

CITY COUNCIL RESEARCH DIVISION LEGISLATIVE SUMMARY



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Bill Type and Number: Ordinance 2023-88

Introducer/Sponsor(s): Council President Freeman

Date of Introduction: February 14, 2023

Committee(s) of Reference: NCSPHS, R, F

Date of Analysis: February 16, 2023

Type of Action: Authorization to execute redevelopment agreement; authorization of 3 DPRP loans; waiver of DPRP guidelines; amending HOME and SHIP loan terms; designation of oversight agencies; requesting fast-track approval on second reading

Bill Summary: The bill authorizes execution of a redevelopment agreement between the Downtown Investment Authority and Lofts at Cathedral, Ltd. to support the renovation and rehabilitation of a historic building located at 325 E. Duval Street (note – the ordinance erroneously lists the address as 325 E. Bay Street, which will need to be amended) for residential use. The bill authorizes three Downtown Preservation and Revitalization Program (DRRP) loans in an aggregate amount not to exceed \$2,398,400 and waives the DPRP guidelines to authorize a 16-year loan term for the DPRP deferred principal loan. It amends the terms of previously granted Home Investment Partnership (HOME) and State Housing Initiative Partnership (SHIP) loans and authorizes the execution of subordination agreement relating to those loans. The DIA is designated as the oversight agency for the project. One-cycle fast track approval is requested.

Background Information: Lofts at Cathedral Ltd. proposes to renovate the historically landmarked former YWCA building on East Duval Street and construct an adjacent new building to provide a total of 120 multi-family, mixed-income dwelling units, of which 84 units will be rent restricted to be affordable to persons with incomes of 80% or less of the area median income. Total cost of the project is estimated at \$39 million. The City has previously approved an Affordable Housing Support Loan of \$625,000 from the Northbank Downtown Community Redevelopment Area (CRA) Trust Fund in support of this project.

This bill approves DPRP loans in the form of a Historic Preservation Restoration and Rehabilitation Forgivable Loan in the not-to-exceed amount of \$1,029,100 and a Code Compliance Forgivable Loan in the not-to-exceed amount of 16 \$889,600, with those loans forgiven at a rate of 20% per year (with claw back provisions). A Deferred Principal Loan is also approved in the not-to-exceed amount of \$479,700.00 which requires interest payments annually with principal to be repaid at maturity (16 years from the date of funding). The DPRP Guidelines are waived to permit the Deferred Principal Loan to extend for 16 years, exceeding the normal limit of 10 years because of the need to meet the underwriting requirements of the Florida Housing Finance Corporation for developments utilizing low-income housing tax credits. The developer has also previously been awarded state HOME funding of \$235,200 and SHIP funding of \$134,280, and this agreement authorizes the City to execute subordination agreements to those loans in favor of other lenders. The DIA is designated as the oversight agency.

Policy Impact Area: Affordable housing; historic preservation

Fiscal Impact: \$2,398,400 in forgivable and deferred principal historic preservation loans.

Analyst: Clements