

1 Introduced by Council President Freeman:
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4 **ORDINANCE 2023-88**

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

1 AGREEMENT AND TRANSACTIONS, AND AUTHORIZING
2 TECHNICAL CHANGES TO THE DOCUMENTS; REQUESTING
3 ONE CYCLE EMERGENCY PASSAGE; PROVIDING AN
4 EFFECTIVE DATE.

5
6 **WHEREAS**, pursuant to Chapter 55, Part 3 (Downtown Preservation
7 and Revitalization Program), *Ordinance Code*, the City of Jacksonville
8 ("City") established the Downtown Preservation and Revitalization
9 Program for purposes of fostering the preservation and revitalization
10 of certain historic and qualified non-historic, buildings located in
11 Downtown Jacksonville; and

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

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

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

28 **WHEREAS**, the scope of the Building Improvements will include
29 redevelopment of the Building to provide approximately 28 units of
30 mixed-income housing as a part of a broader development that also
31 includes an additional 92 units of new construction, mixed-income

1 housing; (the "Improvements"); and

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

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

10 **WHEREAS**, the DIA has considered the Developer's requests and has
11 determined that the DPRP Loans will enable the Developer to restore
12 and rehabilitate the historic structures and construct the Project
13 as described in the Agreement; and

14 **WHEREAS**, on December 21, 2022, the DIA approved Resolution 2022-
15 11-06 (the "Resolution") to enter into the Agreement, said Resolution
16 being attached hereto as **Exhibit 1**; and

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

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

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

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

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

26 (c) The City's assistance for the Project will enable and
27 facilitate the Project, the Project will enhance and increase the
28 City's tax base and revenues, and the Project will improve the quality
29 of life necessary to encourage and attract business expansion in the
30 City.

31 (d) Enhancement of the City's tax base and revenues are matters

1 of State and City concern.

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

3 (f) The authorizations provided by this Ordinance are for
4 public uses and purposes for which the City may use its powers as a
5 municipality and as a political subdivision of the State of Florida
6 and may expend public funds, and the necessity in the public interest
7 for the provisions herein enacted is hereby declared as a matter of
8 legislative determination.

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

12 **Section 2. Redevelopment Agreement and Loan Documents**
13 **Approved and Execution Authorized.** There is hereby approved, and the
14 Chief Executive Officer of the DIA, or her designee, is hereby
15 authorized to execute and deliver the Redevelopment Agreement and the
16 loan documents and related documents referenced therein
17 (collectively, the "Agreements") substantially in the form placed **On**
18 **File** with the Office of Legislative Services (with such "technical"
19 changes as herein authorized), for the purpose of implementing the
20 recommendations of the DIA as further described in the Agreements.

21 The Agreements may include such additions, deletions and changes
22 as may be reasonable, necessary and incidental for carrying out the
23 purposes thereof, as may be acceptable to the Chief Executive Officer
24 of the DIA, or her designee, with such inclusion and acceptance being
25 evidenced by execution of the Agreements by the Chief Executive
26 Officer of the DIA, or her designee. No modification to the Agreements
27 may increase the financial obligations or the liability of the City
28 or DIA and any such modification shall be technical only and shall be
29 subject to appropriate legal review and approval of the General
30 Counsel, or his or her designee, and all other appropriate action
31 required by law. "Technical" is herein defined as including, but not

1 limited to, changes in legal descriptions and surveys, descriptions
2 of infrastructure improvements and/or any road project, ingress and
3 egress, easements and rights of way, performance schedule extensions
4 of up to six (6) months in the discretion of the CEO of the DIA,
5 design standards, access and site plan, which have no financial
6 impact.

7 **Section 3. Payment of DPRP Loans to Developer.** The DPRP
8 Loans are hereby authorized, and, subject to subsequent appropriation
9 by the City Council for the Project, the City is authorized to
10 disburse the DPRP Loans to the Developer in an aggregate amount not
11 to exceed \$2,398,400.00, pursuant to and as set forth in the
12 Agreements.

13 The DPRP Loans for the Improvements at the Building are comprised
14 of a Historic Preservation Restoration and Rehabilitation Forgivable
15 ("HPRR") Loan in the not-to-exceed amount of \$1,029,100.00, a Code
16 Compliance Forgivable ("CCR") Loan in the not-to-exceed amount of
17 \$889,600.00, with said HPRR and CCR Loans forgiven at a rate of 20%
18 per year (with claw back provisions provided in the Agreements), and
19 a Deferred Principal Loan in the not-to-exceed amount of \$479,700.00
20 which requires interest payments annually with principal to be repaid
21 at maturity (10 years from the date of funding).

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

23 The requirement in the DPRP Guidelines enacted and adopted by
24 Ordinance 2020-527-E that limit a DPRP Deferred Principal Loan term
25 to 10 years is hereby waived to authorize a 16-year year loan term,
26 which is made necessary to meet the underwriting requirements of the
27 Florida Housing Finance Corporation for developments utilizing low-
28 income housing tax credits.

29 **Section 5. Amendment to HOME Investment Partnership (HOME)**
30 **and State Housing Initiative Partnership (SHIP) Loan Modification**
31 **Terms approved by City Council pursuant to Ordinance 2017-849-E, as**

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

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

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

29 **Section 8. Further Authorizations.** The Chief Executive
30 Officer of the DIA, or her designee, is hereby authorized to execute
31 the Agreements and otherwise take all necessary action in connection

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

11 **Section 9. Requesting one cycle emergency passage pursuant**
12 **to Council Rule 4.901 Emergency.** Once cycle emergency passage of this
13 legislation is requested. The nature of the emergency is that the
14 executed Agreements and DPRP loan documents are needed to facilitate
15 the closing on Developer's construction financing prior to the
16 deadline thereof as provided by the Florida Housing Finance
17 Corporation.

18 **Section 10. Effective Date.** This Ordinance shall become
19 effective upon signature by the Mayor or upon becoming effective
20 without the Mayor's signature.

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24 Form Approved:

25
26 /s/ John Sawyer

27 Office of General Counsel

28 Legislation Prepared By: John Sawyer

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