

**STATE HOUSING INITIATIVES PROGRAM (SHIP) RENTAL HOUSING
DEVELOPMENT PARTICIPATION AGREEMENT (FY 2023-2024)**

THIS IS AN AGREEMENT made and entered into this _____ day of _____, 2024, by and between:

CITY OF FORT LAUDERDALE, a Florida municipal corporation (hereinafter referred to as "CITY")

and

HOUSING OPPORTUNITIES, MORTGAGE ASSISTANCE & EFFECTIVE NEIGHBORHOOD SOLUTIONS, INC. d/b/a H.O.M.E.S., INC., a Florida Not for Profit corporation (hereinafter referred to as "PARTICIPANT")

WHEREAS, the CITY Commission of the CITY of Fort Lauderdale, Florida at its meeting of **May 7, 2024**, authorized by motion the execution of this Agreement between PARTICIPANT and CITY authorizing the award of State Initiatives Partnership ("SHIP") funds, for the construction of affordable multi-family senior rental housing, Request for Proposals (RFP) Event No. 37, incorporated herein, (the "Agreement"); and

WHEREAS, the CITY Commission of the CITY of Fort Lauderdale, Florida adopted Ordinance No. C-93-20 on February 18, 1993, which created a Local Housing Assistance Trust Fund, established a Local Housing Partnership, and established a Local Housing Assistance Program to participate in the State Housing Initiatives Partnership ("SHIP"), Program which said Program provides funds for affordable housing programs; and

WHEREAS, the CITY of Fort Lauderdale has met all the prerequisites for participation in the State Housing Initiatives Program for eligible housing activities and projects; and

WHEREAS, the CITY Commission adopted the 2022-2025 SHIP Program Local Housing Assistance Plan (LHAP) per Resolution No. 22-70 in accordance with Rule Chapter 67-37, Florida Administrative Code, as part of the SHIP Program which contains a Rental Development Strategy to provide funding for the construction of affordable rental units; and

WHEREAS, the CITY allocated an estimated \$400,000.00 of SHIP funds in Fiscal Year 2023-2024 to construct an affordable multi-family senior rental housing project in the CITY and, for that purpose, the CITY wish to retain the professional services of a Community Housing Development Organizations (CHDO), as designated pursuant to the rules and regulations of the U.S. Department of Housing and Urban Development (HUD), and subject to certain terms, conditions, and specifications outlined in CITY's Request for Proposal (RFP); and

WHEREAS, the CITY's affordable multi-family senior rental housing project shall be constructed on one (1) parcel of real property located at 1210 NE 5th Terrace, Fort

Lauderdale, Florida, which will be conveyed to PARTICIPANT for that specific purpose by the Community Redevelopment Agency (CRA), subject to the rules and regulations governing the CRA and conditioned upon recording a restrictive covenant running with the land, superior to any mortgage, imposing the restriction that the property must remain an affordable rental for the elderly in perpetuity; and

WHEREAS, the PARTICIPANT is a HUD-designated CHDO and thereby qualified to construct affordable rental units for low-income seniors in the CITY; and

WHEREAS, the CITY wishes to engage the PARTICIPANT to construct the affordable multi-family senior rental housing project in order to provide affordable housing to eligible individuals under the SHIP Rental Development Strategy; and

NOW, THEREFORE, in consideration of the mutual covenants, agreements, terms, and conditions contained herein, the Parties hereto, do agree as follows:

ARTICLE 1
PURPOSE

- 1.0 The purpose of this Agreement is to outline the requirements by which the CITY will provide funds to the PARTICIPANT so that the PARTICIPANT can construct and operate senior multi-family affordable housing.
- 1.1 The funds provided herein shall be provided to the PARTICIPANT in the form of a 0% loan repayable at the end of 15 years. The CITY will secure all properties with a mortgage and restrictive covenant. As a condition to receive funding under this Agreement, the PARTICIPANT must execute a promissory note in the amount funded for acquisition and construction of the units, mortgage, and restrictive covenant, in form and substance, acceptable to the CITY.

ARTICLE 2
DEFINITIONS AND IDENTIFICATIONS

For the purposes of this Agreement and the various covenants, conditions, terms and provisions which follow, the DEFINITIONS and IDENTIFICATIONS set forth below are assumed to be true and correct and are therefore agreed upon by the Parties.

- 2.0 AGREEMENT: Means this document between the CITY and PARTICIPANT dated _____, 2024, and any duly authorized and executed Amendments to Agreement.
- 2.1 CARRYING COSTS: Landscape care and water, electric and sanitary services, all property maintenance costs, insurance on the property, and builders risk insurance required to protect the Property.
- 2.2 CITY: The CITY of Fort Lauderdale, a Florida municipality.

- 2.3. EFFECTIVE DATE: The date this Agreement was approved by the CITY Commission.
- 2.4 FI: Means Financial Institution.
- 2.5 HCD: The Fort Lauderdale's Housing and Community Development Division.
- 2.6 HCD APPROVAL: The written approval of the HCD Manager or designee.
- 2.7 HCD MANAGER: The Housing & Community Development Division Manager or designee.
- 2.8 IDENTIFIED PROPERTY or IP: A property that has been identified for acquisition by the PARTICIPANT pursuant to the terms of this Agreement.
- 2.9 LOW INCOME or LI: Persons/households whose annual income does not exceed eighty percent (80%) of the Area Median Income (AMI).
- 2.10 PARTICIPANT: Housing Opportunities, Mortgage Assistance & Effective Neighborhood Solutions, Inc. d/b/a H.O.M.E.S., Inc., the corporation selected to perform services pursuant to this Agreement.
- 2.11 CONSTRUCTION COSTS: Impact fees, all development and building permit fees, cost of preparing plans and specifications, building plans, inspection fees, connection fees, construction materials, contractor services and subcontractor labor costs or any other fees required in order to bring the dwelling up to a standard that meets the CITY Code, Florida Building Code and all other codes, laws and regulations associated thereto as authorized by HCD.

ARTICLE 3 FUNDING AND METHOD OF PAYMENT

- 3.0 The maximum loan amount payable by the CITY under this Agreement will be **FOUR HUNDRED THOUSAND DOLLARS AND ZERO CENTS (\$400,000)** of SHIP funds. The CITY's Community Redevelopment Agency (CRA) will convey or award to the PARTICIPANT, pursuant to a separate negotiated instrument executed by the CRA and the PARTICIPANT, the property located at 1210 NE 5TH Terrace, Fort Lauderdale, Florida and designate it as the site for the new construction of affordable rental units, subject to certain restrictive covenant running with the land, imposing the affordability restrictions on any conveyance of the property and re-sell requirements that the property must remain a permanent affordable rental. The covenant shall be recorded superior to the mortgage lien to preserve affordability.
- 3.1 The PARTICIPANT may request construction funds from the CITY for payment of all eligible grant expenses on a reimbursement basis.

3.2 This Agreement will be considered a Preliminary Award until the PARTICIPANT has provided the following documents for HCD approval for the identified, eligible property(ies) to rehabilitate or acquire (which include but are not limited to):

- Executed Purchase Agreement
- Construction Scope of Work
- Project Budget (including sources and uses of all project funds)
- Project Pro-Forma (covering the 15-year affordability period)
- Project Financing / Subsidy Layering
- Project Timeline
- Land soil test.
- Proof of CHDO certification with CITY of Fort Lauderdale for FY 2023-2024
- An eligible client list that confirms the agency has identified client(s) interested in leasing the available units.

Once the documentation is received, the CITY is required to review and underwrite each project and ensure the project is sustainable over a period of fifteen (15) years. Notwithstanding the requirement to repay the loan in 15 years, the Project must remain affordable in perpetuity and server seniors 62 years or older.

The CITY cannot fund 100% of any project.

3.3 CITY reserves the right to inspect records and project sites to determine that reimbursement and compensation requests are reasonable. The CITY also reserves the right to hold payment until adequate documentation has been provided and reviewed.

3.4 The PARTICIPANT shall submit a final construction reimbursement invoice upon completion. Final payment shall be made after the CITY has determined that all services have been rendered, files and documentation delivered, and units have been placed in service in full compliance with SHIP regulations, including submission of completion reports and documentation of eligible occupancy, property standards and recording of restrictive covenants.

ARTICLE 4 GRANT ACTIVITIES

4.0 The PARTICIPANT will use the allocated SHIP funds to construct a dwelling for use as a senior multi-family rental.

4.1 The PARTICIPANT shall construct units for rental for low-income seniors 62 or older.

4.2 The PARTICIPANT shall ensure compliance with all applicable SHIP Program regulations.

4.3 Each and every property proposed to be acquired by the PARTICIPANT for purposes of construction of a multiple family dwelling (“MFD”) that meets the CITY’s land use and zoning code, Florida Building Code and all other applicable laws or regulations or will be able to be brought up to such laws and regulations (“Codes”) through new construction. Prior to the PARTICIPANT expending any funds in connection with the purchase of an IP, the PARTICIPANT will notify HCD and schedule an initial inspection of the IP by HCD and the PARTICIPANT. No funds expended by the PARTICIPANT prior to the initial HCD inspection shall be reimbursed with grant funds unless such pre-inspection costs are reimbursable as provided in this Agreement and the HCD Manager approves the reimbursement of such cost in writing. If HCD provides written approval for the PARTICIPANT to proceed with the purchase of an IP, the PARTICIPANT may proceed with the purchase of the IP subject to meeting the following requirements and providing documentation evidencing such compliance after initial inspection to HCD as follows:

4.3.1 The PARTICIPANT shall provide an itemized contractor’s estimate for new construction of the proposed IP, ensuring that the costs are consistent with industry standards. In addition, a timeline within which new construction work will be completed shall be submitted to HCD. Time for completion of construction must be in accordance with 180 business day HCD standard. Penalties / fines may apply for all new construction projects that exceed the 180- business day timeframe.

HCD must review and approve all scopes of work and all scopes of work must be consistent with HCD’s Construction Standards.

4.3.2 Prior to beginning the construction process, the PARTICIPANT shall provide a written contract between the contractor and the PARTICIPANT to complete construction within 180 business day timeframe approved by HCD. The contract may include but not be limited to a contract with an architect and/or engineer to prepare construction documents required for permitting; contract with contractor for construction on lot provided by the CITY. The PARTICIPANT shall be responsible for and obtain all final certificates of occupancy.

4.4 If HCD approves the PARTICIPANT’s submittals in writing the following shall occur:

4.4.1 Execute a first or second mortgage subordinate to only Broward County and in a position of no less than third with note naming the CITY as mortgagee in the amount of \$400,000 and the market value of the land provided.

4.4.2 Execute for recordation a restrictive covenant running with the land,

imposing the affordability restrictions on any conveyance of the property and re-sell requirements that property must remain a permanent affordable rental. The covenant shall be recorded superior to the mortgage lien to preserve affordability.

4.5 FINANCIAL RESPONSIBILITIES

Based on the reports the IP does not meet the requirements for purchase, the PARTICIPANT shall be reimbursed for these costs.

4.5.1 Reimbursable Construction Costs. The PARTICIPANT shall submit monthly invoices to HCD for Reimbursable Construction Costs. Each reimbursement request shall include an updated project completion report/timeline. Prior to the approval of any construction reimbursement, the work must be confirmed and approved by HCD.

4.5.2 Construction Costs. The maximum cost for construction payable by CITY is as approved by HCD.

4.6 CONSTRUCTION OF PROPERTY

4.6.1 The PARTICIPANT shall take those actions necessary to obtain the documents required for permitting. The PARTICIPANT will be responsible for obtaining all necessary permits for construction, hiring all contractors, supervising all construction, and ensuring that the SHIP Property meets requirements of the Florida Building Code, local codes, and federal regulations for housing quality standards and those required to commence and complete construction of the new construction of the SHIP Property. The PARTICIPANT shall be responsible for and obtain all final certificates of occupancy.

4.6.2 The PARTICIPANT shall be responsible for obtaining all releases from contractors, subcontractors, and laborers prior to applying for a final certificate of occupancy.

4.6.3 Annually the PARTICIPANT must submit a Pro Forma Budget to the CITY by October 1st of each.

ARTICLE 5 RESTRICTIONS ON PROPERTY

5.0 A Property purchased by the PARTICIPANT using SHIP funds shall be restricted as follows:

- All residential units assisted with SHIP funds must be occupied by low-income households at or below 80% of the current SHIP Income Limits.

ARTICLE 6
RESPONSIBILITY FOR PROPERTY

- 6.0 The PARTICIPANT will pay, when due, all tax assessments, water rates and other governmental charges, fines, and impositions, of every kind and nature whatsoever, now and hereafter imposed on the mortgaged property, and will pay, when due, every amount of indebtedness secured by any lien of which the lien of this Mortgage is expressly subject. The PARTICIPANT will keep all buildings now existing, or which may hereafter be erected or installed in the land mortgaged hereby, insured against loss by fire and other hazards, casualties and contingencies.

ARTICLE 7
SCOPE OF SERVICES

- 7.0 By May 30, 2025, the PARTICIPANT shall expend the initial contracted amount provided in Article 3 in accordance with the terms of this Agreement. If the PARTICIPANT fails to expend the initial contracted amount by May 30, 2025, this Agreement may terminate, and the remaining funds will be de-obligated.

The PARTICIPANT will have up to 12 months to expend all funds and complete construction once all requirements are met.

- 7.1 In the event the PARTICIPANT is unable to meet the above schedule or complete the above services because of delays resulting from Acts of God, untimely review, and approval by the CITY and other governmental authorities having jurisdiction over the project, or other delays that are not caused by the PARTICIPANT, the HCD Manager may grant a reasonable extension of time for completion of the work. It shall be the responsibility of the

PARTICIPANT to notify the CITY promptly in writing whenever a work delay is anticipated or experienced, and to inform the CITY of all facts and details related to the delay.

- 7.2 The PARTICIPANT shall be solely responsible for completing all activities as provided in this Agreement.
- 7.3 The PARTICIPANT shall not award any grant funds for expenditures made in connection with this Agreement without HCD consent. HCD will ensure that all expenditures conform to the CITY's housing policies and guidelines as well as to applicable federal regulations and local housing ordinances.
- 7.4 The PARTICIPANT shall maintain its status as an eligible CHDO as defined by HUD regulations at 24 CFR 92, The PARTICIPANT agrees to provide information as may be requested by HCD to document its continued compliance, including

but not limited to, an annual board roster and certification of continued compliance. All assets acquired by the PARTICIPANT with SHIP funds pursuant to this Agreement shall revert to the CITY upon the dissolution of the PARTICIPANT or upon the PARTICIPANT's failure to maintain its status as an eligible CHDO.

- 7.5 All rental housing assisted with SHIP funds must meet the affordability requirements of 15 years, and the property must remain affordable perpetually. The CITY will require repayment of the loan at the end of the 15-year affordability period.
- 7.6 The PARTICIPANT shall establish procurement procedures to ensure that materials and services are obtained in a cost-effective manner.

ARTICLE 8 CERTIFICATIONS

- 8.0 The PARTICIPANT certifies that it shall comply with the following requirements:
- 8.1 Nondiscrimination, equal opportunity, site selection and neighborhood standards identified at 24 CFR 92.202 and 92.350.
- 8.2 Drug-free workplace, identified at 24 CFR 24.
- 8.3 Affirmative marketing and minority outreach, identified at 24 CFR 92.351.
- 8.4 Labor standards, identified at 24 CFR 92.354.
- 8.5 Disbarred or suspended contractors, identified at 24 CFR 24.
- 8.6 Conflict of Interest, identified at 24 CFR 92.356.

And any other applicable Code or Ordinance as required by the Federal Government, State Government, County and CITY.

ARTICLE 9 COMPLIANCE MONITORING

- 9.0 All projects must be in compliance with the rules and regulations of 24 CFR Part 5 (Income Limits, Annual Income, Rent, and Examinations for the Public Housing and Section 8 Programs) and the State Housing Initiatives Partnership Program as authorized by Florida Statutes, Chapter 420.907 and the Florida Administrative Code 67-37, and in particular related to: Project must also comply with 2CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

- a. Income limits

- b. Definition of Affordability
- c. Maximum rent
- d. Non-discrimination

The manager of Newly Constructed Senior Multi-family Rental must remain in contact with the SHIP Office during the 15-year SHIP affordability period and must remain in compliance with SHIP requirements. The manager must stay updated on income qualification training by completing re-training at least once every three years and provide proof to CITY of this training.

Once annually on staff from the SHIP office will conduct a monitoring visit to review income compliance and affordability of rent/housing costs, as well as complete an inspection of the physical condition of the SHIP assisted units and the overall property.

30 days prior to this monitoring visit, the CHDO will provide the following:

- a. A completed annual re-certification of income eligibility for each SHIP-assisted rental unit using the current residential income certification form and including required verification of household income and assets.
- b. Proof of Affordability of Units
- c. Certificate of Hazard Insurance naming the CITY of Fort Lauderdale Housing & Community Division as co-insured.

ARTICLE 10 TERMINATION OF AGREEMENT

- 10.0 In the event funds to finance the project set forth in this Agreement become unavailable, the obligations of each party hereunder may be terminated upon no less than twenty-four hours written notice to the other party.
- 10.1 If the PARTICIPANT fails to perform any of the provisions or terms of this Agreement, the CITY may, by written notice of breach to the PARTICIPANT, terminate all or any part of this Agreement.
- 10.2 Termination shall be upon no less than twenty-four hours' notice, in writing, delivered by certified mail, or in person.
- 10.3 No waiver by the CITY of any breach of any provision of this Agreement shall be deemed to be a waiver of any other provision or be construed to be a modification of the terms of this Agreement.
- 10.4 Any notice by either party under this Agreement should be deemed sufficient by written notice, sent by certified United States mail, with return receipt requested, addressed to the Party for whom it is intended, at the place last specified, and the place for giving of notice in compliance with the provisions of this paragraph.

For the present, the Parties designate the following as the respective places for giving of notice, to-wit:

CITY: Rachel Williams
Housing & Community Development Manager
914 NW 6th Street, Suite 200
Fort Lauderdale, Florida 33311
Phone: (954) 828-5391
Email: rwilliams@fortlauderdale.gov

With copies to: City Manager
City of Fort Lauderdale
101 East 3rd Ave, Suite 1430
Fort Lauderdale, FL 33301

City Attorney
City of Fort Lauderdale
1 East Broward Boulevard, Suite 1605
Fort Lauderdale, Florida 33301

PARTICIPANT: Linda Taylor
Housing Opportunities, Mortgage
Assistance & Effective Neighborhood
Solutions, Inc. d/b/a H.O.M.E.S., Inc.
690 NE 13th Street, Suite 101
Fort Lauderdale, Florida 33304

ARTICLE 11
INDEMNIFICATION CLAUSE

11.0 The PARTICIPANT shall indemnify and save harmless and defend CITY, its agents, servants, and employees from and against any and all claims, demands or causes of action of whatsoever kind or nature arising out of error, omission, negligent act, conduct or misconduct of the PARTICIPANT, its agents, servants, or employees in the performance of services under this Agreement.

ARTICLE 12
AMENDMENT

12.0 The parties reserve the right to modify, by mutual consent, terms, and conditions of this Agreement in order to successfully and fully complete the grant activities and services listed. Any such amendments must be reduced to writing and executed by the authorized CITY and the PARTICIPANT official.

ARTICLE 13
VENUE

13.0 This Agreement shall be governed by the laws of the State of Florida, with venue lying in Broward County, for the purpose of any litigation that may arise here from.

ARTICLE 14
PUBLIC RECORDS

IF THE PARTICIPANT HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES (2023), TO THE PARTICIPANT'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT CITY CLERK'S OFFICE, 1 EAST BROWARD BOULEVARD, SUITE 444, FORT LAUDERDALE, FLORIDA 33301, PHONE: 954-828-5002, EMAIL: PRRCONTRACT@FORTLAUDERDALE.GOV.

PARTICIPANT shall:

1. Keep and maintain public records that ordinarily and necessarily would be required by the CITY in order to perform the service.
2. Upon request from the CITY's custodian of public records, provide the CITY with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes (2023), as may be amended or revised, or as otherwise provided by law.
3. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of this Agreement if PARTICIPANT does not transfer the records to the CITY.
4. Upon completion of the Agreement, transfer, at no cost, to the CITY all public records in possession of PARTICIPANT or keep and maintain public records required by the CITY to perform the service. If PARTICIPANT transfers all public records to the CITY upon completion of this Agreement, PARTICIPANT shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If PARTICIPANT keeps and maintains public records upon completion of this Agreement, PARTICIPANT shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the CITY, upon request from the CITY's custodian of public records, in a format that is compatible with the information technology systems of the CITY.

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IN WITNESS OF THE FOREGOING, the Parties have set their hands and seals the day and year first written above.

CITY

CITY OF FORT LAUDERDALE, a Florida
municipal corporation

By: _____
GREG CHAVARRIA
City Manager

Date: _____

ATTEST:

By: _____
DAVID R. SOLOMAN
City Clerk

Approved as to form and correctness:
Thomas J. Ansbro, City Attorney

By: _____
LYNN SOLOMON
Assistant City Attorney

PARTICIPANT

**HOUSING OPPORTUNITIES,
MORTGAGE ASSISTANCE &
EFFECTIVE NEIGHBORHOOD
SOLUTIONS, INC. d/b/a H.O.M.E.S.,
INC., a Florida Not for Profit corporation**

WITNESSES:

Print Name

Print Name

By: _____
LINDA TAYLOR
Executive Director

(CORPORATE SEAL)

STATE OF _____:

COUNTY OF _____:

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this ____ day of _____ 2024, by **Linda Taylor**, as **Executive Director**, for **Housing Opportunities, Mortgage Assistance & Effective Neighborhood Solutions, Inc. d/b/a H.O.M.E.S., Inc.**, a Florida not for profit corporation.

(Signature of Notary Public - State of Florida)

(Print, Type, or Stamp Commissioned Name of Notary Public)

Personally Known _____ OR Produced Identification _____

Type of Identification Produced: _____