SUBJECT: Special Needs Rental Development – Funding to $700,000.00

BID #: ESC-0443-17 **OPEN DATE: 03/29/2017**

COMPETITIVE SEALED PROPOSAL EVALUATION COMMITTEE

KIND AND BASIS OF CONTRACT: Service Contract – May 1, 2017 through April 30, 2019

AGENCY: Housing and Community Development Division

BASIS OF AWARD: Highest Scoring Bidder Based On Evaluation Criteria

NUMBER OF BIDS INVITED: (18) NUMBER RECEIVED: (2) OTHER: (0)

SUMMARY OF BIDS AND RECOMMENDED ACTIONS:
Recommend approval to amend the contract with Metro North Community Development Corporation to consolidate the State Housing Initiative Partnership (SHIP) Rental Development contract and the HOME Investments Partnership (HOME) Rental Development contract. The HOME contract will add an additional $150,000.00 to the project. The amendment shall also reflect the following changes: a $200,000.00 increase awarded in accordance with Ordinance 2018-707E, and a revision in the scope of services from six (6) unit two-bedroom senior living apartment complex to one (1) building with six (6) units for senior living apartments and correct the contract end period September 30, 2039. Total revised expenditure amount is $1,050,000.00.

Funding will be in the form of a zero percent non-amortizing deferred payment loan for the term of the agreement. To be executed by formal contract amendment through the Office of General Counsel

ATTACHMENTS: Recommendation Memo, Table of Contract Revisions, Ordinance 2018-707E and Previous Awards

BUYER: _____ **RESPECTFULLY SUBMITTED** _____
Annette Burney
GREGORY PEASE, CHIEF
PROCUREMENT DIVISION

CONCURRENCE BY: Stephanie Burch, Director, Neighborhood Department

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(ALL AWARD ACTIONS SUBJECT TO LAWFULLY APPROPRIATED FUNDS)
ACTION OF CSPEC COMMITTEE ON RECOMMENDATIONS ABOVE

MEMBERS APPROVING _____ MEMBERS DISAPPROVING _____ DATE: _____

_____ _____ OTHER: _____

_____ _____

_____ _____

_____ _____

_____ _____

ACTION OF AWARDING AUTHORITY DATE _____

APPROVED _____ DISAPPROVED _____

OTHER _____

SIGNATURE OF AUTHENTICATION _____

City of Jacksonville, Florida

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Lenny Curry, Mayor

Neighborhoods Department
Ed Ball Building
214 N. Hogan Street, 7th Floor
Jacksonville, FL 32202
(904) 255-7200

MEMORANDUM

DATE: **February 26, 2019**

TO: **Greg Pease, Chief, Procurement Division**
Finance and Administration Department

02/26/19 14:34:22
Procurement Division

FROM: **Stephanie Burch, Director**
Neighborhoods Department S. Burch

RE: **ESC-0443-17 Special Needs Rental Development**

Metro North Community Development Corporation ("Metro North") was awarded the above referenced contract on April 13, 2017. Subsequently, Metro North entered into a State Housing Initiative Partnership ("SHIP") Rental Development Contract with the Housing and Community Development Division ("HCDD") on May 1, 2017 for an amount of $700,000 (the "Original Contract"). Metro North and HCDD entered into a second agreement, the HOME Investments Partnership ("HOME") Rental Rehabilitation Contract on September 15, 2017 for an additional amount of $150,000 (the "HOME Contract"). Since the time of the original contract, HCDD has identified inconsistencies and omissions with the contract terms and supporting documentation. HCDD desires to correct those inconsistencies and omissions with this request.

Pursuant to this request, HCDD is asking that the award and supporting contracts and documents referenced herein be amended to do the following:

- Consolidate the Promissory Notes and Mortgages so that there is one Promissory Note and one Mortgage and Security Agreement to evidence total funding of up to a maximum amount of $1,050,000. This is to reflect the currently outstanding amount of $850,000 plus an additional maximum of up to $200,000 that may be awarded at a later date.
- Consolidate the LURA's that currently are recorded against the property and include a requirement that the property serve only residents that fall below 80% AMI for Duval County and are 62 years of age or more.
- Correct the Scope of Services to reflect the current development which is one building with 6 units for senior living apartments.

A matrix representing the changes in the proposed documentation is attached to this request.

I appreciate your time and consideration in your review of this request. Please let me know if you have any questions or need further documentation. I may be reached at 255-8902 or stephanieb@coj.net.

Attachment

TABLE OF REVISIONS TO CONTRACT & LOAN DOCUMENTS

Metro North Community Development Corporation
Project: 10903 & 10927 Hidden Haven Court, Jacksonville, Florida 32218

Original Document	Revised/New Document	Summary of Revisions
SHIP Contract #8463-65	Amendment #2 to SHIP Contract #8463-65	Extends contract term to Sept. 30, 2039 (for consistency with the HOME Contract) Revises project/scope to include additional funding sources from HOME and IDIP for a new project total of $1,050,000, and clarifies project description Revises affordable housing AMI to 80% of AMI and clarifies eligible tenants Funding/construction completion by Sept. 30, 2019
HOME Contract #8463-66	Amendment #1 to HOME Contract #8463-66	Increases HOME funding by $41,964 for a new maximum of $191,964 Extends contract term to Sept. 30, 2039 (for consistency with SHIP contract) Revises project/scope (for consistency with SHIP Contract Scope - see summary of SHIP Contract)
SHIP Promissory Note for $700,000.00 HOME Deferred Note for $75,000 HOME Amortized Note for $75,000	Amended, Restated, and Consolidated Promissory Note	Amends, restates, consolidates, and replaces the SHIP Note, two HOME Notes; includes additional HOME funding of $41,964 and IDIP funding of $158,036 into consolidated loan of $1,050,000.00 Amends amortized principal to $275,000.00 for repayment in 180 consecutive installment payments of $1,527.78, commencing May 1, 2019 with the final payment date of Sept. 30, 2034
SHIP Mortgage and Security Agreement and HOME Mortgage and Security Agreement	Consolidation and Modification Agreement	Consolidates terms of the SHIP and HOME loan documents as well as includes the additional funding of $200,000 (HOME & IDIP) into one integrated obligation in the total amount of $1,050,000.00 Sets maturity date at September 30, 2034 Revises affordability period and affordability requirements to 80% of AMI with eligible tenants as 62 years of age or more
Land Use Restriction Agreement	Amended Land Use Restriction Agreement	Amends affordability period to Sept. 30, 2039 and affordability requirements that units can only be rented to eligible residents whose household income does not exceed 80% of AMI and are 62 years of age or more at the time of initial occupancy for consistency with the SHIP and HOME contracts

Leslie-Burney, Annette

From:	Burch, Stephanie
Sent:	Tuesday, March 05, 2019 11:47 AM
To:	Leslie-Burney, Annette
Cc:	Daly, Thomas; Stagner-Crites, Laura; Mierkowski, Kelly
Subject:	RE: ESC-0443-17 Special Needs Rental Development Contract Amendment
Attachments:	Metro North - Acceptance Letter.pdf; TD18-339 Hidden Haven Project.pdf

Hi Annette – per our conversation, please find attached the award letter for the $158,036 through the Infill Development Incentive Program. This loan is being funded through the IDIP, which was appropriated in 2018-707-E, which ordinance also waived the procurement code and chapter 118 (which allows us to issue this award outside of Procurement). Additionally, the remaining $41,964 was provided to this entity through the attached Transfer Directive that was completed last year. Please note that the TD was for $53,000, but we are not using all of that for this loan, just the $41,964.

Finally, I did confirm with staff that they did not previously go back through Procurement for the $150,000 funding, which is part of the reason why we are trying to keep everything above the line with this current request.

Please let me know if you need any further information for this request. Thank you!

Best regards,

Stephanie Burch, Esq.
Director
City of Jacksonville | Neighborhoods Department
214 N. Hogan Street, 7th floor
Jacksonville, FL 32202
Direct (904) 255-8902
Mobile (904) 580-1072
www.coj.net

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Please note that under Florida's very broad public records law, communications to and from City of Jacksonville officials are subject to public disclosure.

From: Leslie-Burney, Annette
Sent: Tuesday, March 05, 2019 11:27 AM
To: Burch, Stephanie
Subject: ESC-0443-17 Special Needs Rental Development Contract Amendment

Please call me regarding the above contract amendment. I have questions about the amounts and the two contracts.

Annette L. Burney
Purchasing Analyst
Procurement Division
Finance and Administration Department
214 N. Hogan Street, Suite 800
Jacksonville, FL 32202
Ph.: 904-255-8810
Fax: 904-360-8527
Email: aburney@coj.net

CITY OF JACKSONVILLE

*** **Privacy Act:** This communication may contain privileged or other official city information. If you are not the intended recipient or believe that you have received this communication in error, please reply to the sender indicating that fact and delete the copy you received. It is a violation of Federal Law to print, copy, retransmit, disseminate, or otherwise use this information.

Amended 11/27/18
Enacted 11/27/18

Introduced by the Council President at the request of the Mayor and amended by the Finance Committee:

ORDINANCE 2018-707-E

AN ORDINANCE APPROPRIATING $687,849.88 COLLECTED FROM THE AUCTION OF PROPERTIES ON THE CITY'S AFFORDABLE HOUSING INVENTORY LIST TO ESTABLISH THE INFILL DEVELOPMENT INCENTIVE PROGRAM (THE "PROGRAM") TO FURTHER THE AFFORDABLE HOUSING GOALS OF THE CITY, AS INITIATED BY B.T. 18-104; AUTHORIZING THE DIRECTOR OF THE NEIGHBORHOODS DEPARTMENT TO DEVELOP PROGRAM GUIDELINES; AUTHORIZING THE MAYOR, OR HIS DESIGNEE, AND THE CORPORATION SECRETARY TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO IMPLEMENT THE PROGRAM; WAIVING CHAPTERS 118 AND 126, *ORDINANCE CODE*, TO IMPLEMENT THE PROGRAM; PROVIDING FOR CITY OVERSIGHT BY THE NEIGHBORHOODS DEPARTMENT; PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED by the Council of the City of Jacksonville:

Section 1. Appropriation. For the 2018-2019 fiscal year, within the City's budget, there are hereby appropriated the indicated sum(s) from the account(s) listed in subsection (a) to the account(s) listed in subsection (b):
(B.T. 18-104 attached hereto as **Exhibit 1** and incorporated herein by this reference)

(a) Appropriated from:

1 See B.T. 18-104 $687,849.88

2 (b) Appropriated to:

3 See B.T. 18-104 $687,849.88

4 (c) Explanation of appropriation:

5 The funding above is revenue collected prior to the
6 repeal of Ordinance 2015-519-E that was derived from the
7 auction of properties on the City's 2015-2016 and 2016-
8 2017 Affordable Housing Inventory Lists approved by
9 Council in accordance with the former procedures set
10 forth in Ordinance 2015-519-E. Pursuant to Sections
11 166.0451 and 125.379, Florida Statutes, this funding must
12 be used for affordable housing purposes.

13 **Section 2. Purpose.** The purpose of the appropriation in
14 Section 1 is to establish the Infill Development Incentive Program
15 in accordance with the matrix attached hereto as **Revised Exhibit 2**,
16 labeled as "Revised Exhibit 2, Revised Matrix, November 19, 2018 -
17 NCSPHS" (the "Matrix") to further the affordable housing goals of
18 the City (the "Program"). The Program will provide up to $50,000.00
19 in grant funds for programs that include the following purposes:
20 paying back taxes on a property; paying nuisance liens or
21 administrative fines for property; paying for permit, mobility, or
22 other development fees; paying for attorney fees and court costs
23 for quiet title actions; paying for demolition of abandoned or
24 condemned property; providing funds for asbestos abatement or lead
25 paint or pipe abatement; and, providing funds for septic tank
26 repair or replacement for properties being developed for affordable
27 housing. The funds will also be used to provide loans up to 80% of
28 the total project costs for acquisition and rehab, new construction
29 or reconstruction, and rental rehab for affordable housing.
30 Applicants will receive funds on a first come, first served basis
31 as long as funding allows. Eligible properties must be located in a

low-moderate income census block or tract, and any back taxes, nuisance liens, or administrative fines to be paid are only eligible if incurred on the property prior to the applicant's ownership of the property. The applicant may not receive funding for applicant's homestead property.

Section 3. Authorization to develop Program guidelines. The Director of the Neighborhoods Department is authorized to develop Program guidelines consistent with the Matrix attached hereto as **Revised Exhibit 2**, labeled as "Revised Exhibit 2, Revised Matrix, November 19, 2018 - NCSPHS" regarding the application process and the manner in which grants and loans will be awarded under the Program.

Section 4. Authorization to execute documents. The Mayor, or his designee, and the Corporation Secretary are hereby authorized to execute and/or deliver any and all documents necessary to implement the Program, including but not limited to, grant agreements, loan agreements, loan documents, and other documents related to the Program.

Section 5. Waiving Chapters 118 (City Grants) and 126 (Procurement Code), Ordinance Code. As Chapters 118 (City Grants) and 126 (Procurement Code), *Ordinance Code*, are broad enough to be interpreted as applying to the Program, those chapters are hereby waived to grant the Neighborhoods Department the most flexibility in developing guidelines, solicitation procedures and form contracts more appropriate for an affordable housing program and consistent with the Council approved Matrix for the Program attached hereto as Exhibit 2. Specifically, the requirements in Chapter 118, Parts 1-5 are waived, which includes requirements related to audit reports, separate bank accounts and restrictions on the expenditure of funds. By waiving Chapter 118, Parts 1-5, the Neighborhoods Department will be able to develop a contract

form for the Program that is more suitable for an affordable housing program. Specifically, Chapter 126 competitive solicitation procedures are waived, which includes solicitation procedures related to advertising, request for proposals/invitation bid and awards. By waiving Chapter 126, the Neighborhoods Department will be able to develop solicitation procedures that are more suitable for the Program such as awarding contracts on a first come, first serve basis.

Section 6. Oversight Department. The Neighborhoods Department shall oversee and implement the Program.

Section 7. Effective Date. This ordinance shall become effective upon signature by the Mayor or upon becoming effective without the Mayor's signature.

Form Approved:

/s/ Paige H. Johnston

Office of General Counsel

Legislation prepared by: James R. McCain, Jr.

GC-#1250335-v1-2018-707-E.doc

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City of Jacksonville, Florida

Lenny Curry, Mayor

Neighborhoods Department
Ed Ball Building
214 N. Hogan Street, 7th Floor
Jacksonville, FL 32202

March 1, 2019

Jerome Crawford, Executive Director
Metro North Community Development Corporation
3103 N. Main Street
Jacksonville, FL 32206

RE: Infill Development Incentive Program

Dear Mr. Crawford,

Thank you for submitting your application for the Infill Development Incentive Program. The Neighborhoods Department has reviewed your Application and has approved your Loan request in the amount of $158,036.00 for the following properties:

- Project: Hidden Haven Ct., Jacksonville, FL 32218

At this time we are preparing the Loan Agreement and corresponding Note and Mortgage for your review and execution. Loan funds will be made available upon full execution of the Agreement and the recording of the Note and Mortgage. If there are any questions or concerns you may contact me by phone at 255-8283 or by email: ROwnby@COJ.Net.

Sincerely,

Robert Ownby
Housing Property Administrator

City of Jacksonville, Florida
Request for Budget Transfer Form

(9)

Neighborhoods / Housing and Community Development Division
Department or Area Responsible for Contract / Compliance / Oversight

Council District(s)

Reversion of Funds: N/A
(if applicable) Subfund / Indexcode / Subobject / Project Prj-Dtl / Grant Grt-Dtl

Fiscal Yr(s) of carry over (all-years funds do not require a carryov

Section of Code Being Waived (if applicable):

CIP (yes or no):

Justification for Waiver

N/A

Justification for / Description of Transfer:

To adjust HOME funded projects for demolition activities deemed necessary by additional project due diligence. Due to grant eligibility requirements, the demolition of the existing structures is being moved to CDBG. The HOME funds being released by this action are being transferred to another authorized project contract which requires additional funding to complete construction.

Total Amount Appropriated: $488,000.00 NET

CITY COUNCIL

Requesting Council Member: CM's District:

Requesting Council Member: CM's District:

Prepared By: Ordinance:

OFFICE OF THE MAYOR

☐ BUDGET ORDINANCE ☒ TRANSFER DIRECTIVE

TD / BT Number: TD18-339

	Date Rec'd.	Date Fwd.	Approved	Disapproved
Department Head		7/11/18		
Mayor's Office	JUL 2 3 2018			
Accounting Division	7-18-18	7/18/18		
Budget Division	7-11-18			

Date of Action By Mayor: JUL 2 3 2018

Approved:

Division Chief: Diana M. Saydlorsky, Chief

Date Initiated: 7/6/18

Prepared By: Laura Slagner, Director-Finance

Phone Number: 255-8279 / 255-7079

Initiated / Requested By (if other than Department):

APPROVED BY:
MAYOR'S BUDGET
REVIEW COMMITTEE
DATE JUL 2 3 2018

Budget Transfer Line Item Detail

TRANSFER FROM: (Revenue line items in this area are being appropriated and expense line items are being de-appropriated.)

Total: $ 976,000.00

Rev Exp	SF ID	Subfund Title	Activity / Grant Title	Line Item / Subobject Title	Amount	Accounting Codes: Indexcode	Subobject	Project	Prj-Dtl	Grant	Grt-Dtl
EXP	1N5	HOME INVESTMENT PROGRAM	HOME INVESTMENT GRANT / INVESTMENT IN AFFORDABLE HOUSING 17	3332 CANAL STREET / OTHER GRANTS AND AIDS	$ 38,000.00	ERCD1N5	08301	005742		PDC010	17
EXP	1N5	HOME INVESTMENT PROGRAM	HOME INVESTMENT GRANT / INVESTMENT IN AFFORDABLE HOUSING 18	1025 WEST 7TH STREET / OTHER GRANTS AND AIDS	$ 450,000.00	ERCD1N5	~~08301~~ 08304	005680		PDC010	18
REV	1N5	HOME INVESTMENT PROGRAM	HOME INVESTMENT GRANT / INVESTMENT IN AFFORDABLE HOUSING 17	MNCDC HIDDEN HAVEN COURT / DEPT OF HOUSING URBAN DEVELOPMENT	$ 38,000.00	ERCD1N5	331509	005691		PDC010	17
REV	1N5	HOME INVESTMENT PROGRAM	HOME INVESTMENT GRANT / INVESTMENT IN AFFORDABLE HOUSING 18	MNCDC HIDDEN HAVEN COURT / DEPT OF HOUSING URBAN DEVELOPMENT	$ 15,000.00	ERCD1N5	331509	005691		PDC010	18
REV	1N5	HOME INVESTMENT PROGRAM	HOME INVESTMENT GRANT / INVESTMENT IN AFFORDABLE HOUSING 18	NWJCDC PAYNE STREET / DEPT OF HOUSING URBAN DEVELOPMENT	$ 435,000.00	ERCD1N5	331509	005421		PDC010	18

TRANSFER TO: (Revenue line items in this area are being de-appropriated and expense line items are being appropriated)

Total: $ 976,000.00

Rev Exp	SF ID	Subfund Title	Activity / Grant Title	Line Item / Subobject Title	Amount	Accounting Codes: Indexcode	Subobject	Project	Prj-Dtl	Grant	Grt-Dtl
REV	1N5	HOME INVESTMENT PROGRAM	HOME INVESTMENT GRANT / INVESTMENT IN AFFORDABLE HOUSING 17	3332 CANAL STREET / DEPT OF HOUSING URBAN DEVELOPMENT	$ 38,000.00	ERCD1N5	331509	005742		PDC010	17
REV	1N5	HOME INVESTMENT PROGRAM	HOME INVESTMENT GRANT / INVESTMENT IN AFFORDABLE HOUSING 18	1025 WEST 7TH STREET / DEPT OF HOUSING URBAN DEVELOPMENT	$ 450,000.00	ERCD1N5	331509	005680		PDC010	18
EXP	1N5	HOME INVESTMENT PROGRAM	HOME INVESTMENT GRANT / INVESTMENT IN AFFORDABLE HOUSING 17	MNCDC HIDDENT HAVEN COURT / OTHER GRANTS AND AIDS	$ 38,000.00	ERCD1N5	08301	005691		PDC010	17
EXP	1N5	HOME INVESTMENT PROGRAM	HOME INVESTMENT GRANT / INVESTMENT IN AFFORDABLE HOUSING 18	MNCDC HIDDENT HAVEN COURT / OTHER GRANTS AND AIDS	$ 15,000.00	ERCD1N5	08301	005691		PDC010	18
REV	1N5	HOME INVESTMENT PROGRAM	HOME INVESTMENT GRANT / INVESTMENT IN AFFORDABLE HOUSING 18	NWJCDC PAYNE STREET / OTHER GRANTS AND AIDS	$ 435,000.00	ERCD1N5	08301	005421		PDC010	18

Williams, Lakeisha

From: Stagner-Crites, Laura
Sent: Monday, July 16, 2018 2:25 PM
To: Williams, Lakeisha
Cc: Adamson, Julie
Subject: RE: TD18-339 - TD for $488k

Lakeisha,

I just copied you in on a request to Mark Cavill to release that portion of the HOME budget that is associated with the demolition of the 3301 Almeda Street project site. Please note that the 3332 Canal Street parcel was originally part of the larger 3301 Almeda Street parcel. It is the demolition of the four structures on the original parcel (3301 Almeda) that are being moved to CDBG in the amount of $38,000.

Thanks!

From: Williams, Lakeisha
Sent: Monday, July 16, 2018 1:58 PM
To: Stagner-Crites, Laura
Cc: Adamson, Julie
Subject: TD18-339 - TD for $488k

Good afternoon,

I am in receipt of a TD request for a net appropriation of $488k:

1. Please indicate the specific demolition that is being moved to CDBG.
2. Please review the screenshot below as funding is not available to transfer $38k as requested.

SUBJECT: Special Needs Rental Development – Funding to $700,000.00

BID #: ESC-0443-17 **OPEN DATE: 03/29/2017**

COMPETITIVE SEALED PROPOSAL EVALUATION COMMITTEE

KIND AND BASIS OF CONTRACT: Service Contract – May 1, 2017 through April 30, 2019

AGENCY: Housing and Community Development Division

BASIS OF AWARD: Highest Scoring Bidder Based On Evaluation Criteria

NUMBER OF BIDS INVITED: (18) NUMBER RECEIVED: (2) OTHER: (0)

SUMMARY OF BIDS AND RECOMMENDED ACTIONS:
Recommend approval of award to Metro North Community Development Corporation, as the highest scoring vendor based on the evaluation criteria for Special Needs Rental Development for the Housing and Community Development Division. Period of service will be May 1, 2017 through April 30, 2019, in the not-to-exceed amount of $700,000.00.

Funding will be in the form of a zero percent non-amortizing deferred payment loan for the term of the agreement. To be executed by Formal Contract through the Office of General Counsel.

ATTACHMENTS: Recommendation Memo; Scoring Sheet; Evaluation Matrix; Scope of Services

BUYER: _____ CHELSEY RENFROE

RESPECTFULLY SUBMITTED _____ GREGORY PEASE, CHIEF PROCUREMENT DIVISION

CONCURRENCE BY: Diana Sevdlorsky, Chief of Housing and Community Development Division

(ALL AWARD ACTIONS SUBJECT TO LAWFULLY APPROPRIATED FUNDS)
ACTION OF CSPEC COMMITTEE ON RECOMMENDATIONS ABOVE

MEMBERS APPROVING 5 MEMBERS DISAPPROVING Ø DATE: 4/13/17

_____ OTHER: _____

_____

_____

_____

_____

ACTION OF AWARDING AUTHORITY DATE 4/13/17

APPROVED _____ DISAPPROVED _____

OTHER _____

SIGNATURE OF AUTHENTICATION _____

Sam E. Mousa
Chief Administrative Officer
For: Mayor Lenny Curry
Under Authority of:
Executive Order No. 2015-05