12. DIA Code Compliance Support Program

The Downtown Investment Authority ("DIA") recognizes challenges faced by existing property owners and business operators within Downtown Jacksonville brought about by evolving Code Compliance requirements as promulgated by various Government offices and agencies during the period of ownership or operation. In the interest of furthering goals established in the DIA CRA Plan and their related Strategic Objectives and Benchmarks, the DIA Code Compliance Support Program is designed to offset these additional capital costs and contribute to the stabilization and growth in the occupancy and operation of Downtown properties. Further, by these efforts, demand for property ownership in Downtown will be stimulated and additional investors and operators will be attracted to the Downtown market creating opportunities for increased occupancy and utilization of spaces for the benefit of business owners and their employees, local residents, and visitors to the area.

Program Structure

The DIA Code Compliance Support Program will follow the structural outline presented below:

1. Through its budget process, the DIA will establish a maximum funding limit on an annual basis to set aside dollar amounts for utilization by applicants as approved under these DIA Code Compliance Support Program guidelines to meet Code Compliance requirements as may be brought about from time to time by government's and their agencies to improve the safety and soundness of properties and their operation or as otherwise determined necessary by any such Public Body.

2. Funding for the DIA Code Compliance Support Program will be derived principally from tax increment finance revenues or, alternatively, as may be reallocated from the Downtown Economic Development Fund by the DIA in its capacity as the Downtown Economic Development Agency.

3. The maximum funding amount for each application shall be limited to not more than 50% of costs associated with a bonified Code Compliance requirement evidenced by documentation originating from a governmental entity outlining the minimum requirements to be fulfilled and the date by which requirements must be met.

4. The maximum funding amount for each application shall be further limited to not more than $250,000100,000, or other such lesser amount as the DIA Board determines as appropriate in its sole discretion.

5. Application for funding under the DIA Code Compliance Support Program may not be combined with any other DIA program and may only be a part of a broader rehabilitation effort if 100% of the remaining costs of rehabilitation are met by third party debt, investor equity, or any other funding sources outside of the DIA or the City of Jacksonville.

6. Funding under the DIA Code Compliance Support Program will be provided only following completion of the improvements as required to meet code compliance guidelines, and submission of supporting documentation to the satisfaction of the DIA that all legal requirements have been met and in verification of the amounts expended.

7. All work must be completed within one year of approval by the DIA Board unless otherwise extended by authority as may be provided in the Redevelopment Agreement. Applicants failing to meet the completion timeline are not eligible to reapply for funding of the same requirements.

8. Funding under the DIA Code Compliance Support Program will be made as a forgivable loan (grant) and will amortize in equal amounts over a three-year period from the date of funding, so long as there are no defaults under the executed grant agreement.

8.9. Applicants approved under the DIA Code Compliance Support Program are eligible for Expedited Review by the COJ Planning and Development Department, Building Inspection Division.

Application and Eligibility Guidelines

To be eligible for funding under the DIA Code Compliance Support Program, the following minimum requirements must be met:

1. Code Compliance is limited to Life Safety, compliance with ADA, MEP behind the wall, and Environmental Remediation as noticed by a Public Body to the property owner or business owner.

2. Application may be made by either a property owner (owner occupied or landlord) or a business owner (tenant or operating entity). The entity responsible for compliance shall be the applicant.

3. All applicants must complete and submit a Project Profile Assessment form (business plan and other attachments found on the PPA form are not required), documentation that defines the Code Compliance work to be completed, and other documentation as may be required by the DIA.

4. All properties associated with the application must be determined to be current on all property tax payments (not via tax certificate) and free from any municipal fines or liens.

5. Properties eligible for the DIA Code Compliance Support Program include only those placed into service more than twenty years prior to the year of application and that are shown to have been on the City's tax roll for the previous three years.

6. Owners of multiple Downtown properties (as determined by common principles with greater than 20% ownership directly or indirectly) may be considered eligible for funding for only one property per COJ fiscal year which begins on October 1 and ends on September 30 of the following year twelve month period from the date of approval by the DIA Board.

7. Properties must be located within the DIA boundary and may be located either on the Northbank or the Southbank.

8. Development applications that remove the subject property from the property tax rolls shall not be eligible for funding.

9. All development work and design features must comply with all applicable city codes, ordinances, the established Downtown Development Review Board Guidelines and the Downtown Zoning Overlay without waiver.

10. The DIA Code Compliance Support Program may not be used in the following circumstances:

    a. Satisfaction of City liens in any manner.

    b. Deferred maintenance.

    c. Acquisition of new property or establishment of a new business.

    d. Discretionary modifications or upgrades.

    e. Change of use and therefor new code requirements.

    f. Satisfaction of code violations brought about by work performed on the property following issuance of Certificate of use, or for any other reason.

Considerations:

1. Quick, easy, efficient. Minimize application requirements and processing time. Goal is to incentivize property and business ownership by mitigating risks associated with unforeseen costs associated with code compliance.
2. The program is de minimis as compared to DPRP. The $250,000 / 50% of eligible cost limit implies compliance costs approximate $500,000 or less.
3. Office vacancy is on the rise broadly speaking, and additional costs associated with code compliance measures place additional burdens on property owners.

Q1: Is there an ROI requirement? No, it is not expected that these types of building improvements will be reflected in additional tax revenues or other sources of City benefit as typically measured (LOST, Employee expenditures)

Q2: Who is the applicant? Now modified to acknowledge that the applicant may be a property owner or a tenant. The recipient of notification of Code Compliance requirements is the applicant.

Q3: Add a provision to ensure the program is not used for clearing up nuisance liens.

Q4: What are the financial requirements to eliminate abuse by building and business owners with strong operations? No ROI or IRR calculations. The program is de minimis as compared to DPRP and to keep it simple, the funding threshold may be the best way to minimize abuse. Options are:

1. Lessen the maximum funding amount
2. Create a two tier approach
3. Create an occupancy threshold
4. Require financial statements
5. other

Q5: Is there a definition of Code Compliance? Now added to the guidelines following the definition applied to DPRP.

Q6: Talk with Fire Dept. or Building Department regarding conflicting requirements. Code is established at the state level and adopted in the municipal code as it is updated every three years. New code is expected following the end of 2023. In situations of conflict, the code with the higher requirements for life safety issues prevails. The experience level of the applicant often overcomes these challenges.

Q1: Code compliance versus code violations? Yes, a distinction is made between the two such that the program is intended for changes in code requirements, but not deferred maintenance or other situation that might lead to a code violation.

Q2: Simply not functioning but was functioning at one point and in compliance.

Q3: New space or space being renovated? Clarify what various situations qualify. The proposal today is only for existing property owners or business operators affected by changes in building code.

Q4: Can the same applicant come back for more than one time? One time per year for any owner of more than 20% interest into an applicant receiving funding. Changed to a year that starts from the point of approval.

Q5: Does this require City Council approval? No, establishing new programs utilizing funds appropriated for purposes in line with BUID Plan goals is authorized under the BID Plan.

COMPARISON

	Code Compliance Program	Code Compliance Forgivable Loan (DPRP)	HPRTF
Applicant	Recipient of Notification	Property owner	Property owner
Funding Max $	$250,000	N/A	$100,000
Funding Max %	50% of eligible costs	75% of eligible costs	75% of eligible costs
		25% of TDC	
Terms	3 years, forgivable, i free	10 years, forgivable, i free	5 years, forgivable, i free
Def Princ Loan	No	Yes, 20%	Yes, 20%
Dev Equity Min		10% TDC	10% TDC
Funding Source	TIF or DEDG	COJ General Fund	HPRTF
Building Age	20+ years	50+ years (see below)	N/A
Funding Gap	Not required	Required	
ROI	Not required	Required if > $1 million	0.50X minimum
Location	DIA Boundary	DIA Boundary	DIA Boundary
Bldg Designation	N/A	Cont. Structure or Local Landmark or 50 years old	Local Landmark
Approval	DIA Board	City Council	DIA Board
Funding	DIA Staff	Appropriation	DIA Staff
PDD HPS	No	Yes	Yes