

1 Introduced and substituted by Council Member Carlucci:
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4 **ORDINANCE 2023-0316**

5 AN ORDINANCE AMENDING CHAPTER 111 (SPECIAL
6 REVENUE AND TRUST ACCOUNTS), PART 9 (NEIGHBORHOOD
7 DEVELOPMENT), *ORDINANCE CODE*, TO CREATE A NEW
8 SECTION 111.909 TO ESTABLISH A PERMANENT SPECIAL
9 REVENUE FUND FOR A PROGRAM TO BE ENTITLED THE
10 "RESTORE ENDANGERED HISTORIC ADAPTABLE BUILDINGS
11 SPECIAL REVENUE FUND"; PROVIDING FOR CREATION OF
12 THE CRITERIA AND SELECTION OF GRANT RECIPIENTS
13 BY THE PLANNING AND DEVELOPMENT DEPARTMENT;
14 PROVIDING FOR OVERSIGHT OF THE FINANCIAL ASPECTS
15 OF THE PROGRAM BY THE CHIEF ADMINISTRATIVE
16 OFFICER OR THEIR DESIGNEE; PROVIDING A CARRYOVER
17 OF FUNDS INTO SUBSEQUENT FISCAL YEARS; PROVIDING
18 A PROGRAM START DATE; PROVIDING AN EFFECTIVE
19 DATE.
20

21 **WHEREAS**, Jacksonville has over 20,000 historic buildings,
22 structures, and sites listed on the Florida Master Site File, many
23 of which fall outside of the boundaries of Downtown; and

24 **WHEREAS**, the Council of the City of Jacksonville finds that
25 historic preservation, revitalization, and reuse of Jacksonville's
26 historic buildings is important to the City's overall social and
27 economic welfare; and

28 **WHEREAS**, many of the historic buildings throughout Jacksonville
29 are in need of repair, rehabilitation, and restoration to maintain
30 their historic use, or to be adaptively reused; and

31 **WHEREAS**, there currently exists a program that concentrates on

1 the preservation and restoration of historic properties in Downtown
2 Jacksonville, however, there is no program for the historic properties
3 that lie outside of Downtown Jacksonville; and

4 **WHEREAS**, a program that would financially incentivize the
5 repair, restoration or rehabilitation of qualified historic buildings
6 could provide the missing link of financial support that would make
7 such repair, restoration or rehabilitation financially feasible; now,
8 therefore

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

10 **Section 1. Creating Section 111.909 (Restore Endangered**
11 **Historic Adaptable Buildings Special Revenue Fund), Part 9**
12 **(Neighborhood Development), Chapter 111 (Special Revenue and Trust**
13 **Accounts), Ordinance Code.** Section 111.909 (Restore Endangered
14 Historic Adaptable Buildings Special Revenue Fund), Part 9
15 (Neighborhood Development), Chapter 111 (Special Revenue and Trust
16 Accounts), *Ordinance Code*, is hereby created as follows.

17 **CHAPTER 111 - SPECIAL REVENUE AND TRUST ACCOUNTS**

18 * * *

19 **PART 9 - NEIGHBORHOOD DEVELOPMENT**

20 * * *

21 **Sec. 111.909. Restore Endangered Historic Adaptable Buildings Special**
22 **Revenue Fund.**

23 (a) *Fund creation.* There is hereby created an account to be known
24 as the *Restore Endangered Historic Adaptable Buildings ("REHAB")*
25 *Special Revenue Fund*, an ongoing fund which shall carry forward
26 each fiscal year and not lapse. The REHAB Special Revenue Fund
27 shall be comprised of funds as may be appropriated from time to
28 time by Council, and all fees, fines, and civil penalties as may
29 be designated for deposit into the Fund from time to time by
30 Council. It shall also include all such donations,
31 contributions, gifts, and related sponsorships received by the

1 City for use toward the general purpose of furthering the goals
2 of this Fund. All monies and interest placed into this fund are
3 hereby appropriated for the purposes of this fund, and all
4 appropriations shall carry forward each fiscal year and shall
5 not lapse.

6 (b) *Fund purpose.* These funds are designated to pay for the
7 repair, rehabilitation and restoration of non-residential
8 income-producing historic buildings, mixed-use historic
9 buildings and historic buildings owned by not-for-profit
10 corporations, located throughout Jacksonville, excluding the
11 Downtown Area as defined in Sec. 55.105, Ordinance Code.

12 (c) *Grant funding limitations.* Grant requests from the REHAB
13 Special Revenue Fund shall not exceed \$100,000 and shall be
14 administratively approved pursuant to this program. Subject to
15 availability of unencumbered funds, applicants that request
16 \$100,000 or less in the aggregate for a project may be approved
17 by the Historic Preservation Section of the Planning and
18 Development Department, without further Council action, in
19 accordance with Subsection (e) below and the REHAB Special
20 Revenue Fund Guidelines, available on the City's website. For
21 the purpose of this Section, the dollar amounts in all grant
22 applications for any one project submitted within five years of
23 the first grant approved under this fund for the project, shall
24 be aggregated to determine if the grant amount exceeds \$100,000.

25 (d) *Fund administration.* The Historic Preservation Section shall
26 follow the REHAB Special Revenue Fund Guidelines. The Historic
27 Preservation Section shall review and approve the design aspects
28 of the grant application, and the City's Chief Administrative
29 Officer ("CAO") or their designee shall review and approve the
30 financial aspects of the grant application and administer fund
31 allocation, in accordance with the REHAB Special Revenue Fund

1 Guidelines. Changes to the REHAB Special Revenue Fund Guidelines
2 which have financial impact shall be jointly approved by the CAO
3 or their designee and the Historic Preservation Section and
4 shall be submitted to the Council for approval. Approved
5 applicants may receive financial assistance through
6 reimbursement grants as set forth in the REHAB Special Revenue
7 Fund Guidelines. Funds may only be used for one or more of the
8 purposes specified in subsection (b) above.

9 (e) Eligibility Criteria:

10 (1) The building must be located within Jacksonville outside of
11 the Downtown Area, as defined in Section 55.105, Ordinance Code;
12 and

13 (2) The building must be at least 50 years old; and

14 (3) The building must be non-residential income-producing, mixed-
15 use or owned by a not-for-profit corporation; and

16 (4) The building must be architecturally or historically
17 significant, as determined by the Historic Preservation Section,
18 in accordance with Section 307.102(s), Ordinance Code; and

19 (5) The building must be:

20 (i) a local landmark, designated by the City pursuant to
21 Chapter 307, Ordinance Code; or

22 (ii) a contributing structure to a local historic district,
23 designated by the City pursuant to Chapter 307, Ordinance
24 Code; or

25 (iii) declared a potential local landmark, as defined in
26 Chapter 307, Ordinance Code, however, final local landmark
27 designation must be obtained from City Council prior to final
28 approval of the grant by the CAO or their designee; and

29 (6) The building must be declared critically endangered by the
30 Jacksonville Historic Preservation Commission (the "JHPC"). In

1 considering a building for critically endangered status, the JHPC
2 shall consider the following criteria:

3 (i) Evidence of a physical threat of loss, damage, or neglect;

4 (ii) If the building is currently vacant;

5 (iii) The building's susceptibility to development pressures
6 or natural disasters;

7 (iv) The building's suitability for preservation or
8 rehabilitation; and

9 (v) Any other criteria the JHPC considers relevant.

10 (f) *Historic Preservation Section Review.* To receive grant
11 assistance from the Fund, the owner of a historic building, or
12 their agent, shall submit a grant application to the Historic
13 Preservation Section for eligibility review, and an application
14 to the Historic Preservation Section for a Certificate of
15 Appropriateness for the improvements proposed, in accordance
16 with the REHAB Special Revenue Fund Guidelines.

17 (1) The Historic Preservation Section shall review the grant
18 application for eligibility pursuant to the criteria in
19 Subsections (e)(1-5) above, and the REHAB Special Revenue Fund
20 Guidelines. If the Historic Preservation Section finds that a
21 building meets the eligibility criteria in Subsections (e)(1-5)
22 above, they shall issue a recommendation regarding whether the
23 building is critically endangered, as required by Subsection
24 (e)(6) above. Said recommendation shall be forwarded to the
25 JHPC.

26 (2) The Historic Preservation Section shall also review the
27 application for the Certificate of Appropriateness for
28 compliance with the United States Secretary of Interior's
29 Standards for Rehabilitation and any applicable historic
30 preservation design guidelines. The Historic Preservation
31 Section shall evaluate Certificate of Appropriateness

1 applications based on the historic importance and significance
2 of the project, the overall contribution of the project to the
3 restoration of the historic fabric, and the overall preservation
4 of the building. If appropriate, the Historic Preservation
5 Section shall issue administrative approval of the Certificate
6 of Appropriateness in accordance with the Administrative Matrix,
7 pursuant to the authority granted in Sec. 307.107, Ordinance
8 Code; otherwise, they shall forward a recommended approval,
9 denial, or approval with conditions to the JHPC.

10 (g) *Jacksonville Historic Preservation Commission Review.* The JHPC
11 shall review all REHAB Special Revenue Fund grant applications
12 and the recommendations of the Historic Preservation Section,
13 for a determination on the critically endangered status of each
14 building, pursuant to Subsection (e)(6) above. The JHPC shall
15 also review those related applications for Certificates of
16 Appropriateness which are not eligible to receive administrative
17 approval according to Sec. 307.102(a), Ordinance Code. The JHPC
18 shall issue its decision to the CAO or their designee in
19 accordance with the REHAB Special Revenue Fund Guidelines.

20 (h) *Review by the CAO or their designee.* To receive a reimbursement
21 grant from the fund, the owner of a historic building, or his
22 or her agent, shall submit, in accordance with the REHAB Special
23 Revenue Fund Guidelines, a grant application to the CAO or their
24 designee for the grant requested. The CAO or their designee
25 shall analyze the specific finances of the project for the
26 express purpose of determining if the project meets the REHAB
27 Special Revenue Fund Guidelines.

28 (i) *Fund programs.* The owner of a historic building which meets the
29 eligibility requirements in Subsection (e) above, or their
30 agent, may apply for assistance from the fund in the form of
31 reimbursement grants for repair, rehabilitation or restoration,

1 according to the REHAB Special Revenue Fund Guidelines which
2 includes, but is not limited to: restoration or rehabilitation
3 of the building exterior, restoration of historic features on
4 the building interior, rehabilitation of the building interior,
5 code compliance improvements and general requirements and
6 overhead of the general contractor, as further detailed in the
7 REHAB Special Revenue Fund Guidelines.

8 (j) *Final inspection.* A final inspection shall be conducted within
9 90 days following completion of the project to ensure compliance
10 with the terms of the approved Certificate of Appropriateness
11 and REHAB Special Revenue Fund grant application. The final
12 inspection shall be conducted by, or at the direction of, the
13 Historic Preservation Section staff. An applicant whose project
14 fails to meet the REHAB Special Revenue Fund Guidelines and
15 criteria set forth herein shall be deemed ineligible for a grant
16 under this program.

17 The inspection required by this subsection shall not replace or
18 supersede any other inspection required by local, State, or
19 federal law.

20 **Section 2. REHAB Special Revenue Fund Guidelines.** The
21 REHAB Special Revenue Fund Guidelines, attached hereto as **Exhibit 1**,
22 are hereby placed on file with the Office of Legislative Services and
23 on the City's website. A copy of the Guidelines will also be kept
24 with the Historic Preservation Section. These Guidelines shall be the
25 operative guidelines for projects funded by the REHAB Special Revenue
26 Fund unless and until these Guidelines are amended by Council action
27 as provided herein.

28 **Section 3. Program Start Date.** The REHAB Special Revenue
29 Grant Program shall commence on October 1, 2023, or upon funding of
30 the Special Revenue Fund.

31 **Section 4. Effective Date.** This ordinance shall become

1 effective upon signature by the Mayor or upon becoming effective
2 without the Mayor's signature.

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4 Form Approved:

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7 Office of General Counsel

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Legislation Prepared by: Carla Lopera

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REHAB Special Revenue Fund Guidelines
Revised Exhibit 1 to Ordinance 2023-0316

REHAB Special Revenue Fund Purpose

The purpose of the Restore Endangered Historic Adaptable Buildings (“REHAB”) Special Revenue Fund Guidelines is to establish the parameters for use of the REHAB Special Revenue Fund and to facilitate rehabilitation of historic buildings within Jacksonville (exclusive of Downtown), specifically buildings designated as landmarks or contributing structures in locally designated historic districts. The REHAB Special Revenue Fund was created to foster the repair, rehabilitation and restoration of non-residential income-producing or mixed-use historic buildings or historic buildings owned by not-for-profit corporations, located throughout Jacksonville, excluding the Downtown Area as defined in Sec. 55.105, Ordinance Code. The Chief Administrative Officer (“CAO”) or their designee shall, in coordination with the Planning and Development Department (“PDD”), process applications for REHAB Special Revenue Fund grants and the CAO or their designee shall administer grants awarded from the REHAB Special Revenue Fund.

REHAB Special Revenue Fund Limitations

1. Only projects that apply for \$100,000 or less in the aggregate are eligible for funding from the REHAB Special Revenue Fund.
2. All CAO approvals of REHAB Special Revenue Fund allocations are subject to the available unencumbered balance in the Fund at time of award, and all grants awarded by the CAO shall encumber the related balance in the REHAB Special Revenue Fund upon execution of a Rehabilitation Agreement.

REHAB Special Revenue Fund Eligibility

All proposed buildings that apply for the REHAB Special Revenue Fund must meet the following criteria:

- a. The building must be at least 50 years old; and
- b. The building must be non-residential income-producing, mixed-use or owned by a not-for-profit corporation; and
- c. The building must be located within Jacksonville, excluding the Downtown Area as defined in Sec. 55.105, Ordinance Code; and
- d. The building must be architecturally or historically significant, as determined by HPS, in accordance with Section 307.102, Ordinance Code; and
- e. The building must be:
 - i. a local landmark, designated by the City pursuant to Chapter 307, Ordinance Code; or
 - ii. a contributing structure to a local historic district, designated by the City pursuant to Chapter 307, Ordinance Code; or
 - iii. declared a potential local landmark, as defined in Chapter 307, Ordinance Code, however, final local landmark designation must be obtained from City Council prior to final approval of the grant by the CAO or their designee. Any

REHAB Special Revenue Fund Guidelines
Revised Exhibit 1 to Ordinance 2023-0316

grant award will expire after 12 months if landmark designation is not obtained by the property owner.

- f. The building must be declared critically endangered by the Jacksonville Historic Preservation Commission (the "JHPC"), who shall consider the following criteria:
 - i. Evidence of a physical threat of loss, damage, or neglect;
 - ii. If the building is currently vacant;
 - iii. The building's susceptibility to development pressures or natural disasters;
 - iv. The building's suitability for preservation or rehabilitation; and
 - v. Any other criteria the JHPC considers relevant.

REHAB Special Revenue Fund Expenditures

- g. Eligible expenses include up to:
 - i. 75% of eligible costs for the Restoration or Rehabilitation of the building Exterior
 - ii. 75% of eligible costs for the Restoration of Historic features on the building Interior
 - iii. 30% of eligible costs for the Rehabilitation of the building Interior, and
 - iv. 75% of eligible costs for bringing the property up to levels as required for Code Compliance or related fire and safety requirements. Environmental remediation or abatement within the building such as asbestos removal is included as well as new code requirements.
 - v. 20% of the above eligible costs for General Requirements and Overhead of the GC
- h. REHAB Special Revenue Fund grants will be awarded for work that commences within 12 months from the date of grant approval and is completed within five years. Grants are subject to forfeiture, cancellation, or re-evaluation in the event of sale, transfer within five years, or default.
- i. All funds will be disbursed upon completion of improvements, subject to cost verification and other approvals as specified below.
- j. Project must be located within Jacksonville but be outside the boundaries of the Downtown Overlay Zone, as defined in Sec. 656.361.2, *Ordinance Code*.
- k. Applicant and/or their General Contractor must demonstrate significant, relevant experience and performance on projects of similar type and scale.
- l. REHAB Special Revenue Fund grants, in the aggregate may not exceed 40% of Total Development Costs.
- m. Total Development Costs ("TDC") are defined as:
 - i. For properties under contract or owned less than one year, the lesser of the current appraised value or the costs for the acquisition of eligible buildings and associated land, less any associated debt, and;
 - ii. the negotiated construction costs with a qualified General Contractor; and
 - iii. additional soft costs typically eligible for capitalization in development activity of this type.
 - iv. Developer Fee is to be excluded from both Sources and Uses.

**REHAB Special Revenue Fund Guidelines
Revised Exhibit 1 to Ordinance 2023-0316**

- v. The current market value of property owned for more than one year, and any related debt, may be included in TDC for purposes of these calculations. Appraisals must be dated within one year of the application.
- n. Developer Equity (less Developer Fee) shall be not less than 10% of TDC.
- o. Total Development Costs must be determined reasonable for the scope of the project utilizing third party verification where available.
- p. All property, business, and income taxes must be current at the time of application and maintained in a current status during the approval process, the term of the Rehabilitation Agreement and through the REHAB Special Revenue Fund grant period.
- q. REHAB Special Revenue Fund grants are subject to standard claw back language related to disposition of the property within five years of disbursement, or similar circumstances of conversion (100% due back if disposed within one year of receiving grant, 80% if between years one and two, 60% if between years two and three, 40% if between years three and four, and 20% if between years four and five).

REHAB Special Revenue Fund Application Process

1. Pre-Application

- a. A pre-application meeting will be held for all proposed developments planning to utilize the REHAB Special Revenue Fund program. Attendees shall include the Applicant and related members of the proposed development team, members of the COJ PDD Historic Preservation Section staff, and the CAO or their designee, as appropriate. From this meeting, a strategy that incorporates the following steps and requirements will be formulated to include task assignments and a timeline for target dates to accomplish the application processing goals.

2. Application and Processing

- a. Application and processing of historic designation, Certificate of Appropriateness approval and REHAB Special Revenue Fund grant approval through the PDD and the CAO or their designee may occur simultaneously, except as provided below.
- b. Landmark Designation
 - i. Application shall be made to the PDD for Local Landmark designation unless the building is already a local landmark or a contributing structure within a local historic district.
 - ii. PDD shall verify whether the building is already a local Landmark, a local contributing structure or is eligible for designation. PDD shall assist the applicant in Local Landmark Designation Procedures as needed and process any landmark designation application through the Historic Preservation Commission and City Council approval process.
 - iii. A staff report recommending designation and legislation approving the same must be filed prior to any grant approval by the CAO or their designee.

3. Scope of Work

REHAB Special Revenue Fund Guidelines
Revised Exhibit 1 to Ordinance 2023-0316

- a. Application shall also be made to PDD for a Certificate of Appropriateness or other approval for the scope of work to be performed.
 - i. Such application shall categorize the work to be performed among exterior restoration and renovation work; interior restoration; interior renovation; or code compliance work.
- b. The PDD shall review applications for work to be performed on any local landmark or or contributing structure within a locally designated historic district for compliance with the United States Secretary of the Interior Standards for Restoration or Rehabilitation, and any applicable historic preservation design guidelines, and shall issue an approval, denial, or approval with conditions and comments.
- c. The application for a COA or approval of the scope of work can be submitted and reviewed simultaneously with landmark designation; however, no staff report regarding scope of work will be issued to the CAO or their designee prior to the approval of legislation for landmark status.
- d. Any work not approved through the COA review process by the Jacksonville Historic Preservation Commission, PDD Staff, or determined to not meet the Secretary of the Interior Standards or other design guidelines will be removed from the list of qualified eligible expenses for consideration.

4. REHAB Special Revenue Fund Grant Approval

Simultaneously, application shall be made to the CAO or their designee for funding pursuant to the REHAB Special Revenue Fund Guidelines. The CAO or their designee shall receive and analyze project information as outlined below:

- a. Rehabilitation plan to include:
 - i. Proposed usage of the property following completion and contribution towards the relevant United States Secretary of Interior Standards and applicable design guidelines.
 - ii. Demonstrated compliance with the purpose of the Trust Fund.
 - iii. Proposed timeline of anticipated improvements and completion of work.
- b. Applications to include detailed Total Development Cost estimate for proposed acquisition and/or improvements along with sources and uses of funds, evidence of ownership or control of the subject property, and unless waived by the CAO or their designee, a thorough and detailed three-year pro forma financial statements (including time to stabilization).
- c. A detailed construction budget must be provided that reconciles to the contract with the General Contractor, and that clearly allocates costs between Restoration or Rehabilitation of the building Exterior, Restoration of Historic features on the building Interior, Rehabilitation of the building Interior, General Requirements and Overhead of the GC, and Code Compliance Renovations, as may be appropriate per the REHAB Special Revenue Fund Grant request being made.

REHAB Special Revenue Fund Guidelines
Revised Exhibit 1 to Ordinance 2023-0316

- d. Corporate applicants shall submit two most recent years' tax returns (if available) and nonprofit applicants shall submit 990s and/or audited financial statements.
 - e. Applications must be accompanied with a personal financial statement and the two most recent years' tax returns of principals with ownership of more than 20% of the project, the project's general partner, and/or the project's controlling member.
 - f. Provide evidence that all property, business, and income taxes are current.
 - g. Evidence of local Landmark or local contributing structure status for the subject property as outlined above or application for the same, to be submitted as appropriate for the request made.
 - h. PDD staff recommendation as to eligibility of the approved scope of work on any local landmark or local contributing structure shall be required prior to CAO or their designee or City Council approval of any program funding, however a contingent staff report will be accepted. The level of certainty required before presentation to the CAO or their designee or City Council will depend on the extent to which eligible costs exceed the request.
5. Following Final Funding Approval
- a. Upon approval by the CAO or their designee or City Council of REHAB Special Revenue Fund funding, the CAO or their designee staff will negotiate a proposed Rehabilitation Agreement and associated grant documents.
 - b. The Rehabilitation Agreement will be routed for execution.
 - c. The CAO or their designee to be provided copies of periodic inspections and/or progress reports as applicable.
6. Distribution of Funding
- a. The REHAB Special Revenue Fund Grant will be funded following review and approval of the Request for Disbursement by the Applicant following issuance of the last needed Certificate of Occupancy for the project.
 - b. All work on approved buildings must be inspected by the Planning and Development Department or designee for compliance with the approved application prior to funding.
 - c. COJ PDD, and CAO or their designee jointly, or other appropriate COJ Department, will verify that paid invoices submitted for reimbursement align with the construction budget as approved, and confirm Developer's compliance with previously approved building permits, COA, and all P DD, as applicable.
 - d. All existing liens and code violations must be cleared prior to disbursement of funds and recordation of Loan security documents.
 - e. Funds will be authorized for distribution in accordance with the approved Rehabilitation Agreement including evidence of all permanent funding commitments, satisfaction of all liens and waiver of claims from General Contractor and subcontractors, verification that there are no delinquent property taxes or other tax

**REHAB Special Revenue Fund Guidelines
Revised Exhibit 1 to Ordinance 2023-0316**

obligations outstanding beyond their respective due dates, and other requirements as may be found in that agreement.