

1 Introduced by Council President Freeman and amended by the
2 Neighborhoods, Community Services, Public Health and Safety
3 Committee:

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6 **ORDINANCE 2023-88-E**

7 AN ORDINANCE MAKING CERTAIN FINDINGS, AND
8 APPROVING AND AUTHORIZING THE CHIEF EXECUTIVE
9 OFFICER OF THE DOWNTOWN INVESTMENT AUTHORITY, OR
10 HER DESIGNEE, TO EXECUTE A REDEVELOPMENT
11 AGREEMENT ("AGREEMENT") BETWEEN THE DOWNTOWN
12 INVESTMENT AUTHORITY ("DIA") AND LOFTS AT
13 CATHEDRAL, LTD. ("DEVELOPER"), TO SUPPORT THE
14 RENOVATION AND REHABILITATION BY DEVELOPER OF A
15 HISTORIC BUILDING LOCATED AT 325 E. DUVAL STREET
16 ("PROJECT"); AUTHORIZING THREE DOWNTOWN
17 PRESERVATION AND REVITALIZATION PROGRAM
18 ("DPRP") LOANS, IN AN AGGREGATE AMOUNT NOT TO
19 EXCEED \$2,398,400.00, TO THE DEVELOPER IN
20 CONNECTION WITH THE PROJECT, TO BE APPROPRIATED
21 BY SUBSEQUENT LEGISLATION; WAIVING THE DPRP
22 GUIDELINESS TO AUTHORIZE A 16-YEAR LOAN TERM FOR
23 THE DPRP DEFERRED PRINCIPAL LOAN; AMENDING THE
24 HOME INVESTMENT PARTNERSHIP (HOME) AND STATE
25 HOUSING INITIATIVE PARTNERSHIP (SHIP) LOAN
26 MODIFICATION TERMS APPROVED BY CITY COUNCIL
27 PURSUANT TO ORDINANCE 2017-849-E, AS AMENDED BY
28 ORDINANCE 2019-855-E, AND AUTHORIZING THE
29 EXECUTION OF SUBORDINATION AGREEMENTS RELATING
30 THERETO; DESIGNATING THE DIA AS CONTRACT MONITOR
31 FOR THE AGREEMENT; PROVIDING FOR OVERSIGHT OF

1 THE PROJECT BY THE DIA; AUTHORIZING THE
2 EXECUTION OF ALL DOCUMENTS RELATING TO THE ABOVE
3 AGREEMENT AND TRANSACTIONS, AND AUTHORIZING
4 TECHNICAL CHANGES TO THE DOCUMENTS; REQUESTING
5 ONE CYCLE EMERGENCY PASSAGE; PROVIDING AN
6 EFFECTIVE DATE.

7
8 **WHEREAS**, pursuant to Chapter 55, Part 3 (Downtown Preservation
9 and Revitalization Program), *Ordinance Code*, the City of Jacksonville
10 ("City") established the Downtown Preservation and Revitalization
11 Program for purposes of fostering the preservation and revitalization
12 of certain historic and qualified non-historic, buildings located in
13 Downtown Jacksonville; and

14 **WHEREAS**, Lofts at Cathedral, Ltd. (the "Developer") owns certain
15 real property located at 325 E. Duval Street, on which Developer
16 intends to cause the renovation and rehabilitation of the historic
17 building located thereon (the "Building"), and additional new
18 construction elements, as further detailed in the Agreement (the
19 "Project"); and

20 **WHEREAS**, the Developer is seeking to secure Downtown
21 Preservation and Revitalization Program loans consisting of a
22 Historic Preservation Restoration and Rehabilitation Forgivable Loan,
23 a Code Compliance Renovations Forgivable Loan, and a Deferred
24 Principal Loan in an aggregate amount not to exceed \$2,398,400.00
25 (each, a "DPRP Loan") for exterior and interior rehabilitation and
26 restoration, and Code required improvements in support of the Building
27 improvements; and

28 **WHEREAS**, the DIA has previously approved a \$625,000 Affordable
29 Housing Support Loan payable from the Northbank Downtown Community
30 Redevelopment Area Trust Fund in support of the Project; and

31 **WHEREAS**, the scope of the Building Improvements will include

1 redevelopment of the Building to provide approximately 28 units of
2 mixed-income housing as a part of a broader development that also
3 includes an additional 92 units of new construction, mixed-income
4 housing to be located on the adjacent parcel at 327 E. Duval Street;
5 (the "Improvements"); and

6 **WHEREAS**, the Project will also include improvements related to
7 restoring the Building portion of the Improvements to historic
8 standards, preserving and maintaining the integrity of the
9 structures, and meeting certain code compliance requirements to make
10 the property more accessible and functional; and

11 **WHEREAS**, historic preservation, revitalization, and the reuse
12 of Jacksonville's historic buildings and structures are important to
13 the City's overall social and economic welfare; and

14 **WHEREAS**, the DIA has considered the Developer's requests and has
15 determined that the DPRP Loans will enable the Developer to restore
16 and rehabilitate the historic structures and construct the Project
17 as described in the Agreement; and

18 **WHEREAS**, on December 21, 2022, the DIA approved Resolutions
19 2022-11-06 and 2022-12-03 (the "Resolutions") to enter into the
20 Agreement, said Resolutions being attached hereto as **Revised Exhibit**
21 **1**, labeled as "Revised Exhibit 1, Rev Reso, February 21, 2023 -
22 NCSPHS"; and

23 **WHEREAS**, it has been determined to be in the interest of the
24 City to enter into the Agreement and approve of and adopt the matters
25 set forth in this Ordinance; now, therefore,

26 **BE IT ORDAINED** by the Council of the City of Jacksonville:

27 **Section 1. Findings.** It is hereby ascertained, determined,
28 found and declared as follows:

29 (a) The recitals set forth herein are true and correct.

30 (b) The Project will greatly enhance the City and otherwise
31 promote and further the municipal purposes of the City.

1 (c) The City's assistance for the Project will enable and
2 facilitate the Project, the Project will enhance and increase the
3 City's tax base and revenues, and the Project will improve the quality
4 of life necessary to encourage and attract business expansion in the
5 City.

6 (d) Enhancement of the City's tax base and revenues are matters
7 of State and City concern.

8 (e) The Developer is qualified to carry out the Project.

9 (f) The authorizations provided by this Ordinance are for
10 public uses and purposes for which the City may use its powers as a
11 municipality and as a political subdivision of the State of Florida
12 and may expend public funds, and the necessity in the public interest
13 for the provisions herein enacted is hereby declared as a matter of
14 legislative determination.

15 (g) This Ordinance is adopted pursuant to the provisions of
16 Chapters 163, 166 and 125, Florida Statutes, as amended, the City's
17 Charter, and other applicable provisions of law.

18 **Section 2. Redevelopment Agreement and Loan Documents**

19 **Approved and Execution Authorized.** There is hereby approved, and the
20 Chief Executive Officer of the DIA, or her designee, is hereby
21 authorized to execute and deliver the Redevelopment Agreement and the
22 loan documents and related documents referenced therein
23 (collectively, the "Agreements") substantially in the form placed
24 **Revised On File** with the Office of Legislative Services (with such
25 "technical" changes as herein authorized), for the purpose of
26 implementing the recommendations of the DIA as further described in
27 the Agreements.

28 The Agreements may include such additions, deletions and changes
29 as may be reasonable, necessary and incidental for carrying out the
30 purposes thereof, as may be acceptable to the Chief Executive Officer
31 of the DIA, or her designee, with such inclusion and acceptance being

1 evidenced by execution of the Agreements by the Chief Executive
2 Officer of the DIA, or her designee. No modification to the Agreements
3 may increase the financial obligations or the liability of the City
4 or DIA and any such modification shall be technical only and shall be
5 subject to appropriate legal review and approval of the General
6 Counsel, or his or her designee, and all other appropriate action
7 required by law. "Technical" is herein defined as including, but not
8 limited to, changes in legal descriptions and surveys, descriptions
9 of infrastructure improvements and/or any road project, ingress and
10 egress, easements and rights of way, performance schedule extensions
11 of up to six (6) months in the discretion of the CEO of the DIA,
12 design standards, access and site plan, which have no financial
13 impact.

14 **Section 3. Payment of DPRP Loans to Developer.** The DPRP
15 Loans are hereby authorized, and, subject to subsequent appropriation
16 by the City Council for the Project, the City is authorized to
17 disburse the DPRP Loans to the Developer in an aggregate amount not
18 to exceed \$2,398,400.00, pursuant to and as set forth in the
19 Agreements.

20 The DPRP Loans for the Improvements at the Building are comprised
21 of a Historic Preservation Restoration and Rehabilitation Forgivable
22 ("HPRR") Loan in the not-to-exceed amount of \$926,185.00, a Code
23 Compliance Forgivable ("CCR") Loan in the not-to-exceed amount of
24 \$800,635.00, with said HPRR and CCR Loans forgiven at a rate of 20%
25 per year (with claw back provisions provided in the Agreements), and
26 a Deferred Principal Loan in the not-to-exceed amount of \$671,580.00
27 which requires interest payments annually with principal to be repaid
28 at maturity (16 years from the date of funding).

29 **Section 4. Waiver of DPRP Guidelines to extend loan term.**

30 The requirement in the DPRP Guidelines enacted and adopted by
31 Ordinance 2020-527-E that limit a DPRP Deferred Principal Loan term

1 to 10 years is hereby waived to authorize a 16-year year loan term,
2 which is made necessary to meet the underwriting requirements of the
3 Florida Housing Finance Corporation for developments utilizing low-
4 income housing tax credits.

5 **Section 5. Amendment to HOME Investment Partnership (HOME)**
6 **and State Housing Initiative Partnership (SHIP) Loan Modification**
7 **Terms approved by City Council pursuant to Ordinance 2017-849-E, as**
8 **modified by Ordinance 2019-855-E; Additional Authorization.** The HOME
9 Investment Partnership (HOME) Loan Modification Terms and the State
10 Housing Initiative Partnership (SHIP) Loan Modification Terms
11 attached as 'Revised Exhibit 1' to Ordinance 2019-855-E are hereby
12 amended and replaced with the Loan Modification Terms attached hereto
13 as **Exhibit 2**. The Mayor, or his designee, and the Corporation
14 Secretary are authorized to execute subordination agreements relating
15 to the foregoing loans in favor of senior lenders in any form approved
16 by the Office of General Counsel. Except as amended herein, all other
17 terms and conditions of Ordinance 2017-849-E, as modified by Ordinance
18 2019-855-E, shall remain the same.

19 **Section 6. Designation of Authorized Official and DIA as**
20 **Contract Monitor.** The Chief Executive Officer of the DIA is
21 designated as the authorized official of the City for the purpose of
22 executing and delivering the Agreements and is further designated as
23 the authorized official of the City for the purpose of executing any
24 additional contracts and documents and furnishing such information,
25 data and documents for the Agreements and related documents as may
26 be required and otherwise to act as the authorized official of the
27 City in connection with the Agreements, and take or cause to be taken
28 such action as may be necessary to enable the City to implement the
29 Agreements according to its terms. The DIA is hereby further required
30 to administer and monitor the Agreements and to handle the City's
31 responsibilities thereunder, including the City's responsibilities

1 under such Agreements working with and supported by all relevant City
2 departments.

3 **Section 7. Oversight Department.** The Downtown Investment
4 Authority shall oversee the Project described herein.

5 **Section 8. Further Authorizations.** The Chief Executive
6 Officer of the DIA, or her designee, is hereby authorized to execute
7 the Agreements and otherwise take all necessary action in connection
8 therewith and herewith. The Chief Executive Officer of the DIA is
9 further authorized to negotiate and execute all necessary changes and
10 amendments to the Agreements and any other contracts and documents
11 to effectuate the purposes of this Ordinance, without further Council
12 action, provided such changes and amendments to the Agreements are
13 limited to amendments that are technical in nature (as described in
14 Section 2 hereof), and further provided that all such amendments
15 shall be subject to appropriate legal review and approval by the
16 General Counsel, or his or her designee, and take all other
17 appropriate official action required by law.

18 **Section 9. Requesting one cycle emergency passage pursuant**
19 **to Council Rule 4.901 Emergency.** One cycle emergency passage of this
20 legislation is requested. The nature of the emergency is that the
21 executed Agreements and DPRP loan documents are needed to facilitate
22 the closing on Developer's construction financing prior to the
23 deadline thereof as provided by the Florida Housing Finance
24 Corporation.

25 **Section 10. Effective Date.** This Ordinance shall become
26 effective upon signature by the Mayor or upon becoming effective
27 without the Mayor's signature.

1 Form Approved:

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3 /s/ Mary E. Staffopoulos

4 Office of General Counsel

5 Legislation Prepared By: John Sawyer

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