

RESOLUTION 2026-04-04

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) ACTING AS THE DOWNTOWN ECONOMIC DEVELOPMENT AGENCY (“GRANTOR”) APPROVING THE AWARD OF AN AFFORDABLE HOUSING SUPPORT LOAN TO DUVAL 212, LLC (OR OTHER SUCH AFFILIATED ENTITY OF HOUSING TRUST GROUP, LLC (“HTG”) AND CATHEDRAL DISTRICT-JAX, INC. (“CD-J”)); TO FACILITATE DEVELOPMENT OF 85 MIXED-INCOME MULTIFAMILY HOUSING UNITS IN THE CATHEDRAL HILL NEIGHBORHOOD OF THE DOWNTOWN NORTHBANK COMMUNITY REDEVELOPMENT AREA OF DOWNTOWN JACKSONVILLE; AUTHORIZING THE CEO OF THE DIA TO NEGOTIATE A LOAN AGREEMENT WITH TERMS AS SET FORTH IN EXHIBIT A TO THIS RESOLUTION; AUTHORIZING THE DIA CEO TO EXECUTE SUCH AGREEMENTS; AND FINDING THAT THE PROVISION OF MIXED-INCOME HOUSING IN THE DOWNTOWN NORTHBANK CRA IS CONSISTENT WITH THE DIA’S BUSINESS INVESTMENT AND DEVELOPMENT PLAN, INCLUDING THE DOWNTOWN NORTHBANK CRA PLAN (“BID PLAN”); AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, HTG, an established affordable and mixed-income housing developer, and CD-J, a non-profit community advocacy organization, have formed a single purpose entity known as Duval 212, LLC (the “Developer”) for the purpose of developing a mixed-use, mixed-income project consisting of approximately 85 new multi-family apartment units for families, approximately 1,200 square feet of commercial space, approximately 90 parking spaces in an integrated structured garage, plus amenities, in the Cathedral Hill neighborhood of the Downtown Northbank CRA (the “Project”); and

WHEREAS, the Project will result in an investment of approximately \$36,400,000 for the construction of the mixed-use, mixed-income housing development and associated improvements which will increase the county ad valorem tax base over the useful life of the assets and will add to the residential tenancy options in Downtown Jacksonville; and

WHEREAS, the Developer is seeking an allocation of Low-Income Housing Tax Credits (“LIHTC”) from the Florida Housing Finance Corporation (“FHFC”) with a value estimated at more than \$25,500,000, under Request for Application 2026-202 Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Lee, Orange, Palm Beach, Pinellas, and Polk Counties (“RFA”) Local Government Areas of Opportunity (“LGAO”) Funding Goal Large Counties program (or other such designation as may be issued by FHFC); wherein Duval County is an FHFC designated Large County; and

WHEREAS, the RFA permits the Jacksonville Housing Finance Authority (“JHFA”) to set the criteria and score the applications received for Duval County to be eligible to receive an allocation of LIHTCs under the LGAO Large Counties program; and

WHEREAS, the JHFA has issued a Notice of Funding Availability 2026-1 for LGAO Funding Loan Requests in Conjunction with FHFC RFA 2026-202 (the “NOFA”); and

WHEREAS, the DIA is authorized per section 55.108 Economic Development of the City Ordinance Code, to utilize the Tax Increment Finance District Trust Funds to foster the redevelopment of the Downtown Northbank Community Redevelopment Area to evidence support for Duval 212 in their NOFA application; and

WHEREAS, to assist Developer in completing applications under the JHFA NOFA and the FHFC RFA and to maximize their application score to receive an allocation of LIHTCs to construct the mixed-use, mixed-income housing development and related improvements, the application for \$610,000 in financial assistance from the DIA is a contributing factor; and

WHEREAS, the proposed financing complies with program guidelines for the DIA Affordable Housing Support Loan Program as authorized by the update to the DIA BID Plan by ordinance 2022-0372E as approved by City Council on June 28, 2022; and

WHEREAS, the proposed Affordable Housing Support Loan will be funded from the DIA Northbank CRA Downtown Development Loan Funds account where sufficient fund balance for this proposal has been confirmed as available; and

WHEREAS, financial assistance to the Project will be in the form as detailed on the attached Exhibit “A” Term Sheet and in compliance with the requirements of the local government support loan as detailed in the JHFA NOFA and the FHFC RFA; and

WHEREAS, Developer was the winning bidder for the public disposition of three City owned lots integral to the proposed development plans as approved by the DIA Board in Resolution 2025-04-13 and as evidenced by Jacksonville Daily Record notice 25-02133D; and

WHEREAS, the proposed building height is approximately eighty-five feet on the westernmost end of the building and approximately seventy-five feet on the eastern end of the building to address the slope in the topography, surpassing the maximum height of sixty-five feet permitted by the Downtown Overlay Zone and Downtown District Use and Form Regulations provided in Subpart H of the Code of Ordinances, Chapter 656 Zoning Code, Part 3 Schedule of District Regulations (the “Downtown Overlay Zone Regulations”); and

WHEREAS, the Project complies with the City of Jacksonville’s implementation of the Live Local Act (Senate Bill 102, as amended by Senate Bill 328), and qualifies for the associated height and zoning benefits, but requires DIA as administrative owner of the Property on behalf of

the City of Jacksonville to appoint Developer, or its managing member, to act as designated agent in seeking application for land use amendment, rezoning, and/or other development permits for the subject Property and, in connection with such authorization, to file such applications, papers, documents, requests and other matters necessary to effectuate and pursue such requested change and/or development permit and including appearances before all City boards, commissions or committees on behalf of the application; and

WHEREAS, Developer agrees to limit use of the Live Local authority to seek waiver of the height limitation imposed by the Downtown Overlay Zone Regulations to achieve the maximum height of seven stories and approximately eighty-five feet;

WHEREAS, Developer received administrative approval from the City of Jacksonville Planning Department allowing Duval 212 to exceed the height limitation imposed by the Downtown Overlay Zone Regulations after submitting its application for approval (LLA-25-04) which will allow Duval 212 to achieve a maximum height of seven stories; and

WHEREAS, the DIA finds that the proposed disposition and redevelopment proposal furthers the following Redevelopment Goal and Strategic Objectives found in the BID/CRA Plan:

Redevelopment Goal 2: Increase rental and owner-occupied housing Downtown targeting diverse populations identified as seeking a more urban lifestyle.

Strategic Objectives:

- Actively pursue a minimum of 8,140 built and occupied multi-family dwelling units by 2030; and strive to induce construction of 425 multifamily dwelling units per year, on average.
- Improve the breadth and diversity of housing options across Downtown to provide all types and varied price ranges, of rental and owner-occupied opportunities, including mixed income and mixed-use structures.

Redevelopment Goal No. 3: Increase and diversify the number and type of retail, food and beverage, and entertainment establishments within Downtown.

Strategic Objective:

- Increase the number of retail, food and beverage, and entertainment establishments that are open for business weekends and other times outside of weekday business hours.

Redevelopment Goal No. 6: Improve the walkability/bike-ability of Downtown and pedestrian and bicycle connectivity between Downtown and adjacent neighborhoods and the St. Johns River.

Strategic Objective:

- Create a compact and walkable Downtown through requiring a mixture of uses in each district so that housing, activities, retail, and other businesses are within

useful walking distance, requiring buildings to have active facades at street level through a mixture of restaurants (including cafes with outdoor seating), retail, and services, and by requiring direct doorways and access to the street. Minimize blank walls and surface parking.

NOW THEREFORE, BE IT RESOLVED, by the Downtown Investment Authority:

Section 1. The DIA finds that the recitals set forth above are true and correct and are incorporated herein by this reference.

Section 2. The DIA hereby authorizes the CEO of the DIA to negotiate a Loan Agreement with the Developer, or an affiliate of the Developer substantially in accordance with the term sheet attached hereto as Exhibit A.

Section 3. The DIA hereby authorizes the CEO of the Downtown Investment Authority to execute such agreements.

Section 4. This Resolution, 2026-04-04, shall become effective on the date it is signed by the Chair of the DIA Board.

WITNESS

DOWNTOWN INVESTMENT AUTHORITY




_____ Patrick Krechowski, Esq., Chair

4/15/20
Date

VOTE: In Favor: 8 Opposed: 0 Abstained: 0

Ex A - TERM SHEET

Project Name: Duval 212

Developer/ Applicant: Duval 212 LLC
(or other such affiliated entity of
Housing Trust Group, LLC ("HTG")
and Cathedral District-Jax, Inc. ("CD-J"))

Total Development Costs (estimate): \$36,700,000

Equity (proposed):

Limited Partner via Low Income Housing Tax Credit investment	\$27,837,000 (75.8% of TDC)
General Partner via Deferred Developer Fee	\$91,537 (0.2 % of TDC)

DIA Funding: Affordable Housing Support Loan **-\$610,000** (1.7% of TDC)

Additional COJ Commitments:

Infrastructure: No City of Jacksonville infrastructure improvements are contemplated.

Land: Developer was the winning bidder on the publicly noticed disposition of approximately 0.21 acres of city owned property as identified by Duval County tax parcel numbers RE# 073558-0000 (216 Duval St E), RE# 073561-0000 (222 Duval St E), and RE# 073560-0000 (228 Duval St E) with a combined appraised value of \$276,281.

City Funding: No further funding through the DIA or the City of Jacksonville is currently requested for this project, although the 1,200 square foot commercial space may be eligible for consideration of a Retail Enhancement Program incentive, dependent upon the type of business that leases that space.

Affordable Housing Support Loan Terms (Proposed):

Amount	\$610,000
Source:	Northbank CRA Downtown Development Loan Funds
Maturity:	20 years from date of funding
Interest Rate	3.00% interest rate
Payments:	Interest only, annually (per conditions outlined below)

The terms shown above are consistent with previous funding round requirements as provided by FHFC. As the RFA has not been released, the amount and terms may differ somewhat from what is proposed here. The loan shall be used for the construction of the proposed development and shall be paid in full by the Downtown Northbank CRA following completion of the development and the issuance of a Temporary or Final Certificate of Occupancy allowing for the intended use of the property, which in no event shall be later than 90 days following the date the development is placed-in-service. Interest payments will be required annually, and there will be no principal payments required during the term of the loan. The final

principal balance of the note will be due at the end of the term or upon sale, transfer, or refinance of the project.

Eligibility for the Affordable Housing Support Loan requires adherence with the following minimum requirements:

1. The Developer/Applicant shall meet the minimum eligibility criteria as set forth in the related Jacksonville Housing Finance Authority ("JHFA") Notice of Funding Availability 2026-1 for Local Government Areas of Opportunity Funding Loan Requests in Conjunction with FHFC RFA 2026-202 ("NOFA") and the Florida Housing Finance Corporation ("FHFC") Request for Funding Applications 2025-202 Housing Credit Financing For Affordable Housing Developments Located in Broward, Duval, Hillsborough, Lee, Orange, Palm Beach, Pinellas, and Polk Counties ("RFA").
2. The Developer/Applicant must also make an application to the JHFA under its NOFA that will determine the Local Government Areas of Opportunity ("LGAO") Designation as further defined by FHFC in the RFA to meet the LGAO Funding Goal Large Counties program (or other such designation as may be issued by FHFC). If the name of the Designation as defined by FHFC shall change, this program shall then adopt the new name for such Designation that provides bonus points in the scoring rubric.
3. Only applications made for affordable housing, or mixed-income housing development to be constructed on non-riverfront or non-creek front properties within the Northbank or Southside CRA boundaries of the DIA will be considered.
4. Development applications that remove the subject property from the property tax rolls shall not be eligible for funding, and Developer commits to maintaining the taxable status of the Property throughout the compliance period of the loan documents.
5. The loan documents shall provide for the standard default provisions; and upon default, the loan shall accrue interest at the highest rate then permissible under Florida law from and after an event of default that remains uncured.
6. Each loan shall be evidenced by a promissory note in the full-face amount of the Local Government Support and secured in its entirety by a subordinate lien mortgage and shall include such other standard loan documents as necessary to evidence and complete the transaction.
7. Payment of 3% annual interest on the Affordable Housing Support Loan is subject to the availability of cash flow, generating interest income to the Downtown Northbank CRA estimated at \$18,300 annually, with full repayment of principal and any accrued interest not later than the end of the 20-year term.
8. The Affordable Housing Support Loan may be partially repaid or repaid in full at any time without prepayment penalty.
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 (subject to amendment).
10. Each recipient of a DIA Affordable Housing Support Loan must agree to promote Downtown activities and events organized by the City to its residents using electronic or static bulletin boards, newsletters, emails, and/or other standardized methods of internal communication.

Project Minimums to be eligible for funding of the Affordable Housing Support Loan:

- Minimum Capital Expenditure required on the Development shall be \$28,987,000. Such amount to include acquisition/land cost or value, hard construction costs, and soft costs typical for a development of this type which shall specifically exclude financing costs, reserves, and developer fee or related costs paid to either HTG or CD-J in fees or costs as a component of overall development costs.
- Completion and delivery of not less than 85 mixed-income multifamily housing units meeting the minimum set-aside requirements to be set forth in RFA 2026-202 (or other such designation as may be issued by FHFC).
- The unit mix shall include not less than five (5) one-bedroom units and not less than three (3) two-bedroom units at unrestricted market rates with an overall commitment of not less than ten (10) units provided at unrestricted market rate in any combination meeting the requirements set forth herein.
- Project Improvements to provide not less than 1,200 square feet of commercial space on the ground floor, with prospective tenancy targeted for retail uses.

Performance Schedule:

- Following the requisite approvals by JHFA and FHFC, and upon entering into a Loan Agreement to establish the "Effective Date," the Developer agrees to achieve all DDRB approvals and pull all required permits within twelve (12) months of that Effective Date. Commencement of Horizontal Improvements to occur within three (3) months of receiving permits, which then establishes the "Commencement Date," with construction to proceed to completion without interruption other than reasons of force majeure. *Note: FHFC guidelines provide up to 3 months for adjudication if protests are filed on awards as announced, followed by a formal underwriting period of up to 12 months. Further, FHFC Guidelines also contemplate an 18-24 month timeline for the completion and occupancy of developments. Final approval of FHFC shall be determined as the point where such protests or underwriting have passed or have otherwise been finalized.*
- The Developer further agrees to a Construction Completion Date of twenty-four (24) months from Commencement Date.
- The Redevelopment Agreement shall allow the DIA CEO to extend the performance schedule for up to six (6) months in his/her sole discretion for good cause shown by Developer.

Additional Limiting Conditions

This Term Sheet is limited by the following conditions:

- Downtown Investment Authority review of all development and construction timelines.
- The successful commitment and closing of construction/senior debt agreements and any private junior lien loan agreements and commitments.
- Evidence of marketable title by the Developer.
- Developer will limit use of Live Local agency and authority to seek waiver of height limitation restrictions found in the Downtown Overlay Zone Regulations and which was approved through their Live Local Act application (LLA-25-04).

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There will be additional terms, conditions, rights, responsibilities, warranties, and obligations for both parties which shall be determined in a later negotiated mutually agreeable written contract (or multiple written contracts as is deemed necessary).