



Believe in
OutEast >>>

August 19, 2024

Jacksonville City Council
Special Committee on the Community Benefits Agreement
117 W Duval St, #425
Jacksonville, FL 32202

Dear Councilmembers,

On behalf of the Together Eastside Coalition, I thank you for the opportunity to present at the initial hearing of the Special Committee on the Community Benefits Agreement (CBA) on July 22. This letter is respectfully submitted to address comments, suggestions, and questions from the Special Committee, specifically related to the following topics:

1. Specific goals and investment targets
2. Goals related to distribution of resources across the entire neighborhood
3. Proposed governance structure
4. Tax-increment financing (TIF)

We look forward to further conversation at subsequent hearings of the Special Committee in August. Many thanks for your continued thoughtful and diligent engagement.

Very truly yours,

Daniel B. Nunn, Jr.
Partner, Nelson Mullins
On behalf of the Together Eastside Coalition

1. Specific goals and budgetary estimates

The Coalition heard a directive from the Special Committee to provide time-defined and specific goals and investment targets that align with City priorities. We are confident that the following goals and budgetary estimates will fulfill this directive.

The Coalition intends to pursue two categories of strategic investments using resources generated from the CBA: (1) Affordable and Attainable Housing; and (2) Economic Development, Amenities, and Infrastructure.

Affordable and Attainable Housing

KEY INVESTMENTS

1. Support **capital needs for development of long-term affordable, attainable and sustainable housing** (e.g., gap funding, down payment assistance).
2. Maintain residence through support for **obtaining clear titles/heirs' properties**, homesteading designation, and support for back taxes owed.
3. Maintain and upgrade residence through **property improvements** to meet building code and/or resident needs.

MEASUREABLE OUTCOMES: 3-YEAR TARGETS

- At least **125 owner-occupied homes repaired**, with a priority focus on seniors with homestead exemptions and residents below predetermined household income threshold.
- At least **125 vacant properties redeveloped** into high-quality, owner-occupied homes.
- At least **100 units of new, affordable and/or workforce multifamily housing** delivered in the neighborhood.

Economic Development, Amenities, and Infrastructure

KEY INVESTMENTS

1. Support the creation of a **commercial corridor and capital improvement district** eligible for set-aside funding for corridor master plan implementation, development incentives, historic building rehabilitation, infill development support, and streetscape improvements.
2. Promote and support **small businesses and workforce development** with loans, grants, and education programs.

MEASUREABLE OUTCOMES: 3-YEAR TARGETS

- At least **five (5) underutilized commercial parcels** (either empty buildings or vacant parcels) will be redeveloped into functioning commercial buildings.
- At least **10 new brick and mortar business** locations will be created.
- At least **75% of existing businesses will experience growth** and/or improved business metrics (e.g., additional employees, greater revenue, increased profitability).
- At least **100 Eastside residents** will receive training to advance their careers and job placement opportunities.

Investment Targets

	Year 1 (FY '25-'26)	Year 2 (FY '26-'27)	Year 3 (FY '27-'28)
Affordable and Attainable Housing			
Support capital needs for development of long-term affordable, attainable and sustainable housing, preferably by non-profit entities (e.g., gap funding, down payment assistance, interest-rate buydowns).	\$ 4,000,000	\$ 3,000,000	\$ 3,000,000
Maintain residence through support for obtaining clear titles/heirs' properties, homesteading designation and payment of back taxes owed.	\$ 400,000	\$ 400,000	\$ 200,000
Maintain and upgrade residence through property improvements to meet building code and/or resident needs.	\$ 1,500,000	\$ 1,500,000	\$ 1,000,000
Economic Development, Infrastructure, and Amenities			
Support the creation of a commercial corridor and capital improvement district eligible for set-aside funding for commercial corridor master plan implementation, development incentives, historic building rehabilitation, infill development support, and streetscape improvements.	\$ 4,500,000	\$ 3,000,000	\$ 3,000,000
Promote and support small businesses, entrepreneurship, and workforce development with loans, grants, and education programs. Emphasize alignment with in-demand industries (e.g., construction, maritime).	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Annual Total	\$ 11,900,000	\$ 9,400,000	\$ 8,700,000

2. Goals related to distribution of resources across the entire neighborhood

The Coalition was designed from its inception to advocate for the five historic neighborhoods of the Historic Eastside: Fairfield, Oakland, Campbell's Addition, Phoenix, and Long Branch. (Indeed, the "Believe in OUTEAST" logo with the five colors represents those neighborhoods.)

Members of the Coalition acknowledge that many of the most recent efforts and investments from partners have focused on the southern part of the neighborhood (i.e., Fairfield, Oakland, and Campbell's Addition). This is due to the practical realities of addressing areas of the neighborhood that are experience the most pressure. However, the Coalition reiterates its goal to distribute resources across all five neighborhoods moving forward.

3. Proposed Governance Structure

The Coalition wishes to clarify one point that we may not have adequately addressed in our presentation. As was noted, co-investment by local governments alongside sports team funding is a growing trend in community benefits agreements. With that said, in every community benefits agreement with sports teams that we have reviewed, the team funding goes directly to a non-profit and not to, or through, the City. In some cases, the allocation of these funds among different programs are advised (but not directed) by a "CBA Board." For example, The Buffalo Bills' CBA creates a community benefits oversight committee to (i) work with the Bills to identify community priorities and (ii) monitor compliance by the Bills with the CBA; ultimately, however, the Bills determine the allocation of its annual \$3 million community investment.

Our governance proposal is built on the following core principles and practical realities:

- Community engagement is the most important element to any redevelopment plan.
- Investment of public funds requires accountability and transparency.
- Governments should leverage existing programs and non-profit organizations currently serving the Eastside.

The Together Eastside Coalition proposes that:

- A 501(c)(3) organization be designated to receive and allocate funds from the Community Benefits Agreement in accordance with a plan approved by the City Council. This may be a newly-formed entity or a trusted existing entity.
- Governance and administration will be overseen by a board of directors with seven members designated as follows: (i) one director designated by the City Council; (ii) one director designated by the Mayor; (iii) one director designated by the Jaguars; (iv) three community leaders designated by the Together Eastside Coalition; and (v) one director unanimously appointed by the other six directors.
- The non-profit will work directly with designated City staff (e.g., leadership from the Office of Economic Development) to provide guidance and ensure alignment with City priorities and best practices (e.g., contracts, RFPs).
- The non-profit will file annual reports with the Mayor and the City Council, including audited financial statements. The non-profit will provide the Council Auditor access to any information requested from time to time.

The Together Eastside Coalition believes that this model is the best governance model for the CBA for the following reasons:

- The use of a non-profit to administer the plan creates efficiencies and reduces burdens on the City Council without sacrificing accountability.
- The use of a non-profit also encourages community engagement in a community that traditionally has had a tenuous relationship with local government and reinforces public trust at a time when public trust in politically appointed boards has suffered.
- The use of a non-profit will help assure continuity of the redevelopment plan through changes in administration while still being accountable to the City Council.

The non-profit that administers the Eastside focus would have corporate governance elements to ensure that (i) directors are well-qualified; (ii) conflicts of interest are avoided; and (iii) the highest levels of accountability, transparency and corporate governance are built into the organization.

4. Tax-increment financing (TIF)

The Coalition advocates for the use of thirty-year tax-increment financing (TIF) to support the long-term sustainability of the work in the neighborhood. While the Coalition believes a TIF is a highly impactful tool for the goals set out under the CBA, the Coalition also believes that a TIF should only be put in place under the appropriate conditions. To that end, the Coalition proposes the following:

- The Historic Eastside qualifies for designation as an urban infill and redevelopment area (“UIRA”) and for use of tax-increment financing.
- Like community redevelopment agencies (“CRAs”), UIRAs are authorized under Chapter 163, Florida Statutes, to address problems created by slums and blight.
- UIRAs have stricter qualification requirements than CRAs, as CRAs also may be used to redevelop tourist areas. UIRAs also differ from CRAs in that (i) they require a collaborative, community participation process and a shared governance model and (ii) UIRAs may be administered by a non-profit created for that purpose.
- Tax-increment financing should be reserved for community redevelopment agencies and urban infill and redevelopment areas.
- The non-profit will prepare a redevelopment plan for Historic Eastside that will be subject to City Council approval. No public funds may be utilized by the non-profit until such approval.
- After 15 years, the Council will evaluate whether the blight, poverty and unemployment conditions in the Eastside have been substantially remediated. If so, the City Council may reduce the percentage of tax-increment revenues to a percentage less than 95% (but not less than 50%).
- The strict requirements for establishing an urban infill and redevelopment area will discourage the arbitrary use of tax-increment financing where it is not warranted.

**Appendix A:
Urban Infill and Redevelopment Area (“UIRA”)
vs
Community Redevelopment Agency (“CRA”)**

<u>Topic</u>	<u>UIRA</u>	<u>CRA</u>
Statutory Authority	Growth Policy Act F.S. 163.2511 - 163.2520	Community Redevelopment Act of 1969 F.S. 163.330 - 163.463
Purposes	Promote urban infill and redevelopment in urban center to promote health and vibrancy of urban core. F.S. 163.2511	Prevent spread of blight and slums, reduce crime, provide affordable housing, revitalize tourist areas. F.S. 163.335
Community Participation	UIRA requires an extensive neighborhood participation process to develop and implement redevelopment plan. F.S. 163.2517	CRA allows public input but is a “top-down” model. F.S. 163.360
Financing	May utilize tax-increment financing. F.S. 163.2520	May utilize tax-increment financing. F.S. 163.387
Administration	Must include a shared governance model with City and community representatives. May be administered by a non-profit. F.S. 163.2517	CRA is a public agency with appointed board, typically by City Council. F.S. 163.356 - 163.357
Redevelopment Plan	Must develop, with community participation, a holistic redevelopment plan that includes, among other things, public/private partnerships, coordination with schools and crime reduction strategies. F.S. 163.2517	Must adopt redevelopment plan but requirements are more limited. F.S. 163.360
Reporting Requirements	Non-profit should be subject to same reporting and audit requirements as CRA.	CRA must provide annual reports with most recent audit report, performance data and a summary of goals achieved. F.S. 163.371
Method of Adoption	Created by City Council Ordinance (no further study required). Redevelopment plan must also be adopted by ordinance. F.S. 163.2517	Requires study of area before CRA may be created. F.S. 163.355

Appendix B: Stakeholders Engaged in Eastside Focus

TOGETHER EASTSIDE COALITION

- Alice Nelson, Resident
- Avery McKnight, Business Owner
- Alice Kimbrough, Resident
- Noriko Floyd, Commercial Property Owner
- Dana Miller, Business Owner
- Brandie Stallings, Residents
- Pastor Chris McKee, Faith Leader
- Honey Holzendorf, Community Advocate
- Ivy Henderson, Resident
- Dawn Curling, Business Owner
- Suzanne Pickett, Nonprofit Leader
- Ennis Davis, Urban Planner
- Ariane Randolph, Resident
- Travis Williams, Nonprofit Leader
- David Garfunkel, Nonprofit Leader
- Sherika Carter, Commercial Property Owner
- Dr. Rudy Jamison, Future Resident

EXTERNAL SUBJECT MATTER EXPERTS

- Jim Brooks, Purpose Built Communities
- Nina Sickler, COJ Public Works
- Ed Randolph, COJ OED
- Joshua Hicks, COJ Housing
- Shannon Nazworth, Ability Housing
- Monte Walker, Habijax
- Dr. Irvin PeDro Cohen, LISC
- Dorcas Gilmore, Just Futures PBC
- John Everett, KHA
- Carlton Robinson, JAX Chamber
- Dane McGraw, Goodwill
- Dr. Cedrick Gibson, FSCJ
- Brian Bergen, COJ OED
- Gregory Grant, COJ JSEB
- Chaundi Randolph, Nixon Peabody
- Daryl Joseph, COJ Parks