

# LIFT JAX – EASTSIDE AFFORDABLE HOUSING DEVELOPMENT

## FY 2021-2022 City Grant Proposal Term Sheet

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**Grant Recipient:** LIFT JAX, INC. (“Recipient” or “LIFT JAX”)

**Program Name:** Eastside Affordable Housing Development (the “Program”)

**City Funding Request:** \$3,000,000.00

**Contract/Grant Term:** October 1, 2021– September 30, 2023

**Any substantial change to this FY 2021-2022 City Grant Proposal Term Sheet (the “Term Sheet”) will require City Council approval.**

### **PROGRAM OVERVIEW:**

LIFT JAX is an initiative of business and community leaders working to eradicate generational poverty in Jacksonville. LIFT JAX is supporting the revitalization of the Eastside by implementing the Purpose Built Communities model, comprised of four pillars: (1) housing; (2) education; (3) community wellness; and (4) financial vitality. This approach supports the sustainability of the Eastside, benefitting Eastside residents, maximizing positive impact of downtown investments, and reducing homelessness by providing more housing.

The COVID-19 pandemic has exacerbated a challenging situation in the Eastside. The crisis has had devastating effects on the economic wellbeing of Eastside residents, many of whom were already living in precarious financial situations. COVID-19 has negatively impacted low-income communities like the Eastside, increasing unemployment, furthering the wealth divide, and increasing housing insecurity.

The Eastside has an acute need for high-quality, affordable housing. Nearly 30% of single-family homes are vacant due to disrepair, and there are more than 600 vacant lots in the neighborhood. The Eastside is also challenged with the three blighted, multifamily apartments. Property inspections of those apartments have consistently revealed sub-standard living conditions, including missing smoke detectors, broken appliances, mold, and rodent infestations. Beyond the living conditions, the apartments are a hotspot for activity that attracts the time and resources of the Jacksonville Sheriff’s Office.

LIFT JAX’s Eastside Affordable Housing Development Program seeks to stabilize families and elevate quality-of-life for low-income residents. Research has shown that access to high-quality housing is a key for reducing disparities, increasing economic mobility and building wealth, and ultimately shifting the trajectory for low-income families. Ensuring access to high-quality housing not only supports families during this time of acute economic hardship due to COVID-19, but it also sets a stronger foundation for a more resilient future. The three objectives of the Program are to: (1) transform blighted apartments; (2) conduct light rehabilitation and weatherization on owner-occupied homes; and (3) build new, high-quality affordable housing for sale. The specific funding request to the City of Jacksonville in FY 2021-2022 is intended to cover capital expenses associated with transforming the blighted apartments (i.e., Objective 1).

### **PROGRAM SCOPE OF WORK AND DELIVERABLES:**

The Program will offer the following activities, organized here by the three objectives listed above.

- Objective 1 – Transform blighted apartments: acquire blighted apartments and replace them with at least 100 units of quality housing for families. Activities will include: supporting current residents by providing a case manager to address hardships stemming from the COVID-19 pandemic, safely relocating residents, financing the acquisition and construction of the new building with a mix of sources, partnering with a local developer to transform the building into at least 100 high-quality housing units, and supporting former residents to relocate to the new housing as appropriate.

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- Objective 2 – Conduct light rehabilitation and weatherization on owner-occupied homes: by the end of 2022, conduct repairs on at least 35 homes. Activities will include: establishing a Historic Eastside Construction Committee, contracting with local organizations to lead case management, and providing meaningful repairs (e.g., re-roofing, windows, doors) to at least 35 eligible homes. This is a particularly acute need due to increased materials prices resulting from the COVID-19 pandemic.
- Objective 3 – Build new, high-quality affordable housing for sale: by the end of 2022, partner with reputable local organizations and developers to build at least 20 new homes in the neighborhood. Activities will include: formalizing partnerships with reputable local organizations and developers, finalizing program design to support new homeowners, identifying individuals and families interested in moving to the Eastside (with a specific focus on legacy residents), and capturing stories of impact. Beyond adding housing, this objective creates a pathway for families to build wealth and resilience.

### **PROGRAM COSTS/PAYMENT TERMS:**

The total cost to operate the Program and deliver on the objectives described above is \$6,004,242.00. This cost refers specifically to grant dollars; when accounting for non-grant dollars that will be accessed as part of the underwriting process (e.g., housing tax credits), the total investment from this Program is expected to exceed \$20 million. LIFT JAX respectfully submits this funding request for \$3,000,000 to the City of Jacksonville in FY 2021-2022 to cover capital expenses associated with transforming the blighted apartments. Other representative funders for this Program include: Florida Blue, Jessie Ball duPont Fund, Community Foundation for Northeast Florida, Bank of America, VyStar Credit Union, Jacksonville Jaguars, and Wells Fargo.

### **PROGRAM IMPACT & REPORTING:**

LIFT JAX is committed to attaining and measuring the objectives described above. LIFT JAX counts on experienced, reputable partners to support the delivery of its priorities. For each priority listed above, LIFT JAX has identified partners that are committed to the work. LIFT JAX's expert Board of Directors is engaged in design and oversight of all strategies within the Program. For monitoring and evaluation, all priorities described above are tangible and measurable and LIFT JAX is committed to measuring and reporting back on progress.

While LIFT JAX is new to Jacksonville, the Purpose Built Communities model is a proven approach to community revitalization. The nationally recognized model is based on the successful holistic revitalization of Atlanta's East Lake neighborhood. The Purpose Built Communities organization has been established to provide advisory services, free of charge, to communities like Jacksonville that wish to implement the model with fidelity. Jacksonville benefits from this infrastructure and is on the path to becoming an official Purpose Built Communities network member.

LIFT JAX anticipates residents will be served both directly and indirectly through the Program. In terms of direct impact, LIFT JAX estimates the following impact for the three objectives listed above:

- Objective 1 – Services for 200 current residents and high-quality housing for at least 250 individuals (including many current residents) that will live in the new apartments
- Objective 2 – Assuming an average of four people per home, at least 140 people will benefit directly from the home repair program
- Objective 3 – Assuming an average of four people per home, at least 80 people will benefit directly from the new housing.

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In terms of indirect impact, all of LIFT JAX's investments are intended to shift the trajectory of the neighborhood as a whole. In those indirect terms, more than 4,000 people – including 1,500 children – live in the Eastside neighborhood and would benefit indirectly from these investments.

### **ADDITIONAL GRANT REQUIREMENTS AND CONDITIONS:**

Recipient's expenditure of City funds for the Program and the provision of services shall be subject to Chapter 118, Parts 1 – 5 of the *Jacksonville Ordinance Code*, and the terms and conditions of any contract entered into between the City and Recipient, the applicable provisions of the American Rescue Plan Act of 2021 and the City Ordinance appropriating funds for the Program and services. Recipient shall use the City funds for the Program in accordance with the City Council approved Term Sheet. The City's Chief of Housing and Community Development may amend this Term Sheet or the approved Program budget consistent with the Program's needs, provided that any substantial change to this Term Sheet or the approved Program budget will require City Council approval.