06/07-112

AGREEMENT

THIS AGREEMENT made and executed this 5th day of Sept, 2007, by and between the CITY OF SANIBEL (hereinafter "City"), a Florida municipal corporation, and COMMUNITY HOUSING AND RESOURCES, INC. (hereinafter "CHR"), a not-for-profit corporation organized and existing under the laws of the State of Florida.

WITNESSETH

WHEREAS, The City has enacted its Sanibel Code establishing a procedure for facilitating the construction, rental and sale of Below Market Rate Housing (BMRH) units for low and moderate income persons/families; and

WHEREAS, said ordinance provides for the administration of a BMRH program within the City by a housing foundation; and

WHEREAS, the Sanibel Plan, as amended, Part 3.6., Section 3.6.1. Housing Goals, Objective and Polices, provides for the development of plans to achieve the City's Below Market Rate Housing Program; and

WHEREAS, Community Housing and Resources, Inc., a non-profit agency, has served successfully as the City's Housing Foundation since December, 1983; and

WHEREAS, the City finds that CHR meets all of the requirements of the Sanibel Code for serving as the City's Housing Foundation; and

WHEREAS, the Sanibel Plan contains provisions for meeting the affordable housing needs; and

WHEREAS, affordable housing is essential for the recruitment and retention of the Sanibel work force due to the cost of housing for employees working on the island; and

WHEREAS, the City finds that the cost of land and development in the City and the prevailing market values of dwelling units therein renders the provision of BMRH units and employee housing virtually impossible without some limited public assistance; and

WHEREAS, the City finds that it serves an essentially public purpose in order to comply with the Florida Local Government Comprehensive Planning and Land Development Regulation Act and to accomplish the purposes and objectives of the Sanibel Code to make limited funds available for a limited time to the City's Housing Foundation for use in encouraging and assisting the development and construction of on-island BMRH units and employee housing; and

WHEREAS, the City and CHR desire to enter into an Agreement to implement such program, with CHR acting as the City's Housing Foundation and the City participating financially to the limited extent specified therein;

NOW, THEREFORE, in consideration of the mutual covenants and obligations specified herein, the parties hereto hereby agree as follows:

1. The City hereby designates and appoints CHR to continue to serve as its Housing Foundation under the terms of Chapter 102 of the Sanibel Code.

2. CHR agrees to execute and to continue to perform all of the obligations of the Housing Foundation as specified in the Sanibel Code and Sanibel Plan, as amended.

3. Payments of CHR's administrative expenses by the City shall be as follows:

(a) For the first fiscal year (2007-2008) of this Agreement, $240,404 will be paid to CHR by the City as the administrative budget.

(b) For subsequent years of this Agreement, CHR's annual administrative budget payment by the City will increase each fiscal year by 3%.

(c) Payment to CHR for administrative expenses shall be made in quarterly installments of one-quarter the amount budgeted for the fiscal year, payable within the first week of each quarter of the City's fiscal year.

(d) During the life of this Agreement, the City will provide up to $4,500 in office supplies, postage, copying and similar items each fiscal year. CHR will be responsible for reimbursing the City for any administrative costs, excluding rent, utilities and phone service that exceeds the annual allotted amount. The City agrees to provide up to 780 square feet of office space. The City will not provide a rental subsidy should CHR choose to move their office to another location. The City shall be responsible for providing CHR with a reconciliation of qualifying administrative expenses on an annual basis within 45 days of the end of the fiscal year.

4. Within twenty (20) days after the end of each fiscal quarter during the term of this Agreement, CHR shall submit to the City Manager a balance sheet

prepared in accordance with generally accepted accounting procedures and a line item accounting, including detailed transactions in "date order", of its administrative expenditures for such quarter. In addition, CHR shall provide an audited income statement for each separate CHR development and for the BMRH program as a whole. After a review of CHR's current accounting procedures and records, the City Manager may waive the requirement for one or more of the reports identified above.

5. CHR agrees to negotiate terms with developers and to maintain its own subsidized rent and mortgage payments at levels that provide sufficient income to CHR to enable it to accomplish all debt repayment schedules.

6. Within 90 days from the effective date of this agreement, CHR shall present to the City the first annual plan for the life of this agreement to be approved by City Council which outlines how the BMRH goals will be achieved. CHR will annually report on the status of providing additional BMRH units within the community (on-island) and the progress made on attainment of the program target suggested in the 2004/2005 Evaluation and Appraisal Report of the Sanibel Plan. Based on current population projections, the target at 3% of resident households envisions a total of 104 dwelling units (or 40 additional units) at "build-out" (by 2026). CHR will prepare an update of the plan for presentation to City Council during October of each year of this agreement.

7. In consideration of over $5.2 million dollars invested by the City of Sanibel into CHR since the year 2000, within 90 days of the effective date of this agreement, CHR will develop a process creating increased preference to City

employees through additional numerical points combining the categories of essential City worker (45 points) or City worker (40 points) with employer sponsored worker (35 points) to City employees who meet the income guidelines for assignment to BMRH units. This preference shall apply when not restricted by law, rule or regulations of government programs associated with the particular unit that may be developed or become available. The City Manager shall designate which City positions are deemed to be "essential."

8. Within 90 days of the effective date of this agreement, CHR will take action required to evaluate two City owned properties, one located at Gulfside City Park and the other 2897 Island Inn Road, to be included as BMRH units. CHR will provide a written report to the City if CHR determines that the properties cannot be included in the BMRH inventory.

9. CHR will maintain the required property (hazard, flood and windstorm) and liability insurance to replace the BMRH units at the replacement values.

10. CHR will require as a provision of each lease that residents of BMRH units participate in the recycling program of the City and CHR will ensure that recycling receptacles are available for all BMRH residents except as stipulated by condominium association documents.

11. CHR is responsible maintaining BMRH units in compliance with the requirements of City Development Permits and Conditional Use Approvals issued for the development of these units, including maintenance of the buildings, the required vegetation buffers and the preserved native vegetation, the required stormwater management improvements and utilities, maintenance of shrubs,

bushes and other vegetation as well as the removal of palm fronds and other flammable vegetation necessary for wildfire protection. All new landscaping must be 100% native vegetation as per City policy.

12. CHR will require as a provision of each lease, and amend current leases, to require tenants to evacuate the Island, if mandatory evacuation is declared by City Council during a state of emergency.

13. Within 30 days of the effective date of this agreement, CHR will provide a hurricane plan to require the evacuation of BMRH residents.

14. As the BMRH structures age, all utility connections and building maintenance is the responsibility of CHR.

15. It is the City's understanding that CHR is currently pursuing development of Off-Island units. The City's contribution of funds to administrative overhead and expenses may be utilized solely to support development that meets the requirements of the Sanibel Plan. Units developed near Island where a percentage of units are designated by contract agreement to be occupied by Sanibel workers qualify under this section.

16. This Agreement may be renegotiated in response to unforeseen needs of the City's Below Market Rate Housing program.

17. This Agreement shall terminate midnight September 30, 2012, unless sooner extended by Resolution of City Council or terminated by either party in accordance with this section. Written notice to extend shall issue from the City to CHR, on or before September 1, 2012. Written acceptance of CHR shall be provided to the City on or before September 30, 2012.

This Agreement may be terminated at will, for any reason or no reason, by either party, upon twenty-four (24) months prior written notice to the other party, by prepaid U.S. mail certified with return receipt requested.

18. On or before March 1 of each year, CHR shall provide to the City an audit of the prior fiscal year (ended September 30th) along with a narrative and statistical summary of its operations and activities carried out through September 30 in fulfilling its obligations under Chapter 102 of the Sanibel Code.

19. To comply with the provisions of House Bill's 1363 and 1375, the City and CHR agree to review State, County and City owned surplus lands on Sanibel on a regular basis to determine the potential use for workforce housing.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and their official seals affixed hereto on the day and year first written above.

(SEAL)

CITY OF SANIBEL

BY: _____
Judie Zimomra, City Manager

ATTEST:

_____
Pamela Smith, City Clerk

Pamela Smith, City Clerk
Printed Name & Title

APPROVED AS TO FORM:

_____
CITY ATTORNEY

FINANCIAL SUFFICIENCY APPROVED
8/31/07
Renee M. Lynch, FINANCE DIRECTOR

(SEAL)

COMMUNITY HOUSING & RESOUCES, INC.

BY: _____

Printed: Michael F. Cuscaden
Title: President

ATTEST:

_____
Signature

Scott J. Marcelais, Executive Director
Printed Name & Title