

**MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY
OF ORLANDO AND THE HOUSING AUTHORITY OF THE CITY OF
ORLANDO FOR DEVELOPMENT OF AFFORDABLE
HOMEOWNERSHIP UNITS ON CERTAIN PARCELS LOCATED AT
CARVER PARK**

THIS MEMORANDUM OF UNDERSTANDING, hereinafter referred to as the "MOU," is entered into in Orlando, Florida, with an effective date of _____, 2018 by and between the **City of Orlando Community Redevelopment Agency**, a public body politic and corporate created pursuant to Part III, Chapter 163 Florida Statutes, hereinafter referred to as the "CRA," the address of which is 400 South Orange Avenue, Orlando, Florida 32801, Orlando, Florida, and the **Housing Authority of the City of Orlando**, a public body corporate and politic organized pursuant to Chapter 421, Florida Statutes, as may be amended, hereinafter referred to as "OHA," the address of which is 390 North Bumby Avenue, Orlando, Florida 32803.

RECITALS

WHEREAS, in or around 2001, the OHA received a HOPE VI grant from the U.S. Department of Housing and Urban Development ("HUD"), to facilitate the demolition of the then existing public housing at Carver Court Apartments, owned and operated by OHA, and the redevelopment of the site with both affordable rental units and affordable homeownership units ("Carver Park"); and

WHEREAS, the OHA, due to unforeseen economic conditions that negatively impacted its ability to construct and sell any of the projected eighty-three (83) homeownership (model home was constructed but not sold) units planned for the redeveloped Carver Park site, never completed the homeownership phase of the HOPE VI commitment; and

WHEREAS, the OHA, the CRA and HUD are desirous of working together to complete the homeownership phase of the HOPE VI commitment to provide affordable homeownership units to the residents of the City of Orlando; and

WHEREAS, the OHA and the CRA have agreed to work collaboratively to complete the homeownership phase of the HOPE VI commitment to provide affordable homeownership units within the Downtown Orlando Community Redevelopment Area ("Area"); and

WHEREAS, this MOU is a good faith understanding of the parties setting forth the general parameters for the CRA and OHA to use in working towards a formal agreement of the parties for the construction and development of the remaining forty-one (41) homeownership units of the Carver Park project located within the Area; and

WHEREAS, the parties acknowledge that this MOU is not a binding contract under which a cause of action would accrue to either party and that either party may decide to not move forward with the project should such party determine it is not in its best interest to do so once further information and details are determined;

NOW, THEREFORE, in consideration of the mutual covenants, promises and representations contained herein, the parties hereto agree as follows:

ARTICLE I. RECITALS

The Recitals set forth above are true, accurate and correct, and are incorporated herein by reference.

ARTICLE II. PERIOD OF MOU AND EFFECTIVE DATE

Except as otherwise provided herein, this MOU shall be effective as of _____, 2018 and shall remain in full force and effect until superseded by further agreement between the parties or terminated in writing by the OHA, the CRA, or both by mutual agreement.

ARTICLE III. JOINT DEVELOPMENT ROLES OF THE OHA AND CRA

A. The CRA and the OHA intend to use the existing Site Plan ("Site Plan"), attached hereto as Exhibit "A", approved by HUD through the HOPE VI process, and replace the vacant OHA site(s) with homeownership units. This will consist of Forty Two (42) homeownership units, East of Westmoreland Drive, based on current zoning, and entitlements in place. (The total of 42 units includes the model home already constructed by OHA).

B. For the forty-one (41) vacant lots on the east side of Westmoreland Drive, the CRA intends to hire a contractor(s) to construct the units on its behalf.

C. The OHA and the CRA shall ensure that the homeownership of the Affordable Units, as hereinafter defined, will be targeted to low and moderate income individuals and families, including but not limited to Carver Court former public housing eligible households, existing public housing residents, and participants in City sponsored home buyer education programs available to Parramore residents..

ARTICLE IV. DEVELOPMENT PARAMETERS

A. On the east side of Westmoreland Drive, it is intended that the CRA will pay for all costs related to the development of forty-one (41) affordable and market rate homeownership units, including but not necessarily limited to site development, permitting, construction, marketing and sales.

B. On the west side of Westmoreland Drive, the City of Orlando may make funds available in the future toward construction costs and down payment assistance.

C. The OHA recognizes that the CRA funding is separate and distinct from the City of Orlando general and special funds such as HOME funds.

D. The boundary of the Area ends at Westmoreland Drive. As a result, the CRA's funding is limited to the sites on the East side of Westmoreland Drive. Any future agreements between the OHA and the CRA will acknowledge the boundaries of the Area and related funding limitations.

E. The OHA and the CRA mutually agree that original development site should be sufficient to construct the additional forty-one (41) homeownership units contemplated herein.

ARTICLE V. ROLE OF THE OHA

A. The OHA will deliver the lots in "as is" condition, subject to a due diligence period by the CRA.

B. The OHA will deed the lots to the CRA at the time of permitting of the construction on each lot, subject to an agreed upon reverter clause to be contained therein.

C. The OHA will provide a list of proposed home warranty companies, plans, and terms.

D. The OHA will handle the costs of marketing to and income qualifying of potential homebuyers that currently reside in any existing OHA developments.

E. The emergency fund for home repairs for the units built by the CRA as discussed in VI (D) below will be fully managed by the OHA.

F. The OHA will make an application to HUD to have the Declaration of Trust removed on the development lots for homeownership.

G. The OHA will make any necessary requests to HUD to revise the HOPE VI plan. The CRA agrees to provide a cost certification at the completion of construction for purposes of confirmation of development costs.

H. The designated representative for decision making and signature authority for the OHA will be the current President/CEO of the OHA.

I. OHA will establish a homeowners' association for the forty-two (42) homes. Upon sale of each Affordable Unit, the CRA will provide up to \$100,000 to the homeowners' association to be used solely to pay for HOA dues assessed to the homeowners of the Affordable Units.

J. OHA will sell the model home located at 802 Short Avenue to a purchaser earning up to 80% of AMI and it shall be included as one of the Affordable Units and be counted within the thirteen (13) to nineteen (19) required Affordable Units.

ARTICLE VI. ROLE OF THE CRA

A. The CRA intends to produce a proposed timeline outlining when all forty-one (41) units are proposed to be constructed on the East Side of Westmoreland. The timeline will address timing of commencement of vertical construction, phasing, and anticipated completion dates.

B. Upon review and approval of final construction costs, the CRA will generally use the Site Plan, Elevation Drawings and Floor Plans for single family homes dated January 11, 2005, and Construction Drawings for the duplexes and townhomes dated February 27, 2008, with the exception of any construction method modifications required by the changes in Uniform Building Codes within the review of the construction permitting process. Changes to the Site Plan, Elevation Drawings, Floor Plans and Construction Drawings would have to be approved in writing by the OHA in advance. The CRA reserves the right to make adjustments to OHA's plans and specifications that comport with the OHA's original design intent.

C. The CRA will offer a home warranty plan to homebuyers for the Affordable Units for a three year period.

D. The CRA will provide Ten Thousand Dollars (\$10,000) to the OHA upon sale of the final "for sale" unit in the development site for the purpose of emergency unit repairs on the Affordable Units constructed by the CRA. These funds may also be used to support site activities and or homeownership services.

E. As determined to be desired or necessary, the CRA will contract with an outside agency for financing, marketing, and qualifying potential homebuyers for non-OHA development residents.

F. The CRA anticipates that there will be no "profits" derived from the sale of the homes by the CRA. If units are sold at a price above projected construction costs, the CRA will utilize those excess funds to subsidize the Affordable Units on site.

G. The CRA will construct a mixed income community on the development site with thirteen (13) to nineteen (19) homes (number to be based on HUD calculations) will be restricted to purchasers earning up to 80% of AMI and the balance of the homes are not required to have any income restrictions.

ARTICLE VII. LAND OWNERSHIP

Land reserved for homeownership units on the east side of Westmoreland Drive will be solely owned by the OHA until the land is transferred to the CRA by lot at the time of permitting of the construction on each such lot, subject to an agreed upon reverter clause to be contained therein.

ARTICLE VIII. ENVIRONMENTAL CONDITIONS FOR ALL FORTY-TWO LOTS

A. The CRA may conduct environmental testing on any lot prior to determining whether to proceed with closing on such lot.

B. The OHA will disclose and provide any previously completed studies pertaining to any and all environmental issues on the sites.

ARTICLE IX. OUTSTANDING OHA HOPE VI OBLIGATIONS

It is the intent of the parties based on discussion with HUD that the CRA's construction of between thirteen (13) and nineteen (19), depending on unit size and according to the HUD Total Development Costs worksheet, homeownership units to be made affordable to families at or below eighty percent (80%) of area median income ("Affordable Units") will fully satisfy the remaining Hope VI requirements under the grant. HUD shall be requested to verify the satisfaction of this obligation in writing by the OHA upon completion of said units. The model home already constructed by OHA shall be included as one of the Affordable Units and be counted within the thirteen (13) to nineteen (19) required Affordable Units. The parties acknowledge that their obligations in the formal agreement are anticipated to be contingent upon HUD's general approval of the arrangement and agreement to remove, at the appropriate times, the necessary restrictions, covenants, and declarations, related to the initial HOPE VI grant as well as both parties' acceptance of any HUD conditions placed upon them by the development of the forty-one (41) homeownership units in the manner contemplated by this MOU.

ARTICLE X. INDEPENDENT AGENT AND CONTRACTOR STATUS

The CRA and the OHA shall perform their respective obligations pursuant to this MOU as independent agents and nothing contained herein shall in any way be construed to constitute the CRA or the OHA or any assistant, representative, agent, employee, independent contractor, partner, affiliate, holding company, subsidiary or subagent of either entity to be a representative, agent, subagent, or employee of the other entity.

ARTICLE XI. NO GENERAL FUNDING OBLIGATION CLAUSE

This MOU shall not be or constitute a general obligation or indebtedness within the meaning of the Constitution of the State of Florida.

ARTICLE XII. ASSIGNMENT

Neither this MOU nor any part hereof may be assigned by any party hereto.

ARTICLE XIII. ACCESS TO RECORDS.

All parties to this MOU shall comply with the requirements of Chapter 119, Florida Statutes, as applicable, with respect to any documents, papers, and records made or received in connection with this MOU.

ARTICLE XIV. NOTICE AND GENERAL CONDITIONS

All notices which may be given pursuant to this MOU shall be in writing and shall be delivered by personal service or by certified mail return receipt requested addressed to the parties at their respective addresses indicated below or as the same may be changed in writing from time to time.

City of Orlando

Community Redevelopment Agency

Thomas, C. Chatmon, Jr., Executive Director
400 South Orange Avenue, 6th Floor
Orlando, Florida 32801

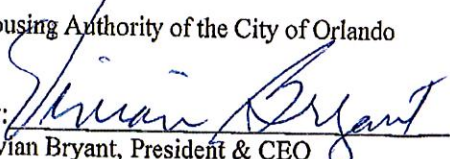
Housing Authority of the City of Orlando

Vivian Bryant, President/CEO
390 North Bumby Avenue
Orlando, Florida 32803

Community Redevelopment Agency

By: _____
Thomas C. Chatmon, Jr., Executive Director

Housing Authority of the City of Orlando

By: 
Vivian Bryant, President & CEO

