



Legislation Text

File #: 2024-0086, **Version:** 1

Submitted By: James Haynes

Presentation By: James Haynes

Department: Community Development Services

STAFF RECOMMENDATION (Motion Ready):

Approve Community Development Services application for U.S. Department of Housing and Urban Development's Pathways to Removing Obstacles to Housing Grant in the amount of \$10,000,000

OCALA'S RELEVANT STRATEGIC GOALS:

Fiscally Sustainable, Quality of Place

PROOF OF PUBLICATION:

Notification of the City of Ocala's Community Development Services (CDS) public meeting and this public hearing was posted on the CDS website on October 3, 2023.

BACKGROUND:

Communities nationwide are suffering from a lack of affordable housing and housing production is not meeting the increasing demand for accessible and available units in many areas. Pathways to Removing Obstacles to Housing (PRO Housing) empowers communities that are actively taking steps to remove barriers to affordable housing by increasing housing production and lowering housing costs for families over the long term. On September 7, 2023, the U.S. Department of Housing and Urban Development (HUD) issued Funding Opportunity Number FR-6700-N-98 expecting to award \$85,000,000 to 20 jurisdictions with a minimum award of \$1,000,000 with a six-year period of performance.

FINDINGS AND CONCLUSIONS:

Like many cities around the country, the City of Ocala finds itself in an affordable housing crisis. Since the onset of the COVID-19 pandemic, rental rates in Ocala/Marion County have increased by 31 percent to nearly \$1,700 per unit and the median sales price of a home has increased by 35 percent to \$270,000. Fifty-one percent (51%) of low-income households in Ocala/Marion County are spending over 30 percent of their gross income on rent/mortgage, taxes, and utilities and are considered cost burdened. Forty-seven and one-half percent (47.5%) of the cost burdened households are spending over 50 percent of their gross income on housing expenses.

The City's CDS department seeks to apply for federal funding in the amount of \$10,000,000 to develop a revolving loan program and/or other new incentive programs to develop affordable housing; facilitate the

conversion of commercial properties to new housing; install new utilities and/or infrastructure improvements to develop affordable housing; acquire or dispose of land or real property for the development of affordable housing; and finance the construction or rehabilitation of affordable housing.

There is no match required with this grant.

FISCAL IMPACT:

\$10,000,000

PROCUREMENT REVIEW:

N/A.

LEGAL REVIEW:

Any resulting agreement will be reviewed and approved by the City Attorney, William E. Sexton, Esq.

ALTERNATIVE:

- Approve with Changes
- Table
- Deny