

Habitat for Humanity of Jacksonville, Inc.

Technical Assistance Panel
March 31-April 1, 2015 | Jacksonville, Florida





About ULI

The Urban Land Institute (ULI) is a nonprofit education and research institute supported by its members. Its mission is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. Established in 1936, ULI has more than 37,000 members worldwide representing all aspects of land use and development disciplines. The North Florida District Council was formed in 2005 and has more than 400 members in 34 counties including Jacksonville, Gainesville, Tallahassee, Panama City and Pensacola.

What are Technical Assistance Panels (TAPs)?

Technical Assistance Panels (TAPs) are one- to two-day panels convened by the local ULI District Council at the behest of a community, public entity or private enterprise (Sponsor) facing real estate or land-use issues. The District Council assembles a panel composed of highly qualified professionals chosen for their knowledge of the issues facing the Sponsor. The interdisciplinary team of seasoned real estate professionals may include land planners, architects, financiers, developers, appraisers, attorneys and brokers who are well qualified to provide unbiased, pragmatic advice on complex real estate issues. Panel members are not compensated for their time, but they are reimbursed for out-of-pocket expenses, such as overnight lodging and transportation to attend the TAP. To ensure objectivity, panel members cannot be involved in matters pending before the Sponsor, currently work for the Sponsor or solicit work from the Sponsor during the six months following the TAP program.

How do TAPs work?

The District Council works closely with the Sponsor to create a scope of work and convenes a panel of ULI members to address the issues outlined. The Sponsor also provides background information to the TAP panelists prior to the panel sessions. When convened, the TAP members tour the study area, hear from stakeholders, public and private, and then deliberate the issues presented. At the conclusion of its work, the panel presents its findings and recommendations to the Sponsor and then produces a written report for the Sponsor within six weeks.





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Acknowledgements

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- The Genesis Group
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TAP Scope

HabiJax engaged ULI North Florida to convene a Technical Assistance Panel (TAP) for the purpose of studying how best to select target areas for HabiJax to work, in partnership with other entities, towards implementing comprehensive neighborhood revitalization plans. The scope of the TAP was to recommend a framework for selecting target areas, needed partnerships, and HabiJax's role in those partnerships, as well as determining performance metrics.

Questions presented to the TAP panel were:

- What are the determining factors for selecting target neighborhoods?
- What are the determining factors for establishing our organization's role once an area is selected?
- What are the determining factors for developing partnerships and the roles each will play in the efforts?
- What are the determining factors for success and how are they measured?



Panel Process

The ULI North Florida District Council assembled a group of accomplished members who have expertise in housing development and neighborhood revitalization for an intensive two-day workshop to address the issues presented by HabiJax.

Prior to convening, TAP members received background information on HabiJax's strategic plan, an evaluation report on the organization's work to effectuate quality-of-life changes in New Town, an area on Jacksonville's Westside where it has concentrated its revitalization efforts since 2008, an overview of HabiJax's work in New Town, as well as parcel maps and demographic information on Jacksonville's urban core.

Orientation began on day one with a presentation by Mary Kay O'Rourke, president and chief executive officer, and other HabiJax staff to discuss the organization's mission, goals, success in New Town and other relevant information, as well as the TAP scope of work. The panelists were treated to a comprehensive tour of New Town followed by a discussion of the HabiJax presentation and objectives. The balance of the day was spent interviewing various stakeholders, including HabiJax Chairman of the Board Greg Matovina; Jerry Mallot, JAXUSA; Ted Carter, City of Jacksonville Office of Economic Development; Fred Jones, JTA; Voncea Fuller, JEA; and Charles Dabney, LISC Jacksonville.

Day two focused on a review of the prior day's discussions, potential solutions to the issues to be addressed, and formalization of the TAP's observations and recommendations which were presented at the day's end to HabiJax staff and several board members.



Seeking to put God's love into action, Habitat for Humanity brings people together to build homes, communities and hope.

- HabiJax Mission Statement

Executive Summary

Habitat for Humanity of Jacksonville, Inc. (HabiJax) has provided homeownership opportunities and other housing services to more than 1,900 families in Duval County since 1988. They purchase property from public and private sources at low cost, focusing on Jacksonville's urban core. Homes built range from 1,050 square feet to 1,250 square feet and sell for between \$104,000 and \$108,000.

Homeowners must meet certain income requirements and be willing to put in at least 300 hours of "sweat equity" to qualify for HabiJax's zero percent mortgage. Most homeowners are families/single parents with children. For those applicants who are close to qualifying, HabiJax offers financial counseling in order to help them reach the minimum requirements.

During its first two decades, HabiJax focused mainly on purchasing or obtaining lots wherever available and building houses on them. More recently, HabiJax seeks to maximize its impact on impoverished communities. New activities have included repairing homes and purchasing abandoned homes to rehab and sell.

A strategic five-year plan was created in September 2014 that shifts HabiJax's focus to a broader, collaborate model. Their local vision is to serve as a catalyst for comprehensive community engagement and transformation. HabiJax is seeking guidance on implementing their strategy and asked ULI's Technical Assistance Panel to help develop a framework for implementation in terms of the considerations needed to embark on a concentrated effort in an at-risk community.

The TAP recommended that HabiJax:

- Identify a target demographic and select an area based on the availability of an anchor, some existing amenities for that group, and deficiencies that are addressable.
- Raise the upper income level of its clientele to the 80 percent of area median income (AMI) or higher.
- Create a tiered approach to ensure a higher percentage of families at 80 percent or higher than at 60 percent and a lower percentage at 40 percent.
- Strive for a mixed-income model in the target community by partnering with a CDC that builds higher-priced homes in order to attract retail businesses and for-profit builders.
- Market to the prospective demographic selected.
- Create a rebranding campaign to reposition itself as more than a builder of homes for the poor.
- Dispose of lots in areas that do not meet HabiJax's indicators.
- Develop strong relationships with the City of Jacksonville as well as the FHA and other lenders so as to be the "go-to" organization when properties they hold become available.
- Partner with the local school board and neighborhood school leadership in order to fund additional programs to lift failing schools.
- Re-establish a working relationship with the local housing authority to refer to HabiJax families currently in public housing who are looking for homeownership.
- Select partners with different niches that share a common vision and goals in order to ensure success.
- Select a lead agency for each project based on core competencies and community needs.
- Develop a shared source for coordination among coalition partners to help residents contact needed resources.

Over time, a successful revitalization program will show tangible improvements in quality of life. Success can be measured from economic (property values, default rate, median family income), social (crime rate, resident perception, community participation and increased demand for the area) and physical aspects (number of new homes, changes in property condition, number of vacant lots). The TAP recommended building upon current base line indicators and periodically assessing those indicators.



Background

Habitat for Humanity of Jacksonville, Inc. (HabiJax) is a faith-driven entity that provides homeownership opportunities and other housing services to residents in Duval County. Since 1988, it has helped more than 1,900 families gain affordable, sustainable housing. The faith-driven entity believes in offering a “hand-up, not hand-out” to those needing a home by providing the tools necessary to accomplish and sustain the goal of homeownership.

HabiJax purchases property from public and private sources at low cost, focusing on Jacksonville’s urban core. Homes built range from 1,050 square feet to 1,250 square feet and sell for between \$97,000 and \$108,000. HabiJax would like to increase the price to \$110,000, but the income level of its clients is problematic. Closing costs are rolled into homeowners’ mortgages. While volunteers help to build the houses, professionals handle the wiring, plumbing, heating, air conditioning and structural work. Several years ago, HabiJax improved quality and introduced newer, more stylish elevations to counteract criticism that the homes were poorly constructed, lacked aesthetics and are “just another level of poverty housing.” Nevertheless, the perception persists.

Aside from need, applicants must have an ability to pay the cost of homeownership, have a minimum FICO score of 600 with less than \$1,500 in delinquent debt, and be willing to put in at least 300 hours of “sweat equity” to qualify for HabiJax’s zero percent mortgage.



Income must be between 35 percent and 60 percent of area median income (AMI). HabiJax's original parameters were 30 percent to 80 percent of AMI, and they would consider raising the required percentage of AMI. About 70 percent of homeowners are families/single mothers with children. Habitat for Humanity covenants have recently changed to enable the affiliates to seek third-party financing for some portion of the mortgages.

HabiJax offers financial counseling to help those applicants who are close to qualifying (the "Yellow Zone") to reach the minimum requirements. Often this can take up to two years. The organization does not offer lease-to-own deals for them, but it has considered this option.

The average resident earns about \$22,000 a year or \$10 an hour. As a result, homeowners do not have a cushion should they fall ill or lose employment. During the height of the recent recession, the default rate reached a high of 30 percent. The current default rate on HabiJax homeowners missing payments 90 days or more is about 10 percent to 17 percent. By comparison, the default rate in Florida as of February 2015 was 6.5 percent for seriously delinquent mortgages (90+ days) or those in foreclosure, according to Black Knight Financial Services.



Funding

HabiJax sustains itself through a variety of funding sources. They include donations and corporate sponsorships, in-kind donations, sales from their HabiJax ReStore (donated building goods), mortgage revenue and a 10 percent administration fee on the cost of homes.

HabiJax also receives grants from the federal Self-Help Homeownership Opportunity Program (SHOP) through Housing and Urban Development (HUD), which provides funding for acquisition of land and infrastructure. Most individual and corporate donors want their contributions to go toward housing, which is a more visible asset than land or infrastructure. Additionally, HabiJax is eligible for grants through “Section 4,” HUD’s Capacity Building for Affordable Housing and Community Development Program, which covers technical and administrative activities that benefit low income persons.

The nonprofit organization does not plan to walk away from its zero percent mortgages, but it has been evaluating the addition of low-cost mortgages in order to continue to sustain itself well into the future.

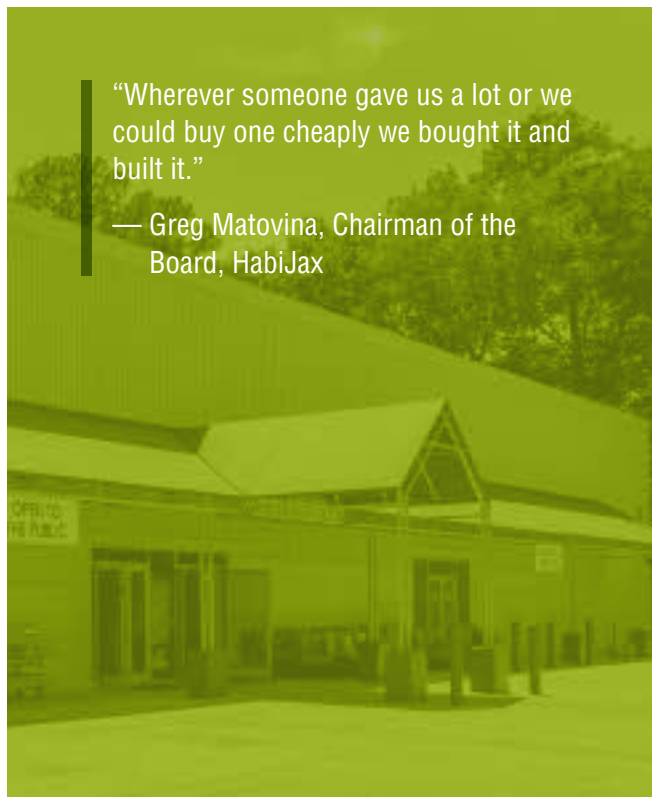
Seeking Greater Impact

During its first two decades, HabiJax focused mainly on purchasing or obtaining lots wherever available and building houses on them. There was no overall master plan or strategic initiative other than to offer affordable homes to those in need who met other qualifications.



"Wherever someone gave us a lot or we could buy one cheaply we bought it and built it."

— Greg Matovina, Chairman of the Board, HabiJax



More recently, HabiJax has sought to maximize its impact on impoverished communities. Activities were expanded to include helping owners repair or rehab their homes and teaching homeowners how to maintain their homes. However, HabiJax has struggled with providing owner occupied repairs, as it does not fit their model and, as a result, they have contracted out the work. The organization also has been purchasing abandoned or foreclosed homes to rehab and sell.

On the education front, HabiJax helps fund the Hicks Prep Club, an enrichment program for children in grades 7 through 12 who reside in HabiJax, Section 8 or Jacksonville Housing Authority properties. The program assists students in achieving their full academic potential. About 70 students annually who reside in HabiJax housing have attended the program since 2002. Hicks Prep Club students who do well are eligible for a Hicks Scholarship to the University of North Florida.



New Town Success Zone



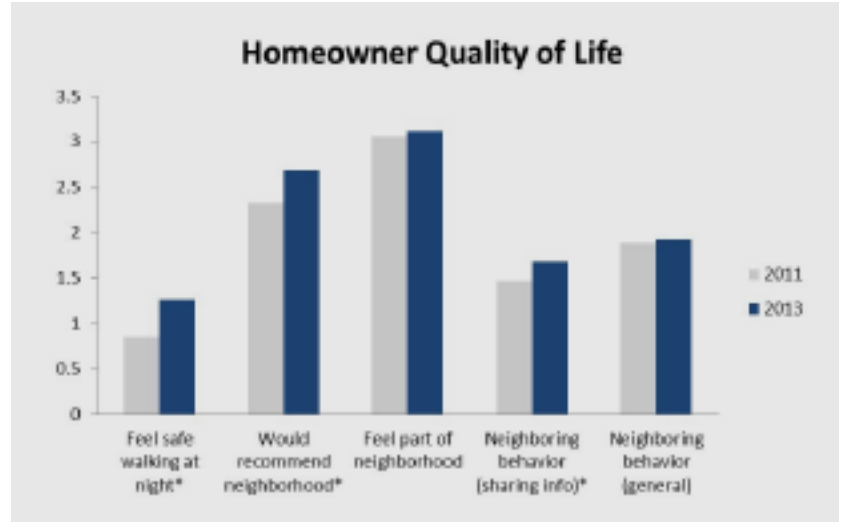
New Town Success Zone

In 2008 HabiJax became the building partner in a neighborhood revitalization plan for the Westside community of New Town under then Mayor John Peyton. About 65 percent of the area's residents were single mothers with children. The New Town Success Zone initiative included about 30 organizations with a goal of improving academic success and positively changing child outcomes. A variety of programs were established to foster academics, improve health, wellness and quality of life for New Town residents.

New Town has in its favor Edward Waters College, proximity to I-95 and downtown, and access to public transportation. Work is under way to improve street lights and sidewalks to create a friendlier pedestrian environment. As with other blighted areas, however, New Town lacks jobs and retail outlets and is a virtual food desert. Large grocery chains cite low density and incomes as factors against investment in the area.

Many structures in New Town are in serious disrepair, boarded up or need to be torn down. HabiJax has worked on about 450 homes in the area, the majority of which are new construction built between 2013 and 2014. Currently, HabiJax houses represent 6 percent of the housing stock in New Town.

As part of the revitalization, a new playground was built, a garden was created for residents to grow their own vegetables, and a Safe Routes to School grant was received through the Florida Department of Transportation for sidewalks.



Community engagement is an integral part of the New Town housing initiative. HabiJax has been working with Local Initiatives Support Corporation (LISC) and MetroEdge, LISC's national commercial corridor program, on this process, meeting with the community, forming volunteer committees and subcommittees to address quality of life issues. There is talk of creating a business association and an Adopt-a-Road program. A recent study, "Habitat for Humanity: Neighborhood Revitalization Case Study Evaluation Report," shows improvements in quality of life issues, especially with respect to "feeling safer at night," although safety still scored relatively low. Some non-HabiJax homeowners are critical of the housing program, saying they do not wish to have their neighborhood turned into "HabiJaxville." But for-profit builders cannot make a profit in the area. If not for HabiJax, the dilapidated and boarded up homes would not be replaced.

Currently, HabiJax only offers houses in New Town, but they are having difficulty acquiring new lots due to liens, excessive purchase price, inability to locate owners, etc. The City is getting aggressive on blighted properties and taking action on abandoned lots. This should help to free up properties at low cost. However, some qualified individuals do not wish to locate there, given safety issues. Safety is more of a concern than lack of services to many prospective home buyers. The organization wants to give its clients more choice and, therefore, sees the need to expand to other areas while continuing its work in New Town.



“HabiJax is a catalyst for comprehensive community engagement and transformation in a vibrant city where all residents, neighborhoods, and businesses collaborate in its development.”

—HabiJax Local Vision



New Strategy

HabiJax is contemplating how to harness the experience in New Town, using that collaborative model to spread to another area in need. It also seeks to expand its role into economic development, identifying community needs and partnering with others to bring businesses and jobs into disinvested areas. HabiJax's stated vision is to be "a catalyst for comprehensive community engagement and transformation in a vibrant city where all residents, neighborhoods, and businesses collaborate in its development."

A strategic plan created in September 2014 for the five years from 2015 to 2019 shifts HabiJax's focus from:

- Individuals to community
- HabiJax success metrics to homeowner success metrics
- Building in multiple communities to developing a unique role in each community
- Housing to a holistic view
- HabiJax-only model to a collaborative model
- Survival mentality to a strategic and deliberate effort

A partnership with a Community Development Corporation (CDC) is possible and, perhaps, needed, since it would bring more diversity and a mix of home values to communities in which HabiJax builds. CDCs tend to target a slightly higher income level and build larger houses. HabiJax is cognizant, however, of "not wanting to step on a CDC's toes." Additionally, the CDC process for development is slower than that of HabiJax, which is three months from development to closing.

HabiJax currently owns 150 undeveloped residential lots scattered around Duval County and would consider engaging in some commercial development "if given the right opportunity."

In 2014, HabiJax employed a Community and Economic Development director to focus on building partnerships with economic development agencies and other local entities. The director is charged with increasing economic opportunities in New Town and other targeted communities. HabiJax has been working one on one with companies, but realizes that it cannot continue in that capacity. There are a number of other organizations to which HabiJax can refer clients. It also would consider developing a program in partnership with another organization(s) to fill in identified gaps.



Analysis

Determining Factors for Selecting Target Neighborhoods

Identifying a finite area in which it can make an impact is crucial to the success of HabiJax's new strategy. The nonprofit organization will need to analyze numerous factors before selecting a neighborhood. Not all factors may be present in a particular area selected. However, while many deficiencies like lack of sidewalks can be fixed in partnership with other entities, lack of political support or neighborhood opposition may not.

Ideally, HabiJax should look for the following:

Compatibility of Neighborhood with Target Demographics

Like any for-profit developer, HabiJax should focus on a target demographic, whether it is young families, single parents, empty nesters or seniors. Each group has different needs in terms of services and quality of life requirements. For example, young families and single women with children seek proximity to a school as well as parks and playgrounds. They are more likely to own a car than an urban senior who might be more dependent on public transportation and would prefer to be close to a grocer and pharmacy.

Existing Amenities

Schools, stadiums, natural resources, parks, etc. serve as anchors in communities. They can be drivers of commerce as well as quality of life. Areas adjacent to these anchors can benefit from their strength when incorporating them into a revitalization strategy. Historic features, for example, can be used to create a brand for a neighborhood. Additionally, amenities like sidewalks, the ability to bike safely, and access to essential services, like grocers, public transit and pharmacies, improve livability. Some are more important than others for certain age groups.

When assessing an area, HabiJax should look for anchors and existing amenities to determine if a particular area is appropriate for its target demographic. Many blighted areas, unfortunately, lack sought-after amenities. But, as noted above, deficiencies may be addressed through partnerships with various city agencies and other nonprofits. A school that is failing may be improved by spearheading a volunteer program to mentor students who need help. Foundations and corporate sponsors might be brought to the table to fund special enrichment programs.

In addition, low-income areas usually are food deserts. Grocers and retailers in general seek density and a population with disposable income. It may be easier to attract grocers and others into an area that is dense and has a more diverse income level. Partnering with other groups, like CDCs, that are building homes for a higher-income demographic may enable greater access to these amenities for HabiJax clients.



Availability of Inventory at Targeted Pricing

It goes without saying that an area must have property available that can be purchased at reasonable cost. Given that HabiJax has struggled with purchasing existing homes for rehabilitation and resale, an area where there are many vacant lots or teardowns rather than numerous homes in need of rehab is preferable. Abandoned lots may become available for purchase in an area in which the City is taking action in its current drive against blight.

Another consideration is the number of lots in close proximity to one another. A cluster of new homes has greater impact than one new home scattered here and there. A group of homes can also be a starting point from which to build out in a ripple effect. One impediment, however, may be the difficulty in purchasing conglomerate inventory in an existing platted development.

The availability of commercial properties for sale may also influence a decision, particularly if there is momentum in a targeted area. Opportunities may be created for retail investment, such as cooperatives. A section on a main street with a concentration of vacant shops and buildings could form a walkable retail district designed as a destination. The Northwest Jacksonville Economic Development Trust Fund might be tapped for additional funding. It was established to assist small- to medium-sized businesses seeking to expand in impoverished neighborhoods.

External Support

Unless there is a political will to do something, projects may never come to fruition or to their full potential. It is imperative to ensure that a neighborhood targeted has the support needed for revitalization from all parties with political sway, beginning with the Mayor's office, the City Council, the Sheriff's office, JEA, JTA and the Citizen's Planning Advisory Committees (CPACs), to name a few. Engaging the local school board as a stakeholder and partner also is vital in helping to work toward a common outcome.

Nonpolitical support is needed as well to ensure grassroots efforts get under way as part of the revitalization effort. This includes neighborhood, church and business groups, each of whom have stakes in the area and the ear of needed political support.

Opportunity for Developing Strategic Partnerships

HabiJax realizes that it cannot create sustainable, major improvement in an area without strategic partners. In the case of New Town, the partnerships were already established when HabiJax was brought into the mix.



Many other neighborhoods are already targeted or undergoing revitalization efforts. Therefore, going into such an area and aligning efforts offers the advantage of having an established partner. An example is Northwest Jacksonville Community Development Corporation (NWJCDC) which is working with LISC through its Empowering People, Inspiring Change (EPIC) initiative. About 70 homes have been built, but more density is needed to support economic development such as the North Point Town Center.

Another opportunity might be in the A. Philip Randolph corridor from EverBank Field north. That area has been identified as part of Renew Jax, a public-private partnership to improve and expand housing opportunities, promote economic development and job creation, and strengthen families.

The C.B. Dailey Villas redevelopment project on 1st Street will provide rental housing for individuals living between 50 percent and 120 percent of AMI with preference for local veterans. Renew Arlington is yet another initiative with potential given the presence of Jacksonville University as an anchor.

HabiJax may be able to purchase properties at low cost by developing close relationships with lending institutions, many of which hold a number of so-called “zombie” foreclosures (homes abandoned but not repossessed). In Florida, 26 percent of all foreclosures as of the end of January 2015 were zombies, the highest of any state according to RealtyTrac®, a leading source for comprehensive housing data. Among the top 10 metro areas in the U.S. with zombie foreclosures, Jacksonville ranked seventh with 2,368.

Long-term Sustainability

When determining an area for revitalization, the prospect for lasting, positive change should be considered. An area with potential for mixed-income may provide the best opportunity. Areas with more diverse income levels also have a greater chance of attracting private development, which in turn brings in retailers that are looking to grow their businesses where customers have disposable income. A mixed-income model also will enable HabiJax to redefine its brand.

Need

While HabiJax may need to attract a slightly higher income level in order to meet its objectives, including its own sustainability, neighborhood revitalization remains a basic factor in determining what area to target. Deficient housing coupled with a demand for affordable housing speaks to HabiJax’s mission.



Determining factors for establishing HabiJax's role

HabiJax seeks to be more than a builder of residential homes. The nonprofit wants to expand its purview to include economic development opportunities in addition to sustainable construction and housing support services.

In fact, the role HabiJax may play might be different in any given revitalization project depending on the area's needs, who the stakeholders are and what organizations are partners in the endeavor. HabiJax may serve as the developer in a targeted area, serve as an intermediary to help residents become more employable, or be a coalition builder of major area employers. It might be able to make a nontraditional investment in a commercial endeavor, like helping to equip a small grocer that would bring such a retailer to the table.

To determine its role, HabiJax will need to assess the economic, social and political environments in the community as well as the physical needs — from residential housing to commercial and retail. It must identify infrastructure deficiencies and determine what essential services and amenities are lacking based on the target demographic.

Building deep, trusting relationships within a community is essential for success, since disinvested neighborhoods often have a certain distrust of revitalization efforts. Many past programs have been oversold and under-delivered. Rather than a top-down approach, HabiJax should seek input from local residents and their leaders to hear their priorities and concerns and, in concert, create a vision for what the community can become.

If other organizations are already in the area, can HabiJax provide complementary services? Are there gaps? If so, can HabiJax take the lead to help fill those gaps either through advocacy and/or partnering with another entity? If there are constraints on available resources, HabiJax may be able to explore traditional and untraditional sources of funding.

However, HabiJax should remember to continue to focus on its core competencies. Among them is the ability to leverage volunteers. In addition to helping with home construction, volunteers and local residents can be galvanized to join neighborhood beautification projects.

Creating a neighborhood association is an excellent means of building support from residents and for continuing increments of



change. It provides a base and teaches the skills needed for residents to manage their community after organizations have left the area.

One caveat: HabiJax must be careful of mission creep. Over-reaching, taking on too much, too soon, may dilute its efforts. An expanded role also may face resistance from other nonprofits. Yet another factor to consider is the need to balance capital needs with operating needs.

Determining factors for developing partnerships and their roles

Initiatives that fail usually do so because of a lack of money or because organizations had competing agendas, didn't work well together or didn't have the right people involved — and sometimes because of all factors combined. During the stakeholder interviews on day one, LISC's Charles Dabney suggested that it may be more effective to have fewer partners than a very large coalition given politics and competing agendas.

An analysis of neighborhood and home buyer needs will determine the kinds of organizations and entities that should be brought into the effort. HabiJax must identify active agencies and evaluate their core competencies and the resources they bring to the table. Each may take a lead role in their area of expertise.

In forging coalitions among groups and organizations, HabiJax should choose partners with which it can establish common goals, agree on the scope of the project and set a timeframe for work to be done. Establishing standards at the outset will determine when a neighborhood plan is completed.

With respect to economic development, the director of Community and Economic Development needs to develop strong relationships with other organizations like WorkSource and JaxUSA Partnership.



Determining factors for success and their measurement

HabiJax is taking a holistic approach to neighborhood revitalization in an effort to make a greater impact on the lives of residents. Therefore, HabiJax seeks to broaden its definition of success from solely HabiJax metrics (number of homes built) to homeowner success. Current baseline indicators need to be developed and built upon. They can be measured from economic, social and physical aspects.

Economic Indicators

- **Property Values** — An increase in property values, both residential, commercial and retail, based on the tax roll provides evidence that the market sees improvement in an area and more people are willing to move to the community.
- **Default Rate** — A decrease in the number of defaults on HabiJax homes indicates that homeowners are financially stable and able to meet their debt obligations.
- **Median Family Income** — An increase in median family income demonstrates an ability for clients to improve their financial circumstances, whether it be through promotions or better jobs.

Social Indicators

- **Crime Rate** — A decrease in the crime rate using statistics from the Jacksonville Sheriff's Office equates to a safer neighborhood and more satisfied homeowners.
- **Perception** — A positive change in perception of how residents feel about their neighborhood based on annual surveys provides evidence that the revitalization effort has improved quality of life. Additionally, an increase in perception of HabiJax housing from the population at large is indicative that any rebranding effort HabiJax undertakes has succeeded.
- **Community Participation** — An increase in the number of residents engaged in neighborhood associations and activities enhances a sense of community, empowerment and community development.
- **Increased Demand** — An increased demand for home buying in a targeted neighborhood vis-à-vis the number of HabiJax applicants or others seeking homes there points to a successful transition.

Physical Indicators

- **Number of New Homes** — A continued increase in the number of new homes built plays into a community's sense of revitalization.
- **Changes in Property Condition** — A decrease in the number of homes in disrepair, boarded up or condemned decreases the blight factor and, like new homes, increases the perception of neighborhood change.
- **Vacant Lots** — A reduction in the number of vacant, overgrown, trash-strewn lots reduces the blight factor and makes an area's physical appearance more inviting.

Barriers/Threats to Success

The general consensus of TAP members was that maintaining HabiJax's current approach of targeting families with incomes at 35 percent to 60 percent of AMI was a barrier to success, not only in terms of its efforts to bring diversity to communities but for the nonprofit's own sustainability. It was suggested that HabiJax should raise the level to 80 percent or higher. Those at 35 percent of AMI are more likely to default.

Working with other nonprofits may be difficult if there is a sense of competition based on HabiJax's expansion of its role. Additionally, funding issues, which are always difficult, may intensify if HabiJax is viewed as going out of its comfort zone. HabiJax may have to think outside the box to find alternative, nontraditional sources, such as impact investment firms.

Mission creep, over-reaching and trying to do too much at the detriment of core competencies is another danger that HabiJax will need to keep in mind as it seeks to have a greater impact on the neighborhoods it serves.

Other barriers include the difficulty in purchasing contiguous lots in an existing platted development and overcoming an image of being just a builder of poverty housing.



Recommendations

1. Identify your target market.

HabiJax should concentrate on a specific demographic and choose an area based on the availability of an anchor and existing amenities for that group. In addition, focus on areas that exhibit “EPIC” characteristics.

2. Create a neighborhood vision and provide age-specific products or amenities.

A vision based on the target demographic and with input from local residents will help to determine what needs are unmet and the types of organizations with which to partner in order to fill those needs.

3. Create a mixed-income neighborhood and raise the upper income level of clients.

The TAP concluded that the best opportunity for success is to strive for a mixed-income model in the target community. Partnering with a CDC that builds higher-priced homes is ideal. It is essential to bring in higher income families in order to attract retail businesses and for-profit builders. The TAP strongly recommended raising the upper income level of HabiJax’s clientele to 80 percent of AMI or higher.

4. Market to prospective qualified families that are within HabiJax's mission.

Currently, HabiJax clients come to them. However, in order to attract higher-income families that qualify for zero percent mortgages, HabiJax needs to market to those prospects.

5. Engage in a broad rebranding campaign to educate and attract new customers, potential donors and partners.

TAP members suggested a need for HabiJax to launch a broad rebranding campaign in its effort to reposition itself as an organization that is working to revitalize entire neighborhoods, beyond individual homes and homeowners. A marketing firm that specializes in rebranding corporate images is preferable for this effort.

6. Dispose of lots that do not meet HabiJax indicators.

HabiJax currently has an inventory of about 150 lots around Duval County. In order to concentrate on a particular area, the TAP recommended keeping only those that meet target indicators and dispose of those that do not.

7. Partner with the City of Jacksonville to discuss the purchase of single-family lots in target neighborhoods.

The City of Jacksonville has begun an aggressive campaign to address abandoned properties in inner-city areas. These may be prime lots for future development. Once a neighborhood has been targeted, HabiJax should work with the City in purchasing lots available in that area.

8. Periodically communicate with FHA and lenders to determine available properties for donation and/or purchase.

Jacksonville ranks seventh in the top 10 cities with the most so-called zombie foreclosures. HabiJax may be able to be the “go-to” developer to purchase these properties or others that lenders want off their books by developing close relationships with these institutions.

9. Partner with the local school board.

Education is one of the biggest economic drivers in a community. Communities with good neighborhood schools are considered good places to live and should be an integral part of community revitalization. Bringing members of the school board and local school leadership together with the neighborhood association can spark greater engagement of parents with the school and their children's education.

10. Identify shared vision and goals with partners.

Selecting partners with different niches that share a common vision and goals is an essential requirement for success. TAP members recommended developing mutually beneficial partnerships based on the targeted community's needs.

11. Identify the lead agency for each project and establish responsibilities.

While HabiJax may identify an area for redevelopment, another organization may be better able to lead a project based on their core competencies and needs of the community. Roles and responsibilities need to be identified at the outset to avoid infighting among organizations that can threaten the success of a project.

12. Develop a shared source for coordination among coalition partners.

Residents need a place to turn to when requiring social and community services. A guide should be developed that offers prospective homeowners information on what resources are available and how to contact them.

About the Panelists



J. Keith Brown
Joint Use Development Officer
Jacksonville Transportation Authority

J. Keith Brown is the joint use development officer responsible for Jacksonville Transportation Authority's (JTA) transit-oriented development and comprehensive real estate development initiatives. He most recently served as an infrastructure director with CBRE Global Corporate Services in Atlanta. In that role, he was engaged in the program operations for site selection, lease tracking, store design, construction management, budgets, scheduling and change management activities for corporate clients.

Prior to joining CBRE, Brown served as development manager for the Atlanta Housing Authority, where he administered the Project-Based Rental Assistance Program. His responsibilities included working alongside private real estate developers and housing companies to provide affordable-housing options. Before that, Brown worked as regional transaction manager with Jones Lang LaSalle's Strategic Consulting Group, where he performed real estate and business valuations, reposition of asset analysis, marketing, contracting and closing services. He also worked as an environmental consultant to the U.S. Environmental Protection Agency, primarily engaged with the Superfund Program.

Brown earned his Executive M.B.A from the University of Georgia and his B.A. in finance at Morehouse College. He also was recently awarded the Top 40 Under 40 recognition from the Urban Land Institute.



Leonard Burke
Senior Asset Management
Tampa Housing Authority

Leonard Burke has nine years of experience in property management and real estate consultation with a full scope of experiences ranging from fee to owner-managed, lease-up to disposition, market and site analysis, and financial analysis.

Burke serves as senior asset manager for the Tampa Housing Authority (THA). He is responsible for maximizing the performance and value of THA's mixed-income, tax credit and market multifamily communities. He is also responsible for monitoring property compliance and performance to meet the owner's investment goals and debt service, and is the lead negotiator for new acquisitions and dispositions for the company. In addition to the many successes in direct property management, Burke also worked for a Florida-based real estate investment firm (Beresford, LLC), acquiring, managing and disposing of distressed real estate assets. Because of his success with Beresford, he was able to establish a partnership with a national bank receiver (Hold Thyssen and Berger Commercial Realty) to fee manage properties in receivership. Burke has experience in a variety of asset types.

Burke earned a bachelor of science degree in business finance from the University of South Florida. He sits on the board of directors for the Bay Area Apartment Association (BAAA) and is listed as a Developing Leader for the National Association for Industrial and Office Parks (NAIOP) and Young Leader for the Urban Land Institute (ULI). He completed his Certified Commercial Investment Member (CCIM) designation in March 2015.



Dawn Emerick, Ed.D.
Chief Executive Officer
Impact Partners, LLC

Dr. Dawn Emerick relocated to Jacksonville in 1991 from the D.C./Maryland metropolitan area after graduating from Frostburg State University in Cumberland, Md. In 1992, she began her career as a chronic disease health educator with the Duval County Health Department. Emerick crafted her leadership, evaluation, and health communication skills at various nonprofit organizations and in the private sector, where she served as the senior public affairs consultant for First Coast Service Options, Florida's Medicare Administrator and subsidiary of Florida Blue.

She retired from her role as the president and chief executive officer for the Health Planning Council of Northeast Florida in May 2014 to pursue several leadership and entrepreneurial opportunities, including Groundwork Jacksonville, THE BARGE placemaking business with her husband, and Impact Partners, a consulting firm that inspires people, communities and businesses to prepare for the new quality of life-based economy.

Recently, Emerick was invited to serve on the esteemed Project for Public Spaces' Placemaking Leadership Council and is a newly elected member of the AIA Florida/Caribbean Regional Associates' board of directors.

She was appointed by the Surgeon General of the Florida Department of Health to the Statewide Steering Council charged with developing Florida's Health Improvement Plan. She currently serves as adjunct professor at the University of North Florida and teaches undergraduate health administration students in managerial epidemiology.

Emerick is an active member of the Jacksonville Regional Chamber of Commerce Board of Governors, Timucuan Trail Parks Foundation, Downtown Rotary, the Urban Land Institute, Regional Community Institute, and the National Association for Community Health Initiatives.

She is a two-time alumnus of the University of North Florida, where she received her master's degree in public administration and health administration in 1995 and her doctorate of education in educational leadership and social marketing in 2008.



Karl Hanson
Vice President
Silverfield Group

Karl Hanson serves as vice president of Silverfield Group and several of its affiliated companies. With a diverse background in commercial real estate development, asset management and real estate law, Hanson focuses on acquisitions and development of commercial properties and land for either commercial or residential development. Silverfield Group is a full service real estate firm that has extensive in the entitlement and development of single family subdivisions, multifamily projects, office buildings, retail, self-storage, hotels and wetland mitigation banks.

Prior to assuming his current role, Hanson served as vice president/market officer, North Florida, from 2006 to 2011, where he oversaw the development of office buildings totaling more than 250,00 square feet in addition to the asset management and leasing of Flagler's 4.2 million square feet of office and industrial space in Jacksonville. He also was responsible for the entitlement, development and disposition of Flagler's North Florida land holdings.

From 2000 to 2006, Hanson served as Flagler's vice president and general counsel. Prior to that, he held the position of counsel in the legal department of The St. Joe Company.

Heavily involved in the professional community, Hanson has been active in the North Florida District Council of the Urban Land Institute, previously serving as chairperson of the Programs Committee and Technical Assistance Panel Committee. He also served as president of the NAIOP Northeast Florida Chapter for 2011.



Thomas Ingram
Of Counsel
Akerman LLP

Tom Ingram works with landowners, developers, and governments to allow for the development and sale of real estate in Jacksonville, St. Johns County (St. Augustine), Clay County and surrounding areas in northeast Florida. Such efforts have included the development and redevelopment of sites into retail power centers, single family and multifamily developments, Developments of Regional Impact, and industrial centers. His efforts routinely involve negotiation of project-specific agreements concerning transportation and other issues with Boards of County Commissioners and other elected bodies. His work includes real estate transactions and due diligence relating to development properties. In addition to his regular involvement with the Urban Land Institute, the Northeast Florida Builders Association and other organizations, he has worked with the city of Jacksonville to advocate for the maintenance and expansion of public access to Jacksonville's beaches, the St. Johns River and its tributaries.



Barbara Moore
Partner
North Florida Coastal Homes

Barbara Moore has 30 years of experience in the homebuilding and real estate industries, beginning with earning a bachelor's degree in business management and later a master's degree in urban and regional planning from Florida State University. From there she began a career in the homebuilding industry with several well-known divisions of national homebuilders, including Lennar Homes and Beazer Homes in Jacksonville, Fla.; Ashton Woods Homes, Houston, Tex; Pulte Homes Corporation and The Ryland Group, Greenville, SC. She currently is partner in North Florida Coastal Homes.

Moore has made her mark time and time again in the homebuilding industry, earning recognition for excellence in her field. She won top honors for her commitments to the homebuilding industry receiving the Sales Manager of the Year Award from The National Association of Homebuilders (NAHB) and the Associate of the Year Award from The Northeast Florida Builders Association (NEFBA). She received the 2009 Dick Baker Memorial Laurel Award, one of the highest honors bestowed by NEFBA, and was recognized as one of Jacksonville's Women of Influence in 2009. Also, under Moore's leadership Lennar Homes was awarded a 2009 Aurora Award at the Southeast Builders Conference, 2009 Grand Laurel Award by NEFBA and earned a place as the area's top homebuilder for customer satisfaction as measured by J.D. Power and Associates.

Moore believes in donating her time and expertise to help civic industry organizations throughout the community. Currently, she is a member of The Northeast Florida Builders Association and serves on its Executive Committee, and is a commissioner for the Jacksonville Economic Development Commission. She is a past president of the Jacksonville Association of Realtors (now named Northeast Florida Association of Realtors) and has served as chairperson of the NEFBA Sales and Marketing Council.

Contributing to charitable organizations is a priority for Moore. She is passionate about helping young at-risk children reach their potential through inspiration and mentorship. Her zeal for the community of Northeast Florida is evident in all the charitable projects that she pursues. She has been involved in numerous organizations including Triumph Community Center, Builder's Care, Daniel and the Tony Boselli Foundation.

Frequently throughout her career, Moore has worked with Builder's Care. In her positions with various national homebuilders, she has established partnerships with Builder's Care to complete projects necessary for the community. These include building community centers, homes and renovations as called upon by community members.



James Tally, Jr.
Senior Project Manager
Atlanta Housing Authority

For more than eight years, Wm. James Talley, Jr. has been a senior project manager in the real estate development and acquisitions department at the Atlanta Housing Authority. He oversees the many aspects of the pre-development, development, construction and post-construction of three mixed-finance, mixed-income, mixed-use multiphased multimillion dollar Revitalization Projects. Also, as part of his professional development, Talley has obtained the LEED® Green Associate credential and has been a major driver as the Authority has moved towards development and implementation of a sustainability strategy in all of its real estate development initiatives and corporate headquarters. He was selected as a participant on the White House Energy, Environment and Conservation Roundtable.

Additionally, Tally was selected to be a member of the Atlanta Housing Authority's Engagement For Results Team, which was charged with assisting executive management in the development of a strategic business transformation plan that will position Atlanta Housing Authority as a best-in-class real estate company with a public mission.

Talley came to the Housing Authority after many years in the private sector as a principal with a small development firm and later served as the construction planning manager for a mid-sized firm. Further, while working almost nine years in the banking industry, Talley was able to develop strong credit skills and a sound underwriting base.

He is a cum laude graduate of Morehouse College with a degree in political science with a concentration on international politics and supplemental studies in marketing.



Joe Whitaker
Retired
City of Jacksonville

Joe Whitaker is a retired public administrator from the City of Jacksonville. He had a long and successful career from 1980 to 2014 and served in many roles for the City. He is currently the chairman of the Volunteer Northwest Jacksonville Economic Development Fund.

From 2011 to 2014, Whitaker was the business development project manager for the Office of Mayor Alvin Brown in the Office of Economic Development (OED). He directed the OED's small business development efforts and worked with businesses countywide to structure financing and/or incentive packages to facilitate their expansion or relocation to Jacksonville. Whitaker also served as the coordinator for Jacksonville's Enterprise Zone, Empowerment Zone and Jacksonville International Airport Community Redevelopment Area. He successfully negotiated and obtained necessary governing body approvals for 105 economic development projects creating 16,850 new jobs resulting in new private capital investment totaling \$1.425 billion.

Whitaker also was with the Jacksonville Downtown Development Authority for almost 10 years and served as deputy director. He led negotiations and development of commercial projects, including office, retail, hotel, marinas, mixed-use developments and attendant public infrastructure in downtown Jacksonville. Significant projects completed included The Jacksonville Landing, Alltel, Riverside Plaza and the Barnett Center.

He is an active member of many local organizations, including the Florida First Capital Finance Corporation Board of Directors, the Project Management Institute, Beaver Street Enterprise Center Board of Directors, Alco Halfway House, Inc. Board of Directors, Rotary Club of South Jacksonville, and Chairman of the Northwest Economic Development Fund Advisory Board.

Whitaker earned his B.B.A. in business management at the University of Cincinnati, and his M.B.A. in business finance from Xavier University.





Appendix

Maps/Demographics

Urban Core of Jacksonville

- Habijax Neighborhoods (2 pages)
- Habijax Built Homes
- Lackawanna Neighborhood
- Vacant Residential Parcels 5+ Acres
- Vacant Residential Parcels 4.5+ Acres
- Vacant Residential Parcels 2.5+ Acres

