

LEGISLATIVE FACT SHEET

DATE: 03/26/24 BT or RC No: N/A

(Administration & City Council Bills)

SPONSOR: Housing & Community Development, Neighborhoods
(Department/Division/Agency/Council Member)

Contact for all inquiries and presentations: Travis Jeffrey, Chief

Provide Name: Travis Jeffrey, Chief

Contact Number: 904-255-8227

Email Address: tjeffrey@coj.net

PURPOSE: White Paper (Explain Why this legislation is necessary? Provide; Who, What, When, Where, How and the Impact.) Council Research will complete this form for Council introduced legislation and the Administration is responsible for all other legislation. (Minimum of 350 words - Maximum of 1 page.)

The Vestcor Companies was founded by John D. Rood in 1983 in Jacksonville, Florida, and has grown to become one of the largest developers of multifamily communities in Florida. The Company is proposing a 100 unit mixed income development with 75 units designated as housing credit set-aside units for households that are at or below 60%AMI, 5 units set-aside as affordable units for households at or below 120% AMI, and 20 unrestricted units. The development will be a mix of 13 studios, 44 1-bedroom, and 43 2-bedroom units. The residential community will be part of a larger mixed-use building. The residential portion of the building will be on floors 7-10 with 100 designated parking spots on floors 1-2. In addition to the 100 residential units, Lofts at Southbank will have a private fitness room and clubroom located on the 7th floor for residents. The City is proposing to offer a \$6 million, 1% loan, with interest-only payments for 18 years, followed by a lump-sum balloon payment at maturity, to help finance the \$38.8 million project. Commencement of construction expected to begin by July 1, 2025, and completion is anticipated by March 1, 2027. The City will hold a Second Mortgage on the property, subordinate only to the First Mortgage.

APPROPRIATION: Total Amount Appropriated: \$0.00 as follows:

List the source name and provide Object and Subobject Numbers for each category listed below:

(Name of Fund as it will appear in title of legislation)

Name of Federal Funding Source(s):	From: _____	Amount: _____
	To: _____	Amount: _____

Name of State Funding Source(s):	From: _____	Amount: _____
	To: _____	Amount: _____

Name of City of Jacksonville Funding Source(s):	From: _____	Amount: _____
	To: _____	Amount: _____

Name of In-Kind Contribution(s):	From: _____	Amount: _____
	To: _____	Amount: _____

Name & Number of Bond Account(s):	From: _____	Amount: _____
	To: _____	Amount: _____

PLAIN LANGUAGE OF APPROPRIATION / FINANCIAL IMPACT / OTHER:

Explain: Where are the funds coming from, going to, how will the funds be used? Does the funding require a match? Is the funding for a specific time frame? Will there be an ongoing maintenance? ... and staffing obligation? Per Chapters 122 & 106 regarding funding of anticipated post-construction operation costs.

(Minimum of 350 words - Maximum of 1 page.)

The City is proposing to offer a \$6 million, 1% loan, with interest-only payments for 18 years, followed by a lump-sum balloon payment at maturity, to help finance the \$38.8 million project. Commencement of construction expected to begin by July 1, 2025, and completion is anticipated by March 1, 2027. The City will hold a Second Mortgage on the real property located at the southwest corner of the intersection of Prudential Drive and Hendricks Avenue, subordinate only to the First Mortgage. The Construction Loan First Mortgage amount shall not exceed \$27,000,000. The Permanent Loan First Mortgage amount shall not exceed \$7,000,000. Second lien interest on all machinery, equipment, furniture, fixtures, inventory, accounts receivable and any other collateral subordinate to the interests of the First Lender.

ACTION ITEMS: Purpose / Check List. If "Yes" please provide detail by attaching justification, and code provisions for each.

ACTION ITEMS:

Emergency? Yes No

Justification of Emergency: If yes, explanation must include detailed nature of emergency.

Federal or State Mandate? Yes No

Explanation: If yes, explanation must include detailed nature of mandate including Statute or Provision.

Fiscal Year Carryover? Yes No

Note: If yes, note must include explanation of all-year subfund carryover language.

Funds will carry forward until project is complete

CIP Amendment? Yes No

Attachment: If yes, attach appropriate CIP form(s). Include justification for mid-year amendment.

Contract / Agreement Approval? Yes No

Attachment & Explanation: If yes, attach the Contract / Agreement and name of Department (and contact name) that will provide oversight. Indicate if negotiations are on-going and with whom. Has OGC reviewed / drafted?

Related RC/BT? Yes No

Attachment: If yes, attach appropriate RC/BT form(s).

Waiver of Code? Yes No

Code Reference: If yes, identify code section(s) in box below and provide detailed explanation (including impacts) within white paper.

Code Exception? Yes No

Code Reference: If yes, identify code in box below and provide detailed explanation (including impacts) within white paper.

Related Enacted Ordinances? Yes No

Code Reference: If yes, identify related code section(s) and ordinance reference number in the box below and provide detailed explanation and any changes necessary within white paper.

ACTION ITEMS CONTINUED: Purpose / Check List. If "Yes" please provide detail by attaching justification, and code provisions for each.

ACTION ITEMS:

	Yes	No	
Continuation of Grant?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Explanation: How will the funds be used? Does the funding require a match? Is the funding for a specific time frame and/or multi-year? If multi-year, note year of grant? Are there long-term implications for the General Fund?
Surplus Property Certification?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Attachment: If yes, attach appropriate form(s).
Reporting Requirements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Explanation: List agencies (including City Council / Auditor) to receive reports and frequency of reports, including when reports are due. Provide Department (include contact name and telephone number) responsible for generating reports.

BUSINESS IMPACT ESTIMATE

Pursuant to Section 166.041(4), F.S., the City is required to prepare a Business Impact Estimate for ordinances that are NOT exempt from this requirement. A list of ordinance exemptions are provided below. Please check all exemption boxes that apply to this ordinance. If an exemption is applicable, a Business Impact Estimate IS NOT required.

- The proposed ordinance is required for compliance with Federal or State law or regulation;
- The proposed ordinance relates to the issuance or refinancing of debt;
- The proposed ordinance relates to the adoption of budgets or budget amendments, including revenue sources necessary to fund the budget;
- The proposed ordinance is required to implement a contract or an agreement, including, but not limited to, any Federal, State, local, or private grant or other financial assistance accepted by the municipal government;
- The proposed ordinance is an emergency ordinance;
- The ordinance relates to procurement; or
- The proposed ordinance is enacted to implement the following:
 - a. Part II of Chapter 163, Florida Statutes, relating to growth policy, county and municipal planning, and land development regulation, including zoning, development orders, development agreements and development permits;
 - b. Sections 190.005 and 190.046, Florida Statutes, regarding community development districts;
 - c. Section 553.73, Florida Statutes, relating to the Florida Building Code; or
 - d. Section 633.202, Florida Statutes, relating to the Florida Fire Prevention Code.

If none of the boxes above are checked, then a Business Impact Estimate IS REQUIRED to be prepared by the using agency/office/department and submitted in the MBRC filing packet along with the memorandum request, legislative fact sheet, etc. A Business Impact Estimate form can be found at: <https://www.coj.net/departments/finance/budget/mayor-s-budget-review-committee>

Division Chief: 
(signature)

Date: 3/26/2024

Prepared By: Sandra Pester
(signature)

Date: 3/26/2024

ADMINISTRATIVE TRANSMITTAL

To: MBRC, c/o the Budget Office, St. James Suite 325

Thru: Thomas Waters, Director of Neighborhoods Department
(Name, Job Title, Department)
Phone: 255-7005 E-mail: twaters@coj.net

From: Travis Jeffrey, Chief of Housing and Community Development
Initiating Department Representative (Name, Job Title, Department)
Phone: 255-8227 E-mail: tjeffrey@coj.net

Primary Contact: Travis Jeffrey, Chief of Housing and Community Development
(Name, Job Title, Department)
Phone: 255-8227 E-mail: tjeffrey@coj.net

CC: Brittany Norris, Director of Intergovernmental Affairs, Office of the Mayor
Phone: 255-5000 E-mail: BNorris@coj.net

COUNCIL MEMBER / INDEPENDENT AGENCY / CONSTITUTIONAL OFFICER TRANSMITTAL

To: Mary Staffopoulos, Office of General Counsel, St. James Suite 480
Phone: 904-255-5062 E-mail: mstaff@coj.net

From: _____
Initiating Council Member / Independent Agency / Constitutional Officer
Phone: _____ E-mail: _____

Primary Contact
(Name, Job Title, Department)
Phone: _____ E-mail: _____

CC: Brittany Norris, Director of Intergovernmental Affairs, Office of the Mayor
Phone: 255-5000 E-mail: BNorris@coj.net

Legislation from Independent Agencies requires a resolution from the Independent Agency Board approving the legislation.

Independent Agency Action Item: Yes No
Boards Action / Resolution? Attachment: If yes, attach appropriate documentation. If no, when is board action scheduled?

FACT SHEET IS REQUIRED BEFORE LEGISLATION IS INTRODUCED

CITY DEVELOPMENT LOAN TERM SHEET

The City of Jacksonville agrees to provide a Development Loan to the Company to support the proposed improvements upon the following terms and conditions:

- LOAN AMOUNT:** \$6,000,000
- INTEREST RATE:** 1.0% Per Annum
- LOAN TERM:** Eighteen (18) Years from Loan Closing. Loan Closing shall occur simultaneously with the closing of the Construction Loan.
- LOAN DISBURSEMENT:** The Loan shall be disbursed at construction completion. The Loan proceeds shall be used to reduce the Construction Loan.
- LOAN AMORTIZATION:** Interest only, non-amortizing, Balloon Loan
- LOAN PAYMENTS:** Interest-only through maturity, payable monthly on the first day of each month during the loan term. Balloon payment due at conclusion of 18-year term.
- LATE CHARGE:** If any schedule payment hereunder is ten (10) or more days late, the Company shall pay a late fee equal to ten percent (10%) of the unpaid portion of the scheduled payment.
- EST. MONTHLY PAYMENT:** \$5,000.00 (\$60,000 annually)
- LOAN SECURITY:** Second Mortgage on real property located at the southwest corner of the intersection of Prudential Drive and Hendricks Avenue, subordinate only to the First Mortgage. The Construction Loan First Mortgage amount shall not exceed \$27,000,000. The Permanent Loan First Mortgage amount shall not exceed \$7,000,000. Second lien interest on all machinery, equipment, furniture, fixtures, inventory, accounts receivable and any other collateral subordinate to the interests of the First Lender.
- LOAN GUARANTY:** The Loan shall be secured by a guaranty of recourse obligations agreement of Company by The Vestcor Companies, Inc., subordinate to the interests of First Lender.
- BALLOON PAYMENT:** The remaining balance of the loan, estimated at \$6,000,000, will become due and payable 18 years after the Loan Closing.
- LOAN CLOSING COSTS:** Company is responsible for payment of all closing costs associated with the Loan including attorney fees, loan document preparation, recording and filing fees, documentary stamps to be collected at loan closing. Estimate of closing costs to be provided prior to loan closing. Closing expenses may be deducted from the loan amount disbursed at closing.
- GENERAL REQUIREMENTS:** The Project shall have a financial statement audit annually, and such audits will be provided to the City.