

**CITY COUNCIL RESEARCH DIVISION
LEGISLATIVE SUMMARY**



JEFFREY R. CLEMENTS
Chief of Research
(904) 255-5137

117 West Duval Street
City Hall, Suite 425
Jacksonville, FL 32202
FAX (904) 255-5229

Bill Type and Number: Ordinance 2019-0738

Introducer/Sponsor(s): Council President at the request of the Mayor

Date of Introduction: October 8, 2019

Committee(s) of Reference: F, TEU

Date of Analysis: October 8, 2019

Type of Action: Approving a Lien Subordination Agreement; Acceptance of Irrevocable Letter of Credit

Bill Summary: The bill authorizes the subordination of a City nuisance abatement lien on property at 5809 Trout River Boulevard to a mortgage lien so that the property can be redeveloped for affordable housing.

Background Information: The primary purpose of the agreement is to allow the developers to rehabilitate the property located at 5809 Trout River Boulevard by constructing and installing a new water utility pipe and line system on the property as well as additional improvements to include, but are not limited to, tree clearing, earthworks, drainage pipe and roads, etc. The Mayor is authorized to execute the agreement. Breeze Homes has applied for a loan with LISC to finance the Project. LISC, as a condition for extending a loan to Breeze Homes, requires that its mortgage lien be superior to the City of Jacksonville's demolition and nuisance lien interests.

Policy Impact Area: Parcel/property rehabilitation

Fiscal Impact: In the event of default or noncompliance, the City accepts the Irrevocable Letter of Credit No. 2630982334 dated August 13, 2019, in the amount of \$145,418.00 issued by FirstAtlantic Bank to the City of Jacksonville as Beneficiary and on behalf of Breeze Homes, LLC as Borrower. The Irrevocable Letter of Credit serves as the City's remedy in the event of default or noncompliance by Breeze Homes

Analyst: Baltiero