



OFFICE OF THE CITY COUNCIL

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SPECIAL COMMITTEE ON THE COMMUNITY BENEFITS AGREEMENT

August 12, 2024

9:00 a.m.

City Council Chamber

Attendance: Raul Arias (Chair), Jimmy Peluso (Vice Chair), Nick Howland, Will Lahnen, Ken Amaro

Excused: Tyrona Clark-Murray

Also: Council Members Matt Carlucci, Randy White, Michael Boylan, Joe Carlucci (arr. 9:28), Mike Gay (arr. 9:43); Vanessa Galan, Maritza Sanchez – Legislative Services Division; Phillip Peterson – Council Auditor’s Office; Jeff Clements – Council Research Division; Steve Cassada – Public Information Division; Mary Staffopoulos, Carla Lopera – Office of General Counsel; Darnell Smith, Joe Inderhees, Mike Weinstein, Bill Delaney - Mayor’s Office; Anna Brosche – Finance Department

Meeting convened 9:02 a.m.

Chairman Arias convened the meeting and the attendees introduced themselves for the record. Council President White thanked the group for the great work they are going to do on this important issue.

Eastside Wrap-up

David Garfunkel, President of Lift Jax, addressed 4 issues raised by the committee at its last meeting regarding his presentation there: 1) provide specific goals, investment targets, timelines, etc. 2) provide goals for the distribution of benefits across the entire Eastside area; 3) propose a governance structure for use of the CBA funds; 4) provide more information on the proposed tax increment financing (TIF) mechanism. Regarding item 1, Mr. Garfunkel said they envision a 50/50 split of the funding between affordable housing purposes and community amenities. He can provide a report on their progress to date on projects in the area. Regarding item 2, the group is committed to serving the entire Eastside area and all 5 historic neighborhoods, starting on the south end but moving north from there. Regarding item 3, he said the proposal is to use a 501(c)(3) organization, either existing or new, to handle the projects, with a great deal of community engagement because the investment of public funds requires transparency and accountability to the community. Regarding item 4, he said there are different ways to structure an entity to capture and use funds in a specific area, including via a Community Redevelopment Area (CRA) or an Urban Infill and Redevelopment Area (URIA). He said consideration could be given to stepping down the percentage of the reserved tax increment over a period of years as the area redevelops.

Council Member Peluso suggested the possibility of a larger City investment up-front and a smaller or no tax increment element as an alternative. Council Member Amaro asked who the members of a new 501(c)(3) governing organization would be. Mr. Garfunkel said they should be members representing the participating parties and suggested 7 members including representatives of the City Council, Mayor's Office, Jacksonville Jaguars, the Eastside neighborhood (3 members), and 1 member chosen by the other 6. Council Member Matt Carlucci asked about progress on the Debs Store project. MR. Garfunkel said it will get a certificate of occupancy in a couple of weeks and there will be a grand opening ceremony shortly thereafter. Mr. Carlucci also asked about the status of the RFK Community Center. MR. Garfunkel said it still serves the community and is a possible site for more investment and more services. Mr. Peluso asked if the CBA board's public members would all be Eastside residents. Mr. Garfunkel said not necessarily, noting that Lift Jax has a combination of area residents and non-resident subject matter experts. Mr. Peluso wants Eastside residents to be in control of the body. The Office of Economic Development will provide staffing.

Chairman Arias asked how the committee wanted to deal with the TIF idea, whether in this committee or through a separate follow-up committee. Mary Staffopoulos of the Office of General Counsel said that matter falls within this special committee's general charge but the Chair could work with the Council President to see about dealing with the board and a possible TIF separately. Council President White said he would appoint a subsequent special committee, which could possibly be an extension of the current committee, after Ordinance 2024- 905 is dealt with by the council. Ms. Staffopoulos said this committee is primarily concerned with where the dollars will be distributed and that needs to be done by the August 27th City Council meeting to comply with the committee's charge. A subsequent effort can deal with the implementation side of the allocations, discussing the CBA board, tax increment mechanism, etc.

Countywide Strategic Focus

Joe Inderhees, Mayor's Deputy Chief of Staff, introduced the multiple speakers who would be addressing this issue.

Aundra Wallace, President of the Jax USA Partnership, said talent growth is the number one economic development issue in Jacksonville because a good education is the key to having choices and opportunities to improve one's life. Workforce development is key to Jacksonville's economic future. Talent is the new currency. Jacksonville is the #2 job growth market in the US and he would like to see it be number one.

Anna Lebesch, Senior Vice President for Strategy and Talent Development for the JAX USA Partnership, discussed the importance of getting some kind of education beyond high school because higher education, professional certifications, etc. all lead to better jobs and higher wage opportunities throughout life. Jacksonville has lots of good industries and they are looking for over 130,000 good employees currently. Most require more than a high school diploma, either an advanced degree or a certification of some kind, although only 36,000 require a 4-year college degree.

Tracye McDaniel, President of TIP Strategies, representing JAX USA Partnership, addressed the importance of strategic planning for the CBA to have its maximum impact. The overarching themes that determine whether a CBA will be successful or not are communications and engagement, governance structure, and accountability.

An example of a best practice in communications and engagement is the Nashville Soccer Club and its Stand Up Nashville CBA. The CBA invests in affordable housing near the stadium and in local services

and facilities. It receives considerable local input and has a robust communications and engagement strategy.

An example of a best practice in Governance structure is the Regional Economic Acceleration and Development Initiative (READI) initiative in Ft. Wayne, Indiana. It is managed by a 7-member review committee, is data-driven, has actionable plans, and leverages state grants and private philanthropy.

A best practice in accountability is Ready to Work (RTW) in San Antonio. The organization has a good website, online resources, media partnerships, and a performance tracker dashboard. The program includes child care, transportation and emergency financial support.

With regard to which some CBAs fail, Ms. McDaniel said they tend to have no long term commitment, lack direction, have insufficient buy-in, no enforceability, and a non-sustainable funding stream.

Council Member Matt Carlucci said it's important that CBA benefits be distributed fairly to all residents. Ms. Lebesch said needs vary greatly by each person – transportation, training, child care needs, etc. You need to really understand what people need and what they are facing in order to be successful.

Jacksonville Jaguars

Jacksonville Jaguars President Mark Lamping discussed the team's commitment to the CBA. The team is anxious to see improvements extend beyond the stadium to the Eastside area and the whole city. The Jaguars originally committed to invest \$100M and agreed to that to \$150M if the City would invest in the CBA. The Jaguars will add \$1 additional for every \$3 the City invests to reach the additional \$50M. \$75M of the first \$100M will go to Out East, with \$1M/year going to downtown park maintenance. Council Member Peluso asked whether the Flex Field needs to be repurposed immediately and whether the \$10M for that purpose could be distributed as \$1M to each at-large council member for capital improvements and the rest to other Eastside uses. Mr. Lamping said the Jaguars' primary focus is on the riverfront parks so they have no opinion on the Flex Field funding. Ms. Staffopoulos said the Flex Field element was in the original CBA approved by Ordinance 2024-904 so a change would need to be re-negotiated with the Jaguars since it has already been approved.

JSEB

Gregory Grant, JSEB administrator, talked about the many ways that his office works with small businesses. Last week his office had a contracting opportunities meeting and lots of JSEBs were there. He discussed his offices "two pillars" - education/equity and access to capital. He believes strongly in career development and small business management training. The JSEB office offers some staffing assistance to small companies. Today his office launched a JSEB Readiness Program in conjunction with FSCJ to offer training and readiness resources to entrepreneurs. They are also launching a Capital Access Program through the Office of Economic Development for equipment grants and low interest loans.

Dr. John Wall, Vice President for Academic Affairs with FSCJ, said workforce development is baked into their mission – training and education for workers and social services to support them. They are trying to generate upward social mobility through their offerings. FSCJ offers many more programs and certificates than most people realize, educating everyone from high school completion and GED Courses to certificates to associate and bachelor's degrees, all workforce-related. There is lots of overlap between basic skills training and higher education in areas like computers and technology. FSCJ offers hundreds of industry certifications developed by industries to their exact specifications. Workforce training has to be flexible to meet a wide variety of learning needs - online, face to face, in a compressed format, on evenings, weekends, etc. FSCJ has advisory boards made up of industry representatives to make sure their

offerings are appropriate and teaching what is needed in the industry. Many programs are stackable pathways – each new level of training builds on the level already completed and adds to the skill level and earning potential. There is a need to be in constant alignment with the education system, industry expectations, and the workers themselves. Social services are a critical component to success in education. FSCJ has partnerships with businesses and support agencies to package what student need to help them be successful.

Council Member Peluso praised the work FSCJ does and asked what FSCJ programs cost. Dr. Wall said non-degree programs cost \$4-5,000 to earn a certificate; degree programs are about \$12,000 a year. He said it is Important to remember that the wrap-around services are vital – having financial aid to pay for a course is great but if you have transportation or child care issues then tuition assistance may not be of any use. Council Member Howland asked if credits for technical courses are transferable to 4-year institutions. Dr. Wall said by and large they are, but not in all cases. Mr. Howland asked if certifications from other FSC institutions are transferable; Dr. Wall said they are due to a unified state curriculum for state colleges. Mr. Howland asked if FSCJ is looking at a training center in the Eastside. Dr. Wall said they are looking at options and have had discussions with Goodwill about what they’re doing in that area. Council Member Boylan asked if FSCJ has been identified for a specific share of the CBA funds. Dr. Wall said they are laying out options for the City to consider; they don’t have a specific ask or allocation. Mr. Boylan said more specificity is needed on how the dollars will be spent and by whom before the committee finishes its work. Council Member Joe Carlucci asked what it would take for FSCJ to double the number of certificates it issues. Dr. Wall said the biggest issue is the student persistence rate – the percentage of students who start a program that get all the way to the end. Over 50% of people who start at FSCJ don’t finish a program because life gets in the way. There is also a need for more capacity in space, equipment, and faculty to train more people.

Chairman Arias asked about the college’s relationship with the military. Dr. Walls said FSCJ has a presence on both area bases and has an articulation agreement with the military to give credit for skills that people come out of the military possessing. In response to a question from Mr. Arias, Taylor Mejia, Director of Government and Community Relations at FSCJ, said FSCJ did not receive any funding from the City for workforce development in the last several years since former Council Member Newby’s Operation Boost project several years ago (\$150,000). Dr. Wall said the college’s Fire Training Center on the Southside needs updating and expansion. It trains fire personnel from around the country because of its capabilities. Ms. Mejia said FSCJ has been unsuccessfully seeking state funding for that training center, specifically the burn building. It could be a \$7M project, perhaps split 50/50 by the City and FSCJ. Council President White said that is a high priority project for him.

Closing the Prime Age Employment Gap

Dr. Saralyn Grass, CEO of the Kids Hope Alliance said KHA is already doing a lot with workforce development. They contract with over 150 entities and spend \$6M a year on workforce development programs. The agency has identified 38 Census tracts with high employment gaps. Ronnie King, President of 100 Black Men of Jacksonville, introduced student participants in a computer coding program run by his organization to talk about their experience with the program. Dr. Grass said KHA has a program with FSCJ to serve people coming out of incarceration with educational and workforce development needs.

Overcoming Hurdles

David Rey, President and CEO of Goodwill Industries of Northeast Florida, talked about the agency’s mission to help people remove barriers and achieve success. He reviewed the litany of potential barriers

to success and described the agency's four programs: Take Stock in Children, A-Step (adult education and workforce training), Mayor's Youth at Work Partnership, and Goodwill retail thrift stores.

Mr. Rey said Goodwill's success comes from 3 factors: 1) intensive wrap-around social services and one-on-one support; 2) opportunity and funding; and 3) collaboration with a wide variety of partner agencies. Goodwill's target audience is ALICE (Asset Limited, Income Constrained, Employed) residents. He said 27% of households in Jacksonville are ALICE; 14% of households live in poverty; and 41% of the population can't afford the basic essentials of life. Transportation, child care, a criminal background, lack of educational credentials, and the "benefits cliff" (earning just enough to lose public benefits) are tremendous barriers to a lot of people.

Council Member Peluso asked about Goodwill's new Timuquana campus; Mr. Rey said it is a full-service career center. Goodwill has asked the City for funding to partner with FSCJ and the Home Builders Institute to equip a facility to provide training for basic construction trades. Council Member Boylan asked why the City should best invest in Goodwill using CBA funds – what does it do better than any other agency? Mr. Rey said they have great success with the intensive case management program. Chairman Arias asked what Goodwill does on the Eastside. Mr. Rey said the Debs Store, which is both a retail grocery and a workforce training center. Mr. Arias asked how much funding Goodwill gets from the City - \$180,000 for the A-Step program last year and \$150,000 in previous years. Council Member Howland said he is seeking to get \$200,000 into the upcoming budget for the Debs Store project.

Affordable Housing and Homelessness

Josh Hicks, Affordable Housing Administrator in the Neighborhoods Department, discussed the large unmet demand for affordable housing and the tremendous burden on many household budgets from high rents. The Jacksonville economy has not been producing nearly enough new housing since the Great Recession of 2008 as the area's population has boomed. Mr. Hicks said affordable housing is basic infrastructure for a functional society. The CBA includes \$10M in City funding (\$2.5M per year for 4 years, plus whatever is allocated from the Jaguars' funds) for affordable housing purposes. His recommendations for using those funds are: 1) a local capital stack fund to be used by community partners to finance affordable housing construction; 2) an affordable housing tap-fee fund (paying JEA utility connection costs), and 3) support the Jacksonville Housing Finance Authority. Other options include: 1) a down-payment assistance program; 2) a rehabilitation and repair program; and 3) rental assistance and eviction diversion program.

Chairman Arias asked about progress on implementing the recommendations of the Council's Special Committee on Homelessness. Mr. Hicks said \$1.2M was allocated to JHFA and needs legislative action to be expended. There's another \$1M for the Homelessness Initiatives Task Force to allocate. Council Member Howland asked about a report that rental rates may be beginning to ease while local income continues to rise and whether that shows that the housing situation is easing. Mr. Hicks agreed that is happening but said there is still a huge demand for a limited supply of housing. About 4,000 units of affordable housing are under construction will be opening by the end of next year. He said the City invests between \$10M and \$15M a year using in housing using local and state funds. Council Member Boylan noted that Jacksonville Area Legal Aid's eviction diversion funding was not included in the mayor's budget this year. Mr. Hicks said his department just finished the RFP process for spending the \$2M that was allocated for affordable housing in the mayor's transition budget and 2 candidates are being evaluated. Any pilot programs funded by the transition process can't be funded in the budget until the administration provides metrics and success measures by the end of this year to prove their worth. Council Member Peluso said several decisions need to be made on the schedule for spending the CBA

funds. Over what period of years? Eastside priorities first and citywide later? Mr. Staffopoulos said the CBA Committee would decide the expenditure details after the Council approves the supplemental CBA (2024-905) and it gets approved by the NFL owners in October. There is a defined payment schedule that was distributed at a Finance Committee meeting that outlines the spending by years for the Eastside and countywide allocations.

Council Member Matt Carlucci asked about the local capital stack. Mr. Hicks said it was \$10M to leverage another \$30M in private funding but was cut out of the budget last week by the Finance Committee.

Leveraging of Funds

Barney Smith, board chair of the Jacksonville Housing Finance Authority, described the JHFA's mission and operations, noting that the authority does not get any operational funding from the City. He said the JHFA could serve as the board for managing the CBA's affordable housing initiatives. Over the last 10 years the JHFA has issued \$424M in housing bonds to finance 5,500 units of affordable multi-family housing. It has also assisted in 814 first mortgage loans and \$5.9M in mortgage downpayment assistance. Mr. Smith said the JHFA offers experience and a history of leveraging private funding and could do a good job managing the CBA affordable housing funds. Council Member Peluso asked if JHFA could finance Jacksonville Housing Authority projects – Ms. Smith said JHA can issue its own bonds without tax credits or JHFA could assist in tax credit projects. He said JHFA can provide gap financing that could help make projects work. Council Member Howland noted that the City, contrary to some popular opinion, is and has been investing tens of millions of dollars in affordable housing for years through the JHFA, JHA, and other spending initiatives. Chairman Arias asked if the City could use its current affordable housing investments as a match to the Jaguars' funds in the supplemental CBA. Ms. Staffopoulos said that is a matter for negotiation between the City and the Jaguars because the CBA is not specific on that point.

Cost Savings

Shannon Nazworth, President and CEO of Ability Housing, described her agency's mission and projects. She described the results of the lack of affordable housing – reduced health outcomes, poorer educational outcomes, diminished economic resiliency and mobility. Jacksonville has done a tremendous job of addressing homelessness over the last decade, but the nature of the housing market changed drastically in the last 2 years making housing unaffordable for many more people. She said the lack of affordable housing is the root cause of homelessness, not mental health or substance abuse issues as is commonly thought. A study done in conjunction with the State of Florida found a cost savings of 30% when comparing the cost of making a community investment in tackling homelessness directly versus spending the money on arrests, incarceration, and indigent health care for the homeless.

Council Member Howland challenged the assertion that the root problem of homelessness is a lack of housing. Ms. Nazworth gave several examples of how that is in fact the case, including the fact that Jacksonville has seen a jump in the number of homeless senior citizens in the last couple of years because they are on fixed incomes and they can't keep up with rapidly rising housing costs. Chairman Arias said he doesn't see a crisis given the numbers from the annual homeless census. Ms. Nazworth said that number had been going down for several years but ticked up in the last 2 years and the cost of housing is easing somewhat but not enough to make a real difference. She said if we don't generate more affordable housing then our children won't be able to afford to live here and we'll lose our sense of community. Mr. Arias said Jacksonville has a homelessness problem like every other city in Florida, that's not a crisis

solely for Jacksonville. Nazworth said Jacksonville is not the low--cost housing market it used to be so will not be the place where people go to find affordable housing in Florida.

Homelessness Strategy

Tracey Polson, Director of Strategic Partnerships for the Mayor's Office, said the City's goal is "functional zero" homelessness in 5 years, with homelessness never being more than a short-term, 1-time event in a person's life. The passage of a new state law in the last legislative session makes cities liable to lawsuits filed by citizens when homeless people sleep on public rights-of-way and are not provided with a shelter space. A working group of 20 people put together a 12-point plan to deal with the impact of the state law change. Wrap-around social services are vital to the solution. The mayor did not want to create a tent city for the homeless as the state law provides as an option for compliance. Ms. Polson said the city needs to increase available shelter beds with the use of hotel rooms as a backup. All decisions must be driven by data about what does and doesn't work. Council Member Howland said the Mayor Curry administration was working before it left office on bringing the Sarasota "carrot and stick" model to Jacksonville combining enforcement with incentives to get the homeless into housing. He asked how much of \$13M allocation for homelessness would be needed just to comply with the state law. Ms. Polson said City staff and General Counsel's Office are working on legislation that would make our Code more like the Sarasota model with emphasis on incentives, not arrests. Mr. Howland said he understands the current homeless shelters typically operate at about 70% capacity and wondered if we really need more capacity. Ms. Polson said the key to complying with the new state law is knowing what capacity is available and where and for which kinds of beds at all times so the Sheriff's Office can immediately refer someone found sleeping in the open to an available bed. In response to a question from Chairman Arias, Ms. Polson they didn't do a plan just to comply with the state law but trying to actually solve the problem.

Council District Funding

Daryl Joseph, Director of the Department of Parks, Recreation and Community Services, said the current plan is to allocate \$1M to each council district for to do items in the recreation master plan that the district council member thinks are most important. Any project of \$100,000 or over requires full Council approval, while items below \$100,000 can be done by council members directly by filing a form. Council Member Peluso said some districts have more parks and some less and asked if these dollars could be used for other non-recreation capital uses if council members have other more pressing needs. Assistant Council Auditor Phillip Peterson said they could, like the uses permitted by the 2008 Autumn Bond funds, but only if the CBA is renegotiated. It currently says that each council district will get \$1M for a single recreation project, so that would need to get changed before final adoption. Mr. Peluso said he will suggest allowing alternate uses, to which Chairman Arias agreed.

Public Comment

Rose Pierre said the CBA agreement is history in the making and togetherness is what makes it possible. The Eastside has been neglected for too long and needs to be unified to make progress. She doesn't want one organization, dominated by the Eastside Coalition, to be in charge of all the funds.

Tellisa Robinson said there are other perspectives than just the Eastside Coalition that need to be solicited and considered.

Shereline Redden with Jacksonville Youth Works said her group targets young adults ages 18-24 for crime prevention through positive activities and workforce training. Her group is innovative and wants to be a part of improving the neighborhood.

Ryan Hoover with Vestcor hoped that funds would be allocated to the JHFA for affordable housing purposes as mentioned earlier.

Barry Schuster said many Eastside residents suffer from poor nutrition and he would like to put a grocery store and health clinic on A. Phillip Randolph Avenue adjacent to the impending Armada soccer stadium. He would like to have his proposal considered for CBA funding.

Dawn Gilman with Changing Homelessness said the main takeaway from today's presentations is that everything is intertwined and connected - housing, health, schools, businesses, employment, etc. The cost of doing nothing is more than the cost of doing something.

The committee's next meeting will be tomorrow at 3 p.m.

Meeting adjourned 12:44 p.m.

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Posted 8.12.24 5:00 p.m.