

## Rental Housing Incentive

### DIA Multifamily Housing REV Grant – As Revised 2021

The program, first adopted in 2014, is designed to facilitate residential development within Downtown, to stimulate economic growth, and to fulfill the Downtown population goals established by the CRA by filling the economic gap that exists between achievable rents/NOI, capital requirements, and development costs. In the case of this program, the financial gap has been established on a neighborhood or district basis in context of development costs, capital requirements, and current and projected rent-growth in combination with fulfilling other economic development goals, thereby eliminating the need for a financial gap analysis of projects that comply with the criteria below.

Based on recent market feasibility and economic analysis, It has been determined that this REV grant shall in no event exceed 50% for properties located between Riverside Avenue and the St. Johns River in Brooklyn and for properties located between Riverplace Blvd./Prudential Drive (the first road parallel to the river) and the St. Johns River on the Southbank.

- The program provides for a recovery of a portion of the incremental increase in ad-valorem taxes, (“Annual Project Revenue”) on real and tangible personal property, which is produced as a result of the multifamily housing development.
- Unless further restricted otherwise in this program, the maximum grant will be limited to 75% of the City/County portion of the incremental increase in ad valorem taxes.
- **The term of the grant will not exceed the remaining life of the applicable CRA.**
- The amount of the grant is determined by DIA based on the factors below, not based on applicant request or argued need.
- Program eligibility: To be eligible for the program the development must develop at least 25 new multi-family rental housing units in Downtown.
  - The DIA will confirm compliance with the eligibility requirements and additional commitments made by the Developer with quarterly reviews of rent rolls and annual audits and additional monitoring as needed.

#### **A. For Developments Adjacent to the St. Johns River or Riverwalk.**

The program provides for a recovery of a portion of the Annual Project Revenue, on real and tangible personal property, which is produced as a result of multi-family housing and related development within the DIA Boundary and immediately adjacent to the St. Johns River or Riverwalk.

- The amount of the grant is determined by,
  - The amount of retail/office/commercial space included in a mixed-use development; and,
  - Density of housing along the waterfront identified.
  - Design factors identified below.

#### **Conditions to eligibility for any level of REV Grant:**

1. Developer must make a substantial commitment to assume responsibility for, or contribute to, an organization (including, but not limited to, the City through the Parks Partnership Program) to provide for the development, maintenance, or programming in the adjacent public space.

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Examples of acceptable commitments may be assuming responsibility for maintenance of the adjacent Riverwalk, or funding the same, for the life of the REV, donating a major piece of art to the park, or construction of a playground or sport court, etc. Commitments will be evaluated by DIA staff to determine materiality and consistency with the intent of this section. A one-time up-front commitment valued by DIA at not less than 3% of minimum total Private Capital Investment of the Developer used in calculation of the REV shall be deemed material however other values and payments over time may be considered material as described in the Structuring the Deal section of the BID.

2. Ground level restaurant space that actively engages the waterfront and/or Riverwalk of not less than 3,000 square feet or 10% of the leasable residential square footage, whichever is greater, shall be provided in any multi-family housing development immediately adjacent to the St. Johns River or Riverwalk. This requirement is capped at 5,000 square feet for developments greater than 50,000 square feet of leasable residential square feet.
3. The ground level of any structured parking garage associated with such project facing the street must be wrapped with a) residential units or b) commercial space, accessible from the street, except at points of entry and exit.
4. All levels of any structured parking garage associated with such project and facing or visible from the waterfront or Riverwalk must be wrapped with a) residential units, or b) commercial space to screen the garage from the public space.
5. Developer must provide at no charge to the City, a permanent easement for public access for the Riverwalk trail system as contemplated by the Downtown Zoning Overlay. In the case of areas adjacent to Riverwalk segments constructed over water, the Developer must provide permanent public access easements and bridges connecting the Riverwalk to the upland development considered for incentive.
6. Developer must provide at no charge to the City, the public View and Access corridor easements or dedications for public use in accordance with the Downtown Zoning Overlay.
7. Applicant must commit to the minimum private capital investment based on projected development costs as finalized in negotiation with the DIA.
  - a. Any deviation below the minimum will result in a pro rata reduction of the Maximum REV payable over the term
  - b. Any reduction of 10% or greater will result in forfeiture of the REV

REV Grant Factors: The precise REV Grant size will be determined by the following factors:

- 5% for every 50 units produced in Downtown Jacksonville adjacent to the St. Johns River or Riverwalk. (maximum of 25%); *plus,*
- Up to 15% for the development of City-owned lazy / underutilized assets (maximum amount only if purchased at appraised market value without other incentives); *plus,*
- 10% for each 2,500 square feet of ground level retail space or rooftop restaurant/bar accessible by the public directly from the street, park, or Riverwalk and 5% for each 2,500 square feet of ground level office/commercial space made available for lease to an unrelated third party

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accessible by the public directly from the street, park, or Riverwalk (maximum of 20%, exclusive of restaurant percentage awarded below); *plus*,

- 10% for each 1,500 square feet (beginning with 3,000 square feet in a single operation) of ground level waterfront, Riverwalk front, or park front restaurant(s) open weekends, and a minimum of six days per week, and two meal periods of each day of operations (maximum of 40%); *plus*,
- Up to 10% for enhanced design and quality including unique architectural features and materials in the subject residential building(s) or any visible portion of an associated structured parking garage, or both, beyond minimum compliance with DDRB standards (to qualify for this factor, conceptual plans including exterior materials, must have received DDRB approval) *plus*,
- **Up to 15% for the provision or utilization of shared use parking. 1% shall be available for each percent of new surface parking spaces or parking structure spaces at grade or on the ground floor that are dedicated to public use at all times. 5% shall be available for every 25 spaces made available on site for shared parking by off-site primary users. 5% shall be available for every 25 spaces serving the residential development that are secured through off-site shared use arrangements.(maximum of 15%); *plus***
- 5% for every 10 units provided for enhanced ADA accessibility (maximum of 10%); *plus*,
- 10% for each occupiable floor above seven (excluding any basement, maximum of 30%); *plus*
- 15% for projects located in the Central Core District; *plus*,
- **Resilience**

### **B. For Developments Adjacent to the Creek Front, or adjacent to a City owned public park.**

The program provides for a recovery of a portion of the Annual Project Revenue, on real and tangible personal property, which is produced as a result of multi-family housing development within the DIA Boundary and immediately adjacent to McCoy's Creek, Hogan's Creek, (or the Emerald Trail adjacent to either creek) or a City owned public park.

- The amount of the grant is determined by,
  - The amount of retail/office/commercial space included in a mixed-use development; and,
  - Density of housing along the waterfronts or park front identified.
  - Design factors identified below.

#### Conditions to eligibility for any level of REV Grant:

1. Developer must make a substantial commitment to assume responsibility for, or contribute to, an organization (including, but not limited to, the City through the Parks Partnership Program) to provide for the development, maintenance, or programming in the adjacent public space. Examples of acceptable commitments may be assuming responsibility for maintenance of the adjacent Riverwalk, or funding the same, for the life of the REV, donating a major piece of art to the park, or construction of a playground or sport court, etc. Commitments will be evaluated by

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DIA staff to determine materiality and consistency with the intent of this section. A one-time up-front commitment valued by DIA at not less than 3% of minimum total Private Capital Investment of the Developer used in calculation of the REV shall be deemed material however other values and payments over time may be considered material as described in the Structuring the Deal section of the BID.

2. The ground level of any structured parking garage associated with such project facing the street must be wrapped with a) residential units or b) commercial space, accessible from the street, except at points of entry and exit.
3. All levels of any structured parking garage associated with such project and facing or visible from the waterfront or park -must be wrapped with a) residential units, or b) commercial space to screen the garage from the public space.
4. Developer must provide at no charge to the City, a permanent easement for public access for the Creekside trail system as contemplated by the Downtown Zoning Overlay.
5. Developer must provide at no charge to the City, the public View and Access corridor easements or dedications for public use in accordance with the Downtown Zoning Overlay.
6. Applicant must commit to a minimum private capital investment based on projected development costs as finalized in negotiation with the DIA.
  - a. Any deviation below the minimum will result in a pro rata reduction of the Maximum REV payable over the term
  - b. Any reduction of 10% or greater will result in forfeiture of the REV

REV Grant Factors: The precise REV Grant size will be determined by the following factors:

- 5% for every 50 units produced in Downtown Jacksonville adjacent to McCoy's Creek, Hogan's Creek, or a City owned public park (maximum of 25%); *plus,*
- Up to 15% for the development of City-owned lazy / underutilized assets (maximum amount only if purchased at appraised market value without other incentives); *plus,*
- 10% for each 2,500 square feet of ground level retail space or rooftop restaurant/bar accessible by the public directly from the street, park, or creek and 5% for each 2,500 square feet of ground level office/commercial space made available for lease to an unrelated third party and accessible by the public directly from the street, park, or creek (maximum of 20%, exclusive of restaurant percentage awarded below); *plus,*
- 10% for each 1,500 square feet (beginning with 3,000 square feet in a single operation) of ground level creek front or park front restaurant(s) open weekends, and a minimum of six days per week, and two meal periods of each day of operations (maximum of 40%); *plus,*
- Up to 10% for enhanced design and quality including unique architectural features and materials in the subject residential building(s) or any visible portion of an associated structured parking garage, or both, beyond minimum compliance with DDRB standards (to qualify for this factor, conceptual plans including exterior materials, must have received DDRB approval) *plus,*
- **Up to 15% for the provision or utilization of shared use parking. 1% shall be available for each percent of new surface parking spaces or parking structure spaces at grade or on the ground floor that are dedicated to public use at all times. 5% shall be available for every 25 spaces made**

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available on site for shared parking by off-site primary users. 5% shall be available for every 25 spaces serving the residential development that are secured through off-site shared use arrangements.(maximum of 15%); *plus*

- 5% for every 10 units provided for enhanced ADA accessibility (maximum of 10%); *plus*,
- 10% for each occupiable floor above seven (excluding any basement, maximum of 30%); *plus*,
- 15% for a project of not less than 50 units located in Cathedral or LaVilla District.
- **Resilience**

### **C. For Developments Not Adjacent to the River, Creek, or City Park**

The program provides for a recovery of a portion of the Annual Project Revenue, on real and tangible personal property, which is produced as a result of multi-family housing development within the DIA Boundary and NOT immediately adjacent to the St. John's River or Riverwalk, McCoy's Creek, Hogan's Creek (or the Emerald Trail adjacent to either creek), or a City owned public park.

- The amount of the grant is determined by the number of units developed, plus
  - The amount of retail/office/commercial space included in a mixed-use development; and,
  - Provision of housing in targeted districts.
  - Design factors identified below.

#### Conditions to eligibility for any level of REV Grant:

1. The ground level of any structured parking garage associated with such project must be wrapped with a) residential units, or b) commercial space facing and accessible from the street except at points of entry and exit.
2. Applicant must commit to a minimum private capital investment based on projected development costs as finalized in negotiation with the DIA.
  - a. Any deviation below the minimum will result in a pro rata reduction of the Maximum REV payable over the term
  - b. Any reduction of 10% or greater will result in forfeiture of the REV

#### REV Grant Factors: The precise REV Grant size will be determined by the following factors:

- 5% for every 10 units produced in Downtown Jacksonville (maximum of 25%); *plus*,
- Up to 15% for the development of City-owned lazy / underutilized assets (maximum amount only if purchased at appraised market value without other incentives); *plus*,
- 10% for each 2,500 square feet of ground level restaurant or retail space or balcony/rooftop restaurant/bar accessible by the public directly from the street and 5% for each 2,500 square feet of ground level office/commercial space made available for lease to an unrelated third party and accessible by the public directly from the street (maximum of 30%); *plus*,

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- Up to 10% for enhanced design and quality including unique architectural features and materials in the subject residential building(s) or any visible portion of an associated structured parking garage, or both, beyond minimum compliance with DDRB standards (to qualify for this factor, conceptual plans including exterior materials, must have received DDRB approval) *plus*,
- Up to 15% for the provision or utilization of shared use parking. 1% shall be available for each percent of new surface parking spaces or parking structure spaces at grade or on the ground floor that are dedicated to public use at all times. 5% shall be available for every 25 spaces made available on site for shared parking by off-site primary users. 5% shall be available for every 25 spaces serving the residential development that are secured through off-site shared use arrangements.(maximum of 15%); *plus*
- 5% for every 10 units provided in adherence to HUD maximum rent established and maintained at the 80% AMI level and/or enhanced ADA accessibility (maximum of 10%); *plus*,
- 10% for each occupiable floor above seven (excluding any basement) when developing in the Central Core or Sports and Entertainment (maximum of 30%); *plus*,
- 5% for every 25 units produced in Cathedral, LaVilla or Central Core districts (maximum of 25%); *plus*
- 10% for a project of not less than 50 units located in Cathedral or LaVilla District; *plus*
- **Resilience**

### Grant Process:

1. The DIA staff would take the application from the prospective grantee, and make a recommendation based upon the Multifamily Housing REV program criteria above;
2. The DIA Board would evaluate the staff recommendation and reject or adopt a resolution approving a grant amount and time frame to be documented by a Redevelopment Agreement agreed to by the Applicant and executed by the Applicant and DIA.
3. City Council approval is not required for REV grants which comply with this program and DIA action is final.
4. No Multifamily Housing REV grant utilizing CRA resources shall be authorized by the Board if it exceeds the term, amount determined pursuant to the criteria above, or otherwise fails to meet the program criteria described above.