



**Infrastructure Transition Committee
Housing Subcommittee**

Meeting Notes

Tuesday, July 11th, 2023

10:30am - 12:00pm

I. Welcome

- A. Welcome was given by Joshua Hicks. He also invited all new members to introduce themselves.

II. Review Timeline & Framework

- A. The committee's mission and goals were shared with the group: The guiding questions are what resources and programs can be implemented to decrease housing burdens and increase inventory of affordable and workforce housing in Jacksonville (identify short & long term goals).

III. Guest Speakers

- A. There were three speakers invited to share with the committee. They shared their org's mission, vision, and goals, and how they are contributing to decrease the housing burdens here in Jacksonville. Each speaker provided a detailed handout with their discussion.

1. **Suzanne Pickett, President/CEO of the Historic Eastside CDC:** The goal of HE CDC is to become a mixed income community. Suzanne provided a detailed timeline of the org (10 years) and their journey from a CDC to CHDO to HDN (historically designated neighborhood). They are in the process of updating their comprehensive plan, which they did not have, prior to receiving assistance from LISC. How they are contributing to "the work":
 - a) There is a lot of opportunity for growth in the Eastside, as they have 400 lots available (new & infield).
 - (1) Several questions were raised centered around creating proactive measures to protect the residents' interests. These included creating a detailed list about the existing lots to include information such as how many of the lots are COJ owned; creating a zoning overlay w/COJ to provide protections from investor activity; how to curtail investors from being able to purchase homes/properties in the area; what measures can be taken to slow down and prevent gentrification (need for legislation). There was also discussion about lot donations and requirements: timeline/parameters, handling existing liens on lots, etc.
 - b) They have several initiatives they are simultaneously working on, including their "Equity Agenda", which restores/repairs, as well as builds new homes in their five designated areas. Seven homes and a church have been completed to date through the renovation program. There are also 10 donated parcels from COJ for new construction. They also



have several apartment complexes that need renovations/preservation of set aside units for low-income residents.

- c) HECDC is partnering with the Jaguars and meeting with the community residents to discuss development and growth. They will share the results of research that is to be undertaken, such as the economic benefits of the Shipyard project, number of jobs it will generate, number of retail and business opportunities, etc.

2. **Dwayne Alexander, President & CEO, Jacksonville Housing Authority:** Provided insight on JHA such as they are a third party management company (Accredited Management Org (AMO)); they are rated A+ on Standard & Poor's (S&P); they provide technical assistance to other HAs across the state; how the org fits into other housing authorities in the state (3rd largest out of 74); and how they are funded (\$78k annually from COJ, majority of their funds are from the federal govt.). It is important to note the federal govt. is moving away from public housing (read the Faircloth Rule 1999). How JHA is contributing to "the work":

- a) JHA currently has a Housing Choice Voucher program (8,648 vouchers) and added 1,600 vouchers over the past 4 years. JHA partners w/property owners & agents. The economic impact of the program is \$66.8 million annually. They have a waitlist of 147k people for all programs.
- b) Have dedicated \$100 million into renovating existing properties (Jax Beach/The Waves, Hogan Creek, Centennial Towers are complete and Twin Towers are currently being renovated). They have lost 700 units w/renovation of Blodgett & Durkeyville.
- c) Development projects have been completed and several are in the works, including a twenty-two unit townhome project w/JWB; Franklin Arms 108 unit development (private/public partnership conversations underway to bring to fruition); and acquiring 50 newly constructed single-family homes. They also are in the midst of five deals to acquire properties. JHA's goal is to add 500 units per year.

- (1) Due to there being one more presenter and limited time, a motion to extend the meeting by 20 minutes was made by Dr. Irvin PeDro Cohen and a second was made by Diana Galavis (NEFAR). Motion passed unanimously.

3. **John "JJ" Froehlich, Self-Help Housing Sector Leader & Amanda Frazier-Wong, Self-Help Director of Capital Development (via teleconference):** Presented a Jacksonville Housing Fund strategy proposal (Affordable Housing Loan Fund) which is a public/private partnership. The fund would create subsidized opportunities and preserve existing affordable units in middle and strong markets. Self-Help proposes multifamily properties catalyzed by low-income housing tax credits (LIHTC) is a viable way to preserve and create affordable rental housing.

- a) Self-Help proposes that they act as the housing fund administrator, which they have had success within other areas (Durham, NC: \$10 million; Wake County: \$62 million; and Greensboro \$32 million). Key success factors are successful deployment of dollars and leveraging of funds. The fund would be 75% recourse and 25% non-recourse with bridge debt of 0-10%.
- b) Jacksonville Housing Loan Fund: \$40 million fund administered by Self-Help Ventures Fund. Bridge financing will be used for acquisition. Gap financing will be used for



development. A tangible example: Development - \$10 million loan facility with low interest, and 1-5 years terms. Fund will cover up to 110% of acquisition cost and revolve 4 times to support 8-10 acquisitions over a 20-year life. Gap financing - \$30 million loan facility with low interest, 15-year terms. Up to 25% of total project costs covered, enabling \$120 million of project financed. Investment by public/private partners would be \$10 million is top loss funding. Self-Help is ready to source investments, originate, and service loans.

- (1) Several questions were raised such as is the City the client and several examples were given where it varied depending on what all stakeholders believed was the best option. There was also a question raised about the end-consumer: how you maintain affordability & protect them from investors not honoring affordability requirements. It was explained that deed restrictions can be placed on properties for any time determined to be sufficient (10 years, 20 years, in perpetuity, etc.). The deed restrictions are determined by administrators/project/source of funds.

B. Open Discussion

1. There was discussion related to how to pair incentives with affordability to make financial sense for developers as well as about developers needing to charge market rate for a certain amount of time in order to make margins that will allow for affordability (Alex, JWB). There were also comments clarifying “affordability vs “low-income”; there is no low-income housing being built therefore an entire section of the Jax community is not being considered (Dwayne Alexander). There was also discussion about taxpayers paying for development projects, yet they receive no benefits from the projects and are subsequently displaced; there must be safeguards created to prevent this (Dr. PeDro Cohen).

C. Public Comment

1. Dr. Jaffee, professor at UNF stated there will always be an issue if we don’t address the issue of institutional investors, rising rents, and displacement, the issue will remain. The focus cannot be the value to investors; homeowners must stay a focus. He informed the group there are ten recommendations for the previous administration’s subcommittee that should be reviewed and considered. He also stated as a proponent of publicly owned, mixed unit ownership.

D. Next Meeting Date

1. The next meeting will be held July 20th at 10:30am (Location TBD as well as Zoom). One of the speakers will be Bill Killingsworth.

E. Adjournment: Meeting adjourned at 12:35pm