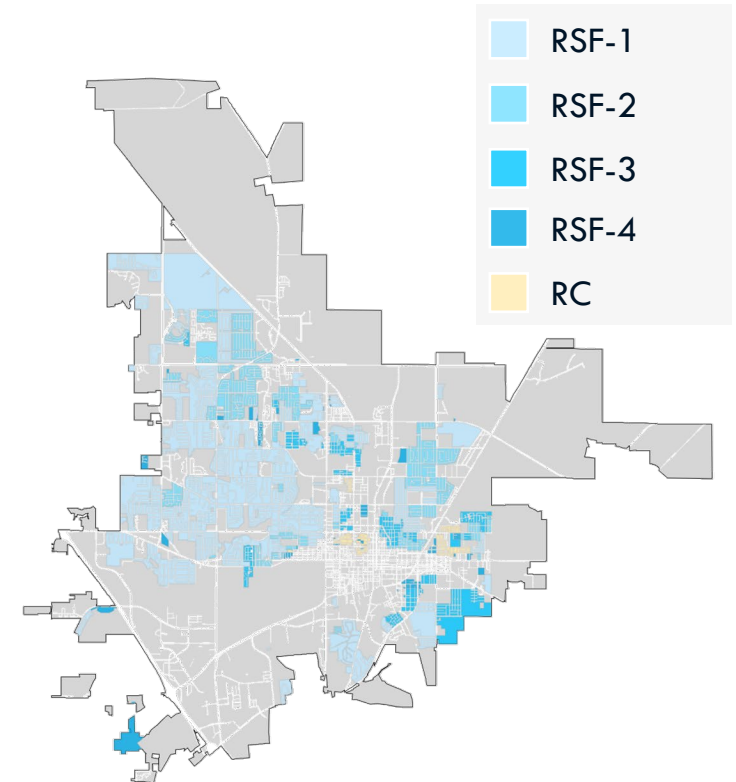
Occupancy Requirements

Occupancy requirements prohibit more than one family from living in one structure, which in turn excludes households with a diverse range of housing needs and preferences. The Code of Ordinances prohibits more than one family from occupying a dwelling in RSF-1, RSF-2, RSF-3, RSF-4, and RC zoning districts. These districts comprise **61%** of the total residential land area in Gainesville. The requirement is also applicable to residential PDs with a maximum residential density of eight units per acre.

Bedroom Limits

In the University of Florida Context Area, the City limits the number of bedrooms that can be located within a single structure. This encourages developers to build single-family houses rather than attached houses, which would have a higher total bedroom count. Placing a cap on bedrooms also constrains the housing supply for large households.

Zoning Districts with Occupancy Requirements



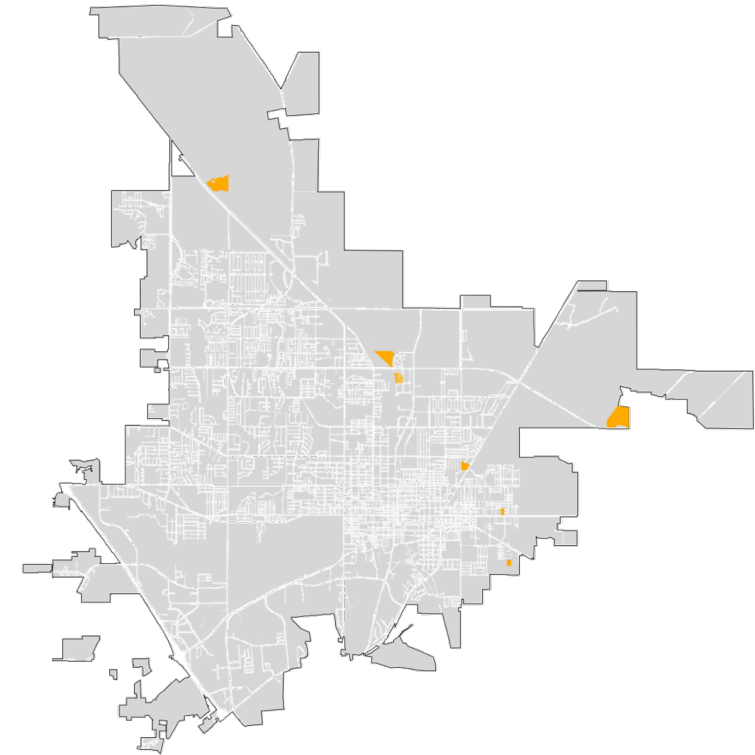
Limitations on the location of mobile homes in Gainesville exclude low-income households for whom mobile homes are an affordable homeownership option.

Mobile homes are a form of naturally occurring affordable housing for lower-income residents. Such homes (as well as other alternative formats such as tiny homes) provide more flexible and financially attainable living arrangements compared to traditional single- or multifamily units.

In Gainesville, mobile homes are only permitted in MH zones, which comprises only **1.3%** of the total residential land area. Because of the zoning restrictions on mobile home construction, lower-income residents may:

- Face greater challenges in seeking homes that meet their financial needs
- Be especially vulnerable to displacement, given that landowners have a financial incentive to redevelop MH-zoned lots to more lucrative single- or multi-family typologies. When these lots are redeveloped, there are very limited options for where mobile home-owners can relocate, leaving them vulnerable to displacement from Gainesville.

Zones Where Mobile Homes are Permitted



The City of Gainesville should complete in-depth land use analyses to consider the following changes to exclusionary land use controls.

Actions to Consider

- Reduce setbacks in low and moderate density residential areas.
- Permit lot splits in minor subdivisions.
- Reduce minimum lot dimensions.
- Allow housing typologies beyond single family ("missing middle", 2- to 4-unit housing) in residential districts with strict lot utilization constraints.

- Eliminate compatibility requirements between multifamily and single family uses.
- Reduce expensive design standards in historic preservation districts.

- Identify additional areas to permit mobile home uses.
- Eliminate single family occupancy limitations in low density districts.
- Increase the bedroom limit in the University of Florida Context Area when a structure includes more than one dwelling (attached housing).

Outcomes



1. Increase the amount and type of housing in residential areas



2. Decrease the cost to build and maintain housing



3. Increase options for the use of existing housing

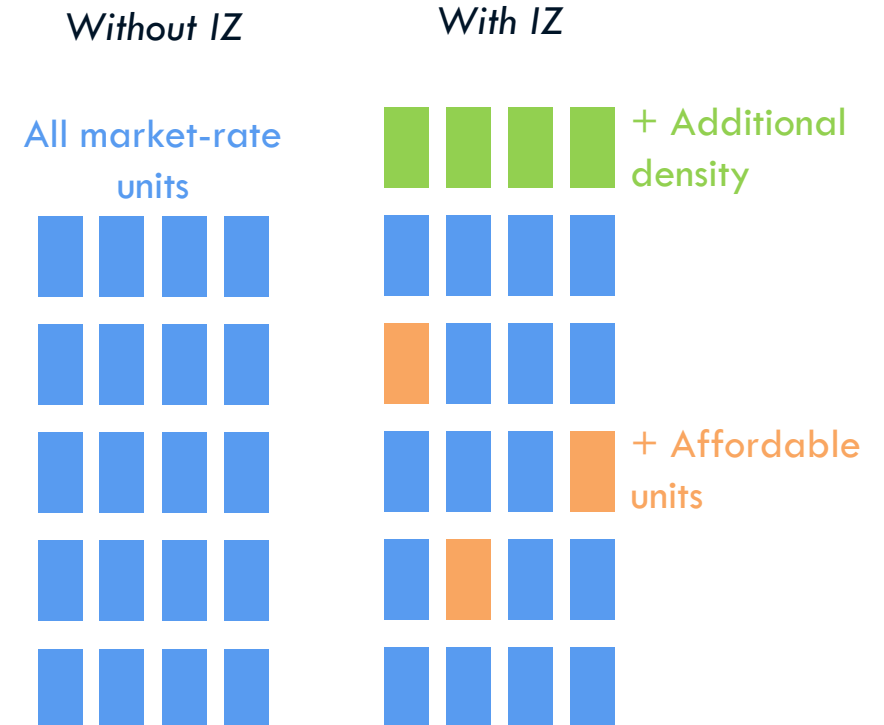
Inclusionary Zoning Feasibility

The goal of an inclusionary zoning policy is to support Gainesville’s housing needs through the creation of affordable housing that the market would not otherwise build.

Inclusionary zoning is a land use tool that requires or encourages developers to create affordable units in new market-rate residential and commercial developments. Incentives such as reduced parking requirements, additional density allowances, or tax abatements are sometimes provided to encourage participation.

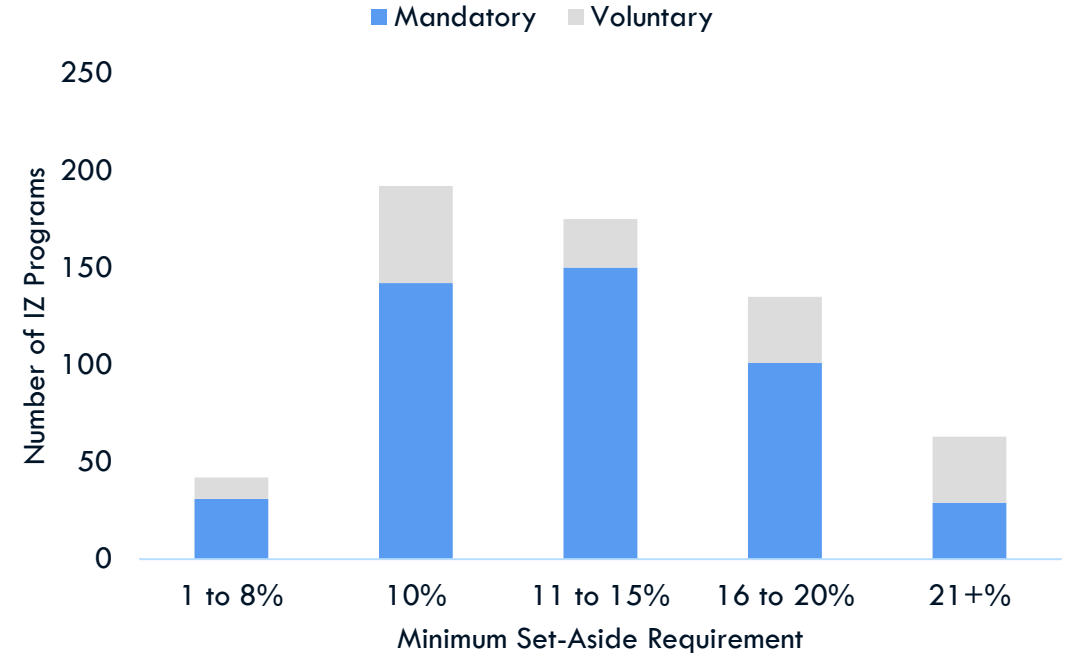
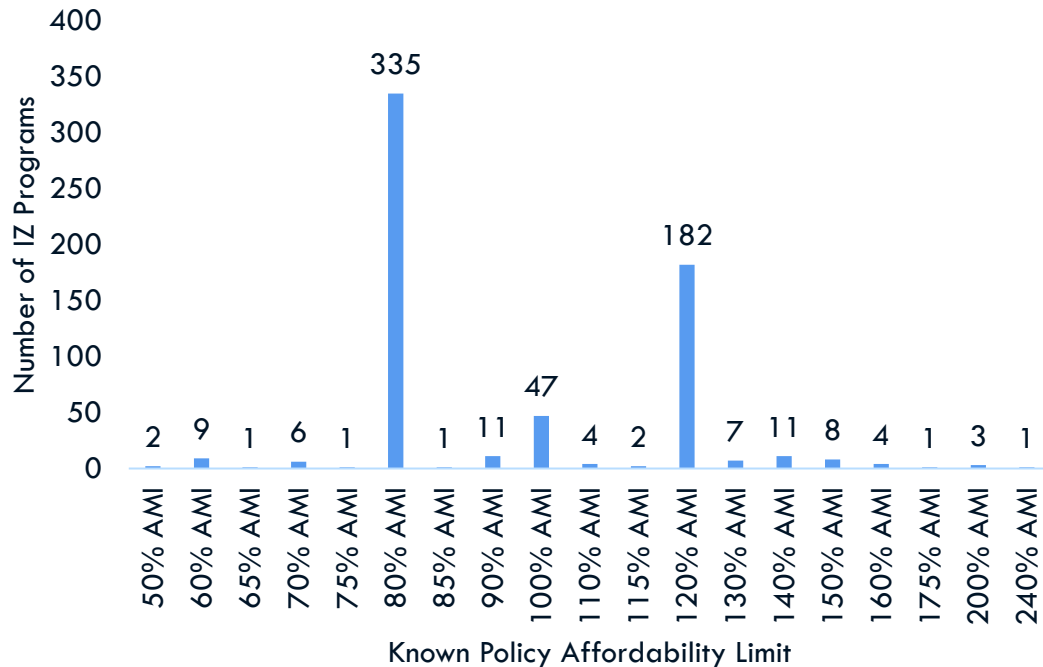
More than 1000 jurisdictions across 30+ states have inclusionary zoning programs. These programs vary along many design considerations, including whether the program is voluntary or mandatory, what amount and depth of affordability is required, if it applies to rental or for-sale development, whether there are alternative compliance pathways such as the payment of a fee in-lieu, and what incentives are available. These policy elements are adjusted based on local policy priorities, housing market strength, and affordability needs.

Illustrative IZ Policy with Density Bonus Incentive



IZ policies around the country typically serve households earning up to 80% or 120% AMI, and require 10, 15, or 20% minimum set-asides.

For programs with greater than 20% affordability set-aside requirements, over half of the IZ programs are voluntary. The depth and amount of affordability required in each program depends on the strength of the local housing market. The programs also vary in the incentives that are offered to support housing development.



Source: HR&A analysis of Grounded Solutions Network Inclusionary Housing Database, 2020.

Inclusionary zoning is one of many tools that can support housing affordability, and it presents a variety of benefits and limitations.

Benefits of IZ

Captures value of land in areas with strong housing markets. The Gainesville market has seen steady market-rate development in recent years in some neighborhoods, suggesting the potential to support development of some affordable housing.

Serves households earning up to 80% of Area Median Income (AMI), which is an area of need for Gainesville.

Does not require public subsidy, though public subsidy may be provided as an incentive to achieve more or deeper affordability.

Limitations of IZ

Does not work in weaker housing markets and submarkets, where an overly restrictive IZ policy risks decreasing housing development, which ultimately harms affordability by both failing to deliver the mandated IZ units and limiting overall housing supply. An IZ policy that is overly restrictive relative to nearby jurisdictions also risks driving new development outside of political boundaries.

Do not serve very deep levels of affordability need, such as for households earning up to 30% AMI. For these residents, other alternatives such as housing vouchers should be layered with increased supply of rent-restricted affordable housing.

Need to triangulate and optimize between maximizing depth of affordability, ensuring continued housing development, and limiting the cost of incentives.

Florida State law requires that local governments seeking to use IZ policies align market economics and public benefit.

Section 125.01055 of Florida’s statutes authorizes localities to increase the supply of affordable housing using land use mechanisms, such as inclusionary housing or linkage fees. Inclusionary housing ordinances may require a specific set-aside of housing units or an in-lieu fee.

In May 2019, the Florida Legislature passed HB7103, which amended this statute to require municipalities in Florida to use incentives to “fully offset all costs” to a developer associated with creating affordable housing units from inclusionary zoning. These incentives may include (but are not limited to) density bonuses, reduced or waived fees, or granting other incentives.

For example, in August 2019, **Palm Beach County** revised the **Workforce Housing Program (WHP)**, a mandatory inclusionary program for 10+ units in Urban/Suburban tiers, to create incentives that reflect the number of affordable units. Similarly, in October 2019, **The City of Ocala** updated the **Affordable Housing Incentive Fund** to offset some of the costs of developing affordable units with money accrued from new development.

Sources: [The Florida Legislature](#), [Florida Housing Coalition](#), [City of Gainesville Affordable Housing Advisory Committee](#)

HR&A tested the feasibility and impact of an inclusionary zoning policy in Gainesville and provided recommendations for policy design.

FEASIBILITY ANALYSIS

1. **Propose IZ scenarios to test**, based on national precedents
2. **Test IZ policy impact** on development profitability
3. **Identify and evaluate incentive tools** to narrow economic gap

POLICY RECOMMENDATIONS

- Propose policy design**, including elements like:
- Affordability depth
 - Affordability duration
 - In-lieu fee
 - Unit pricing
 - Unit characteristics
 - Concurrency of unit delivery
 - Policy applicability

ADMINISTRATIVE RECOMMENDATIONS

- Once Gainesville has designed and adopted an IZ policy, it must administrate the policy through:
- Process Guidelines
 - Development Approvals
 - Program Management

Ultimately, HR&A recommends that Gainesville adopt an IZ policy with a 10% set-aside for households earning up to 80% AMI, with the option of an in-lieu fee.

These requirements should be periodically reviewed and adjusted, every two years.

Key Program Design Element	Recommendation
Set Aside & Affordability Requirements: calibrating depth and amount of affordable units, vs. feasibility of requiring units	<ul style="list-style-type: none"> 10% affordable units at 80% AMI
In-Lieu Fee / Flexibility for Compliance	<ul style="list-style-type: none"> Establish in-lieu fee option, set at \$120-160K per affordable unit that would have been built under IZ; adjust fee level every two years
Development Scale (Size of Developments Subject to IZ)	<ul style="list-style-type: none"> Apply IZ requirements to multifamily residential developments with ten or more units
Applicability (Voluntary vs. Mandatory, Applicability to Existing Developments)	<ul style="list-style-type: none"> Voluntary opt-in for geographies outside of IZ policy Incentives applicable to non-market rate units Not applicable to existing development
Affordability Term / Duration	<ul style="list-style-type: none"> 99 years
Unit Pricing (based on household income and size)	<ul style="list-style-type: none"> Follow existing HUD guidelines
Unit Characteristics	<ul style="list-style-type: none"> Ensure affordable units are identical with market-rate units
Concurrency of Delivery of Affordable Units	<ul style="list-style-type: none"> Include a concurrency requirement
Fractional Units	<ul style="list-style-type: none"> Adopt normal rounding rules, rounding up for fractional units above 0.5

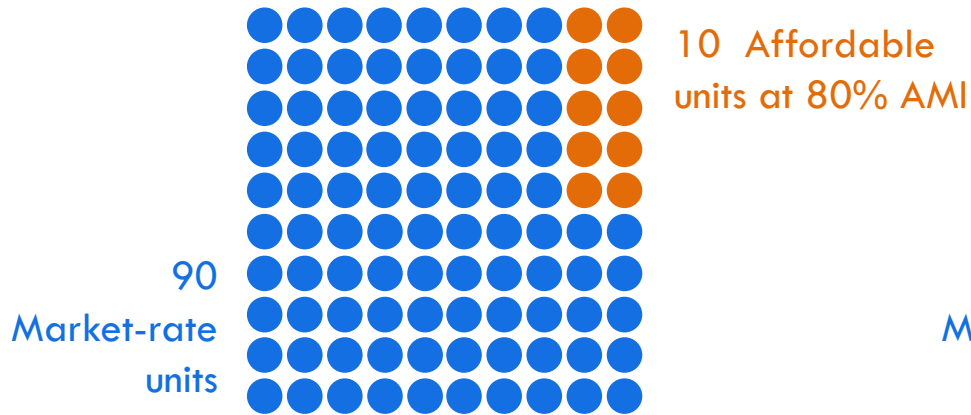
Inclusionary Zoning – Feasibility Analysis

To evaluate the potential impact of IZ, HR&A considered two policy scenarios that present a tradeoff between amount and depth of affordability.

One scenario requires a 10% set-aside of affordable units at 80% AMI, and one requires an 8% set-aside of units at 60% AMI. These scenarios were selected based on precedent IZ policies around the nation.

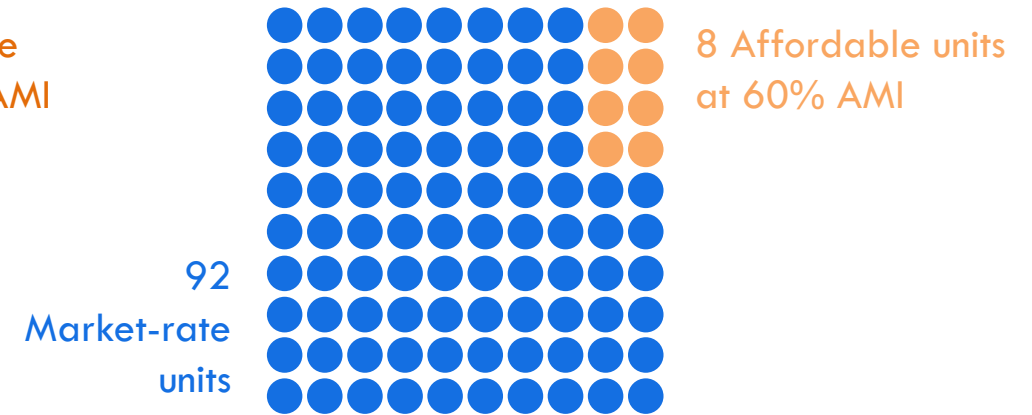
Scenario 1, 10% Affordability Set-Aside at 80% AMI

Example 100-Unit IZ Project



Scenario 2, 8% Affordability Set-Aside at 60% AMI

Example 100-Unit IZ Project



If a mandatory inclusionary zoning policy with a 10% set-aside or an 8% set-aside would have been in place from 2018 to 2020, approximately 250 units or 200 units of affordable housing would have been created, respectively, based on the amount of market-rate multifamily residential housing that was built in those years.

HR&A observed five common types of new development in the Gainesville market and tested the feasibility of an IZ policy against each of these development types.



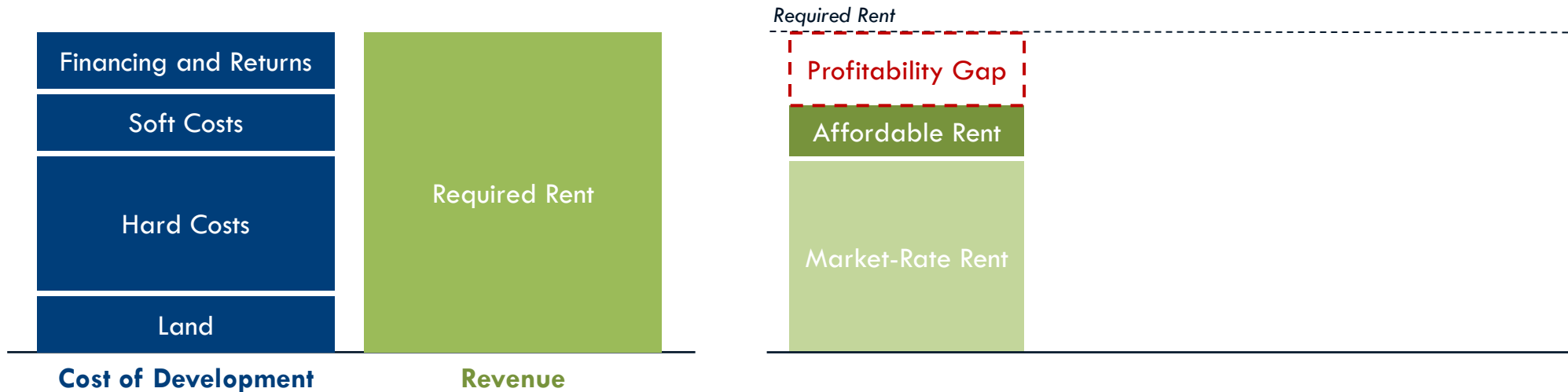
	Large Garden	Large Midrise	Infill Midrise	Infill Highrise	Single-Family
Neighborhood	West and NW Gainesville	West and NW Gainesville	Innovation District, University Heights	Innovation District, University Heights	West and NW Gainesville
Lot Size	Large	Large	Small	Small	Large
Number of Stories	3 – 4	4 – 5	4 – 6	7+	1 – 2
Example Recent Developments (student-oriented developments)	<ul style="list-style-type: none"> • Novo Markets West • 23West • The Mayfair 	<ul style="list-style-type: none"> • City Place at Celebration Pointe • Liv+ Gainesville 	<ul style="list-style-type: none"> • Cascades • Midtown Apartments 	<ul style="list-style-type: none"> • The Standard • Evolve Gainesville 	<ul style="list-style-type: none"> • 88th Street Cottages • Dream Gainesville

*The “single-family” rental developments are built in bulk on a single piece of land and are essentially “horizontal multifamily.” Recent developments include market rate development and “student-oriented developments,” which are those occupied by, and marketed to, students, but not limited to them, separate from dorms or private student housing.

Detailed descriptions in Appendix.

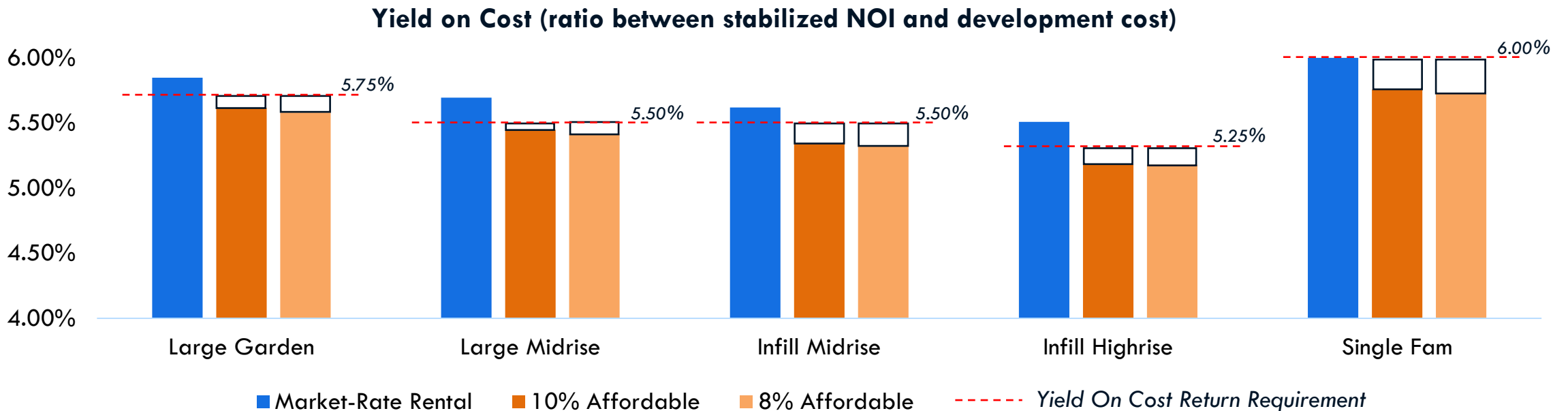
HR&A set up a development model that calculates the financial impact of requiring affordable units for each building typology.

Implementing an inclusionary zoning policy constrains rental revenue, which may reduce project revenues and make a project unprofitable if those revenues can no longer cover development costs. Without sufficient incentives, a mandatory policy could reduce affordability by creating infeasible developments and restricting the production of new units.



HR&A’s modeling finds that 10% and 8% IZ requirements bring project profitability below threshold return requirements for all five typologies.

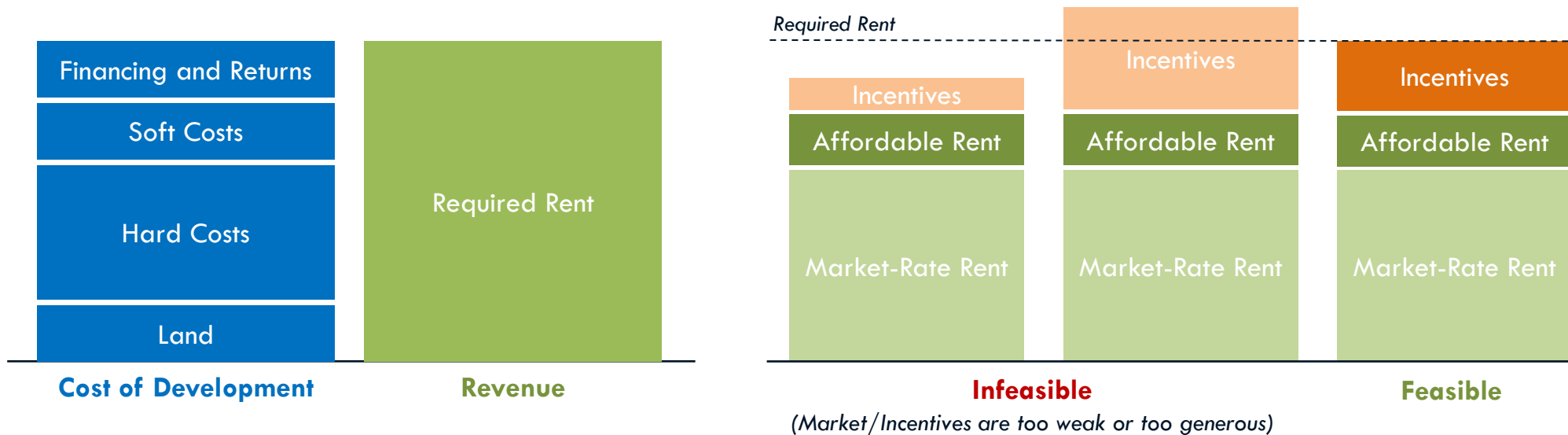
Project profitability was measured using Yield on Cost, calculated for each property type using a 10-year cash flow model. The model was populated with assumptions gathered from empirical market data and developer interviews (see summary table of assumptions in the Appendix). The calculations below give a sense of the average directional impact and relative magnitude of policies. Falling below the return threshold does not mean every deal will die, but that fewer deals will happen; similarly, not every project above the return threshold will necessarily happen. Based on our model, **the likely profitability gap for a developer per required affordable unit is between \$16,000 to \$140,000.**



Bringing new construction projects to meet expected developer returns requires providing incentives that make up the profitability gap.

Using our model, HR&A calculated the dollar value of incentives that would bring a project to a threshold level of feasibility, calibrated such that incentives are neither too weak nor too generous.

Inclusionary Zoning Feasibility | Identifying Appropriate Incentives for Development under IZ



After considering a range of tools, HR&A tested two forms of incentive to overcome the profitability gap.

**Applicable,
impacts modeled**

Additional Density

The City can approve additional density and/or height to counter the loss of revenue associated with affordability.

Public Land Contribution

Where applicable, the City could contribute some or all land, reducing development costs.

**Likely applicable,
not modeled**

Expedited Review

The City may be able to expedite review of certain permits and applications, but the value of this time is not fixed.

By-Right Development

The City could streamline the development process, but this may not shape the “go/no-go” decision for a project.

Needs further consideration

Minimum Parking Reduction

The City already plans to waive parking requirements in many urban areas.

Direct Subsidy

Direct subsidy can be costly and requires identification of a consistent and substantial source of funding. This incentive requires further analysis of (1) the efficiency of using public funds to create new units relative to other methods and (2) the depth of affordability that can and should be achieved with these resources.

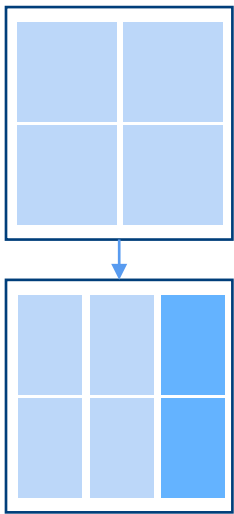
Synthetic Tax-Increment Financing

The City could establish a mechanism in its budget to offset a portion of real estate taxes for IZ properties. In Gainesville, there is precedent for a synthetic TIF for commercial developments, but not yet residential.

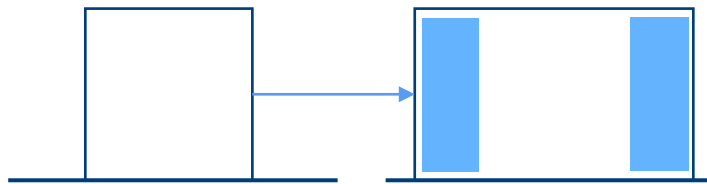
Granting “additional density” to fill the feasibility gap can take several forms from a regulatory perspective to achieve the desired level of profitability.

Our model represents “additional density” as an increase in the number of units, and a commensurate increase in both rents and development costs. In practice, this additional density can be achieved through several zoning and land use changes, including the ones below:

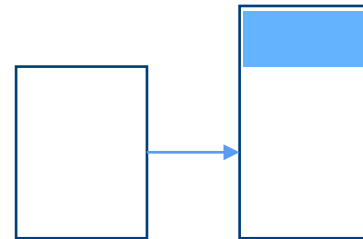
Smaller units



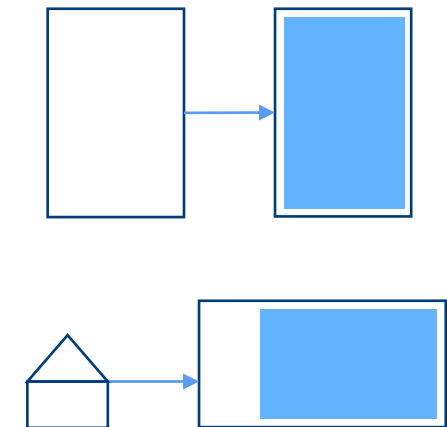
Relaxed setback requirements and increased lot coverage



Additional height allowances



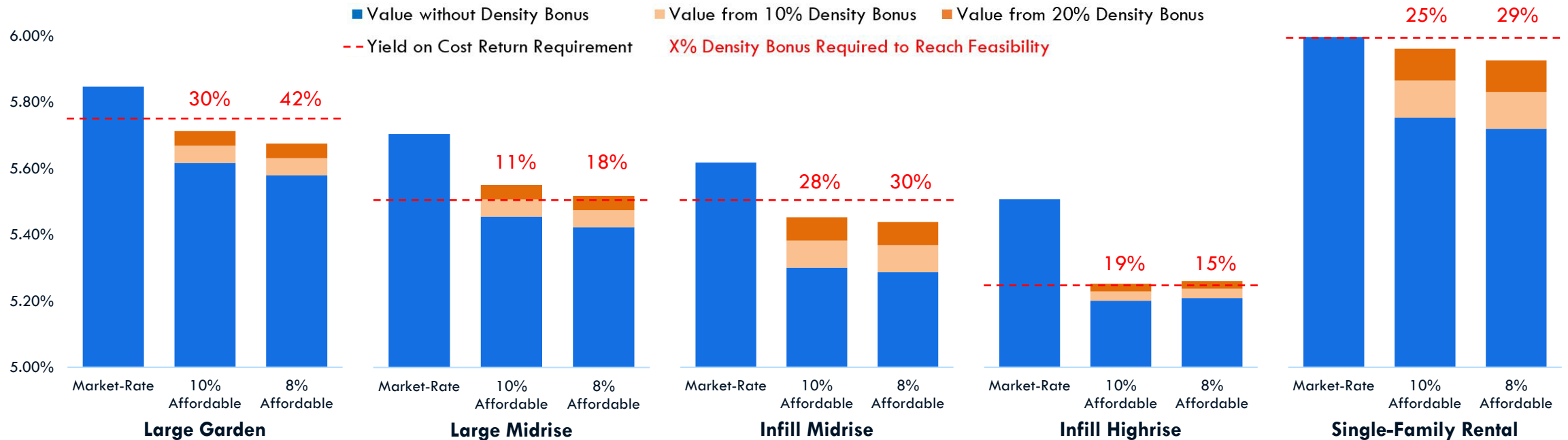
Wholesale land use change (e.g., commercial to resi, single-family to multifamily)



A density bonus of up to 30 percent would help projects meet developer return expectations for all typologies under a 10% IZ requirement.

While additional density is an attractive incentive, the real-world value of additional density is constrained by market demand. Many developers are not currently building up to existing height restrictions because it is costly to build more vertically. A density bonus would be most meaningful for typologies that are currently brushing up against density restrictions—namely, infill high-rise typologies.

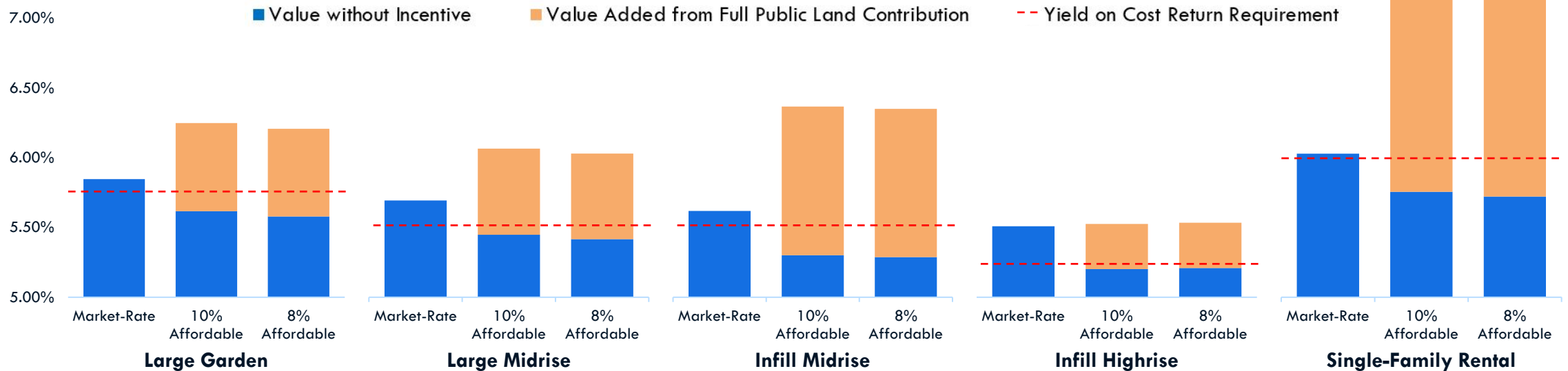
Yield on Cost with IZ Density Bonus



To the extent that public land is available and suitable for new multifamily development, local governments can provide public land to support provision of affordable units.

Waiving the cost of public land in disposition to a developer would be highly valuable as it reduces upfront development costs. In fact, HR&A’s modeling found that contributing the full value of public land (estimated to be between \$4M to \$6M in market value for our hypothetical test cases), exceeds normal developer returns without IZ. This indicates that the City could either waive a portion, but not all, costs associated with the purchase of public land, or could apply a steeper affordability requirement to development of housing on public land (some cities do this today, for instance, requiring up to a 25% set-aside requirements instead of 15% for projects receiving public land contributions).

Yield on Cost with Full Public Land Contribution



Inclusionary Zoning – Policy Recommendations

Set-Aside and Affordability Requirements

PRECEDENTS

City	Affordability Level	Portion of Development
Atlanta, GA	60-80% AMI	10% of units for incomes \leq 60% AMI, or 15% of units for incomes \leq 80% AMI
Boston, MA	70% AMI	13% of total number of units on-site (citywide; percentage varies by zone)
Burlington, VT	65% AMI	15% of units, depending on the avg. price of the market-rate homes
New Orleans, LA	60% AMI	10% of units (Tier 1); 5% of units (Tier 2); voluntary (Tier 3)
Newtown, MA	80-120% AMI	10% of total habitable space
Norwalk, CT	60% AMI (based on state income)	10% of total units
Seattle, WA	60% AMI	5-7% of total units
Stamford, CT	50% AMI	10% of units
Washington, D.C.	60% MFI; tenant must not spend $>$ 41% of income on housing	8-10% of residential square footage

HR&A Recommendation

HR&A recommends that the City of Gainesville implement an IZ policy that requires a set-aside of 10% of units affordable to households, all affordable to households earning 80% of AMI.

In-Lieu Fee

IZ programs often offer developers an option to opt out of developing on-site affordable housing through a financial payment, or in-lieu fee. The in-lieu fee creates flexibility for meeting an IZ requirement and provides funding to support affordable housing that is not being developed by the market, including larger family-sized units, supportive housing, and other forms of housing to serve **specific low-income populations**.

PRECEDENTS

Cities such as Boston, MA have written fees as specific dollar amounts in their policies, while other cities including Portland, OR and San Francisco, CA charge in-lieu fees based on a specified amount per gross square foot of development. In either case, the fee is typically developed based on the difference in market value between a market rate unit and an IZ unit. As market conditions change, the fee must be reevaluated to ensure it remains appropriately priced for the market.

HR&A Recommendation

HR&A recommends that the City of Gainesville establish an in-lieu fee option. The fees should be collected at the issuance of a building permit for the development, and the City should clearly outline how the fees will be deposited into a specified fund for affordable housing. Within an implementation and procedures manual developed separate from policy language, the City should require funds generated through in-lieu fees to be deployed within areas of opportunity—as defined by the City’s affordable housing task force to align production with identified City goals.

Adjustments to the in-lieu fee should be considered every two years to ensure it is set at an appropriate level as market conditions evolve. The IZ policy should clearly outline the process for updating, collecting, and expending fees. In some communities, a failure to update fee formulas has led to artificially low fee levels and developers overwhelmingly choosing to make fee contributions rather than construct on-site units.

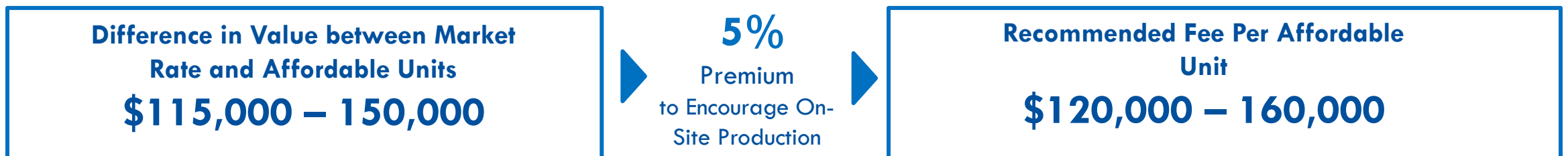
In-Lieu Fee

CALCULATING THE IN-LIEU FEE

In order to ensure that developments in highly desirable neighborhoods still have an incentive to build affordable units on-site, the fee should be set above “average” opportunity cost to more closely resemble the true opportunity cost for high-end buildings. In Gainesville, it will be most appropriate to set this fee based on the most common building typologies. Under this structure, developers choosing to pay the fee will create the largest benefit to the surrounding community, who will receive the benefit of a fee that is larger in total financial worth than the subsidy that would flow to the affordable units within a given development.

HR&A Recommendation

Based on the analysis of current market conditions in Gainesville, the current fee in lieu fee in Gainesville should be \$120,000 to 160,000 per affordable rental unit. The fee calculation is based on the average per-unit difference in market value between building a fully market-rate development and a development that satisfies the IZ requirements. HR&A recommends applying an **additional 5-10% premium to the calculated fee in order to incentivize developers to produce units on-site, in line with City policy goals.**

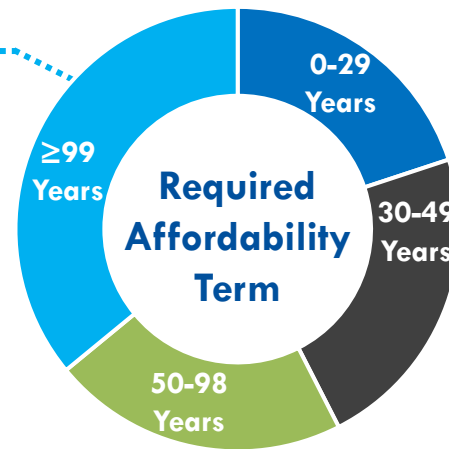


Affordability Term

Affordable housing created through IZ programs vary in the length of time units are required to remain affordable. The term of affordability typically begins for rental units when the unit is granted a certificate of occupancy and for for-sale units at the time a unit is initially sold.

Long-term affordability is viewed as a best practice for preserving affordable housing and newer IZ policies are increasingly focused on long-term affordability.

36% of cities with an IZ policy require an affordability term at or greater than 99 years.



HR&A Recommendation

HR&A recommends that Gainesville establish an affordability term of 99 years. Long-term affordability will reinforce a sustainable model for affordable housing production in Gainesville and relieve pressure that developments to replace units as their term expires. HR&A's financial analysis supports this term of affordability.

Source: HR&A Analysis of Grounded Solutions Network Inclusionary Housing Database

Development Scale

As a policy that uses the value of market rate development to support the creation of affordable housing, IZ policies typically establish a minimum project size for developments subject to an IZ requirement.

PRECEDENTS

The minimum development scale to require IZ varies by jurisdiction, though most are between ten and twenty units. Washington, DC applies IZ to developments with ten or more units and Portland, OR applies its IZ policy to projects with twenty or more units. Some jurisdictions, including Washington, DC, provide a process for opting into IZ in developments smaller than the minimum requirement if the developer desires to utilize IZ incentives. Niche multifamily residential development types including assisted living facilities and dormitories are typically exempt from adhering to IZ policies due to their different living typologies.

HR&A Recommendation

HR&A recommends Gainesville apply IZ requirements to multifamily residential of ten or more units, though smaller developments should be permitted to voluntarily opt-in in exchange for receiving incentives provided by the IZ policy.

Inclusionary requirements should not be imposed on single-room occupancy (SRO) buildings, such as assisted living facilities or student dormitories. For the purposes of exclusion from IZ, assisted living should be considered separately from independent living and other group homes. IZ should still apply to new market-rate housing that may be student-oriented, i.e., marketed to or occupied by students.

Applicability

VOLUNTARY PARTICIPATION

For developments outside of geographies requiring IZ participation, the HR&A team recommends permitting **voluntarily opt-in for developments to provide affordable units in exchange for IZ zoning incentives**. Receipt of tax abatement or other tax reduction tools in these locations is not tied to meeting an affordability requirement. However, for any scenario in which public funds are being provided, the City should pursue affordable housing and other public goals to the extent possible.

APPLICABILITY OF POLICY TO PLANNED DEVELOPMENT

The City should establish that the policy does not apply to developments that have already been approved. Developments which have already received a permit should not have a requirement to provide IZ units after gaining development approvals. Although this will slow the near-term production of affordable housing, requiring IZ units can significantly alter the financial feasibility of a development and cause an already approved development to no longer be feasible. **However, the HR&A Team recommends that the City provide an opt-in option for approved developments.** Opt-in policies allow development which have already gained approval to voluntarily provide IZ units in exchange for the incentives offered for IZ developments.

HR&A Recommendation

HR&A recommends a policy that has: (1) voluntary opt-in for geographies outside mandatory IZ, (2) available incentives applicable to non-market rate units, and (3) should not apply to developments already approved (with an opt-in option for projects interested in seeking IZ incentives).

Unit Pricing

Unit pricing refers to the rent charged per unit. These are not regulated by Department of Housing and Urban Development (HUD) guidelines, unlike other housing programs. As a result, there is variation in strategy used.

A complete pricing formula must contain:

- **The share of household income for housing that is considered affordable.** Using an affordability standard of 30% of gross household income for housing costs—including rent and utilities—aligns with federal guidance and is most appropriate.
- **Unit size pricing based on household size.** Area Median Income, the common metric used for affordable housing programs, adjusts income limits by household size.
- **The income level used for pricing.** Based on IZ policy recommendations, the policy should clearly state that maximum rental cost levels for inclusionary units are equivalent to an affordable rent at 60% and 80% of AMI (per household).
- **The specific items included in housing costs.** All utilities paid by tenants and owners should be included in the affordability calculation (e.g. water, gas, electric) based on published utility allowances.

HR&A Recommendation

HR&A recommends developing a formula for unit pricing based on existing HUD guidelines. A formula must address share of household income considered affordable (30%), unit pricing based on household size, the income levels used for pricing, and the specific items included in housing costs (utilities, etc.)

Unit Characteristics

Common practice is to ensure IZ units are substantially similar to market rate units and are integrated into the rest of the building.

PRECEDENTS

Most jurisdictions, including San Mateo, CA and Washington, DC, require affordable units to be largely indistinguishable from market rate units. Important considerations include IZ unit location in building, quality of finishes, size, and unit mix relative to market rate units in the building.

HR&A Recommendation

HR&A recommends Gainesville require IZ housing units to be largely indistinguishable from market rate units and be integrated into the rest of the building, including specific guidelines such as:

- Scattering IZ units throughout the building so as not to be co-located on one floor or in less desirable areas of the building,
- Matching the quality of in-unit feature and finishes between affordable and market rate units, and
- Ensuring that IZ units resemble the makeup of the building in terms of unit size and unit mix.

Development Concurrency

Concurrency guidelines ensure IZ units within a development are delivered at the same time as market rate units. Without concurrency guidelines, there is risk that the delivery of IZ units may be delayed until after market rate units are constructed and completed, or never built.

PRECEDENTS

Concurrency is commonplace in IZ programs across the country and policies may use simple and direct language to ensure developers understand their responsibilities for providing a proportional number of affordable units in the same timeframe as market rate units.

HR&A Recommendation

HR&A recommends Gainesville include a concurrency requirement as part of an IZ policy, which will require IZ units to be made available at the same time as market rate units.

Fractional Units

Affordability requirements based on a percentage of total development regularly produce fractional inclusionary unit requirements. For example, a 42-unit building with a 10% affordability set-aside would be required to produce 4.2 affordable units. It is common practice to clarify how such cases should be handled.

PRECEDENTS

Although some jurisdictions require developments to round up to the next highest whole number, the American Planning Association's (APA) model policy for fractional units suggests using normal rounding where fractions above .5 round up to the next highest whole number while fractions below .5 round down to the next lower whole number. In the example 42-unit building above, the APA model policy would produce four units of affordable housing.

HR&A Recommendation

HR&A recommends that Gainesville follow APA guidelines and adopt normal rounding rules for determining the count of IZ units (fractions above .5 round up to the nearest whole unit).

Summary of Recommendations

These requirements should be periodically reviewed and adjusted, every two years.

Key Program Design Element	Recommendation
Set Aside & Affordability Requirements: calibrating depth and amount of affordable units, vs. feasibility of requiring units	<ul style="list-style-type: none"> 10% affordable units at 80% AMI
In-Lieu Fee / Flexibility for Compliance	<ul style="list-style-type: none"> Establish in-lieu fee option, set at \$120-160K per affordable unit that would have been built under IZ; adjust fee level every two years
Development Scale (Size of Developments Subject to IZ)	<ul style="list-style-type: none"> Apply IZ requirements to multifamily residential developments with ten or more units
Applicability (Voluntary vs. Mandatory, Applicability to Existing Developments)	<ul style="list-style-type: none"> Voluntary opt-in for geographies outside of IZ policy Incentives applicable to non-market rate units Not applicable to existing development
Affordability Term / Duration	<ul style="list-style-type: none"> 99 years
Unit Pricing (based on household income and size)	<ul style="list-style-type: none"> Follow existing HUD guidelines
Unit Characteristics	<ul style="list-style-type: none"> Ensure affordable units are identical with market-rate units
Concurrency of Delivery of Affordable Units	<ul style="list-style-type: none"> Include a concurrency requirement
Fractional Units	<ul style="list-style-type: none"> Adopt normal rounding rules, rounding up for fractional units above 0.5

Appendix

Appendix

Exclusionary Land Use Controls Literature Review

1. Gregory Ingram and Yu-Hung Hong, “Fiscal Decentralization and Land Policies”, 2007, Lincoln Institute of Land Policy.
2. Edward Glaeser and Joseph Gyourko, “The Impact of Zoning on Housing Affordability”, 2002.
https://www.nber.org/system/files/working_papers/w8835/w8835.pdf
3. Robert Manduca, “How Rising U.S. Income Inequality Exacerbates Racial Economic Disparities”, 2018, The Washington Center for Equitable Growth <https://equitablegrowth.org/how-rising-u-s-income-inequality-exacerbates-racial-economic-disparities/>
4. Christopher Silver, “The Racial Origins of Zoning in the American Cities”, 1997. <https://www.asu.edu/courses/aph294/total-readings/silver%20--%20racialoriginsofzoning.pdf>

Appendix

Precedent IZ Requirements

Existing IZ policies vary in their design, depending on local market conditions, public goals, and available tools.

City	Affordability Level	Length of Affordability	Portion of Development	In-Lieu Fee Amount Per Rental Unit
Atlanta, GA	60-80% AMI	20 years	10% of units for incomes \leq 60% AMI, or 15% of units for incomes \leq 80% AMI	\$124,830 - \$167,364 (varies by geography)
Boston, MA	70% AMI	30 years, with the right to renew for 20 years	13% of total number of units on-site (citywide; percentage varies by zone)	\$68,400 (market-rate); \$380,000 (affordable)
Burlington, VT	65% AMI	99 years	15-25% of units, depending on the avg. price of the market-rate homes	No in-lieu fee
New Orleans, LA	60% AMI	99 years	10% of units (Tier 1); 5% of units (Tier 2); voluntary (Tier 3)	HR&A proposal: \$29,100 (market-rate); \$291,000 (affordable)
Newtown, MA	80-120% AMI	40 years	10% of total habitable space	
Norwalk, CT	60% AMI (based on state income)	In perpetuity	10% of total units	Fee based on a percentage of State of CT median income; percentage varies by affordability level of unit
Seattle, WA	60% AMI	75 years	5-7% of total units	\$5.00 - \$32.75 per square foot
Stamford, CT	50% AMI	Life of building	10% of units	Fee based on a percentage of SMSA median household income; percentage varies by affordability level of unit
Washington, D.C.	60% MFI; tenant must not spend $>$ 41% of income on housing	Life of building	8-10% of residential square footage	No in-lieu fee

Appendix IZ Model Typology 1: Large Garden

Large Garden style apartments, have primarily been built in West or Northwest Gainesville, where land is more available and cheaper.

Large Garden style apartments generally consist of multiple buildings of 3 to 4 stories spread across a large lot.

Recent example developments include The Mayfair, Park Avenue Apartments, 23 West, and Novo Markets West in the pipeline.



Year Built	2018
Land Area (sf)	601,729
Stories	3
Units	243
Parking	392
Avg PSF Rent	\$1.32



Year Built	2016
Land Area (sf)	663,419
Stories	3
Units	298
Parking	400
Avg PSF Rent	\$1.58

Appendix

IZ Model Typology 2: Large Midrise

Large Midrise style apartments have predominantly been built in West Gainesville.

Large Midrise style apartments generally consist of single or few buildings in 3-4 stories spread across a large lot.

Recent example developments include Liv+ Gainesville and The City Place at Celebration Pointe.



Year Built	2020
Land Area (sf)	130,000
Stories	4
Units	235
Parking	
Avg PSF Rent	\$2.24



Year Built	2021
Land Area (sf)	108,900
Stories	4
Units	220
Parking	400
Avg PSF Rent	\$1.84

Appendix

IZ Model Typology 3: Infill Midrise

Typology 3 consists of Infill Midrise style apartments in University Heights (East of the campus) or the Innovation District.

Infill Midrise style apartments are usually a single wood-frame building of 4 to 5 stories built on a small lot in more land-constrained areas, such as near downtown.

Almost all of these infill properties have been targeted to students, which leads to higher per-square foot rents, larger units, and higher operating costs.

Recent example developments include Social 28 and Cascades.



Year Built	2015
Land Area (sf)	45,739
Stories	6
Units	169
Parking	
Avg PSF Rent	\$2.75



Year Built	2018
Land Area (sf)	84,942
Stories	5
Units	67
Parking	50
Avg PSF Rent	\$2.20

Appendix

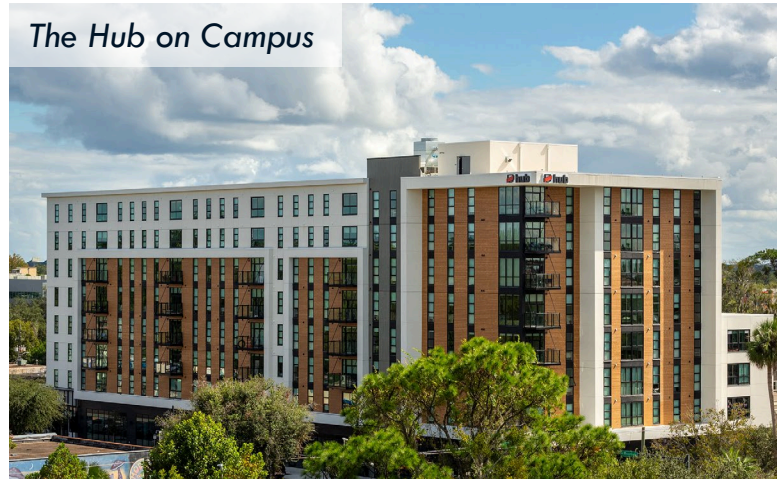
IZ Model Typology 4: Infill Highrise

Typology 4 consists of Infill Highrise style apartments in University Heights.

Infill Highrise style apartments are usually a single building of 7 stories or higher.

Almost all of these infill properties have been targeted to students, which leads to higher per-square foot rents, larger units, and higher operating costs.

Recent example developments include the Hub on Campus or the Standard at Gainesville.



Year Built	2020
Land Area (sf)	96,155
Stories	8
Units	201
Parking	25
Avg PSF Rent	\$1.91



Year Built	2017
Land Area (sf)	61,420
Stories	11
Units	430
Parking	250
Avg PSF Rent	\$2.67

Appendix IZ Model Typology 5: Single-Family Rental

Typology 5 consists of single-family rental properties in West or Northwest Gainesville.

Most single-family rentals are bulk construction of single-family homes in large plots of land.

Recent example developments include the 88th Street Cottages and The Retreat at Gainesville.



Year Built	2020
Land Area (sf)	166,835
Stories	2
Units	27
Parking	
Avg PSF Rent	\$1.33



Year Built	2016
Land Area (sf)	827,828
Stories	2
Units	82
Parking	150
Avg PSF Rent	\$1.70

Appendix

Inclusionary Zoning Model Assumptions

We used a yield on cost analysis to estimate the amount of value that can be derived from different types of development. The yield on cost was calculated using a 10-year cash flow model that used a range of assumptions gathered from market data and developer interviews.

	Large Garden	Large Midrise	Infill Midrise	Infill Highrise	Single-Family Rental
Total Land (SF)	600,000	300,000	60,000	40,000	500,000
Land Cost (PSF)	\$10	\$15	\$120	\$120	\$10
All-in Construction Costs (GSF)	\$161	\$184	\$207	\$230	\$115
Average Unit Size (NSF)	1,150	935	1,003	1,080	1,420
Market Rent (NSF)	\$1.80	\$2.10	\$2.40	\$2.70	\$1.60
Parking Rent (space/month)	\$125	\$125	\$225	\$225	\$50
Operating Expense per unit	\$4,500	\$5,000	\$6,500	\$7,500	\$5,000
Cap Rate	4.50%	4.25%	4.25%	4.00%	4.75%

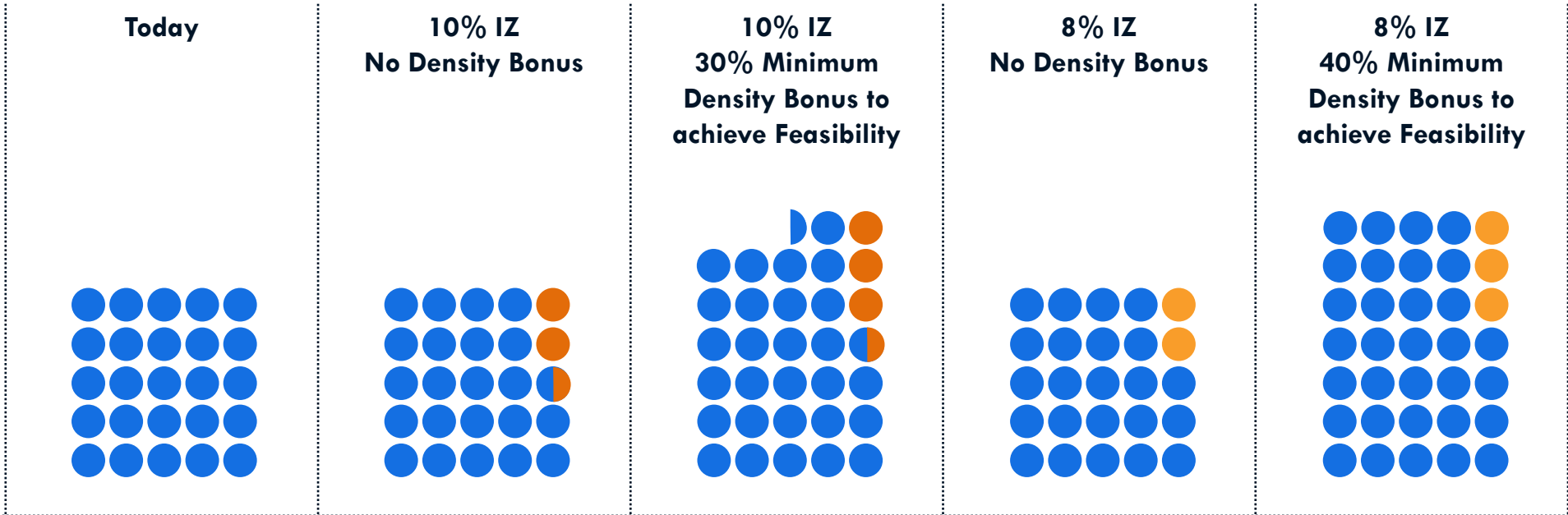
Appendix

Summary of IZ Incentive Impacts

	Large Garden	Large Midrise	Infill Midrise	Infill Highrise	Single-Family Rental
Target Yield On Cost	5.75%	5.50%	5.50%	5.50%	6.00%
Today's Yield On Cost	5.85%	5.69%	5.57%	5.53%	6.03%
Scenario 1					
10% (all 80% AMI)	Infeasible	Borderline	Infeasible	Borderline	Infeasible
+ 15% Density	Borderline	Feasible	Borderline	Borderline	Borderline
+ 30% Density	Feasible	Feasible	Feasible	Feasible	Feasible
+ 100% Land Contribution	Feasible	Feasible	Feasible	Feasible	Feasible
Scenario 2					
8% (all 60% AMI)	Infeasible	Borderline	Infeasible	Borderline	Infeasible
+ 15% Density	Borderline	Borderline	Borderline	Feasible	Infeasible
+ 30% Density	Borderline	Feasible	Feasible	Feasible	Feasible
+ 100% Land Contribution	Feasible	Feasible	Feasible	Feasible	Feasible

Appendix IZ Example Project: Large Garden

- = 10 units
- Market Rate Unit (\$1440 for 1 Bedroom)
- 60% AMI Unit (\$824 for 1 Bedroom)
- 80% AMI Unit (\$1099 for 1 Bedroom)



Yield On Cost (5.75% target)	5.85%	5.62%	5.75%	5.58%	5.75%
Total Units	250	250	325	250	350
Affordable Units	0	25	33	20	28

Appendix


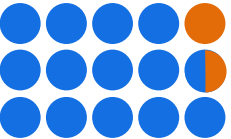
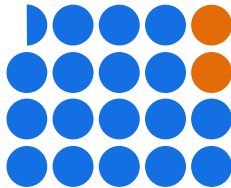

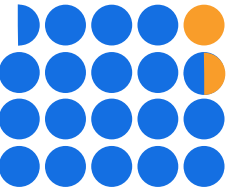
IZ Example Project: Large Midrise

- = 10 units
- Market Rate Unit (\$1680 for 1 Bedroom)
- 60% AMI Unit (\$824 for 1 Bedroom)
- 80% AMI Unit (\$1099 for 1 Bedroom)

	Today	10% IZ No Density Bonus	10% IZ 10% Minimum Density Bonus to achieve Feasibility	8% IZ No Density Bonus	8% IZ 10% Minimum Density Bonus to achieve Feasibility
Yield On Cost (5.50% target)	5.69%	5.45%	5.50%	5.42%	5.50%
Total Units	200	200	220	200	240
Affordable Units	0	20	22	16	19

Appendix IZ Example Project: Infill Midrise

- = 10 units
- Market Rate Unit (\$1920 for 1 Bedroom)
- 60% AMI Unit (\$824 for 1 Bedroom)
- 80% AMI Unit (\$1099 for 1 Bedroom)

	Today	10% IZ No Density Bonus	10% IZ 30% Minimum Density Bonus to achieve Feasibility	8% IZ No Density Bonus	8% IZ 30% Minimum Density Bonus to achieve Feasibility
					
Yield On Cost (5.50% target)	5.57%	5.30%	5.50%	5.29%	5.50%
Total Units	150	150	195	150	195
Affordable Units	0	15	20	12	16

Appendix IZ Example Project: Infill Highrise

- = 10 units
- Market Rate Unit (\$2160 for 1 Bedroom)
- 60% AMI Unit (\$824 for 1 Bedroom)
- 80% AMI Unit (\$1099 for 1 Bedroom)

	Today	10% IZ No Density Bonus	10% IZ 20% Minimum Density Bonus to achieve Feasibility	8% IZ No Density Bonus	8% IZ 15% Minimum Density Bonus to achieve Feasibility
Yield On Cost (5.25% target)	5.53%	5.20%	5.25%	5.21%	5.25%
Total Units	250	250	300	250	288
Affordable Units	0	25	30	20	23

Appendix IZ Example Project: Single Family

- = 10 units
- Market Rate Unit (\$1440 for 1 Bedroom)
- 60% AMI Unit (\$824 for 1 Bedroom)
- 80% AMI Unit (\$1099 for 1 Bedroom)

	Today	10% IZ No Density Bonus	10% IZ 25% Minimum Density Bonus to achieve Feasibility	8% IZ No Density Bonus	8% IZ 30% Minimum Density Bonus to achieve Feasibility
Yield On Cost (6.00% target)	6.03%	5.76%	6.00%	5.72%	6.00%
Total Units	100	100	125	100	130
Affordable Units	0	10	13	8	10



CITY OF GAINESVILLE, FL



Affordable Housing Framework for Discussion

MARCH 2022

OFFICE OF THE CITY MANAGER

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INTRODUCTION

(OFFICE OF THE CITY MANAGER)

According to the National Low Income Housing Coalition, there is a shortage of more than 7 million affordable homes for our nation's 10.8 million extremely low-income families. Every state and every community is impacted and this issue has been exacerbated by the COVID-19 pandemic. The U.S. Department of Housing and Urban Development's January 2021 Comprehensive Market Analysis indicated that homeownership in the Gainesville Housing Market Area is increasingly expensive, and the affordability of buying a home has trended downward since the early 2010s as home prices have increased at a much faster rate than income. Development priorities and decisions that were made more than a half-century ago for Gainesville have resulted in spatially-segregated development patterns which have led to issues with housing access, affordability, gentrification and displacement. In order to begin discussions and set goals for achieving adequate affordable housing in Gainesville, these historical decisions must be acknowledged in order to put forth informed solutions that can be championed by the Gainesville City Commission.

The Gainesville Housing Action Plan prepared by the Florida Housing Coalition in September 2020 is a great starting point for how the City aggressively moves forward in addressing its housing needs. As noted in the Gainesville Housing Action Plan, solving the City's housing challenges will require a multi-faceted approach that includes land donation, secondary market housing, equitable redevelopment, and mixed income developments, to name a few. For Gainesville, this also means that investments in affordable housing must balance neighborhood revitalization and investment while preserving community character.



Report Contributors:

- Office of the City Manager
- Department of Sustainable Development
- Department of Strategy, Planning and Innovation
- Housing and Community Development
- Gainesville Community Reinvestment Area
- Gainesville Fire Rescue
- External Housing Partners



OFFICE OF THE CITY MANAGER
CITY OF GAINESVILLE, FL



City of Gainesville - Alachua Habitat for Humanity Duval Lot Donation

Currently, the City is working to eliminate zoning codes that exclude attainable housing from high-opportunity neighborhoods and are requiring new developments to include affordable housing in their projects. Additionally, the City has partnered with Alachua Habitat for Humanity and the Neighborhood Housing and Development Corporation to significantly increase the number of permanently affordable homes in Gainesville. But there is still more work to do.

Access to housing must not only address affordability but also equitable inclusion. Per the Housing Development Consortium, study after study and an overwhelming, consistent, and oft-ignored community voice have made it clear – Black, Indigenous and People of Color cannot access equitable pathways to opportunity, including intergenerational wealth creation, due to systemically and institutionally racist policies and practices. In most respects, the inequities are stark. Aligning interests and resources that focus on equity, infrastructure development, housing production and preservation, and underwriting and lending could lead to doubling the Black, Indigenous and People of Color homeownership rate in the next couple of decades. In addition, both owners and renters need opportunities for low interest or no interest loans for property maintenance, and ready access to federal assistance dollars. Funding resources available for such initiatives include the Community Development Block Grants, HOME funds and the American Rescue Plan Coronavirus State and Local Fiscal Recovery Funds, and local general revenue funds.

In order to continue the momentum toward the City's vision for housing, "a city where renters and owners at every income and ability level, stage of life, race and ethnicity, have access to safe and affordable housing now and into the future," the City must strengthen its collaborative efforts with other stakeholders, including the State, County, School District, local universities/colleges, the Gainesville Housing Authority and other external partners.

OFFICE OF THE CITY MANAGER
CITY OF GAINESVILLE, FL



1225 W. University Ave Lincoln Ventures - GHA - City of Gainesville

Housing is the key to reducing intergenerational poverty, increasing economic mobility and bolstering economic growth. Without access to safe housing that is affordable, people struggle to find and maintain consistent employment, children's school performance suffers, and overall health declines. Without a strong supply of affordable housing, employers have trouble finding employees, essential jobs go unfilled, and the whole community struggles to grow.

The City has a talented team of professionals who are committed to the City and its people. In acknowledgement of this top priority item as noted in the City's Strategic Plan, a Senior Housing Strategist position is included in the FY 2022 General Government Financial and Operating Plan with an active recruitment plan underway. I, along with my team, comprised of the Department of Sustainable Development, the Department of Housing and Community Development, Gainesville Fire Rescue, Department of Strategy Planning and Innovation, the Gainesville Community Reinvestment Area, and the Office of Government Affairs & Community Relations stand ready to oversee the thoughtful implementation of programs and services, as well as ensuring there is a balanced and intentional approach to delivering on the promise of affordable housing for our neighbors.

A handwritten signature in black ink that reads "Cynthia W. Curry".

CYNTHIA W. CURRY
INTERIM CITY MANAGER

DEFINITIONS

(COMMONLY REFERENCED TERMS)

AFFORDABLE HOUSING

Housing in which the occupant is paying no more than 30 percent of gross income for housing costs, including utilities.

AREA MEDIAN INCOME (AMI)

Area Median Income (AMI) - To determine whether housing costs or rents are affordable for residents of a certain community, HUD uses the area median income (AMI). In a designated area, half of the population makes more than the AMI, and the other half makes less than the AMI.

The median income for a single-person household in the Gainesville, FL MSA is \$37,264.

HUD designates households to certain income groups based on their income relative to the AMI:

- "Extremely Low Income": Below 30 percent of AMI
- "Very Low Income": Below 50 percent of AMI
- "Low Income": Below 80 percent of AMI
- "Moderate Income": Between 80 and 120 percent of AMI

Note: All of these levels are adjusted based on how many people are in a household.

COMMUNITY LAND TRUST (CLT)

A CLT is a system of tenure in which the underlying land is owned by a mission-driven entity, usually a nonprofit, and the buildings on the land are owned or leased by residents. CLTs have the explicit goal of promoting affordable housing and contain legal provisions governing ownership and transfer to keep units affordable in perpetuity.



DEFINITIONS

(COMMONLY REFERENCED TERMS)

COMMUNITY STABILIZATION

People Focus:

- Efforts to create conditions for the restoration of normal social, economic, and political life by contributing to the basic restoration of basic rights, and by promoting social cohesion, functioning state governance, non-violent political processes, effective social policy, livelihoods, and service delivery.

Housing Focus:

- Efforts to acquire and develop abandoned or foreclosed properties to prevent abandonment/blight in defined areas

CONTINUUM OF CARE

Continuums of Care (CoC) are organizations composed of representatives of nonprofit homeless providers, victim service providers, faith-based organizations, governments, businesses, advocates, public housing agencies, school districts, social service providers, mental health agencies, etc. A model of CoC should include the following components:

1. Outreach, intake, and assessment to link housing and services to the needs of those who are homeless.
2. Services and resources to prevent housed persons from becoming homeless or returning to homelessness.
3. Emergency sheltering as a safe alternative to living on the streets.
4. Transitional housing to move persons toward permanent housing solutions.
5. Permanent housing to end episodes of homelessness.
6. Supportive services designed to assist the person with necessary skills to secure and retain permanent housing.



DEFINITIONS

EQUITABLE DEVELOPMENT

Quality of life outcomes, such as affordable housing, quality education, living wage employment, healthy environments, and transportation are equitably experienced by the people currently living and working in a neighborhood, as well as for new people moving in.

Public and private investments, programs, and policies in neighborhoods that meet the needs of residents, including communities of color, and reduce racial disparities, taking into account past history and current conditions.

ESCHEATED PROPERTIES

Unclaimed or abandoned property that the government has the right to take ownership.

EXCLUSIONARY ZONING

Exclusionary land use controls (Zoning) are local regulations that:

1. Directly decrease or limit housing supply in residential areas (strict lot utilization and parcel constraints)
2. Increase the cost to build new housing (strict design and compatibility requirements)
3. Limit the use of existing housing (strict occupancy limitations and mobile home location limitations)

FAIR MARKET RENT (FMR)

Primarily used to determine payment standard amounts for the Housing Choice Voucher program, to determine initial renewal rents for some expiring project-based Section 8 contracts, to determine initial rents for housing assistance payment contracts in the Moderate Rehabilitation Single Room Occupancy program, and to serve as a rent ceiling in the HOME rental assistance program.



DEFINITIONS

HEIRS' PROPERTY

Heirs' property is family owned land that is jointly owned by descendants of a deceased person whose estate did not clear probate. The descendants, or heirs, have the right to use the property, but they do not have a clear or marketable title to the property since the estate issues remain unresolved.

HERITAGE OVERLAY

The heritage overlay district is an overlay zoning district that is intended to maintain, protect, conserve and preserve residential areas with a distinct visual identity by regulating development to ensure compatibility with the existing style, character or identity of the district area. This provision in the Land Development Code allows property owners the opportunity to request the city to impose additional regulatory requirements on their residential area in order to help conserve the design and visual characteristics that give the area a distinct identity and a harmonious appearance.

HISTORIC DISTRICTS

The City of Gainesville has five local historic districts, protecting more than 1,500 historic structures and 10 buildings listed individually on the Local Register of Historic Places. The Local Register was created as a means of identifying and classifying various sites, buildings, structures, objects and districts as historic and/or architecturally significant. The National Register of Historic Places is the official list of the nation's historic places worthy of preservation. Authorized by the National Historic Preservation Act of 1966, the National Park Service's National Register of Historic Places is part of a national program to coordinate and support public and private efforts to identify, evaluate and protect America's historic and archaeological resources.



DEFINITIONS

HISTORIC STRUCTURES

As identified on the Local or National Register of Historic Places, historic structures have historic or architectural significance. The quality of significance in American history, architecture, archaeology, engineering, and culture is present in a district, site, building, structure, or object when the district, site, building, structure, or object:

1. Is associated with events that are significant to our local, state, or national history;
2. Embodies the distinctive characteristics of a type, period, or method of construction;
3. Represents the work of a master
4. Possesses high artistic values; or
5. Represents a significant or distinguishable entity whose components lack individual distinction

HOUSING TRUST FUND

Housing Trust Funds are distinct funds established by state, county or other local governments to support the preservation and production of affordable housing. These funds have ongoing dedicated sources of public funding, as opposed to an annual budget allocation.

INCLUSIONARY ZONING (IZ)

According to HUD, inclusionary zoning (IZ) practices refer to any kind of policy or ordinance that requires or encourages developers to set aside a certain percentage of housing units in a new or rehabilitated project for low- and/or moderate-income residents. IZ policies help to integrate lower-income residents with higher-income residents so that all have access to the same high-quality services and amenities.



DEFINITIONS

LOW-INCOME FAMILY

HUD defines as families whose [combined] income does not exceed 80 percent of the median family income for the area.

LOW-INCOME HOUSING TAX CREDIT (LIHTC)

A tax incentive intended to increase the availability of low-income housing. The program provides an income tax credit to owners of newly constructed or substantially rehabilitated low-income rental housing projects.

METROPOLITAN STATISTICAL AREA (MSA)

An area with at least one urbanized area of 50,000 or more population, plus adjacent territory that has a high degree of social and economic integration with the core, as measured by commuting ties.

NATURALLY OCCURRING AFFORDABLE HOUSING (NOAH)

Residential rental properties that are affordable, but are unsubsidized by any federal program. Their rents are relatively low compared to the regional housing market.

WORKFORCE HOUSING

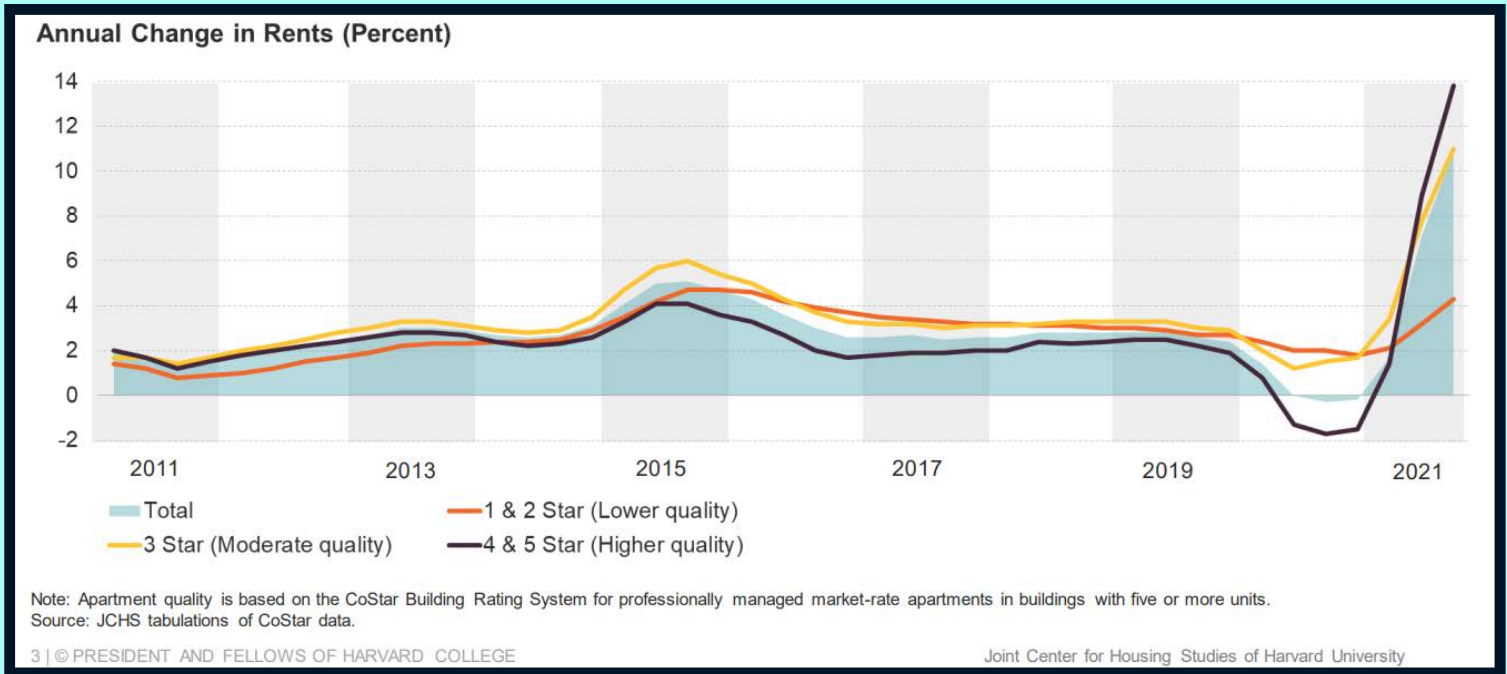
Florida Statutes 420.5095 defines the term “workforce housing” as housing affordable to natural persons or families whose total annual household income does not exceed 80 percent of the area median income, adjusted for household size, or 120 percent of area median income, adjusted for household size



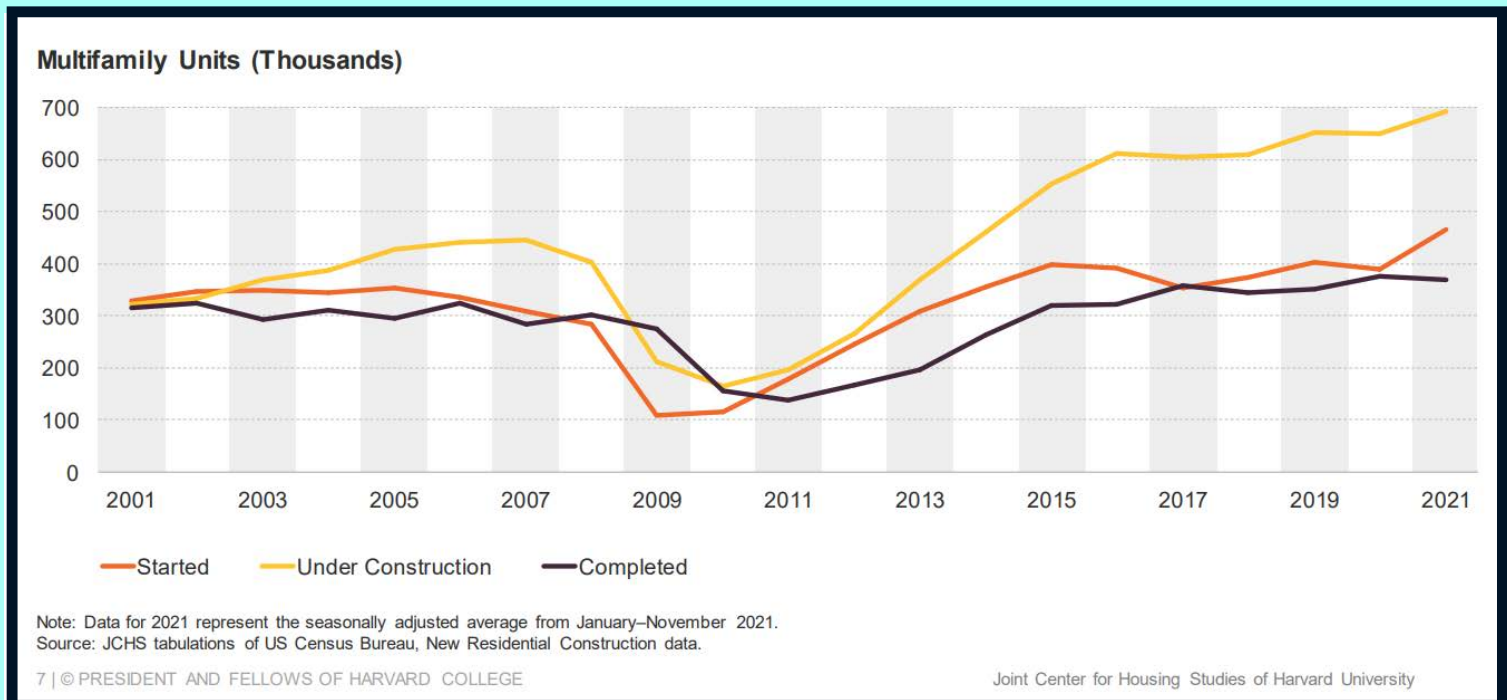
NATIONAL HOUSING TRENDS 2022

Joint Center for Housing Studies of Harvard University

1. AFTER A BRIEF DIP, RENTS FOR HIGHER-QUALITY APARTMENTS SOARED IN 2021



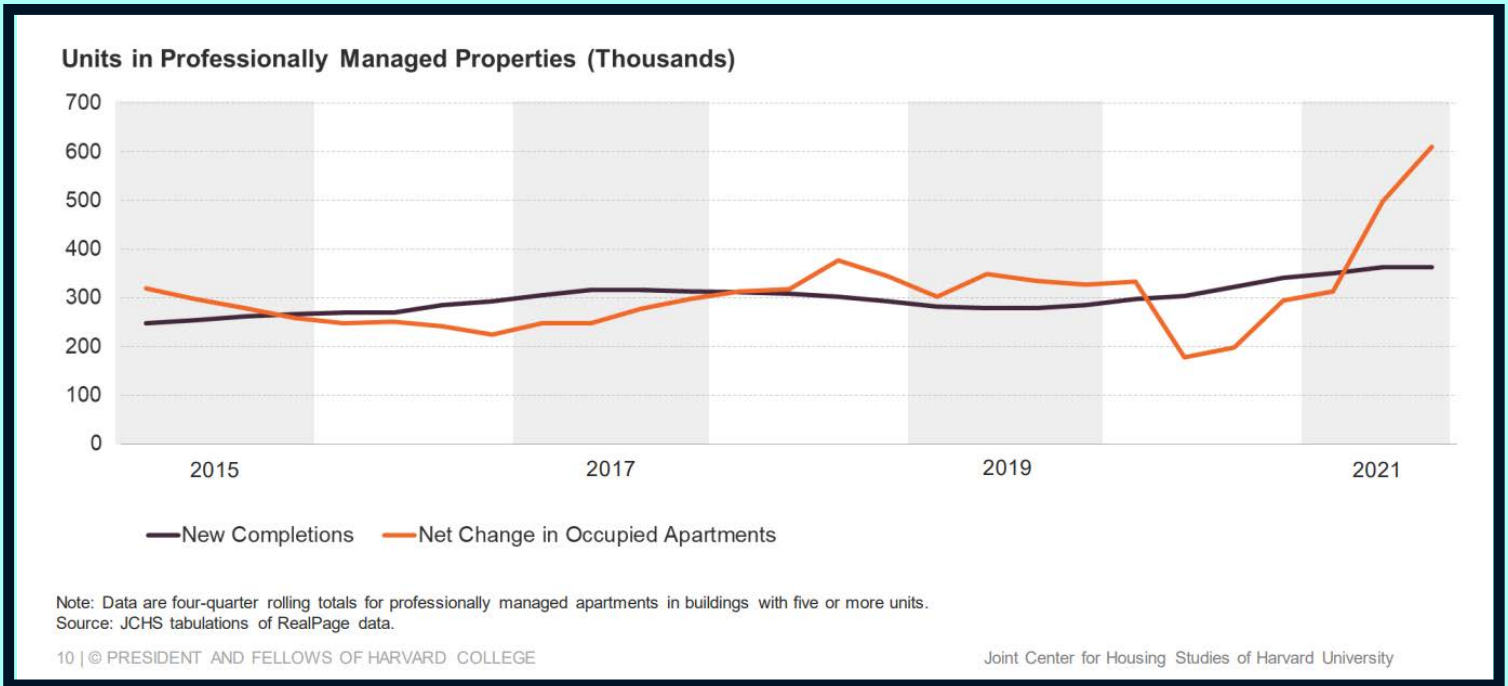
2. THE HEATED PACE OF MULTIFAMILY CONSTRUCTION IS ADDING HUNDREDS OF THOUSANDS OF UNITS TO THE RENTAL STOCK



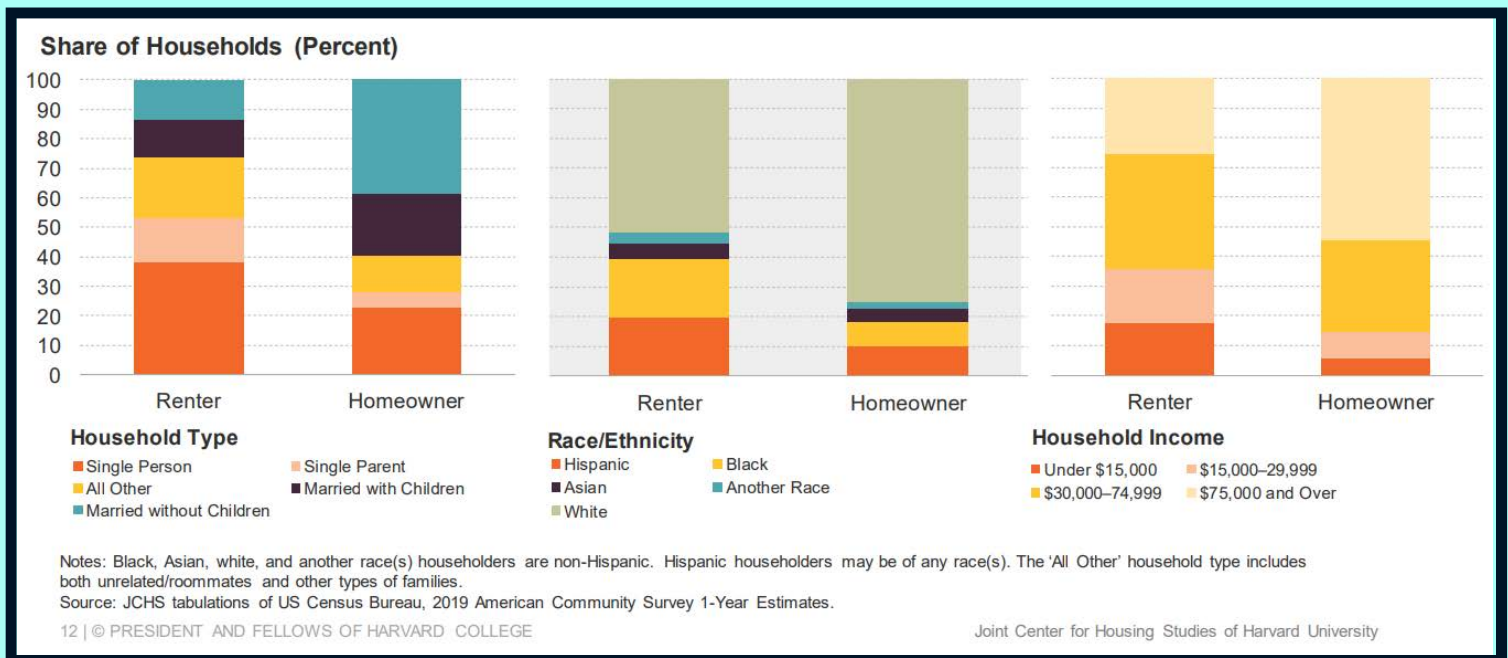
NATIONAL HOUSING TRENDS 2022

Joint Center for Housing Studies of Harvard University

3. RENTAL DEMAND FAR OUTPACED GROWTH IN NEW SUPPLY IN 2021



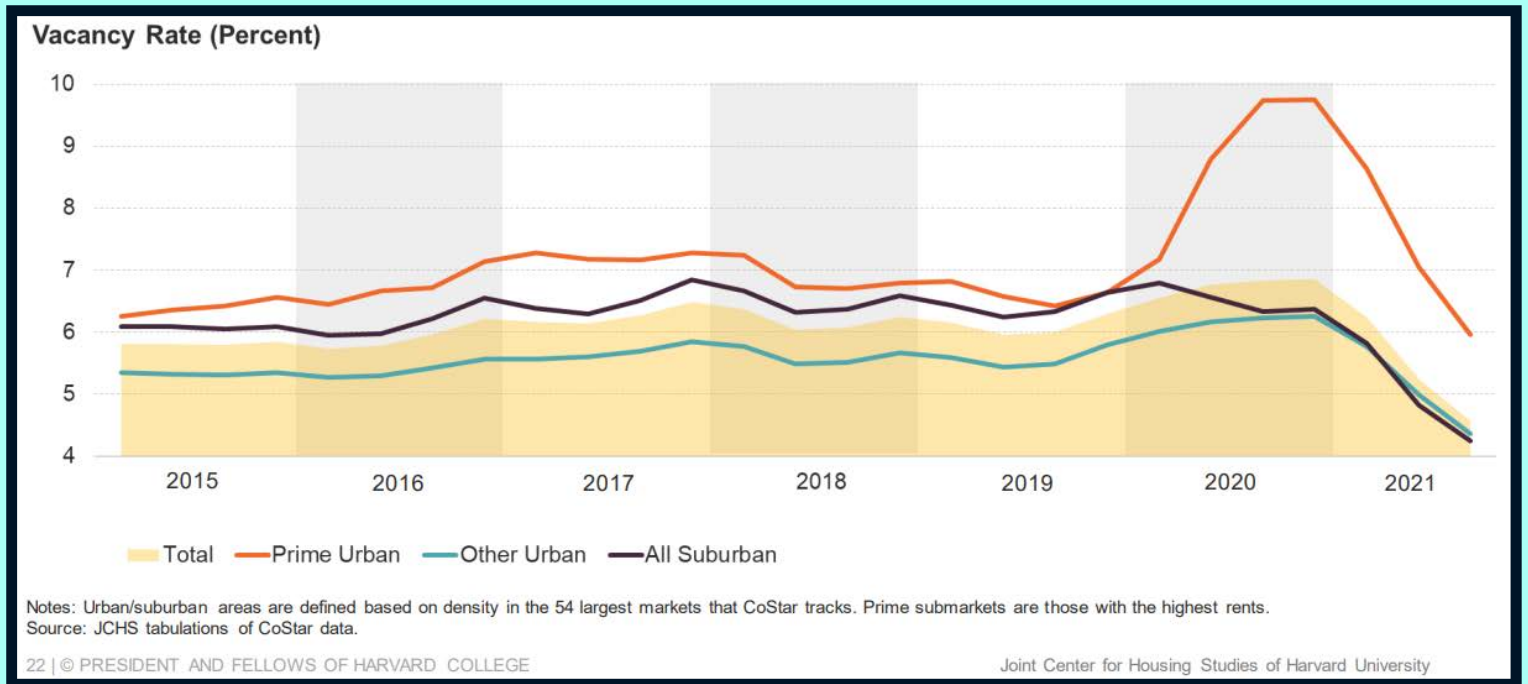
4. RENTERS ARE MUCH MORE LIKELY THAN HOMEOWNERS TO BE SINGLE, TO BE HOUSEHOLDS OF COLOR, AND TO HAVE LOWER INCOMES



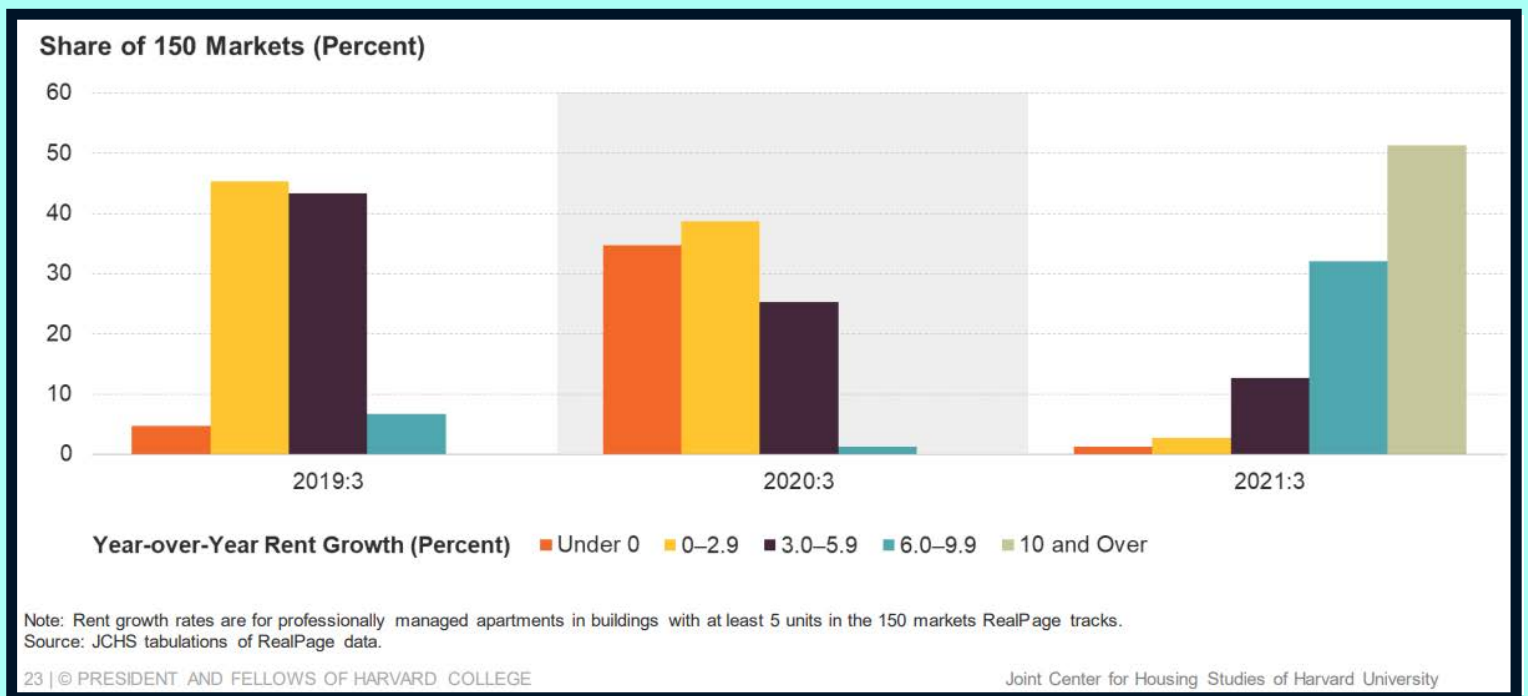
NATIONAL HOUSING TRENDS 2022

Joint Center for Housing Studies of Harvard University

5. AFTER A SHARP RISE, VACANCY RATES IN PRIME URBAN MARKETS PLUNGED TO HISTORIC LOWS









6. RENTS IN OVER HALF OF THE NATION'S LARGEST MARKETS WERE UP BY DOUBLE DIGITS IN 2021



HOUSING IS A SOCIAL DETERMINANT OF HEALTH

SOCIAL DETERMINANTS FACTORS THAT INFLUENCE YOUR HEALTH

HOUSING Housing and health are connected. Where and how people live can influence how healthy they are and how well they live. Housing is linked to:

<p>OPPORTUNITY</p> 	<p>EXPENSES</p> <p>49.3% of renters spent more than 30% of their income on housing in 2014.</p>	<p>ASTHMA RISKS</p> 
<p>LEAD POISONING</p> <p>About 500K kids ages 1-5 have elevated blood lead levels. High levels are often linked to lead paint & dust in homes.</p>	<p>26.4% spent more than half of their income on housing.</p> 	<p>24M Americans have asthma — including 6.3M children. Asthma can be triggered by pests, indoor allergens & poor ventilation.</p>
<p>GOOD HEALTH</p> 	<p>EQUITY</p> 	<p>COMMUNITY</p> 

Follow 8 principles for a healthy home: Keep it well-ventilated, contaminant-free, clean, safe, pest-free, well-maintained, dry & at a comfortable temperature.

The NATION'S HEALTH
A PUBLICATION OF THE AMERICAN PUBLIC HEALTH ASSOCIATION
www.thenationshealth.org/sdoh

Source: American Public Health Association

Housing is one of the best-researched social determinants of health, as it is well documented that the conditions one lives in directly and indirectly impacts their physical and mental health. Having a roof over one's head is not sufficient to providing all that a human needs, but rather one needs a home that is stable, affordable, of accepted quality for health standards, and located in an environment where other resources are accessible. Sleeping in cars, dividing families to have children sleep on neighbors' couches, camping in the woods... these are all too common examples of how people in our community are dealing with the lack of affordable housing. And for the many of these individuals and families, housing is but one of the myriad of challenges they are facing, such as food insecurity, health disparities, lack of access to quality education or employment, etc. Too often are people forced to choose between paying their rent versus buying a meal for their family. Too common is it that one's high utility bill of their inefficient rental property is the cause for not being able to afford critical medication or medical treatment. Housing is not just about a structure, it is about health and wellbeing. It is about safety.

The good news is, there are a number of tools that can help communities address housing issues. Examples include housing vouchers, land banks, escheated properties donated to nonprofits for affordable housing development, neighborhood revitalization programs, subsidized workforce housing, etc. And there are a number of agencies and individuals in Gainesville skilled at using these tools who are committed to addressing issues for affordable housing. But none of these tools, and none of these organizations, are sufficient when taken alone. To make a significant dent in the issue of affordable housing it is going to be all hands, tools, and dollars on deck to work collaboratively to come up with innovative programs and solutions to address the critical need Gainesville is facing.

AFFORDABLE HOUSING IN FLORIDA

Florida's Affordable Rental Housing Needs: 2020 Update

This brief updates key findings from the Shimberg Center's 2019 Rental Market Study.



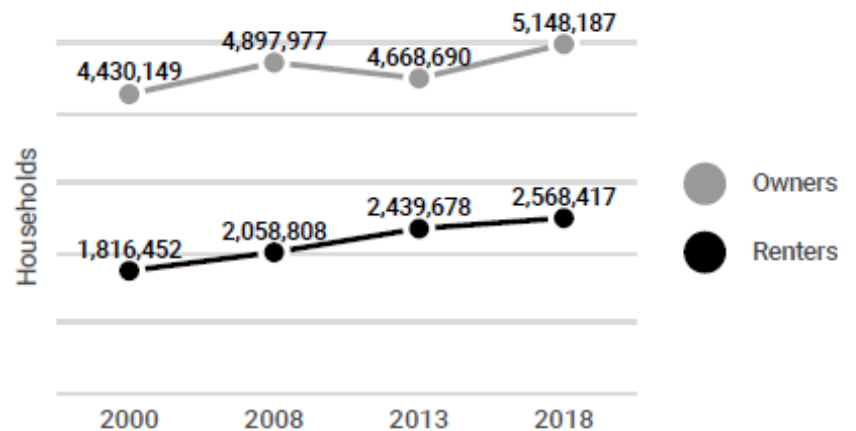
780,146

low-income households in Florida pay more than 40% of income for rent.

Florida has added renters steadily since 2000.

- Florida added 751,965 renter households 2000-2018.
- The state added over 718,000 owner households between 2000 and 2018. The owner count briefly dipped between 2008 and 2013 but rebounded after that.
- The homeownership rate fell from 71% in 2000 to 67% in 2018.

Households by Tenure, Florida, 2000-2017

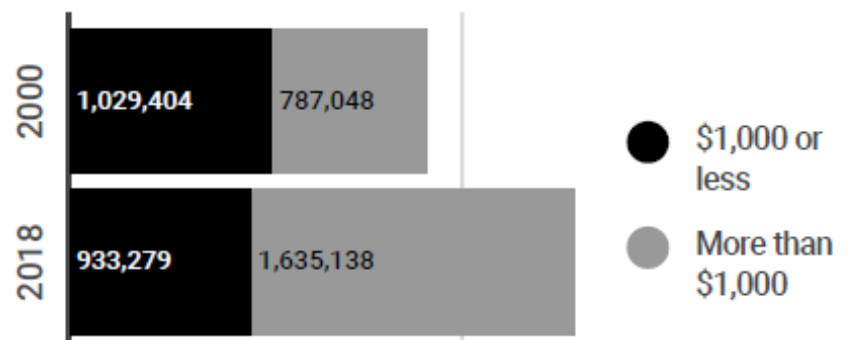


Source: Shimberg Center analysis of U.S. Census Bureau, 2000 Census and 2008/2013/2018 American Community Survey.

Florida added hundreds of thousands of rental units from 2000 to 2018 but lost units renting for \$1,000 or less (2018 \$).

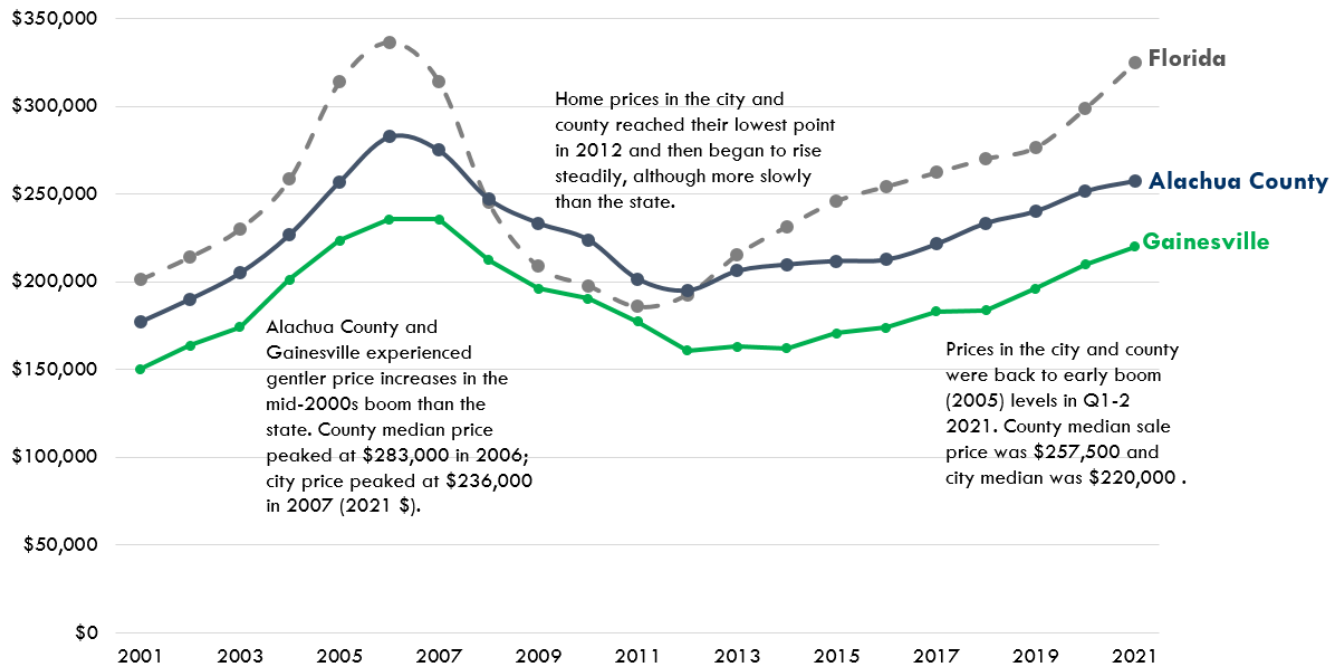
- Florida added 848,090 units with rents above \$1,000 from 2000 to 2018.
- The state lost 96,125 units renting for \$1,000 or less.
- In 2000, 57% of units rented for \$1,000 or less. In 2017, only 36% did.

Units by Gross Rent Above/Below \$1,000 (2018 \$), Florida, 2000 & 2018



ALACHUA COUNTY HOUSING 2022

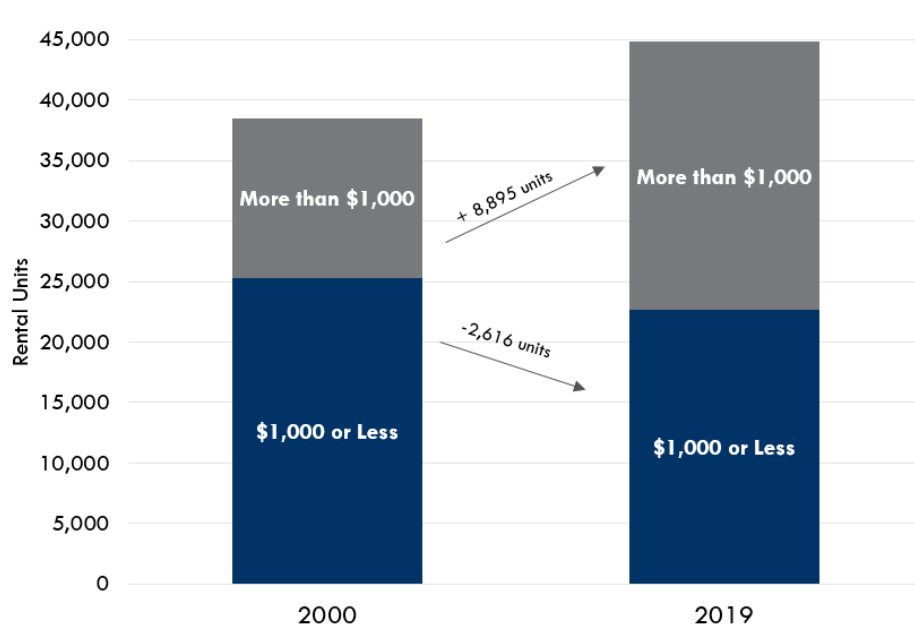
Alachua County and Gainesville single family home prices have reached early boom-era levels.



Median Single Family Home Sale Price, Gainesville, Alachua County, & Florida, 2001-2021 (2021 \$)

Source: Shimberg Center analysis of Florida Department of Revenue, Sales Data Files. All values in 2021 dollars to correct for inflation.

The county added nearly 6,300 rental units between 2000 and 2019 but *lost* units renting for \$1,000 or less (2019 \$).



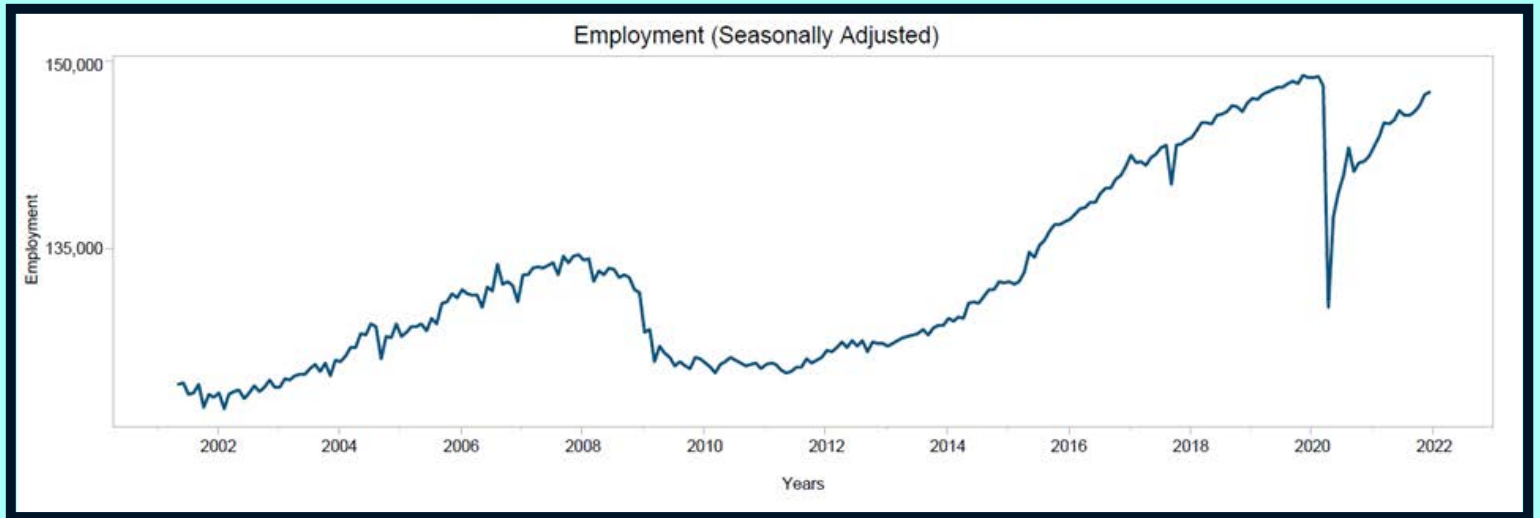
- ▶ Net increase 2000-2019: 6,279 rental units
- ▶ \$1,000+ units grew by nearly 9,000
- ▶ Units at or below \$1,000 fell by over 2,600

Units by Gross Rent Above/Below \$1,000 (2019 \$), Alachua County, 2000 & 2019

Source: Shimberg Center tabulation of U.S. Census Bureau, 2000 Census and 2019 American Community Survey. Year 2000 rents adjusted to 2019 dollars using Consumer Price Index.

ALACHUA COUNTY HOUSING 2022

Gainesville MSA - Total Nonagricultural Employment



As shown in the graph above, in December of 2010 the Gainesville MSA had approximately 126,400 jobs across all non-agricultural industries seasonally adjusted. By 2021, that number had increased by 26,299 to 152,699 for Alachua County, according to Employment Projections data produced by the Florida Department of Economic Opportunity (DEO), Bureau of Workforce Statistics & Economic Research. DEO projects that by 2029 job growth within the Alachua County workforce region will increase by approximately 9.4% (14,303 jobs) with a total number of approximately 167,002 jobs.

Example: 2021 Alachua County Income (% AMI) and Housing Cost Limits

Income level	Annual income range (1-4 person household)	Hourly wage, 1 full-time job	Hourly wage, 2 full-time jobs	Max. affordable monthly housing cost (1-3 bedroom unit)
50% AMI	\$25,650-36,600	\$12-\$18	--	\$686-\$951
80% AMI	\$41,040-58,560	\$20-\$28	\$10-\$14	\$1,099-\$1,523
120% AMI	\$61,560-87,840	\$30-\$42	\$15-\$21	\$1,648-\$2,284

<http://flhousingdata.shimberg.ufl.edu/income-and-rent-limits>



ALACHUA COUNTY HOUSING 2022

Housing costs outpace wages for many occupations:

Alachua County housing wage: \$18.67/hour

A full-time worker would need to earn this amount to rent a 2BR apartment (HUD Fair Market Rent 2020: \$971/month)

Median wage for Alachua County, 2020: \$18.46/hour

A full-time year-round worker with this wage can afford \$960 in rent

How much can workers afford to pay for housing each month?

\$500-649

- Food Preparation Workers
- Hairdressers
- Cashiers & Retail Sales
- Childcare Workers
- Home Health & Personal Care Aides
- Maids & Janitors
- Laundry & Dry-Cleaning Workers
- Preschool Teachers
- Security Guards

\$650-799

- Receptionists
- Bus Drivers
- Nursing Assistants
- Landscaping & Groundskeeping Workers
- Veterinary Techs
- Customer Service Representatives
- Light Truck Drivers
- Bank Tellers
- Medical Assistants
- Office Clerks

\$800-999

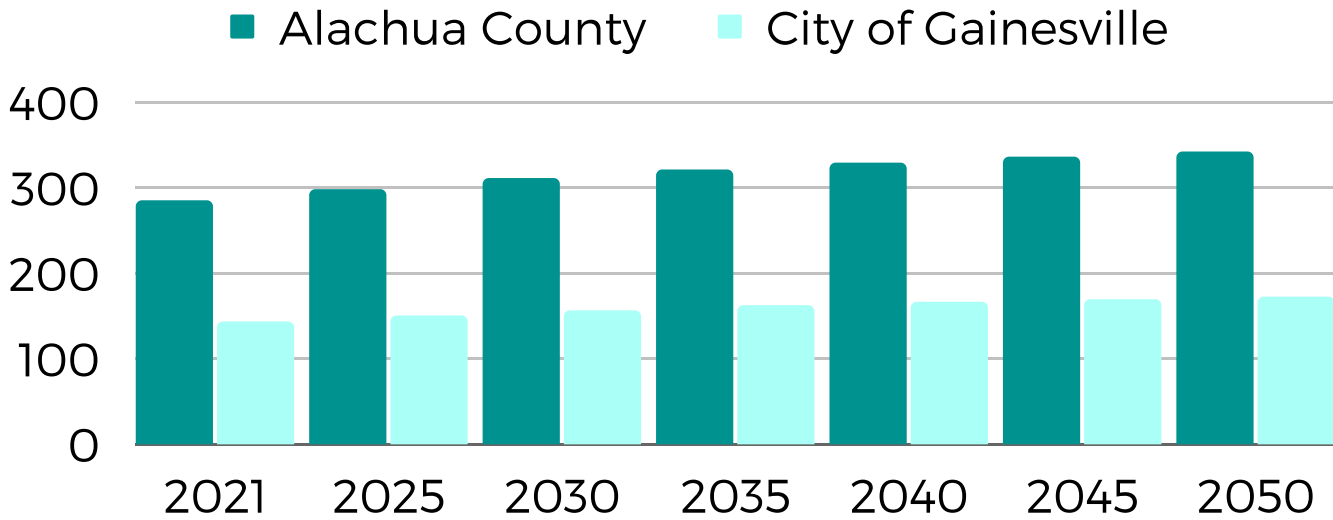
- Firefighters
- Construction Laborers
- Pharmacy Technicians
- Secretaries & Administrative Assistants
- Painters, Construction & Maintenance
- Dental Assistants
- EMTs & Paramedics
- Child, Family, & School Social Workers
- Heavy & Tractor-Trailer Truck Drivers
- Auto Mechanics

Source: Shimberg Center tabulation of Florida Department of Economic Security, Occupational Employment Statistics and Wages. Based on median wage for occupations in Gainesville MSA. Assumes full-time worker, 30% of income spent on housing costs.



GAINESVILLE POPULATION PROJECTIONS

in hundred thousands



Year	Alachua County	City of Gainesville	Population Growth/Decline	Percent % Increase/Decrease
2021	284,607	143,835	-	-
2025	297,600	150,377	6,542	4.55%
2030	310,600	156,946	6,569	4.37%
2035	320,900	162,151	5,205	3.32%
2040	328,800	166,143	3,992	2.46%
2045	335,600	169,579	3,436	2.07%
2050	341,800	172,712	3,133	1.85%

Note: City population projections derived from medium projections published in Volume 55, Bulletin 192 February 2022, ["Bureau of Economic and Business Research Projections of Florida Population by County, 2025-2050, with Estimates for 2021."](#) Future projections are based on a 50.53% ratio of City of Gainesville to Alachua County population totals in 2021.

Census Year	# of Housing Units	Unit Growth/Decline	Percent % Increase/Decrease
2010	57,576	-	-
2020	63,612	6,036	10.48%

Source: U.S. Census Bureau, 2020 Census Redistricting Data (Public Law 94-171);
Source: U.S. Census Bureau, 2010 Census.

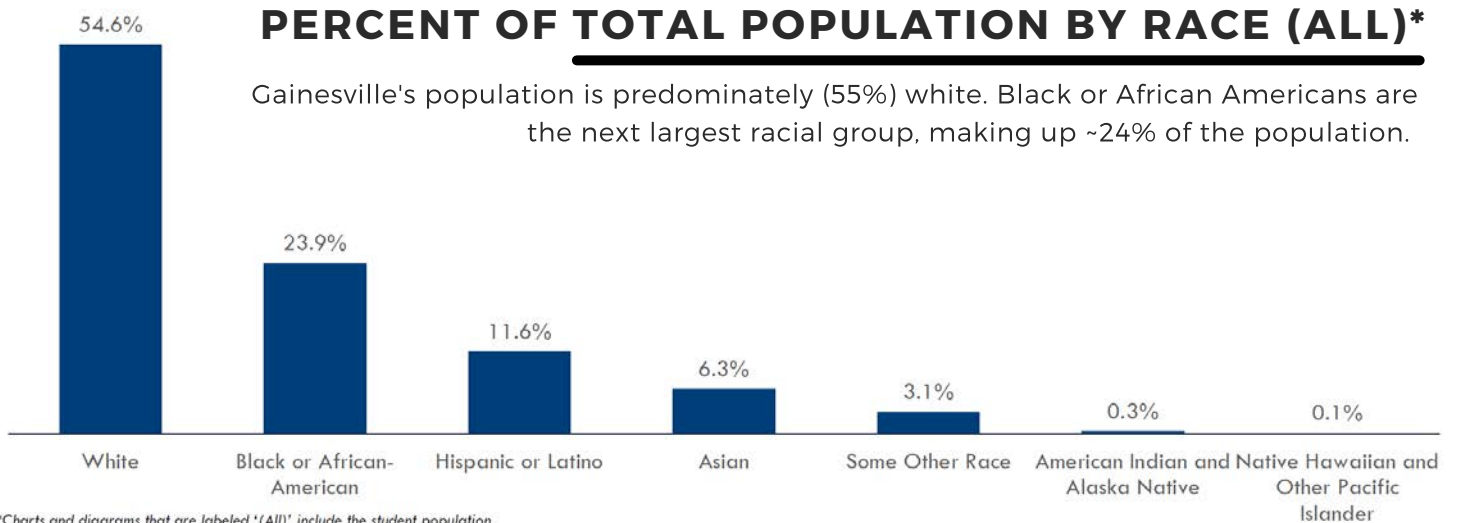
GAINESVILLE BY THE NUMBERS

Gainesville is a City divided by income and race. South and east Gainesville residents, who are disproportionately low income and African American, have poor access to jobs, good schools, services, and amenities. As a college town, disparities between students, long term residents, and well-paid researchers and academics are stark.



PERCENT OF TOTAL POPULATION BY RACE (ALL)*

Gainesville's population is predominately (55%) white. Black or African Americans are the next largest racial group, making up ~24% of the population.

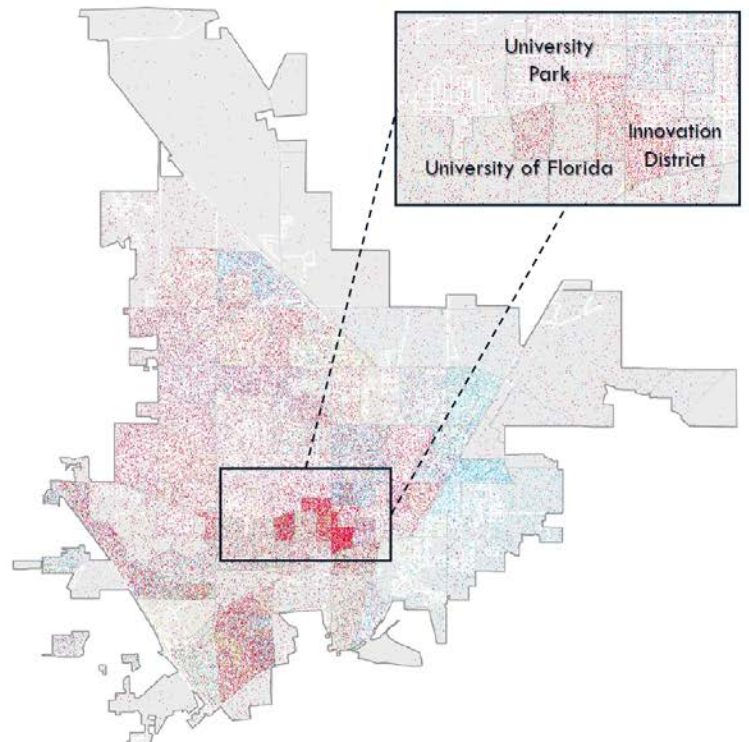


*Charts and diagrams that are labeled '(All)' include the student population.

Source: Social Explorer – ACS 2019 (5-Year Estimates)

GAINESVILLE IS RACIALLY SEGREGATED

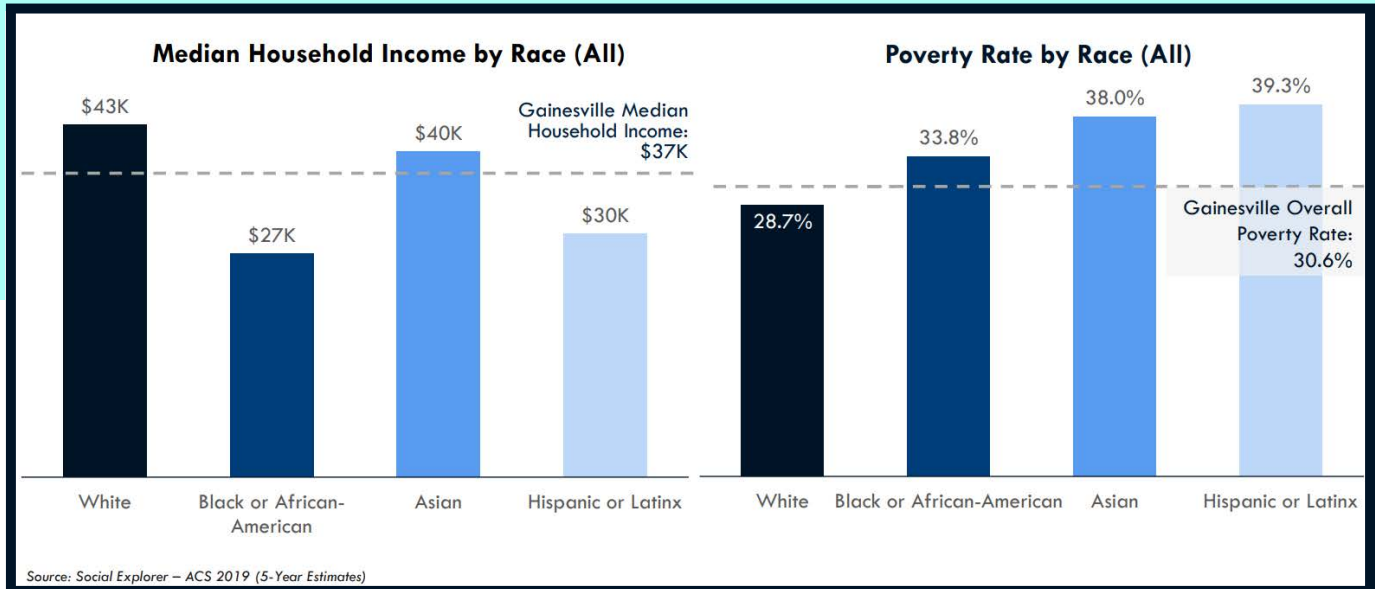
White households are increasingly concentrated in west and northwest Gainesville, while Black households are concentrated in east Gainesville and increasingly in the southeast part of the City.



GAINESVILLE'S INTERSECTION OF RACE AND HOUSING

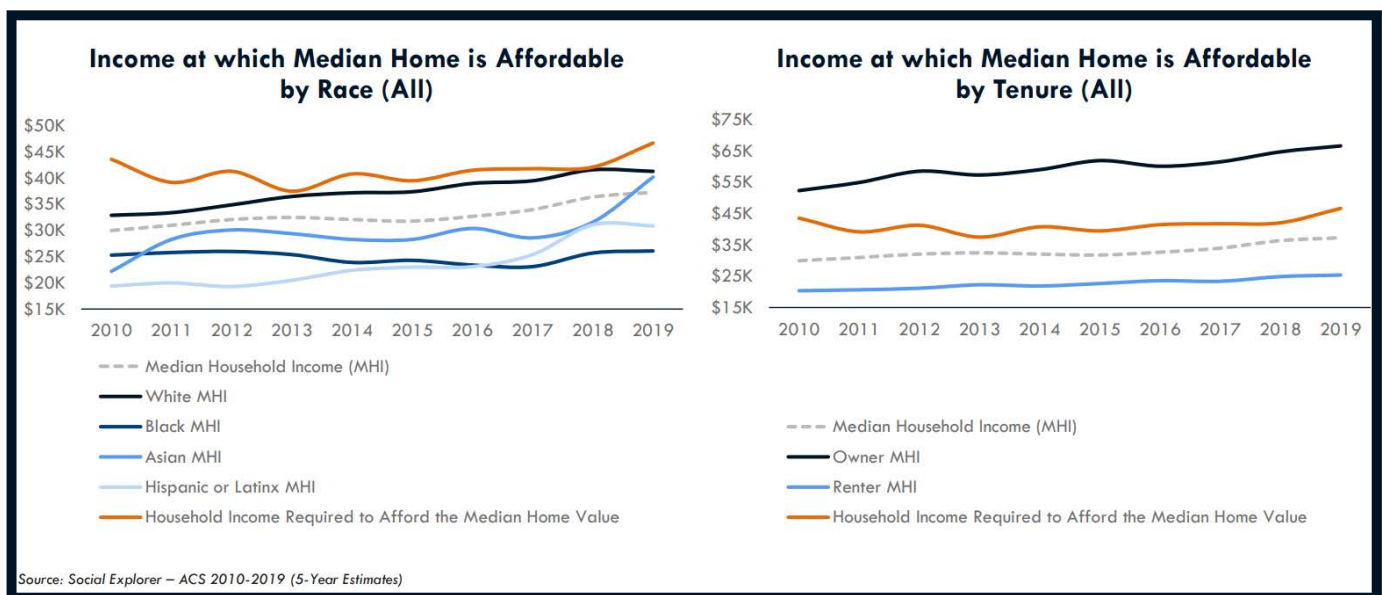
RACE IS A STRONG PREDICTOR OF HOUSEHOLD INCOME

Gainesville's Median Household Income is \$37K. Only white and Asian households earn above the median. Black households earn 73% of the median.



HOMEOWNERSHIP REMAINS UNATTAINABLE

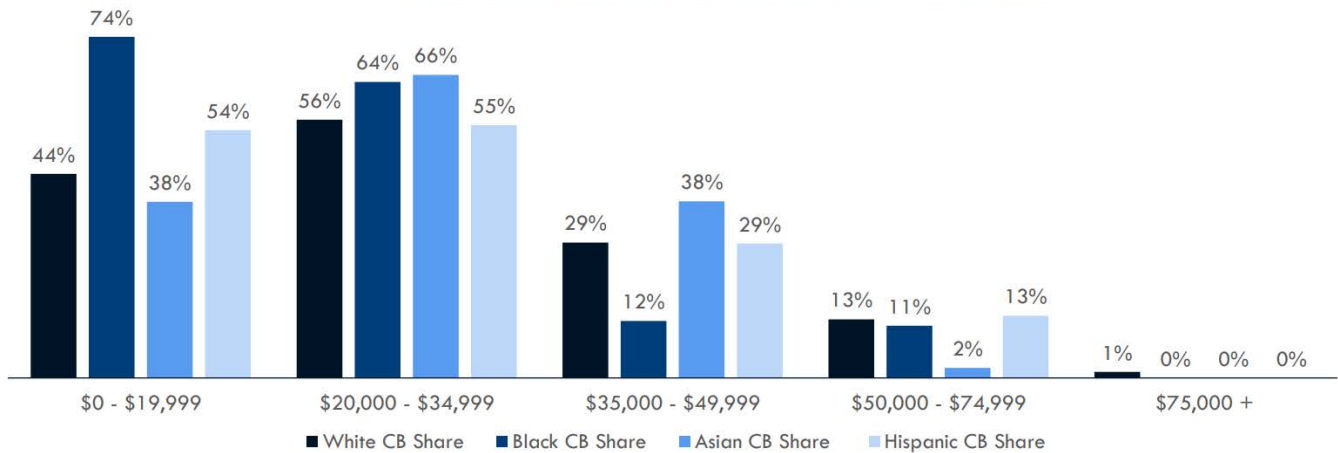
For the average household in Gainesville, homeownership remains unattainable especially for Black, Hispanic, and renter households.





SHARE OF COST BURDENED RENTERS BY RACE (NON-STUDENT)

Renters of all races earning < \$35K per year experience high rates of housing cost burden, indicating a need for more affordable rental units.

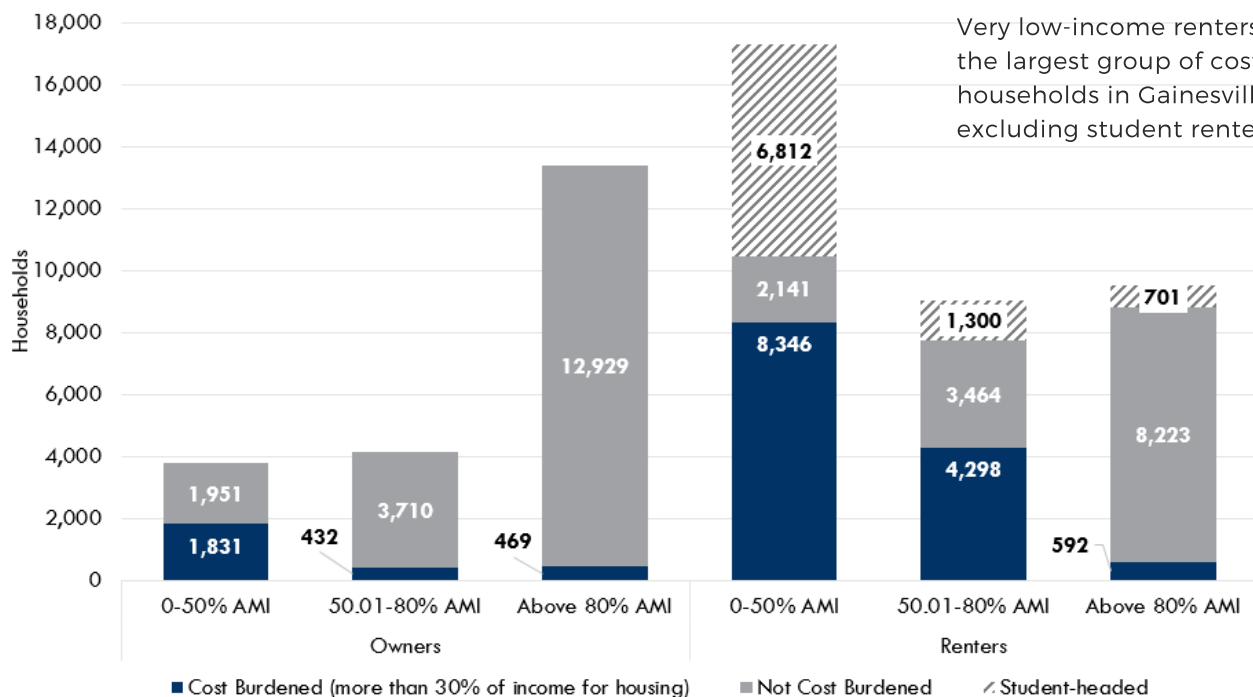


Source: Social Explorer – ACS 2019 (5-Year Estimates)



COST BURDENED HOUSEHOLDS

Gainesville currently has a shortfall of approximately 15,968 affordable housing units.



Very low-income renters make up the largest group of cost-burdened households in Gainesville, even excluding student renters.

Households by Tenure, Income (% AMI), and Cost Burden, Gainesville, 2019

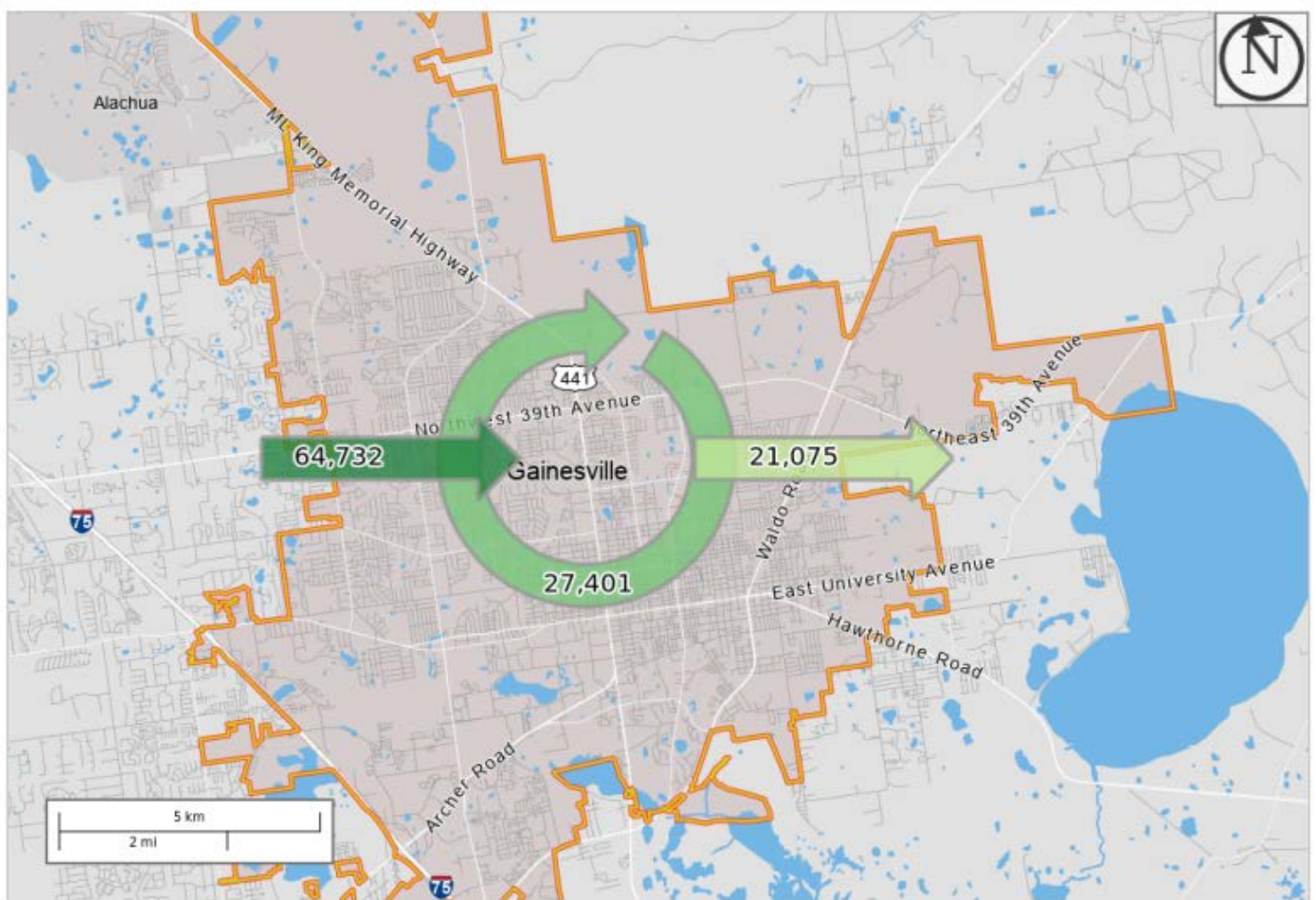
Notes: "Student-headed" refers to non-family renter households headed by a full-time student. Counts of owner households headed by students are not statistically significantly different from zero.

Source: Shimberg Center tabulation of U.S. Census Bureau, 2019 American Community Survey. Results are for Alachua County (Central) – Gainesville City Central Public Use Microdata Area (PUMA), which approximates city limits.



EMPLOYMENT IN GAINESVILLE

Inflow/Outflow Counts of All Jobs for Selection Area in 2019
All Workers



Map Legend

Selection Areas

★ Analysis Selection

Inflow/Outflow

- ◆ Employed and Live in Selection Area
 - ◆ Employed in Selection Area, Live Outside
 - ◆ Live in Selection Area, Employed Outside
- Note: Overlay arrows do not indicate directionality of worker flow between home and employment locations.



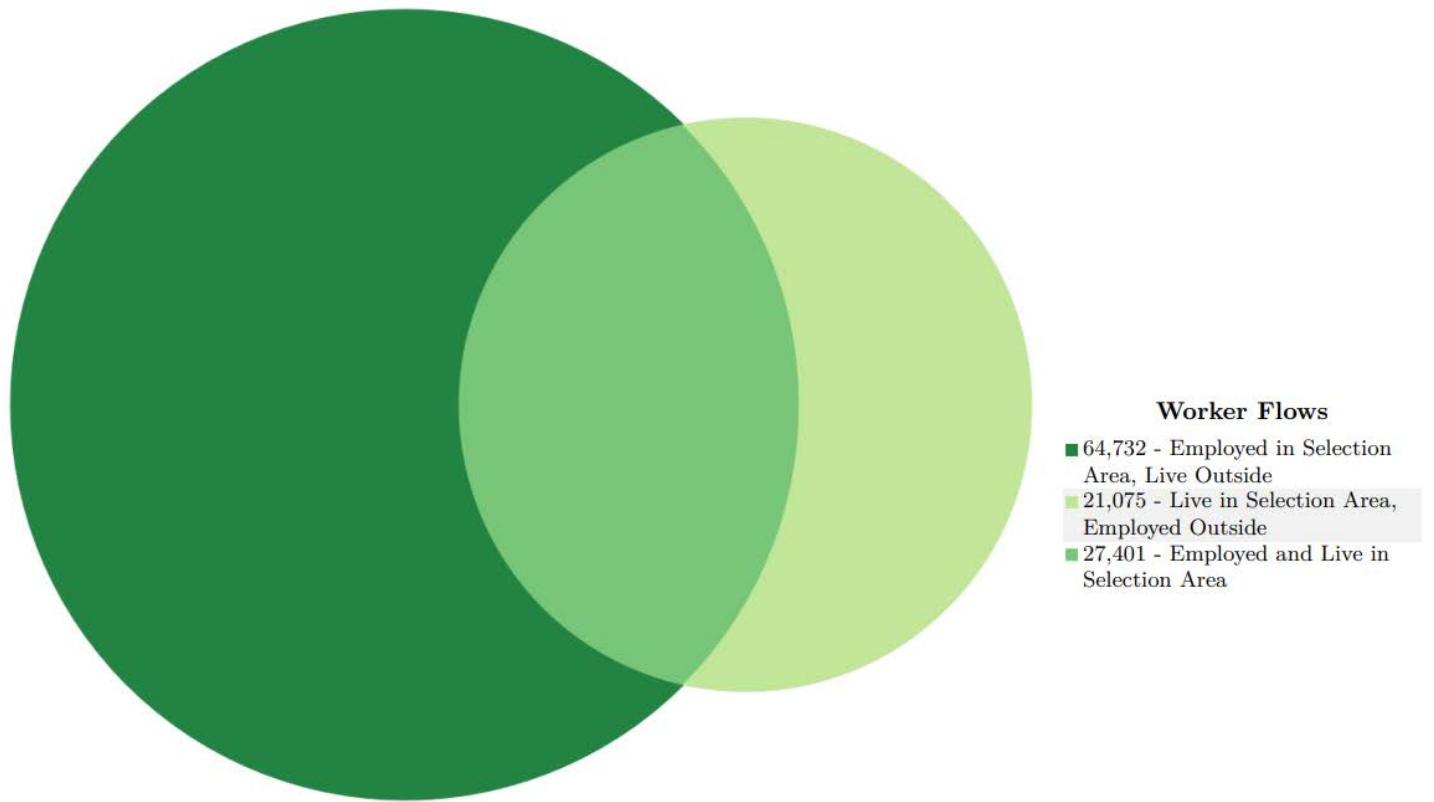
Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2019).



EMPLOYMENT IN GAINESVILLE

Inflow/Outflow Counts of All Jobs for Selection Area in 2019

All Workers



Inflow/Outflow Counts of All Jobs for Selection Area in 2019

All Workers

Worker Totals and Flows	2019	
	Count	Share
Employed in the Selection Area	92,133	100.0
Employed in the Selection Area but Living Outside	64,732	70.3
Employed and Living in the Selection Area	27,401	29.7
Living in the Selection Area	48,476	100.0
Living in the Selection Area but Employed Outside	21,075	43.5
Living and Employed in the Selection Area	27,401	56.5

Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2019).

LOCAL HOUSING MARKET CONDITIONS

Lower residential vacancy rates, generally correspond to higher average monthly rents according to the recent Comprehensive Housing Market Analysis for Gainesville, Florida published by HUD, Office of Policy Development and Research

Figure 12. Apartment Rents and Vacancy Rates in the Gainesville HMA





4Q = fourth quarter.
Source: Moody's Analytics REIS



CONSTRUCTION PRICE AND RENT COMPARISON

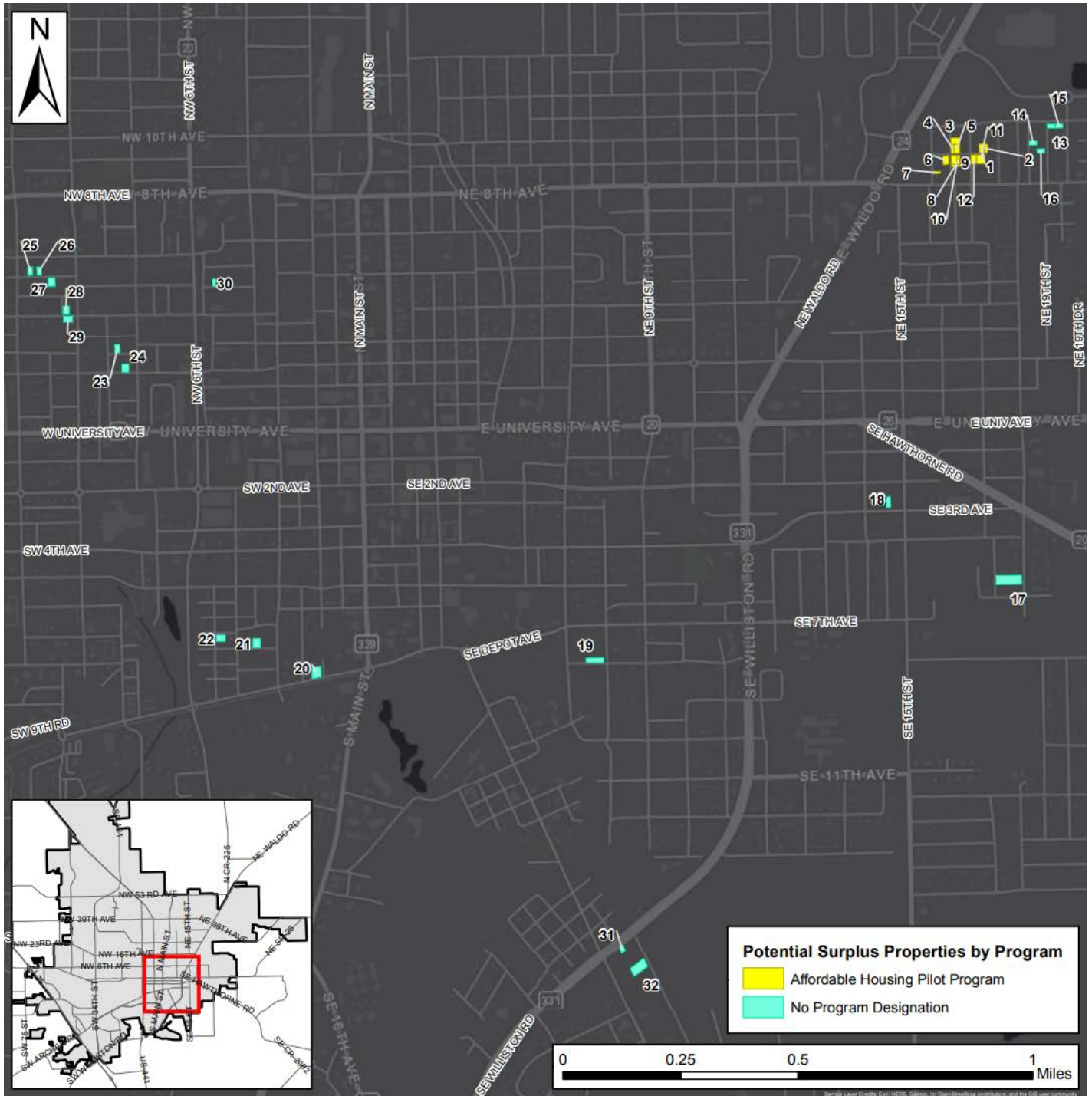
Residential construction per square foot prices are generally lower for multifamily units than single-family units.

Changing the number of units built on a single site means that units are delivered at different **price points** based on the intensity of the use.

	 Remain Single Family	 8-Unit Rentals
Home Price/Rent of New Housing	\$378K	\$1,500 per unit
Annual HH Income Needed to Afford*	\$78K	\$61K
Families Housed per Parcel	1	8

*Assumes a housing cost burden ratio of 30% as per the United States Department of Housing and Urban Development.
Sources: Zillow, CoStar

Potential Surplus City-Owned Properties

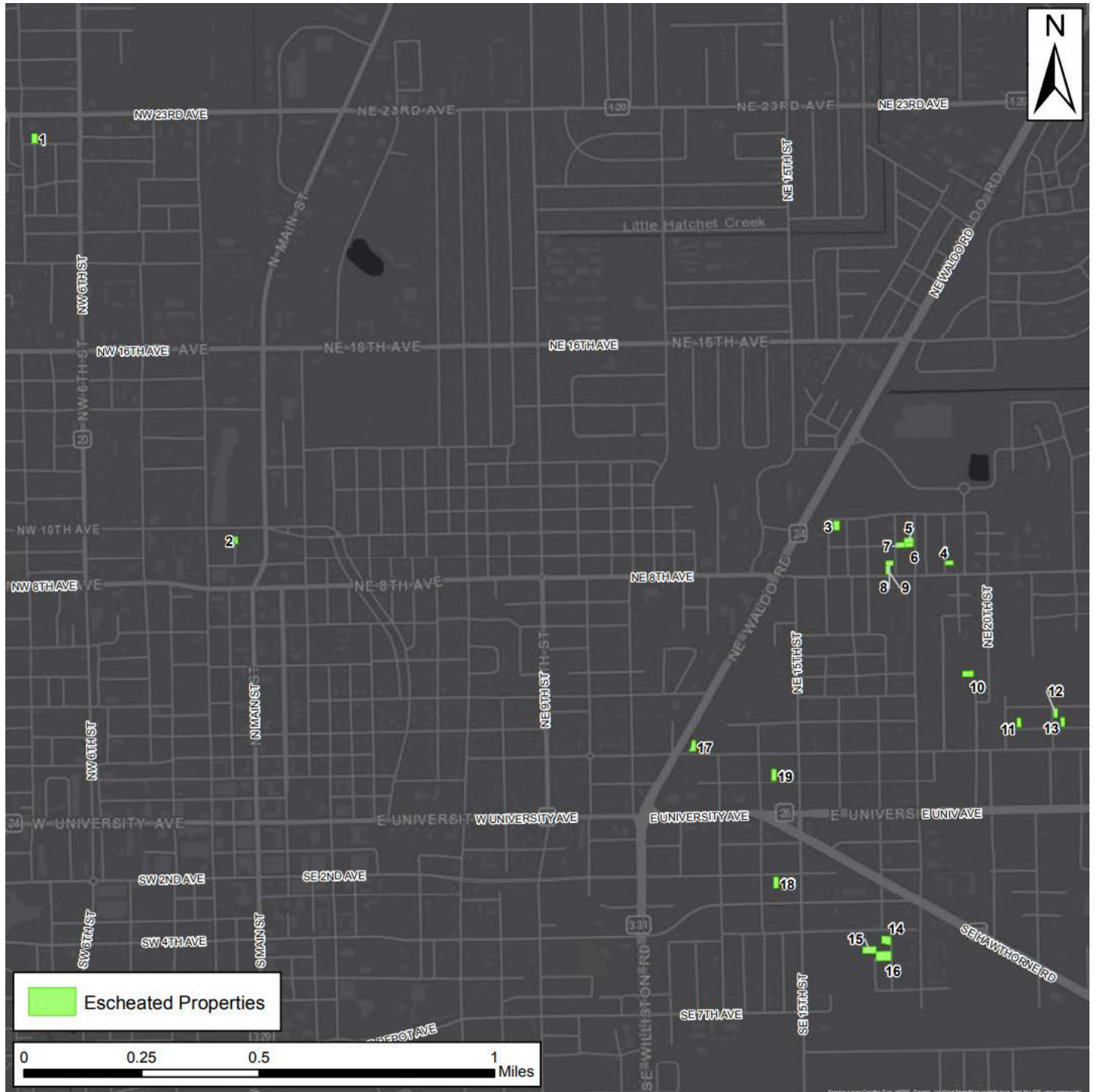


Program	# of Properties
Affordable Housing Pilot Program	12
No Program Designation	20

Total Potential Surplus City-Owned Properties: 32

Escheated Properties

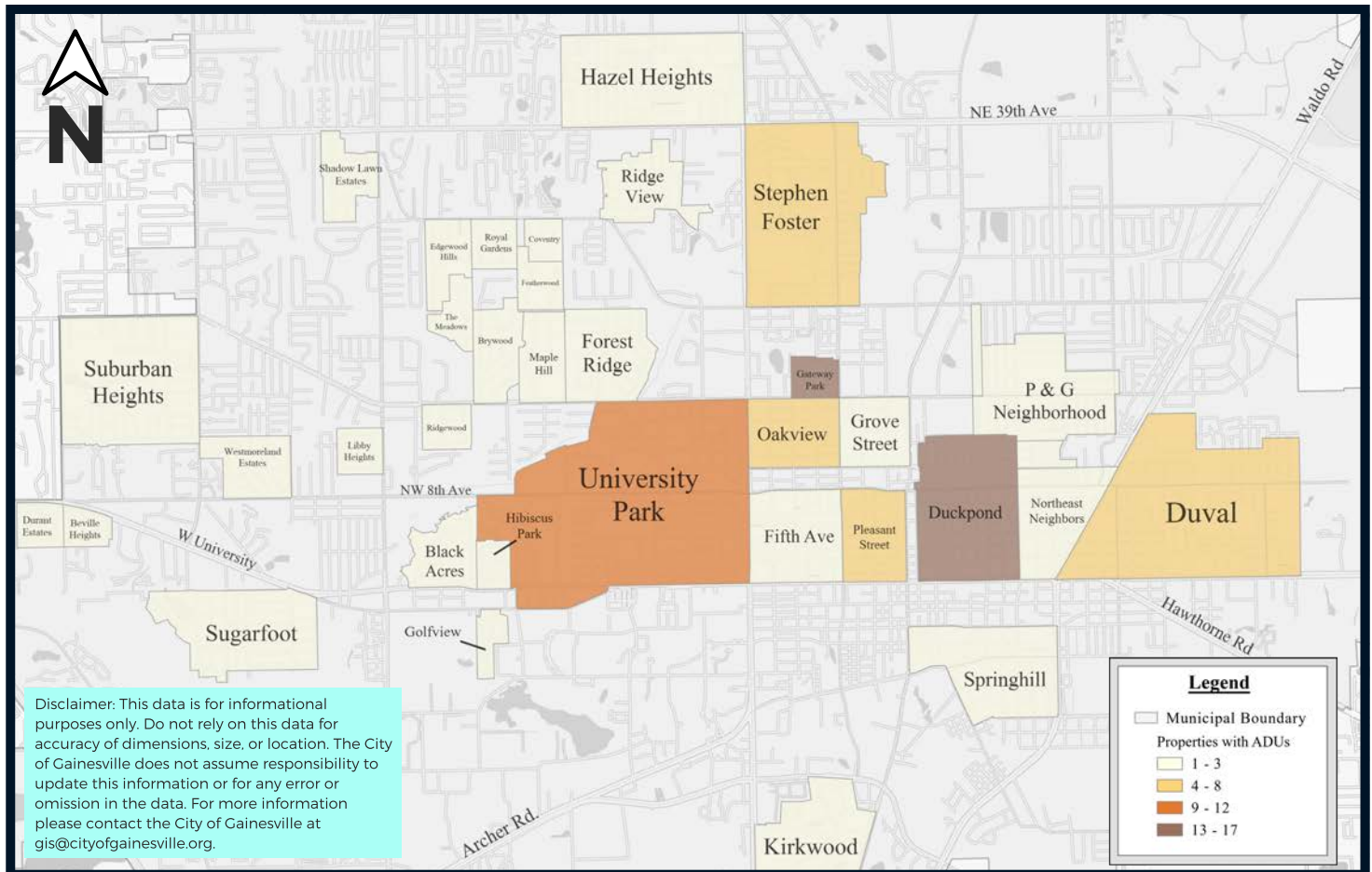
Escheated properties are unclaimed or abandoned properties that the government has the right to take ownership. There were 19 escheated properties identified as part of the City of Gainesville Ordinance 200870 to identify Surplus City-Owned and Escheated Properties in the City.



Total Escheated Properties: 19

Accessory Dwelling Units (ADUs)

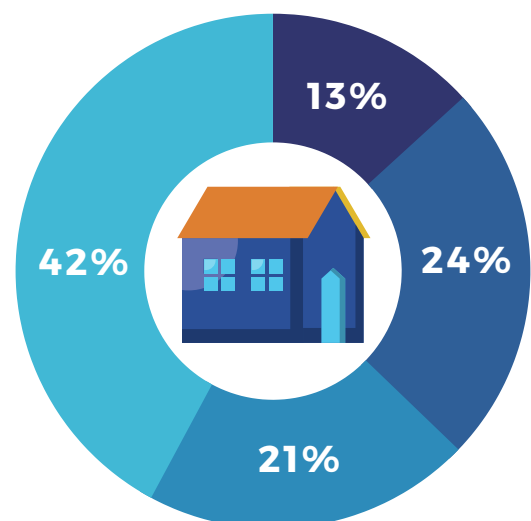
An accessory dwelling unit (ADU) is an independent self-contained dwelling unit with kitchen and bathroom facilities, on the same lot as an associated primary use or structure. An ADU may be within, attached to, or detached from a primary structure.



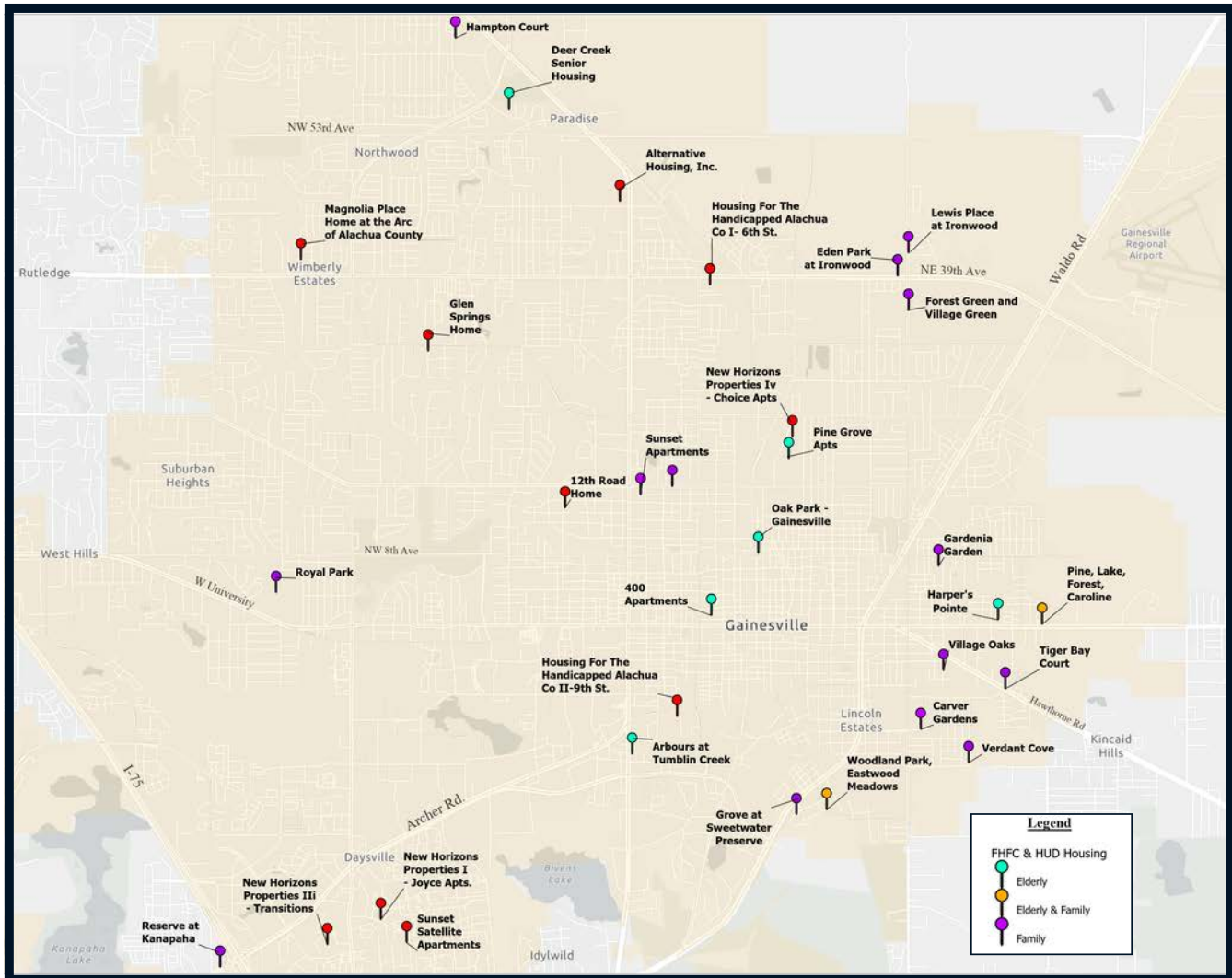
Data was collected through the use of city permits, E911 addressing records, and Alachua County property appraiser CAMA data. On September 3, 2020, the City Commission adopted Ordinance #190988, allowing Accessory Dwelling Units (ADUs) in all residential zoning districts including the single-family zoning districts where they were formerly banned. Since adoption of the ordinance, the City has received six ADU permit applications, two of which have been issued. The City is now researching ways to incentivize the development of ADUs that must be rented to income qualified households at affordable rates.

121 PROPERTIES WITH ADUS OBSERVED WITHIN CITY LIMITS

- District 1:** 16 properties (13%)
- District 2:** 29 properties (24%)
- District 3:** 25 properties (21%)
- District 4:** 51 properties (42%)



SUBSIDIZED AFFORDABLE HOUSING UNITS



Issuing housing vouchers is one of the most common forms of government assistance when it comes to addressing affordable housing. There are many different types of vouchers available, each coming with its own set of eligibility criteria and policies around implementation. What is fairly consistent across all vouchers, however, is the wait time associated with receiving a voucher once an application is submitted. An analysis of 2020 HUD data shows that "on average nationally, families that received vouchers had spent close to two and a half years on waitlists first, exposing many to homelessness, overcrowding, eviction, and other hardship while they wait." [1] But even once a voucher is received, it can only be used if there is

sufficient affordable housing stock to make property available that meets the size and rent limits approved by the voucher. Due to limited supply of affordable housing stock, this search for property can be lengthy, sometimes exceeding the lifespan of voucher itself. For example, Gainesville Housing Authority issues vouchers with a 60 day expiration date, meaning that if a rental lease is not secured within 60 days of receiving one's voucher, the individual will be required to reapply to the voucher program and be placed back on a waiting list. Considering the lack of affordable housing stock available, voucher expiration is all too common.

[1] Acosta, S. & Gartland, E. (July 22, 2021) Families Wait Years for Housing Vouchers Due to Inadequate Funding: Expanding Program Would Reduce Hardship, Improve Equity. *Center on Budget and Policy Priorities*. Washington, D.C.

HUD SUBSIDIZED HOUSING AND UNITS

Development Name	Total Units	Year Built	Year of Subsidy Expiration
Alternative Housing, Inc.	12	1986	2027
Arbours At Tumblin Creek	64	1966	2065
Carver Gardens	100	1970	2034
Forest Green Apartments	100	1972	2040
Gardenia Gardens Apartments	100	1968	2064
Hampton Court	42	1980	2035
Horizon House Apartments	40	1971	2054
Housing For The Handicapped Alachua Co I- 6th St.	13	1985	2026
Housing For The Handicapped Alachua Co II-9th St.	12	1987	2027
Lewis Place At Ironwood	112	2000	2061
Majestic Oaks Apartments	172	1981	2067
New Horizons Properties I - Joyce Apts.	8	1985	2025
New Horizons Properties Iii - Transitions	8	1977	2030
New Horizons Properties Iv - Choice Apts	16	1997	2037
Oak Park, Sunshine Park	171	1968	0
Pine Grove Apts	97	1984	2031
Pine Meadows Apartments	78	1983	2063
Pine, Lake, Forest, Caroline	244	0	0
Reserve At Kanapaha	272	1998	2029
Scattered Sites 001	276	1981	0
Sunset Apartments	40	1970	2054
Sunset Satellite Apartments	20	1986	2038
The 400 Apartments	101	1979	2066
The Grove at Sweetwater Preserve	30	0	0
Village Green Apartments	100	1971	2040
Woodland Park, Eastwood Meadows	220	1970	0

Total HUD Subsidized Housing Units = 2,448

***45 Units are set to expire in the next 5 years**

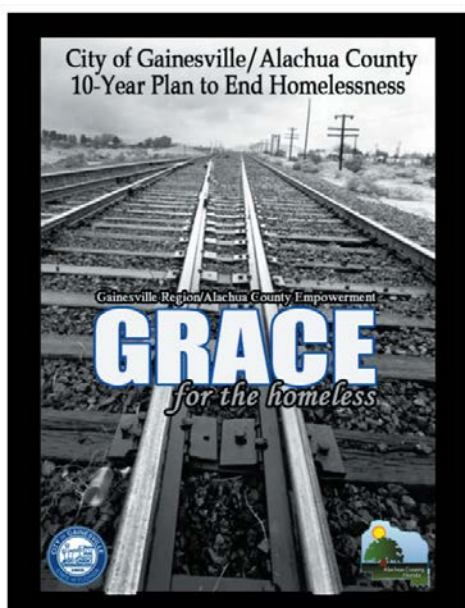


AFFORDABLE HOUSING & HOMELESSNESS

In 1970, the U.S. had nearly one million more affordable housing units than poor households, and homelessness was relatively rare. Then, in the 1980s, the Reagan Administration slashed appropriations for the Department of Housing and Urban Development's (HUD) subsidized affordable housing programs by more than 80%. In turn, affordable housing disappeared, and by 1990, there were 5 million more poor households than affordable units. One study showed that homelessness rates tripled between 1981 and 1989, setting the stage for the current crisis. Today, federally funded affordable housing reaches only one-quarter of all people who need it, leaving local government and nonprofit entities struggling to fill in the gaps.



Under the North Central Florida Alliance for Homeless and Hungry, individuals and families experiencing homelessness in Gainesville and Alachua County are served through the Continuum of Care (CoC). Housed at the United Way of North Central Florida, the CoC is a coalition of partner organization that work collaboratively to create a path to stable, permanent housing for individuals and families through a continuum of housing services from ranging from outreach and emergency shelter to permanent housing models. The Coordinated Entry System (CES) is the process through which partner organizations prioritize needs and resources to address the most vulnerable persons in our community and get them the targeted support they need. The CES incorporates a Coordinated Intake, Assessment and Referral process, with a goal of providing for those who are literally homeless under HUD's definition with streamlined access to services designed to help them achieve and maintain housing stability.



Partner organizations such as Grace Marketplace, Family Promise, Peaceful Paths and St. Francis House work tirelessly to assist individuals and families experiencing housing crisis and homelessness. Emergency Shelters, Rapid Rehousing and Permanent Supportive Housing are offered by these and other partners who participate in the CoC. Through these programs our community has seen a tremendous reduction of homelessness in recent years. According to GRACE Marketplace, there has been a reduction of 69% of people experiencing homelessness since GRACE Marketplace opened in 2014. However, at the root of the issue of homelessness is a lack of affordable housing and despite partners' tireless work, there currently are not enough affordable housing units available in our community meet the scope of the need. In order to end homelessness and improve housing stability for those served by the CoC, we need more properties that can host Rapid Rehousing and Permanent Supportive Housing programs with case management and wrap around services. But to do so, our community needs more affordable housing stock.

Feedback from Local Partners

In a survey recently conducted by Alachua County Community Support Services, partner organizations were asked to respond to the following question...

How would you like to see the Alachua Commissioners designate the focus of the Affordable Housing Trust?	
1	Build more affordable housing
2	Affordable housing for families with children, in an array of rental housing types that includes more options for those paying 30% of their income toward rent, inclusionary zoning in all new development, land donations and escheated properties donated to a vetted group of nonprofit developers who pledge to keep unites affordable, support for accessory dwelling units, reduction in GRU fees and late fees which disproportionately impact persons of color. In other words... all of it. We have a housing crisis where working families cannot afford to live in our community. Homelessness will only increase if we don't prioritize drastic changes to our housing systems.
3	Developing affordable housing for homelessness and very-low income
4	In the places with the highest impacts and best outcomes. Repair, rehab, energy efficiency are priorities of our program and are highly in need. Homeless prevention and rapid rehousing are also incredibly important and effectively addressed by a number of local agencies
5	Down payment assistance, owner occupied rehab, revolving loan fund for affordable units for income qualified persons, start-up funds for CLT
6	Developer subsidy and down payment assistance
7	Subsidizing rent and mortgage based on tenants income
8	Emergency housing vouchers
9	Work to build capacity with local nonprofits who provide wrap around services for their clients, and have those entities create affordable housing units. Or help those local nonprofits work directly with the builders to create wrap around services. Families with low income levels often have trauma that has led them to homelessness. They need more than just an affordable unit, they need case managers to guide them to housing stability. But creating affordable units is a start.
10	Build more units of scattered site housing in a variety of sizes and locations
11	Targeting extremely low-income households; Emphasis on development/renovation of new units targeting <30% AMI
12	To create new affordable housing and low income homeownership programs as well as put forth ordinances that are advantageous to low income housing development in Alachua County

HOUSING PLANS

What plans for housing programs, funding, or strategies exist currently?

Across the country local governments, nonprofits, and private entities are putting their heads - and dollars - together to address the housing crisis. Looking to others' experiences, we can glean insights and lessons learned to improve the success of our own affordable housing strategies. But even before we look externally, we may first leverage the existing plans and strategies our community has developed that can impact housing outcomes for our neighbors in Gainesville. And as we endeavor into the next stages of these plans, to determine action steps that the City will take, we should ensure we are stepping in line with other partners in the community. The greatest opportunity to align strategic plans and action agendas across affordable housing-invest partners is now! And the need to do so is great! Housing solutions do not exist in silos, and through the collective impact of our various organizations' resources and talents, our capacity for success is much greater than if we work alone.

AFFORDABLE HOUSING ACTION PLAN

GCRA 10-YEAR REINVESTMENT PLAN

5-YEAR CONSOLIDATED PLAN

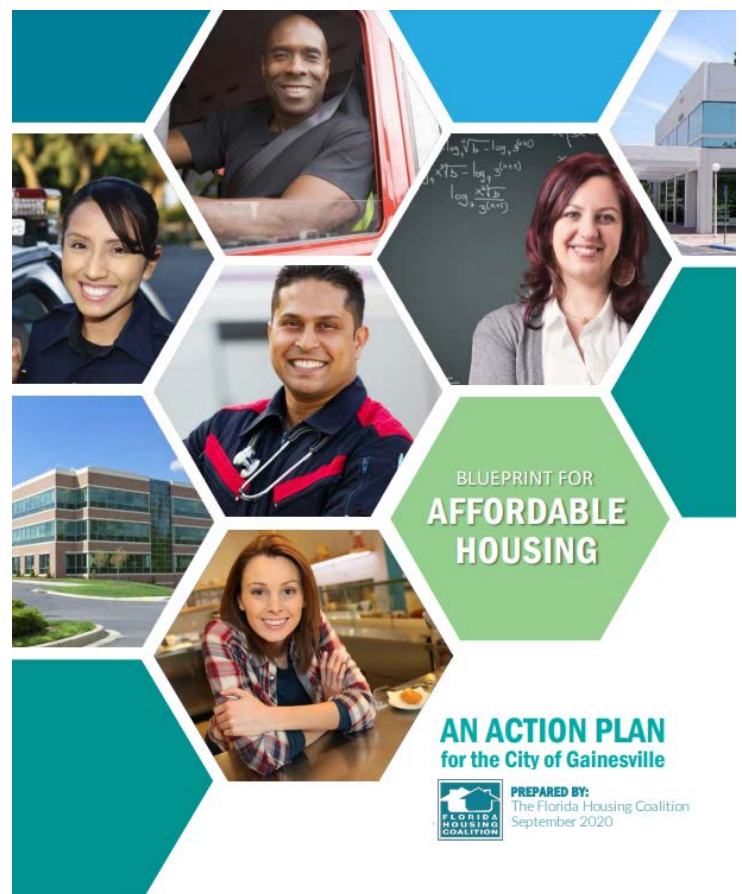


COMPREHENSIVE PLAN (IMAGINE GNV)

LOCAL HOUSING ASSISTANCE PLAN (LHAP)

STRATEGIC PLAN (MULTIPART HOUSING MOTION)

CONTINUUM OF CARE STRATEGIC PLANNING - COMING SPRING 2022



OFFICE OF THE CITY MANAGER
CITY OF GAINESVILLE, FL

STRATEGIC PLAN UPDATE

Multipart housing motion from 8/31/2020 City Commission Meeting

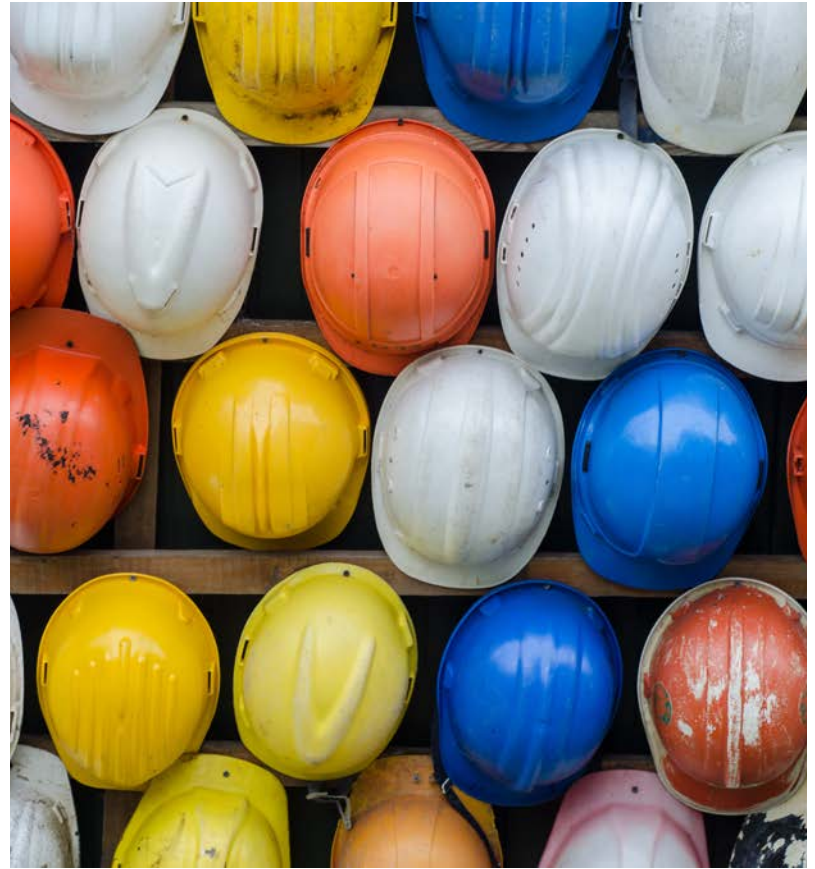
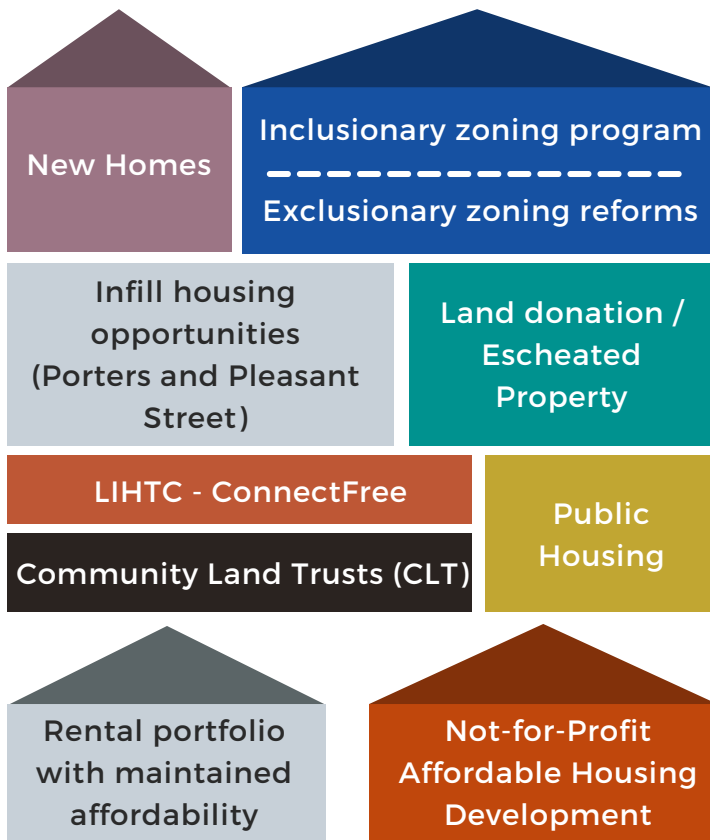
Description	Last Update	Status
Moratorium	City Commission discontinued Moratorium discussion at 11/5/2020 meeting	Complete
Property Taxes: prepare whitepaper on options	The HR&A Advisors Exclusionary Zoning & Inclusionary Zoning Study for City of Gainesville evaluated a variety of options for local funding mechanisms to support affordable housing programs and included analysis/recommendations including the establishment of an affordable housing trust fund, synthetic TIF funding, etc.	Complete
Heritage Overlay	City Commission discussion/referral: 11/5/2020, 11/19/2020 City Plan Board worked on several iterations of the draft regulations during a series of meetings in 2021 and ultimately recommended eliminating the Heritage Overlay zoning district from the Land Development Code. Next steps: Staff to return item to City Commission for further direction	Ongoing
Predatory Practices Education	The homeowner education contract is currently under legal review with the City Attorney.	Ongoing
Legal Assistance for Eviction/ Displacement Prevention	Three Rivers Legal Services has begun legal assistance and counseling services. Since December 2021, eight households have been assisted with legal assistance and/or counseling services to prevent eviction.	Ongoing
Neighborhood Compatibility Measures	Completed analysis of exclusionary zoning elements and presented findings to City Commission on 1/6/2022 Staff is currently working on Code amendments for Commission consideration in April '22	Ongoing
Welcome Back Program/ Relocation Program:	Accomplishments: The "My Neighborhood Program" was approved by the City Commission on August 5, 2021. Next Steps: The Project Manager submitted a Request for Legal Services on December 29, 2021.	Ongoing
All in the Family (clear title for Heirs Property)	Accomplishments: This program was approved by the City Commission on July 19, 2021 and Three Rivers Legal Services is currently working with 11 clients.	Ongoing
The Price is Right Program (Distribution of city-owned property for AH)	February 16, 2022 ground breaking for 11 Duval lots with Habitat for Humanity. 2/17/2021: Surplus Property list approved by City Commission 4/1/2021: Real Property Policy amended to provide additional flexibility for committing City owned property for affordable housing projects	Ongoing
Community Neighborhood Narrative Program	Neighborhood narrative concept has been incorporated into the goals of the ImagineGNV plan (designating neighborhoods, working with neighborhoods on planning efforts, possible grant funding).	Completed
Community Land Trust	RFP ranking review by City Commission on 3/17/2022.	Pending
Short Term Rentals	Replaced landlord license program which included short term rentals with Rental Housing Inspection Program 9/16/2021. Alachua County Tax Collector's Office maintains a registry of short-term vacation rentals for purposes of collecting Tourist Development Tax. State pre-emption does not allow for short term rental regulations.	Completed
Inclusionary Housing Program	1/6/2022: Inclusionary housing study has been completed. Next Steps: CAO Draft implementing ordinance. CM establish internal processes to implement IZ program.	Ongoing
Exclusionary Zoning Amendments	1/6/2022: Exclusionary zoning analysis has been completed. Next Steps: Drafting ordinance language to be heard by CCOM in April.	Ongoing
Vacant Property Fees	Under the current ordinance, Vacant properties do not pay the SMU Fee. The SMU Fee is based upon developed impervious area and the impact that impervious area has on the natural and built environment.	Pending

HOUSING STRATEGIES

What housing strategies or policies are either in place or in progress?

NEW DEVELOPMENTS

Increasing affordable housing through new construction



STRUCTURE REHAB

Rehabilitation of existing housing stock



SUPPORTIVE SERVICES

Wrap around services to support housing stability



PARTNER HIGHLIGHTS

It takes a village to address the housing crisis. Everyone has a role to play.

Housing is not a point-in-time issue. It cannot be resolved in isolation from other social challenges. It cannot fall on one entity to address. It cannot be "fixed" with a single solution and then forgotten about.

Housing is about health. It is safety. It is overcoming trauma and reclaiming independence. Housing is about empowerment and freedom. It is about financial stability and support. It is about care and comfort. Housing is about one's most intimate moments and treasured things. Housing is about home.

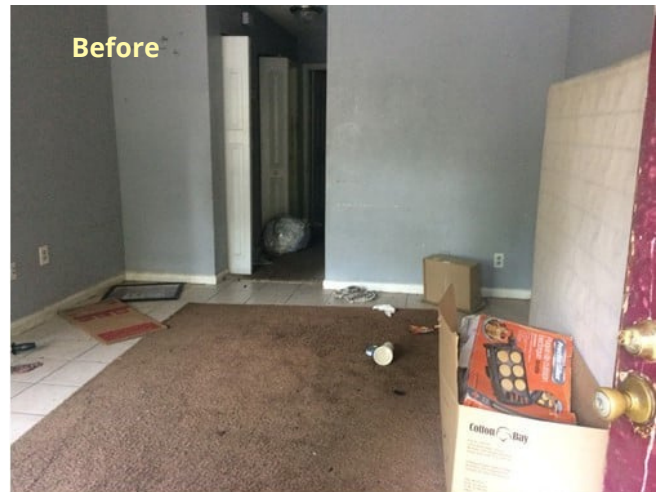
It takes all the tools in the toolbox to create and maintain quality housing opportunities for our neighbors. Though this is not an exhaustive list, here are some of our partners in Gainesville who have long been wielding such tools..

	New Construction	Rehab Existing Structures	Energy Efficiency Upgrades	Down Payment Assistance	Housing Vouchers	Emergency Shelter	Permanent Supportive Housing	Transitional / Rapid Rehousing	Case Management	Homebuyer Education	Advocacy / Legal Counseling
Alachua County Community Support Services		✓	✓	✓	✓		✓		✓	✓	
Alachua County Housing Authority	✓	✓			✓				✓	✓	
Alachua Habitat for Humanity	✓	✓								✓	✓
Center for Independent Living		*ADA upgrades							✓		✓
Central Florida Community Action Agency		✓	✓								
Community Weatherization Coalition			✓								
Family Promise		✓				✓			✓		
Gainesville Housing Authority	✓	✓			✓				✓	✓	
GRACE Marketplace						✓	✓	✓	✓		
HONOR Center for Veterans								✓	✓		
Neighborhood Housing and Development Corporation	✓	✓								✓	
Peaceful Paths						✓		✓	✓		
Rebuilding Together North Central Florida	✓	✓	✓								
St. Francis House						✓	✓	✓	✓		
Three Rivers Legal Services										✓	✓
VetSpace								✓	✓		

PARTNER HIGHLIGHTS

SUCCESS STORY... *Family Promise & Rebuilding Together North Central Florida*

In 2020 Family Promise – a local nonprofit that provides shelter, housing programs and other critical assistance to families who have experienced homelessness – took a step beyond the shelter and entered the arena as a provider of affordable housing. Through a \$125,000 grant by the TD Charitable Foundation, Family Promise acquired a rundown quadplex at 4327 SW 71st Terrace that could be rehabbed into affordable housing units. Through partnership with Rebuilding Together North Central Florida – local nonprofit that builds and repairs homes for low-income households – and contributions from First Federal Bank and Alachua County CARES funds, the units were renovated and furnished. The previously unlivable building now includes units with marble countertops and quality donated furniture that serves four former Family Promise families.



Jayne Moraski from Family Promise, RD Bonnaghan from Rebuilding Together, and realtor Adam Gurske of Matchmaker Realty stand in front of affordable housing units purchased with the TD Charitable Foundation's support. Photo credit: Alachua Chronicle (May 18, 2020)

Family Promise will own and maintain the units as affordable housing in perpetuity, and can still provide case management and other supportive resources to the families housed in the units as needed. And through partnership with other local nonprofits like Rebuilding Together, energy efficiency upgrades and home repairs can also be addressed. This partnership is an excellent example of how with a little bit of funding, some collaboration, and a lot of heart, we can begin to address the issues of affordable housing in our community and provide for families the support and services deeply deserved.

PARTNER HIGHLIGHTS



Since establishing as a neighborhood association in 1976, incorporating in 1982, and becoming a NeighborWorks affiliate in 1999, the Neighborhood Housing and Development Corporation (NHDC) has tirelessly addressed the housing needs of low to moderate income individuals and families in Gainesville and surrounding counties. Through a variety of programs and services, including new construction of affordable units, NHDC has served thousands of households in renting, retaining, and even purchasing a home. To date, the agency has constructed and sold over 300 single family homes to first time home purchasers.



In 1998, NHDC received a National Award of Excellence from the National Association of Housing and Redevelopment Officials (NAHRO) for the 16 home in-fill residential development at Iron Wood Village in Gainesville. That year the agency also initiated pre-purchase home buyer education classes. These sessions are offered in a group setting, as well as through individual homebuyer counseling sessions. To date, thousands of households have attended and benefited from the classes. In the past 5 years, 335 individuals who participated went on to purchase a home.



In 2007, NHDC began its mortgage delinquency and foreclosure intervention counseling services and has already assisted over 500 households in financial distress.

In 2008, the agency started its rental housing program and at this time NHDC maintains an inventory of 39 rental properties.

In Spring 2022, the Deer Creek Senior Housing development will bring 62 new affordable units to the Gainesville community, providing affordable housing to individuals age 62+ are below 60% AMI. This project will provide 1 and 2 bedroom units, as well as amenities including a multipurpose entertainment room, game and craft room, fitness center, meeting rooms, computer room, and an outside picnic area. There will also be a walkway path to the neighboring Gainesville Senior Recreation Center.

PARTNER HIGHLIGHTS

Alachua County employs many strategies to address housing needs

Current

Permanent Supportive Housing Program (PSH)

- Oct 2020 - Sept 2021 the program housed 45 individuals (41 households) who, on average, had experienced homelessness for the last 4.5 years
- Referrals are made through the Continuum of Care and are assigned to a Case Manager at the County. Priority is given to individuals ranked as most vulnerable by the Vulnerability Index the CoC uses.
- Case Managers work with landlords across the County who have available units in an area where the individual is interested in residing.
- All units are currently occupied.

Launching Soon

Rapid Rehousing Program

- Set to launch in mid-March 2022

Purchase of Budget Inn motel as affordable housing project

- Purchase of property completed
- State grant pending to renovate the complex and convert into apartment units.
- No Permanent Supportive Housing funds were used to purchase the property

Affordable Housing Trust Fund

- Pilot using the \$2 million over a 2 year period to test a variety of affordable housing programs. Strategies include:
 - Housing Voucher Program (\$100,000 annually) - Fund (temporary) housing vouchers for housing authority waitlist. This will serve up to 10 households
 - Blighted Community Revitalization (\$500,000 annually) - Target the Copeland Community to address infrastructure needs (water, sewer/septic), debris removal, housing repair and replacement, legal services to address heirs property and encroachment
 - Escheated Properties (\$200,000 annually) - Use vacant lands to retain ownership, sell, or donate to developers to build affordable housing. Also address existing housing to repair, lease or sell.
 - Code Enforcement (\$200,000 annually) - Acquire abandoned/substandard properties to make marketable

Future Possibilities

Heirs Property

- The County is just starting to address heirs' property issues.
- There are many heirs properties that have people living in them. These homes are unsafe and unstable.. County staff are formulating a plan to assist individuals tied up in heirs property issues.
- There are also several heirs properties that are unoccupied, but the County prioritizes those that have people living on them.

Escheated Properties

- 20 properties are being considered for the following options:
 - Donation to a nonprofit to develop with affordable housing;
 - Development of affordable housing by the County; or
 - Sale to a market rate developer with the proceeds going to the Local Housing Trust Fund.

Bonding

- The County has \$88 million available for bonding
- Closed on a \$26 million project recently
- There is a \$9 million project about to close
- A commitment of \$460,000 for a 97 family unit building that has received preliminary approval by the state

HOUSING OPPORTUNITIES

Where are the opportunities for the City?

Leveraging Partnerships:

- **Community Land Trust:**

Funding and supporting a community land trust to acquire land, build new affordable housing, and maintain long-term affordability will provide a missing tool needed to advance the City's housing and neighborhood stabilization goals.

- **Formalized partnerships with housing agencies**

A formalized partnership with the Gainesville Housing Authority and similarly situated housing providers will help coordinate housing plans/programs between the City and the outside agencies while capitalizing on resources that each partner brings to the table (City - policy levers, funding, facilitator & Partners - clients, vouchers, portfolios).

- **Coordination with County**

Better coordination with Alachua County on a wide range of housing topics including policy (land use, regulation, etc.), funding (ARPA, infrastructure surtax, housing trust fund, finance authority, etc.), and joint planning (goal setting communication, data sharing, etc.) can magnify the impact of housing work currently being done by both local governments.



Gainesville Housing Authority: Woodland Park Phase I

HOUSING OPPORTUNITIES

Where are the opportunities for the City?

Leveraging Funding:

- American Rescue Plan

Funding from the American Rescue Plan represents an enormous opportunity to positively impact the affordable housing landscape in Gainesville. Despite the unprecedented scale of the ARP program, funding remains insufficient to address all of the housing needs in the community and therefore must be allocated to effect the greatest benefit. A recent report from the Brookings Institute titled "Getting the most out of American Rescue Plan housing funds requires local governments to plan ahead" recommends that local governments assess their local housing needs and set clear priorities for funding support.

Figure 1: To find the sweet spot in housing investments, look for the overlap in needs, expertise, and cost-effectiveness

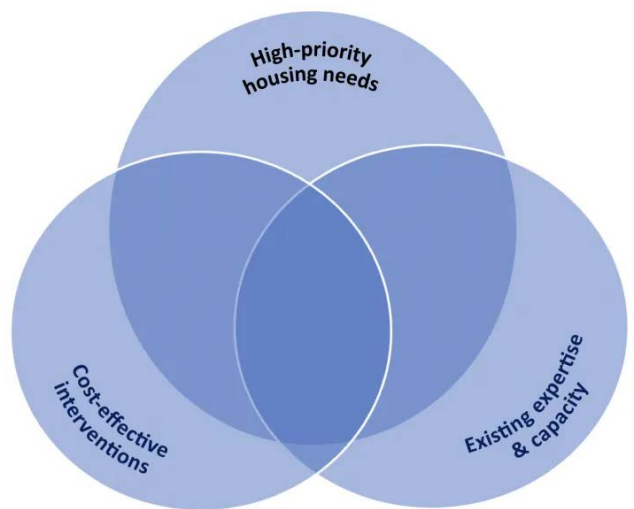


Table 1: Local governments can use ARP funds for a wide variety of housing programs

Household Financial Assistance	Homelessness/Displacement Prevention & Services	Affordable Housing Development & Rehab
<ul style="list-style-type: none"> * One-time rental assistance * Housing voucher programs * Mortgage payment assistance & service fees * Down payment assistance * Home repairs & weatherization (owner-occupied & rental) * Emergency assistance for individuals experiencing homelessness * Relocation expenses following eviction or foreclosure * Utility costs or arrears for both renters and homeowners 	<ul style="list-style-type: none"> * Counseling to prevent foreclosure or displacement * Counseling & legal aid for homelessness prevention * Specialized housing services for populations at risk for homelessness * Case management related to housing stability 	<ul style="list-style-type: none"> * Affordable housing development * Acquisition, rehab, & conversion of vacant properties for affordable housing * Rehabilitation & repair of public housing * Programs to support sustainable homeownership * Supportive housing (development & operating expenses)

Source: State and Local Fiscal Recovery Funds (SLFRF) Final Rule

HOUSING OPPORTUNITIES

Where are the opportunities for the City?

Leveraging Funding:

Other potential dedicated funding sources on the horizon include:

- Infrastructure Surtax

Alachua County is proposing a countywide 1% sales tax. One half percent (½%) would be dedicated to continuing the existing Wild Spaces Public Places (WSPP) sales tax that currently expires in December, 2024. A portion of the other one-half percent (½%) would be dedicated for housing infrastructure including potentially acquisition, rehabilitation, and construction of affordable housing. A countywide referendum will occur on November 8, 2022.

- Inclusionary Zoning

Based on the recent Inclusionary Zoning analysis completed by HR&A, Advisors Inc. the final program design recommends establishing an in-lieu fee between \$120K-\$160K per unit. Revenue generated by the in-lieu fee would be reserved to support affordable housing programs to serve specific low-income populations.

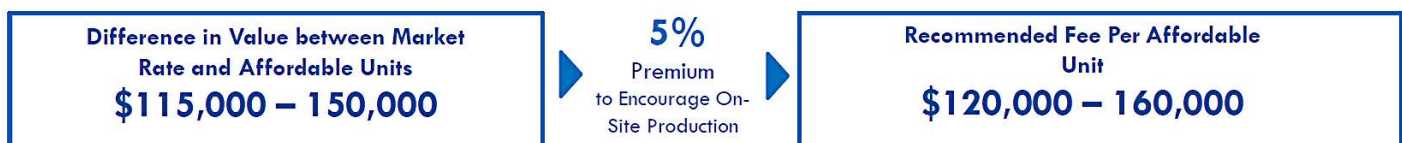
In-Lieu Fee

CALCULATING THE IN-LIEU FEE

In order to ensure that developments in highly desirable neighborhoods still have an incentive to build affordable units on-site, the fee should be set above “average” opportunity cost to more closely resemble the true opportunity cost for high-end buildings. In Gainesville, it will be most appropriate to set this fee based on the most common building typologies. Under this structure, developers choosing to pay the fee will create the largest benefit to the surrounding community, who will receive the benefit of a fee that is larger in total financial worth than the subsidy that would flow to the affordable units within a given development.

HR&A Recommendation

Based on the analysis of current market conditions in Gainesville, the current fee in lieu fee in Gainesville should be \$120,000 to 160,000 per affordable rental unit. The fee calculation is based on the average per-unit difference in market value between building a fully market-rate development and a development that satisfies the IZ requirements. HR&A recommends applying an additional 5-10% premium to the calculated fee in order to incentivize developers to produce units on-site, in line with City policy goals.





CITY OF GAINESVILLE, FL



Affordable Housing Framework Appendix

MARCH 2022

OFFICE OF THE CITY MANAGER

APPENDIX LINKS

FLORIDA HOUSING COALITION: THE CITY OF GAINESVILLE HOUSING ACTION PLAN (FINALIZED DRAFT)

[LINK](#)

IMAGINE GNV

[LINK](#)

HR&A ADVISORS - CITY OF GAINESVILLE: FINAL REPORT EXCLUSIONARY ZONING & INCLUSIONARY ZONING STUDY DECEMBER 2021

[LINK](#)

SHIMBERG CENTER FOR HOUSING STUDIES: 2019 RENTAL MARKET STUDY - FLORIDA'S AFFORDABLE RENTAL HOUSING NEEDS: 2020 UPDATE

[LINK- 2019 Study](#)

[LINK - 2020 Update](#)

BROOKINGS INSTITUTE: GETTING THE MOST OUT OF AMERICAN RESCUE PLAN HOUSING FUNDS REQUIRES LOCAL GOVERNMENTS TO PLAN AHEAD

[LINK](#)

JOINT CENTER FOR HOUSING STUDIES OF HARVARD UNIVERSITY: THE STATE OF THE NATION'S HOUSING 2021

[LINK](#)

JOINT CENTER FOR HOUSING STUDIES OF HARVARD UNIVERSITY: AMERICA'S RENTAL HOUSING REPORT 2022

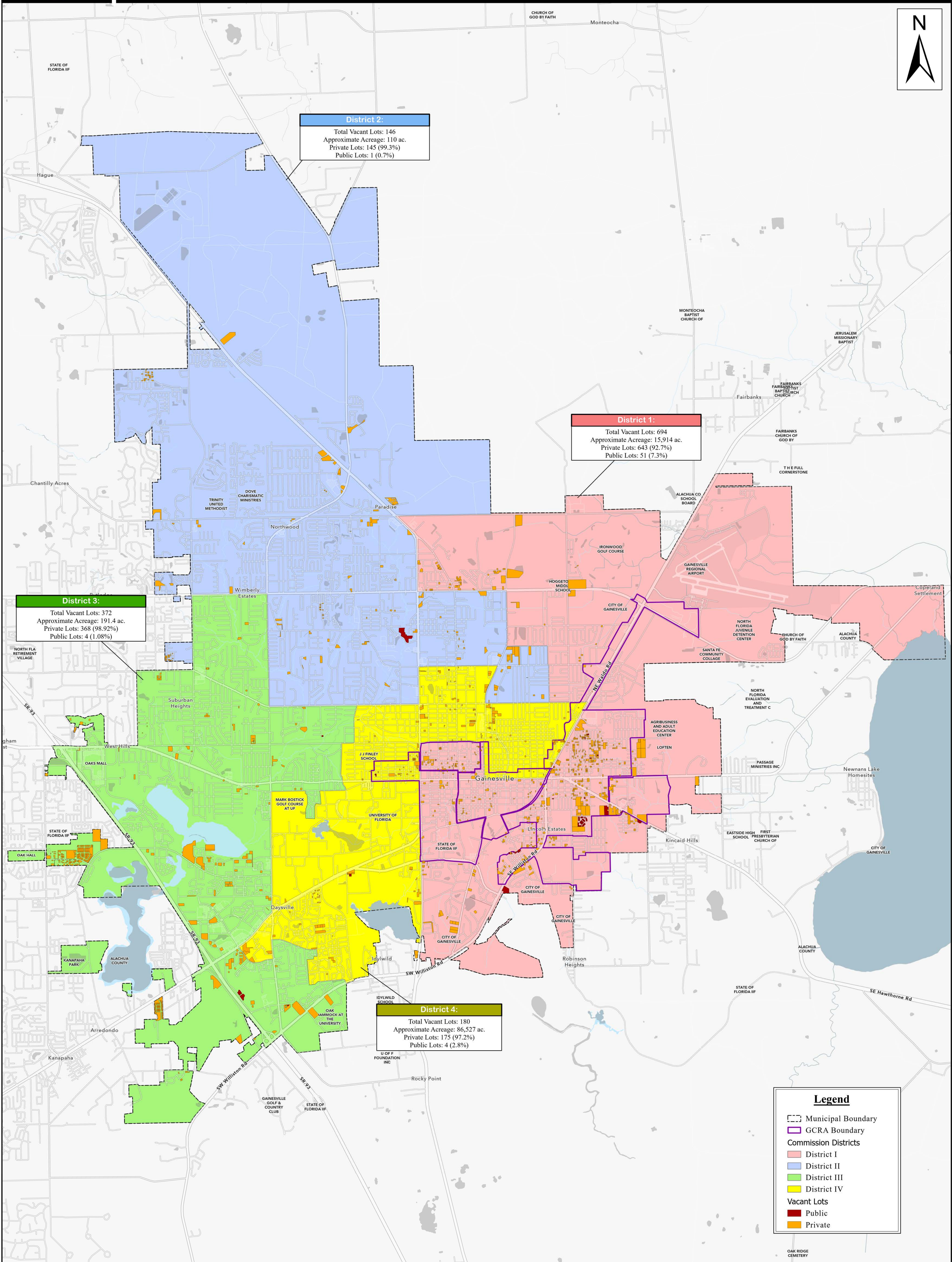
[LINK](#)





City of Gainesville

Commission Districts & Vacant Lots



District 2:
Total Vacant Lots: 146
Approximate Acreage: 110 ac.
Private Lots: 145 (99.3%)
Public Lots: 1 (0.7%)

District 1:
Total Vacant Lots: 694
Approximate Acreage: 15,914 ac.
Private Lots: 643 (92.7%)
Public Lots: 51 (7.3%)

District 3:
Total Vacant Lots: 372
Approximate Acreage: 191.4 ac.
Private Lots: 368 (98.92%)
Public Lots: 4 (1.08%)

District 4:
Total Vacant Lots: 180
Approximate Acreage: 86,527 ac.
Private Lots: 175 (97.2%)
Public Lots: 4 (2.8%)

Legend

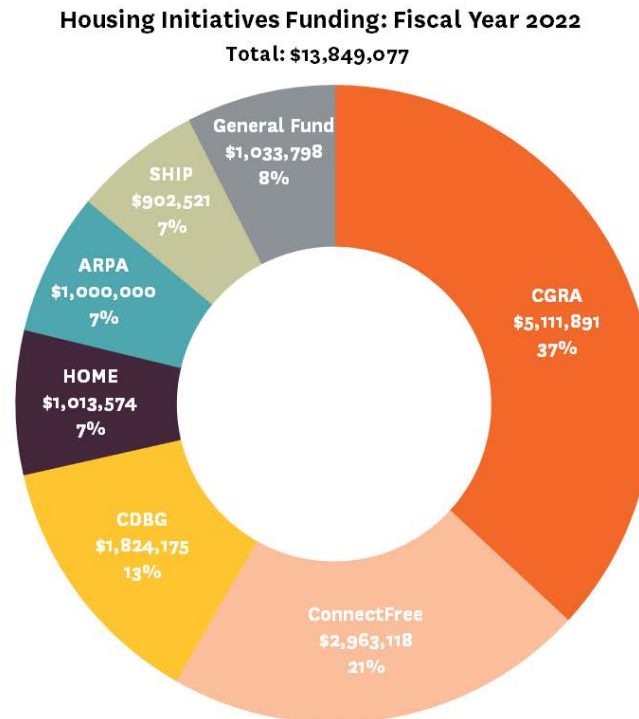
- Municipal Boundary
- GCRA Boundary
- Commission Districts**
- District I
- District II
- District III
- District IV
- Vacant Lots**
- Public
- Private



CITY OF GAINESVILLE HOUSING INITIATIVES FUNDING SUMMARY

FISCAL YEAR 2022

The City of Gainesville's Fiscal Year 2022 investment in Housing initiatives spans across multiple funds managed by the Housing and Community Development Department (HCD) and the Gainesville Community Reinvestment Area (GCRA). In Fiscal Year 2022, funding for Housing initiatives totals \$13.8 million.



Funding for these programs comes from the following sources:

- American Rescue Plan Act (ARPA) Funds – The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, a part of the American Rescue Plan, delivers \$350 billion to state, local, and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency. The City of Gainesville was awarded \$32,408,804.
- Connect Free – funds for this program are collected from Water/Wastewater surcharges and are allocated to support utility connections for single family units, neighborhood extensions, affordable housing projects, and public health, safety and environmental projects.
- Community Development Block Grant (CDBG) – provides annual grants on a formula basis to states, cities, and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons.
- HOME Investment Partnerships Program (HOME) – provides formula grants to states and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to

CITY OF GAINESVILLE HOUSING INITIATIVES FUNDING SUMMARY

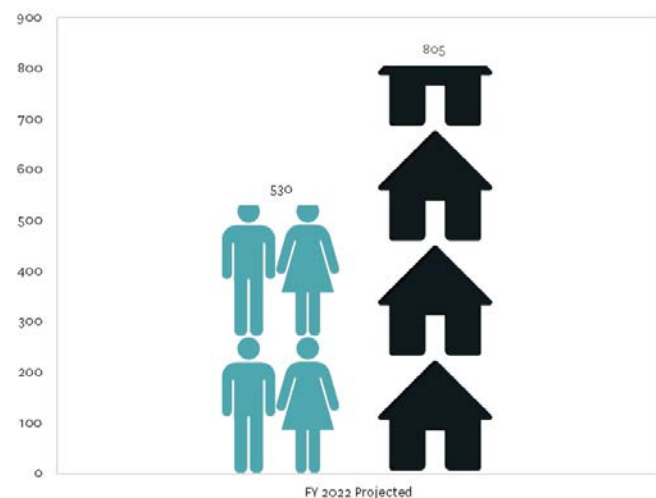
FISCAL YEAR 2022

low-income people. HOME is the largest federal block grant to state and local governments designed exclusively to create affordable housing for low-income households. HOME funds are awarded annually as formula grants to participating jurisdictions. The program's flexibility allows states and local governments to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancements, or rental assistance or security deposits.

- Gainesville Community Reinvestment Area Fund (GCRA) – per an interlocal agreement with Alachua County, provides funding for projects in the revised community reinvestment area that retains the external boundaries of the former four districts
- General Fund – the largest fund within the City, the General Fund accounts for most of the financial resources as well as most of the operating services of the general government.
- State Housing Initiatives Partnership Program (SHIP) – provides funds to local governments as an incentive to create partnerships that produce and preserve affordable homeownership and multifamily housing. The program was designed to provide very low, low, and moderate-income families with assistance to purchase a home, money to repair or replace a home, and many other types of housing assistance.
- Tax Increment Financing District: Tax Increment Financing (TIF) is a method to pay for redevelopment of a slum or blighted area through the increased ad valorem tax revenue resulting from that redevelopment. In the City, two districts, the Downtown Redevelopment Tax Increment Fund (Downtown TIF) which provides funds for specific projects involving downtown redevelopment, and the Eastside Tax Increment Fund (Eastside TIF) which provides funds specific to projects in the Eastside Redevelopment District, support housing initiatives.

The total funds are expected to support individuals, households, and the creation of residential units. For FY 2022, it is projected that the \$13.8 million investment will support 530 persons/households and 805 residential units. Programs for persons/households include: energy and water efficiency support, mortgage foreclosure intervention and homeownership workshops. For residential units, these funds support utility connections for new affordable housing, the creation of new residential units, down payment assistance, and rehabilitation projects such as roofing and weatherization.

Number of Persons/Households and Residential Units to be Supported

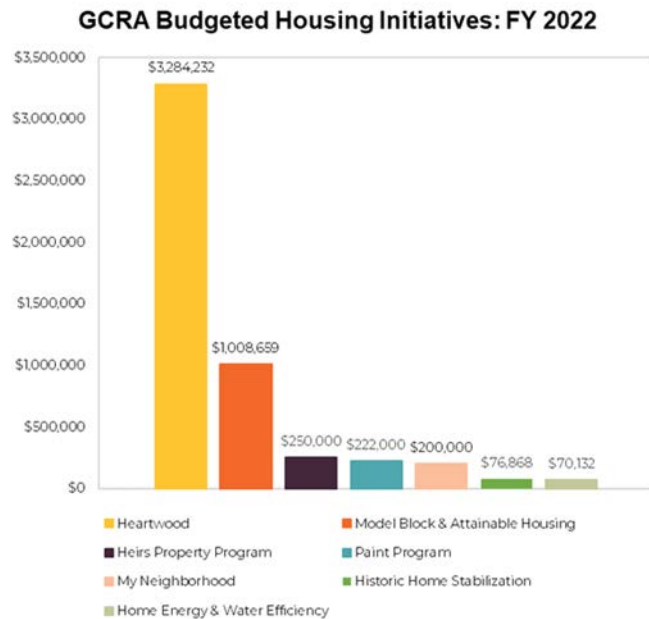


CITY OF GAINESVILLE HOUSING INITIATIVES FUNDING SUMMARY

FISCAL YEAR 2022

Each of these major funding sources is further broken down into housing initiatives programs specific to address the City's needs. The following programs are managed by the City's GCRA Department:

- **Heartwood:** Heartwood is a neighborhood in South East Gainesville that is being developed by the GCRA. The neighborhood will contain 34 single-family homes. Eleven (11) of the homes were made available to qualified first-time homebuyers through a partnership with the Department of Housing and Community Development in order to offer more affordable options for those within HUD income limits. In Fiscal Year 2022, the GCRA funds this program for a total of \$3,284,232 with contributions from the Eastside TIF (\$85,557) and the GCRA (\$3,198,675).



- **Model Block and Attainable Housing:** The Model Block program uses infill housing to enhance the vitality of the neighborhood by rehabilitating or replacing deteriorated structures and incentivizing long-term homeownership. "Attainable housing" is defined as unsubsidized, for-sale housing that is affordable to households with incomes between 80% and 120% of the area median income (AMI) by family size established by the U.S. Department of Housing and Urban Development (HUD). The GCRA will assess opportunities throughout the district to provide or partner on opportunities for attainable housing. In Fiscal Year 2022, the GCRA funds this program for a total of \$1,008,659 with contributions from the Downtown TIF (\$200,659) and the GCRA (\$808,000).
- **Heirs Program:** The Heirs Program offers probate legal assistance to heirs' property owners to clear the title to the homes so owners can take advantage of property rights. The purpose of the program is to increase neighborhood stability, grow individual and family wealth in Gainesville's underserved communities, and increase access to attainable housing. In Fiscal Year 2022, the GCRA funds this program for a total of \$250,000.
- **Paint Program:** The Paint Program provides pressure washing and painting services for the exterior of single-family residential homes within eligible neighborhoods. The purpose of the program is to provide incentives to improve residential neighborhoods. In Fiscal Year 2022, the GCRA funds this program for a total of \$222,000.

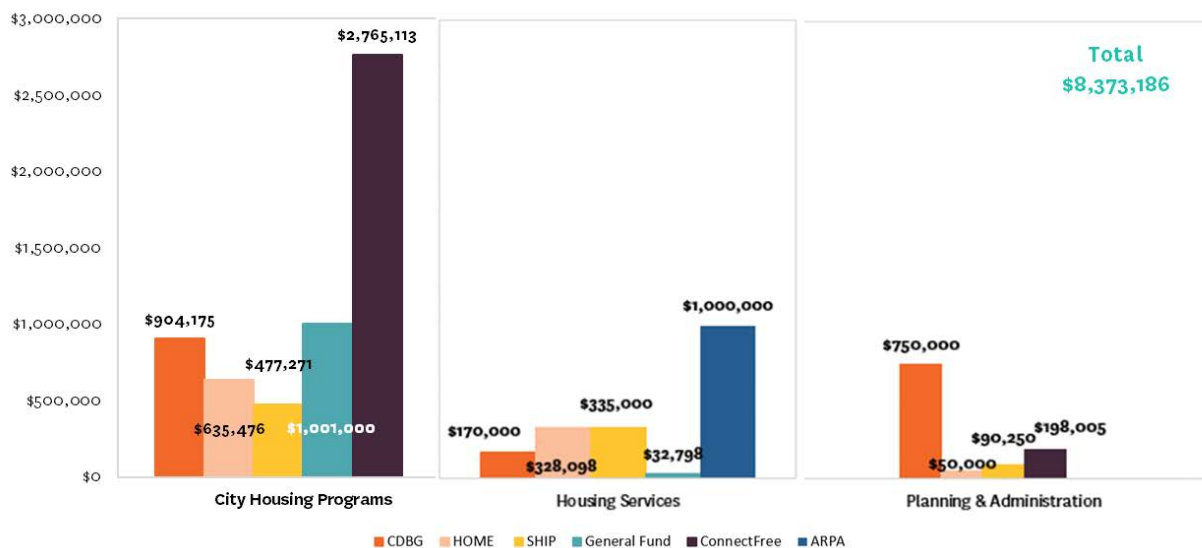
CITY OF GAINESVILLE HOUSING INITIATIVES FUNDING SUMMARY

FISCAL YEAR 2022

- **My Neighborhood:** The GCRA's My Neighborhood Program offers \$25,000 towards the purchase of a home or lot to build on within eligible neighborhoods. The program is available to former residents who lived in the neighborhood for at least three (3) years before 2011. Eligible neighborhoods include: Greater Duval, Fifth Avenue, Pleasant Street, Porters Quarters, Sugarhill, Springhill, Cedar Grove II, and North Lincoln Heights. In Fiscal Year 2022, the Downtown TIF funds this program for a total of \$200,000.
- **Historic Home Stabilization:** This program provides a matching grant to homeowners within the GCRA District to complete exterior stabilization work and resolve exterior code violations. The purpose of this program is to promote the preservation of historic buildings through proper rehabilitation and prevent demolition by neglect. In Fiscal Year 2022, the GCRA funds this program for a total of \$76,868.
- **Home Energy & Water Efficiency:** Through a partnership with the Community Weatherization Coalition (CWC), the GCRA and Gainesville Regional Utility offer home energy tune-ups and home energy upgrades to eligible property owners (homesteaders and landlords) and renters in order to lower the energy cost burden of district residents. The purpose of this program is to encourage safe, well-designed, high-quality housing to support the existing housing stock that provides housing options for long-term homeowners and renters. In Fiscal Year 2022, the GCRA funds this program for a total of \$70,132.

The following programs are managed by the Department of Housing and Community Development and are funded by a combination of CDBG, HOME, SHIP, General Fund, ConnectFree and ARPA funds. The total budget for HCD managed initiatives (city housing programs, housing services and planning/administration) for FY 2022 is \$8,373,186.

HCD Managed Housing Initiatives: FY 2022



CITY OF GAINESVILLE HOUSING INITIATIVES FUNDING SUMMARY

FISCAL YEAR 2022

- City Housing Programs – these programs include down payment assistance, homeowner rehabilitation (provides financial assistance to eligible homeowners who need assistance to correct health and safety violations in their homes. Such as, roofing, electrical, plumbing and heating), house replacement (for homes determined not structurally sound/feasible to rehabilitate, the home can be demolished and rebuilt on same site), roof replacement, mortgage foreclosure intervention, homeownership workshops (Homebuyer Education & Training, Homeowner Training, Credit Counseling & Money Management One-on-One training, and other housing counseling activities), and staff/program delivery support for other programs (ConnectFree Program, Homeless Programs, Heartwood, Land Donation Pilot Program and other related affordable housing initiatives). In Fiscal Year 2022, these programs are funded for a total of \$7,622,560.
- Housing Services - Funding awarded to agencies such as, Habitat, Center for Independent Living, Neighborhood Housing Development Corporation, Gainesville Housing Development Management Corporation (501c3 of Gainesville Housing Authority), Central Florida Community Action Agency and Rebuilding Together to provide housing services such as, new construction, weatherization, and rehabilitation. In Fiscal Year 2022, these programs are funded for a total of \$2,115,196.
- Planning & Administration - Staff costs for administration/planning of the federal, state and local grants. In Fiscal Year 2022, these expenses are funded for a total of \$1,030,500.

CITY OF GAINESVILLE

AFFORDABLE HOUSING PROGRAMS/SERVICES SUMMARY: FY 2017 - 2021

PROGRAMS/SERVICES MANAGED BY THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

HOMEOWNER REHABILITATION

Description: Homeowner Rehabilitation provides financial assistance to eligible homeowners who need assistance to correct health and safety violations in their homes. Such as, roofing, electrical, plumbing and heating.

Status: Completed	Project Type: Single Family	Housing Type: Existing	Address/Location: Citywide	Income Limits: up to 80% AMI
Fiscal Year Funded: FY16/17 - FY20/21	Funding Sources: CDBG	\$ 581,911	Total Funding: \$ 2,913,110	
	HOME	\$ 649,029		
	SHIP	\$ 1,682,170		
			Impact: 63	Residential Units

ROOF REPLACEMENT

Description: Repair or replace roofs for homeowners to prevent further deterioration of their home.

Status: Completed	Project Type: Single Family	Housing Type: Existing	Address/Location: Citywide	Income Limits: up to 80% AMI
Fiscal Year Funded: FY16/17 - FY20/21	Funding Sources: CDBG	\$ 187,711	Total Funding: \$ 303,328	
	SHIP	\$ 115,617		
			Impact: 22	Residential Units

HOUSE REPLACEMENT

Description: For homes determined not structurally sound/feasible to rehabilitate - the home can be demolished and rebuilt on same site.

Status: Completed	Project Type: Single Family	Housing Type: New	Address/Location: Citywide	Income Limits: up to 80% AMI
Fiscal Year Funded: FY16/17 - FY20/21	Funding Sources: CDBG	\$ 217,373	Total Funding: \$ 910,305	
	HOME	\$ 40,062		
	SHIP	\$ 652,870		
			Impact: 10	Residential Units

DOWNPAYMENT ASSISTANCE

Description: Provides down payment and closing cost assistance to first-time home buyers.

Status: Completed	Project Type: Single Family	Housing Type: New/Existing	Address/Location: Citywide	Income Limits: up to 120% AMI
Fiscal Year Funded: FY16/17 - FY20/21	Funding Sources: HOME	\$ 219,999	Total Funding: \$ 424,703	
	SHIP	\$ 204,705		
			Impact: 33	Residential Units

MORTGAGE FORECLOSURE INTERVENTION

Description: Provide assistance to families who are 3 months or more delinquent on their mortgage payment.

Status: Completed	Project Type: Single Family	Housing Type: Existing	Address/Location: Citywide	Income Limits: up to 120% AMI
Fiscal Year Funded: FY16/17 - FY20/21	Funding Sources: CDBG	\$ 1,630	Total Funding: \$ 21,219	
	SHIP	\$ 19,589		
			Impact: 5	Households

RAPID RE-HOUSING/RENTAL ASSISTANCE/EVICTION PROTECTION

Description: Interlocal Agreement Partnership with County to provide rental and eviction prevention assistance to prevent homelessness.

Status: Completed	Project Type: Single Family & Mul	Housing Type: Existing	Address/Location: Citywide	Income Limits: up to 50% AMI
Fiscal Year Funded: FY16/17 - FY20/21	Funding Sources: SHIP	\$ 153,000	Total Funding: \$ 153,000	
			Impact: 49	Households

CITY OF GAINESVILLE

AFFORDABLE HOUSING PROGRAMS/SERVICES SUMMARY: FY 2017 - 2021

PROGRAMS/SERVICES MANAGED BY THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (CONTINUED)

RELOCATION ASSISTANCE

Description: Temporary relocation assistance for households while rehab or replacement is taking place (i.e., temporary housing, storage, etc.).

Status: Completed	Project Type: Single Family	Housing Type: Existing	Address/Location: Citywide	Income Limits: up to 80% AMI
Fiscal Year Funded: FY16/17 - FY20/21	Funding Sources: SHIP	\$ 65,298	Total Funding: \$ 65,298	
Impact: 10				Households

HOMEOWNERSHIP WORKSHOPS

Description: Education Training Workshops include: Homebuyer Education & Training Workshop, Homeowner Training Workshop: Credit Counseling & Money Management (One-on-One Training) and other Housing Counseling Activities.

Status: Ongoing	Project Type: N/A	Housing Type: N/A	Address/Location: Citywide	Income Limits: No Maximum
Fiscal Year Funded: FY16/17 - FY20/21	Funding Sources: CDBG SHIP	In-Kind Support \$ 22,090	Total Funding: \$ 22,090	
Impact: 1,137				Persons

OUTSIDE AGENCY HOUSING REHABILITATION WITH CITY CONTRIBUTION

CENTER FOR INDEPENDENT LIVING

Description: Building Ramps-Building Lives: installs wheelchair ramps to increase accessibility.

Status: Completed	Project Type: Single Family	Housing Type: Existing	Address/Location: Citywide	Income Limits: up to 80% AMI
Fiscal Year Funded: FY16/17 - FY 19/20	Funding Sources: CDBG	\$ 36,830	Total Funding: \$ 36,830	
Impact: 17				Residential Units

CENTRAL FLORIDA COMMUNITY ACTION AGENCY

Description: "Aging In Place" housing rehabilitation program to enhance the well-being of elderly homeowners, reduce utility burden, and improve neighborhood revitalization.

Status: Completed	Project Type: Single Family (Elder)	Housing Type: Existing	Address/Location: Citywide	Income Limits: up to 80% AMI
Fiscal Year Funded: FY16/17 - FY 18/19	Funding Sources: CDBG	\$ 25,000	Total Funding: \$ 25,000	
Impact: 6				Residential Units

REBUILDING TOGETHER

Description: Rehabilitation of single-family homes to enhance safety and accessibility.

Status: Completed	Project Type: Single Family	Housing Type: Existing	Address/Location: Citywide	Income Limits: up to 80% AMI
Fiscal Year Funded: FY16/17 - FY 19/20	Funding Sources: HOME	\$ 45,816	Total Funding: \$ 45,816	
Impact: 7				Residential Units

OUTSIDE AGENCY NEW CONSTRUCTION HOUSING WITH CITY CONTRIBUTION

ALACHUA HABITAT FOR HUMANITY

Description: New construction of affordable housing for first-time Low-Moderate Income homebuyers.

Status: Completed	Project Type: Single Family	Housing Type: Existing	Address/Location: Citywide	Income Limits: up to 80% AMI
Fiscal Year Funded: FY16/17 - FY 19/20	Funding Sources: CDBG HOME	\$ 35,000 \$ 90,000	Total Funding: \$ 125,000	
Impact: 9				Residential Units

CITY OF GAINESVILLE

AFFORDABLE HOUSING PROGRAMS/SERVICES SUMMARY: FY 2017 - 2021

NEIGHBORHOOD HOUSING AND DEVELOPMENT CORPORATION

Description: New construction of affordable housing for first-time Low-Moderate Income homebuyers. Based on community project location, acquisition and rehabilitation activities may also occur.

Status: Completed	Project Type: Single Family (Elder)	Housing Type: Existing	Address/Location: Citywide	Income Limits: up to 80% AMI
Fiscal Year Funded: FY16/17 - FY 19/20	Funding Sources: CDBG	\$ 35,000	Total Funding: \$ 268,986	
	HOME	\$ 233,986		
Impact: 6				Residential Units

GAINESVILLE HOUSING DEVELOPMENT AND MANAGEMENT COORPORATION (501c3 of GAINESVILLE HOUSING AUTHORITY)

Description: Project soft costs for future construction of affordable housing units. Once units are completed, two households will be assisted. Funding is leveraging other external funding sources.

Status: Completed	Project Type: Single Family	Housing Type: Existing	Address/Location: Citywide	Income Limits: up to 80% AMI
Fiscal Year Funded: FY16/17 - FY 19/20	Funding Sources: HOME	\$ 15,100	Total Funding: \$ 15,100	
Impact: 2				Residential Units

RENTAL HOUSING DEVELOPMENT WITH CITY CONTRIBUTION

WOODLAND PARK, PHASE 1 (GAINESVILLE HOUSING AUTHORITY PROPERTY)

Description: Affordable MF rental project for income-qualified families. Construction completed in late Spring 2020. The City's funding contribution to the project allowed the developer to apply for, and ultimately receive, Federal Low Income Housing Tax Credit funding.

Status: Completed	Project Type: Multi-Family	Housing Type: Existing	Address/Location: 1900 SE 4 St.	Income Limits: up to 60% AMI
Fiscal Year Funded: FY18/19	Funding Sources: General Fund	\$ 37,500	Total Funding: \$ 16,500,000	
	Developer	\$ 16,462,500		
Impact: 96				Residential Units

ARBOURS AT TUMBLIN' CREEK

Description: Affordable MF rental project for income-qualified seniors (55+). Construction completed in November 2017. The City's grant allowed the developer to apply for, and ultimately receive, Federal Low Income Housing Tax Credit funding.

Status: Completed	Project Type: Multi-Family	Housing Type: Existing	Address/Location: 1303 SW 13 St.	Income Limits: 57 at 51-60% AMI; 7 at 0-50% AMI
Fiscal Year Funded: FY17/18	Funding Sources: ConnectFree	\$ 46,000	Total Funding: \$ 13,190,000	
	Developer	\$ 13,144,000		
Impact: 64				Residential Units

CONNECT FREE PROGRAM

NONPROFIT DEVELOPERS FOR AFFORDABLE HOUSING

Description: Pays water and wastewater connection fees.

Status: Completed	Project Type: Single Family	Housing Type: New	Address/Location: GRU Service Area	Income Limits: up to 80% AMI
Fiscal Year Funded: FY 17/18 - FY20/21	Funding Sources: ConnectFree	\$ 78,153	Total Funding: \$ 78,153	
Impact: 15				Residential Units

CITY OF GAINESVILLE

AFFORDABLE HOUSING PROGRAMS/SERVICES SUMMARY: FY 2017 - 2021

WATER/WASTE WATER CONNECTIONS

Description: Pays line extension costs (up to \$10,000 for water and up to \$25,000 for wastewater) and connection fees. For income-qualified households, the City will also pay onsite plumbing costs.

Status: Completed	Project Type: Single Family/Multi-	Housing Type: Existing	Address/Location: GRU Service Area	Income Limits: No Max. Income, except onsite plumbing- up to 80% AMI
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Fiscal Year Funded: FY 16/17 - FY20/21	Funding Sources: ConnectFree	\$ 340,832	Total Funding:	\$ 340,832
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Impact: 38	Residential Units
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PANDEMIC RELIEF PROGRAMS

GNV CARES ABOUT NEIGHBORS

Description: Provide assistance with rent and utility payments to families who experienced a reduction of income or loss of employment due to the COVID-19 pandemic.

Status: Completed	Project Type: Single Family	Housing Type: Existing	Address/Location: Citywide	Income Limits: up to 80% AMI
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Fiscal Year Funded: FY20/21	Funding Sources: CDBG-CV1	\$ 498,852	Total Funding:	\$ 498,852
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Impact: 419	Households
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CORONAVIRUS RELIEF PROGRAM

Description: Provide assistance with mortgage, utility, cable and phone payments to families who experienced a reduction of income or loss of employment due to the COVID-19 pandemic.

Status: Completed	Project Type: Single Family/Multi-	Housing Type: Existing	Address/Location: Citywide	Income Limits: up to 80% AMI
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Fiscal Year Funded: FY20/21	Funding Sources: CDBG-CV2	\$ 525,440	Total Funding:	\$ 525,440
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Impact: 220	Households
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PROGRAMS/SERVICES MANAGED BY THE GAINESVILLE REGIONAL UTILITY

UTILITY DEBT FORGIVENESS

Description: Funding for utility assistance program to ameliorate the delinquencies related to COVID-19 impacts within the City of Gainesville city limits.

Status: Completed	Project Type: Single Family/Multi-	Housing Type: Existing	Address/Location: Citywide	Income Limits: up to 120% AMI
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Fiscal Year Funded: FY22/23	Funding Sources: ARPA	\$ 250,000	Total Funding:	\$ 250,000
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Impact: 32	Households
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LOW INCOME ENERGY EFFICIENCY PROGRAM (LEEP)

Description: Assists low-income customers with energy focused home improvements.

Status: Ongoing	Project Type: Single Family/Multi-	Housing Type: Existing	Address/Location: GRU Service Area	Income Limits: up to 80% AMI
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Fiscal Year Funded: FY16/17 - FY20/21	Funding Sources: GRU	\$ 1,603,685	Total Funding:	\$ 1,603,685
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Impact: 394	Residential Units
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