

Alachua County

FY24 Pathways to Removing Obstacles to Housing
(PRO Housing) Draft Application

U.S. Department of Housing and Urban Development
(HUD)

FR-6800-N-98

October 22, 2024

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EXHIBIT A
EXECUTIVE SUMMARY

The Alachua Board of County Commissioners (BoCC) has long been committed to providing affordable housing for all residents of Alachua County. The BoCC believes that every resident should have access to affordable and safe housing regardless of their socio-economic status. The BoCC's philosophy of housing for all aligns with Florida Statute 163.3161, or the Community Planning Act (CPA), which requires that a local government responds to the housing needs of its community.

The Alachua County Department of Community Support Services (CSS) has been delegated the responsibility of overseeing the County's Affordable Housing Plan working in conjunction with the Office of Budget and Fiscal Services, Department of Growth Management, Department of Public Works, and the County Attorney's Office, as well as other government departments. Within CSS, the Alachua County's Housing and Strategic Development Division (Housing Division) administers the Alachua Housing Trust Fund, Infrastructure Sales Tax (as it relates to affordable housing and economic development), State Housing Initiatives Partnership (SHIP), and other grant funded programs.

The Alachua County Housing Division's mission is the development, preservation, and retention of affordable housing. The Housing Division utilizes a myriad of strategies in accomplishing the mission to provide opportunities for home ownership and the development, rehabilitation, and rental of residential housing. Alachua County has established partnerships with non-profits, private developers, property owners, banks and lending institutions, realtors, and local municipalities to create and preserve safe and affordable housing for residents of Alachua County who are at very low to moderate income levels.

Alachua County is a housing forward community and an eligible applicant in the category 01-County governments under the PRO Housing NOFO. Alachua County is submitting this application and request of \$5,000,000 to the U.S. Department of Housing and Urban Development in response to the FY24 Pathways to Removing Obstacles to Housing Notice of Funding Opportunity. The grant will further expand the availability of Permanent Supportive Housing units to the most vulnerable in Alachua County and at the same time preserve at-risk project-based vouchers in the community. The grant will also leverage the Affordable Housing Trust Fund created by Alachua County in 2021, providing additional capital for the production and preservation of affordable housing in the county.

EXHIBIT B

THRESHOLD REQUIREMENTS AND OTHER SUBMISSION REQUIREMENTS

1. Resolution of Civil Rights Matters

There are no outstanding unresolved civil rights matters at the time of application.

2. Timely Submission of Applications

Alachua County is a Presidentially declared disaster area under Hurricane Helene (DR-4828-FL). As such, Alachua County is a covered applicant and is submitting a timely application by the extended deadline of October 22, 2024.

3. Eligible Applicant

Alachua County is a county government and is an eligible applicant (01) in accordance with Section III.A of the FY24 PRO Housing NOFO.

4. Number of Applications

Alachua County is submitting one application under the FY24 PRO Housing NOFO.

EXHIBIT C

NEED

The BoCC recognizes that there is a high demand for affordable housing in Alachua County. With its estimated current population count of 293,040 in 2023 and future growth projections at 2.6% by year 2025 per the Florida Office of Economic and Demographic Research, the current housing stock and available units are unable to meet the demands of renters and homeowners. Within the last decade, Alachua County has experienced a growth in population of 16%.

In 2022, the University of Florida Shimberg Center for Housing Studies (Shimberg Center) reported that tenants at 0-60% of area median income (AMI), outpaced the number of affordable units. According to the 2023 Shimberg Center for Housing Studies 2023 Annual Report, 31% of all renters in Alachua County are low-income cost burdened, spending more than 40% of income on housing.

The affordability and availability of housing continues to be an acute need in Alachua County and a major barrier for households with lower incomes. According to Shimberg Center, there is a gap of 6,030 units for renter households with very low income and a gap of 4,632 units for renter households with extremely low income. This represents the largest need in Alachua County for renters who are at or below 50% AMI. As such, these renters make up the largest group of cost burdened households in the county, even excluding student renters, estimated at 12,702 households. (Shimberg Center)

Housing costs outpace wages for many occupations in Alachua County. A full-time worker would need to earn \$26.75 per hour to rent a typical two-bedroom apartment at the HUD Fair Market Rate of \$1,397 per month.

Because the University of Florida is in Gainesville, the county seat of Alachua County, most of the new rental developments are luxury student housing. Despite the tremendous need, developers are not constructing housing for renters at or below 50% AMI due to development costs, impact fees, and profit potential. That is why these developments require deep subsidies and incentives.

Since 2006, Alachua County has utilized a number of strategies in order to overcome barriers and facilitate the development and preservation of affordable housing. Through changes to the land development regulations and the comprehensive land use plan, Alachua County has taken innovative steps to:

- Provide incentives for the development/redevelopment of affordable housing (e.g., fee relief, expedited development review, expedited permitting, reduced lot sizes and modified setback requirements)

- Eliminated minimum lot sizes for single-family residential zoning districts;
- Allow attached units in single family zoning districts;
- Allow bonus densities and multi-family for Traditional Neighborhood Development (TND) and Transit Oriented Development (TOD) in single family zoning districts;
- Allow accessory dwelling units (ADU) in single family and agricultural zoning districts;
- Allow cottage neighborhoods in single family zoning districts at double the allowable density for the zoning district;
- Allow for adaptive reuse of vacant structures and historically significant structures for affordable housing.

In addition, Alachua County staff is currently developing a policy proposal to incorporate inclusionary housing into the comprehensive land use plan and ultimately, the land development regulations. These changes would allow for the substitution of non-residential floor area for affordable housing in both Traditional Neighborhood Developments (TND) and Transit Oriented Developments (TOD). Another major component of the proposal is to provide an inclusionary housing requirement for any applications that propose an expansion of the County's urban growth boundary or any land use change that would increase residential entitlements.

In 2021, Alachua County adopted Ordinance 2021-06 and established the Affordable Housing Trust Fund (Trust Fund), which created a new Section 39.5.10 of the Alachua County Code. The BoCC stated purpose of the Trust Fund was to provide a revenue fund to be used to create and sustain affordable housing and address the needs for affordable housing within Alachua County. The Ordinance mandates that the monies, including any interest earning on such monies and repayments of loans from such monies, placed into the Affordable Housing Trust Fund shall be held in trust to use for the following:

- (1) In the development and provision of affordable community housing within Alachua County.
- (2) To help in the preservation and expansion of the supply of such housing; to ensure that adequate sites for affordable community housing exist and remain available within Alachua County.
- (3) To assist in the continued elimination of substandard housing conditions in Alachua County.
- (4) To provide direct financial and technical assistance to qualified housing projects or eligible individuals.
- (5) To fund approved, eligible operating expenditures related to the provision of and development of affordable community housing; or

(6) For any other use that creates or sustains affordable housing in Alachua County, as determined by the BoCC.

In addition to financial resources committed by Alachua County, the Affordable Housing Trust Fund can receive both charitable cash and non-cash contributions (such as land donations) from private individuals, corporations, foundations, and other entities. Additional revenue to the Trust Fund may come through the sale of escheated properties owned by the County that are found appropriate for affordable housing.

In 2023, the BoCC referenced a desire to provide continuous revenue to the Trust Fund. And the PRO Housing grant would expand financing and leveraging opportunities for partner developers to produce and preserve affordable housing.

Following adoption of Ordinance 2022-08 by the BoCC, the electors of Alachua County approved the Local Government Infrastructure Sales Surtax. Discussed in more detail below, a portion of the Surtax is to be a revenue source for land acquisition expenditures for residential housing projects, in which at least 30% of the units are affordable to individuals or families whose total annual household income does not exceed 120% of the AMI adjusted for household size, subject to certain requirements.

Staff, in conjunction with a citizen advisory board, the Affordable Housing Advisory Committee, have explored ideas of preventing concentration of poverty within Alachua County and ways to address racial disparities. Some examples of these include new construction in areas typically defined as affluent and not characterized by race, neighborhood revitalization, and infrastructure. Alachua County government's overarching subjective goal is great housing choices at a wide range of price points, so the following priority tiers will be utilized to drive the objective allocation and measurement of how county resources are being utilized to promote housing production for all Alachua County residents.

Tier 1 Affordability: set-asides for households with Tenant-Based Housing Vouchers (TBVs), set-asides for Extremely Low Income (ELI) households without vouchers, and developments with 3-bedroom units or larger.

Tier 2 Inclusion: mixed income projects, set-asides for young adults leaving foster care, set-asides for veterans, set-asides for elderly households in both age-segregated and unsegregated communities.

Tier 3 Community Maintenance/Improvement: cures blighted or financially troubled developments, new construction, or preserves existing low-income units

Tier 4 Project Financing: target small municipalities that don't have human capital and financial resources to incentivize great housing at various price points, the promotion of homeownership, ensure the feasible leveraging of county dollars into quality housing developments in multiple locations.

EXHIBIT D
SOUNDNESS OF APPROACH

Alachua County’s vision is housing that is affordable, safe, and healthy for all its residents. This includes ensuring that a diversity of housing options is available throughout the continuum from supportive housing, transitional, rental housing, and homeownership. The geographic scope of housing is throughout Alachua County, working closely with key stakeholders such as municipalities both with entitlement and non-entitlement status with HUD as well as with the two local housing authorities, to ensure barriers to the production and preservation of affordable housing are removed and housing needs are met.

Alachua County values and prioritizes community engagement and regularly hosts monthly meetings for two key citizen advisory boards, the Affordable Housing Advisory Committee and the Housing Finance Authority Board. Boards are comprised of stakeholders from diverse backgrounds in employment, education, and community representation. CSS staff also facilitates and participates in neighborhood meetings to promote fair and affordable housing.

In 2016, Alachua County hosted its inaugural housing summit, engaging more than 150 participants throughout the community. A follow up housing summit was conducted in 2022 to identify other housing priorities and strategies. In the years to come, the County plans to host additional summits and receive input from the public to improve the state of affordable housing in Alachua County for the future.

Alachua County is committed to affirmatively further fair housing and taking meaningful actions to overcome patterns of segregation and foster inclusive communities. Alachua County Human Rights Ordinance, Chapter 111 of the Alachua County Code, protects individuals against discrimination based on race, color, national origin, religion, sex, marital status, age, disability, sexual orientation and gender identity or expression in employment, housing, and public accommodations within the geographic boundaries of Alachua County. Additional protected categories against housing discrimination include familial status, citizenship status, lawful source of income, veteran or service member status, or being the victim of dating/domestic violence or stalking.

Lawful source of income means the lawful, verifiable income paid directly to a tenant or paid to a representative of a tenant, including but not limited to:

Income derived from social security, supplemental security income, child support, alimony, veteran’s benefits, disability benefits, or any form of federal, state or local public, food, or housing assistance or subsidy, including assistance from the Supplemental Nutrition Assistance Program (SNAP) and the Housing Choice Voucher Program or “Section 8” vouchers, whether

such income is received directly or indirectly by the renter or purchaser and includes supplemental income.

On July 13, 2021, the BoCC voted to amend the Lawful Source of Income provision (which includes housing subsidies such as “Section 8” vouchers) to address equity concerns for voucher holders in the search for housing. Effective September 1, 2021, a landlord or any agent of a landlord may not disqualify or refuse to rent to Section 8 voucher holders on the basis of their status as a voucher holder; and may only consider the portion of the rent that the Section 8 voucher holder is required to pay out-of-pocket (as determined by the local housing authority issuing the voucher) in any rent-to-income financial qualification calculation.

Prior to the suspension of the previous AFFH rule in 2018, Alachua County along with the City of Gainesville, Alachua County Housing Authority, and Gainesville Housing Authority conducted a joint Assessment of Fair Housing. If awarded the PRO Housing grant, Alachua County is well equipped to meet the new AFFH rule and submit equity plans to HUD.

The following four actions by the Board of County Commissioners, Alachua County staff, citizens, and community provide the foundation for Alachua County to launch equity work. In this section, each action is summarized with relevant recommendations for the next steps.

A. Equity Advisory Board: Resolution 20-105

A Resolution of the Board of County Commissioners establishing the equity advisory board; establishing the responsibilities and duties thereof; establishing procedures and rules for membership, elections, meetings, and attendance; providing for bylaws to guide the operation thereof; providing for an effective date.

B. Charter Ballot Amendment: Identification and Elimination of Racial and Gender

Bias in Alachua County Policies

"The County officially acknowledges existence of potential racial and gender bias in County policies and the delivery of programs and services the impacts of racial and gender bias are pervasive and increase disparities and inequality to the detriment of the citizens of Alachua County; and the elimination of racial and gender bias in County programs and services will demonstrate the County's leadership in treating all of its citizens fairly; and, racial and gender bias particularly disadvantages low-income communities, communities of color and other vulnerable populations that have fewer resources to withstand negative impacts of such bias; and the County officially acknowledges the need to annually examine policies for all County operations and endeavor to eliminate all elements of racial and gender bias in both the design and delivery of County programs and services."

C. Equity and Community Outreach Manager Position

The purpose of the Equity and Community Outreach Manager position is to develop an initial infrastructure and proposal for both County wide equity and County Wide Community Engagement and to provide leadership for their infusion across Alachua County.

This role, as defined in the job description, includes:

"Build(ing) an infrastructure to ensure policy decisions are evaluated through an equity lens to create fair access to opportunity. This will involve collaborating with County departments, employees, community members and other stakeholders to make meaningful movement towards a more equitable Alachua County; providing leadership and vision to ensure the development and management of innovative and effective strategies to achieve equity for Alachua County residents; and collaborating with County leadership and community stakeholders to establish equity as a shared value across the organization and community to further advance the County's commitment to diversity, equity and inclusion."

D. Equity Comprehensive Plan Amendments

On November 12, 2019, adopted the Comprehensive Plan, 2019-2040. Within the comprehensive plan, "social equity" or "equity" is a goal or a principle within the Land Use Element, Economic Element, and Community Health Element. Within the text, social equity is defined as "Principle of fairness, with attention to provision of opportunity to those portions of the community that are less well off; as applied to Comprehensive Plan, related issues include the provision of affordable housing, economic opportunity, and choice of living environments for all members of community without regard to sex, race, age, religion, ethnicity, national origin, etc. (p. 125-126). Health equity is defined as "Everyone has a fair and just opportunity to be healthier. This requires removing obstacles to health such as poverty, discrimination, and their consequences, including powerlessness and lack of access to good jobs with fair pay, quality education and housing, safe environments, and health care" p. 378).

Additionally, policies related to reducing disparities "as defined by the UF BEBR report exist within the Solid Waste, Capitol Projects, Economic Element (eliminate disparity), Energy Element, and Community Health Element.

In August 2021, The US Census Bureau will begin to release data from the 2020 Census. This data, along with the outcomes related to the strategic plan referenced herein, should be utilized to amend the Comprehensive Plan.

The terms racial equity and social equity each have specific implications. The comprehensive plan establishes social equity as "Principle of fairness, with attention to provision of opportunity to those portions of the community that are less well off; as applied to Comprehensive Plan, related issues include the provision of affordable housing, economic opportunity, and choice of living environments for all members of the community without regard to sex, race, age, religion, ethnicity, national origin, etc.

Equitable and Resilient Community:

Definition: "Equitable means striving to treat everyone justly according to their circumstances, providing opportunity and access for everyone, while focusing on closing existing equity and access gaps"

Guiding Principles:

- ✓ Address the root cause of issues and inequities
- ✓ Use a collaborative approach where we seek to hear from all voices, consider others point of view and coordinate and leverage relationships to get more done than we could on our own
- ✓ Continue to provide mandated services and discretionary services expected by our constituents in a transparent, accountable, efficient, and effective manner

Strategic Goals with Direct Equity and Community Outreach Implications

- ✓ Build equitable access to health (physical and mental), safety, and opportunity, especially for people who haven't traditionally had access to those systems (Social and Economic)
- ✓ Focus our Economic Develop efforts on local businesses and removing barriers to economic opportunity (Social and Economic)
- ✓ Drive the discussion and implement a central receiving facility as a way to deliver coordinated services (Social and Economic)
- ✓ Invest intentionally to reduce the gap in available public housing (Housing)
- ✓ Coordinate proactively with agencies, municipalities, and other entities (Housing)
- ✓ Focus community planning and growth to address climate change and community and environmental resiliency (Environment)
- ✓ Create a Climate Action Plan and implement Climate Action Plan recommendations (Environment)
- ✓ Identify and report transparent priorities and progress dashboards (Infrastructure)
- ✓ Address internet affordability and accessibility gaps throughout the County (Infrastructure)
- ✓ Improve community mobility and transportation options (Infrastructure)

Alachua County actively engages and supports minority-, women-, and veteran-owned businesses through its Small Business Enterprise Assistance Program, which encourages the

growth of small businesses by helping them to participate in the purchasing and procurement system. Opengov is used for procurement of housing related activities such as development, rehab and associated services. Alachua County has a Diversity and Inclusion Plan as well as an Equal Employment Opportunity Plan.

The budget for proposed development and preservation activities is \$4 million for the adaptive reuse project, Sunrise Residence Inn Permanent Supportive Housing (PSH) Conversion, which will renovate 35 units at a former motel to be used for PSH for persons experiencing homelessness, and \$1 million as capital for the Alachua County Housing Trust Fund to be used for the production and preservation of affordable housing.

EXHIBIT E CAPACITY

Over the last three years, Alachua County has been awarded several major grants for affordable housing: \$8 million in ERAP (Emergency Rental Assistance Program, U.S. Department of Treasury), \$4 million in CDBG-CV funding for acquisition/rehab of Budget Inn motel conversion, \$4 million in SHIP funding for down payment assistance and home repair assistance, as well as \$52 million in American Rescue Plan Act (ARPA) funding, for which \$3 million was allocated for the Energy Efficiency and Weatherization of Affordable Housing program.

Alachua County has successfully administered these various grants from Federal agencies and has demonstrated a high degree of capacity to implement programs that address community needs while maintaining compliance with federal statutes and regulations.

Alachua County Community Support Services Department will be the lead agency administering the PRO Housing grant if awarded. The organizational chart is below. The staff from the Housing and Strategic Development division will be the primary team with support from the Social Services division and Community Stabilization Program Manager.

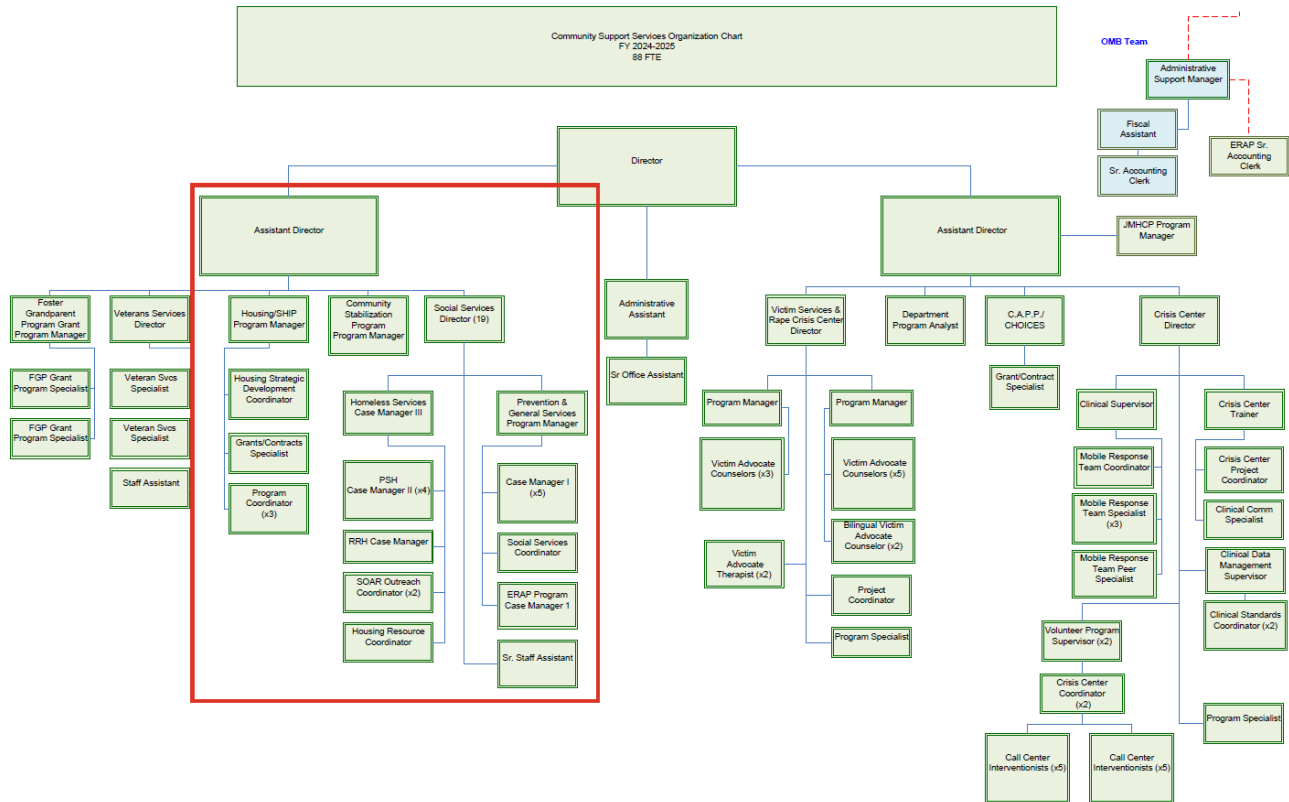


EXHIBIT F

LEVERAGE

Alachua County is using local funds as leverage for the two proposed activities: \$2 million for the acquisition of the former motel property for the Sunrise Residence Inn PSH Conversion project, and \$3 million for the Affordable Housing Trust Fund. The proposed leverage funding of \$5 million is a dollar-for-dollar amount, as the grant request amount is \$5 million in PRO Housing funding.

In 2019-20, the Alachua County Charter Review Commission (CRC) held public hearings and obtained input regarding a proposed housing ‘trust fund’. On June 10, 2020, the CRC adopted a proposed charter amendment and requested the BoCC place the proposed amendment establishing the Alachua County Affordable Housing Trust Fund as a ballot item. Once approved, the CRC directed the BoCC adopt an ordinance implementing the Trust Fund by July 2021. Additional ballot language states that funding may be derived from fees from new and commercial residential development and all other sources, all as directed by the County Commission, and to provide for the purposes, revenue sources, appropriation and expenditure of funds, annual audit, continuing nature, implementation by ordinance, and administration and oversight of the Trust Fund.

In November 2020, the voters approved the Affordable Housing Trust Fund for the purpose of providing funding and the leverage necessary to create and preserve affordable housing units in Alachua County.

Purpose of the Trust Fund

On May 25, 2021, the BoCC adopted Ordinance 2021-06 establishing the Affordable Housing Trust Fund and creating a new Section 39.5.10 of the Alachua County Code. The Ordinance mandates that the monies, including any interest earning on such monies and repayments of loans from such monies, placed into the Affordable Housing Trust Fund shall be held in trust to use for the following:

- (1) In the development and provision of affordable community housing within Alachua County.
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EXHIBIT G
LONG-TERM EFFECT

The permanent, long-term effects of this proposal will be an additional 35 units of Permanent Supportive Housing for the unhoused population and an increased local affordable housing trust fund that will provide gap financing for housing development and preservation projects and funding for innovative housing solutions such as a Community Land Trust and other shared equity models of affordable housing.