

**CITY OF SANIBEL
RESOLUTION 22-058**

A RESOLUTION APPROVING AN AMENDED AGREEMENT BETWEEN THE CITY OF SANIBEL AND COMMUNITY HOUSING AND RESOURCES, INC., WHICH SERVES AS THE CITY'S HOUSING FOUNDATION PURSUANT TO THE CITY'S CODE OF ORDINANCES; AUTHORIZING THE CITY MANAGER TO EXECUTE SUCH AGREEMENT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Community Housing and Resources, Inc. (CHR) is a non-profit agency which has served as the City's Housing Foundation since 1983; and

WHEREAS, the current agreement with CHR expires September 30, 2027 and the City Council finds it necessary and appropriate to amend the Agreement with CHR due to the monetary impacts of Hurricane Ian upon the City's revenues; and

WHEREAS, Hurricane Ian made landfall on Sanibel on September 28, 2022, causing catastrophic damage to the City of Sanibel; and

WHEREAS, the City of Sanibel and CHR have mutually agreed to reduce the City's financial contribution to CHR for a 2-year period to assist the City with its financial recovery from Hurricane Ian.

WHEREAS, the City Council finds that it serves a public purpose and is in the best interests of the citizens of the City of Sanibel that such Agreement be approved as amended.

NOW THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL, CITY OF SANIBEL, FLORIDA:

SECTION 1. The Agreement between the City of Sanibel and Community Housing and Resources, Inc. (commonly known as CHR is hereby amended and approved as reflected in Exhibit A attached to this resolution, with ~~strike through~~ language indicating deletions and underlined language indicating additions.

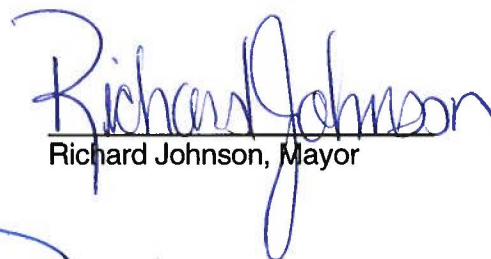
SECTION 2. The City Manager is hereby authorized to execute such Agreement.

SECTION 3. This Resolution shall take effect immediately upon adoption.

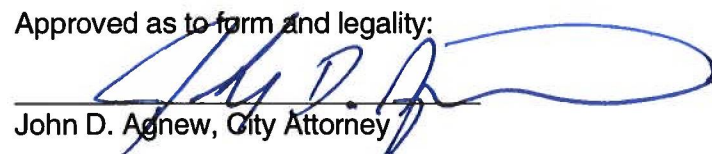
PASSED IN OPEN AND REGULAR SESSION OF THE CITY COUNCIL OF THE CITY OF SANIBEL, FLORIDA THIS 11TH DAY OF SEPTEMBER 2023.

Attest:


Scotty Lynn Kelly, City Clerk


Richard Johnson, Mayor

Approved as to form and legality:


John D. Agnew, City Attorney

Date filed with City Clerk: ~~September~~ 11, 2023

Vote of Council Members:

Johnson	<u>Aye</u>
Miller	<u>Aye</u>
Crater	<u>Aye</u>
Henshaw	<u>Aye</u>
Smith	<u>Aye</u>

EXHIBIT A TO RESOLUTION**AGREEMENT****(Amended 9/11/2023)**

THIS AGREEMENT made and executed this _____ day of September 2022, 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 Policies, 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 a portion of the affordable housing needs in the City; and

WHEREAS, affordable housing is essential for the recruitment and retention of the Sanibel workforce 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 affordable housing units for low and moderate income individuals 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 Florida's Community Planning 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 operations and improvements 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 may be amended.
3. Payments of CHR's administrative expenses by the City shall be as follows:
 - (a) For the first fiscal year of this Agreement, commencing October 1, 2022 and ending September 30, 2023, \$414,477 will be paid to CHR by the City as the administrative budget (hereinafter referred to as the "administration budget").

- (b) This amount represents a 5% increase above the administrative budget payment in fiscal year 2022.
- ~~(c) Due to the monetary impacts of Hurricane Ian, the City will pay CHR the annual amounts in accordance with the following payment schedule: \$331,582 for FY 2024; \$373,020 for FY 2025; and \$414,477 for FY 2026. This amount represents a 5% increase above the administrative budget payment in fiscal year 2022.~~
- (de) Annually, beginning in FY 2027, CHR's annual administrative budget payment by the City will be increased, for the term of this agreement, by the lesser amount of either:
- i. The Consumer Price Index, All Urban Consumers (CPI-U), All Items category, for the South Region, as published by the United States Department of Labor, Bureau of Labor Statistics for the annual period of August over August. In the event the CPI-U decreases in any year during the term of this agreement, the administrative budget payment will be the same as the previous year. (Example – the CPI-U in the annual period is -1.5%, the annual payment will be the same as the previous year).
 - ii. 5%.
- ~~(ed)~~ Payment to CHR by the City for the administrative budget shall be made in quarterly installments, each equal to one quarter of the administrative budget for the fiscal year. Each quarterly installment shall be paid by the City to CHR within the first week of each quarter of the City's fiscal year.

- (f) The City agrees to assist CHR, during the term of this Agreement, in securing suitable office space by providing either:
- iii. A City-owned facility with shared bathroom and kitchen services (refrigerator and sink) or other available space for CHR office-related operations and staff work, not less than 800 square feet. Included as a part thereof and paid for by the City shall be all utilities and telecommunication services, including internet access that CHR needs to conduct its business.
 - iv. The City shall pay to CHR annually, an amount equal to:
 - 1) The fair market cost of leasing 800 square feet of commercial office space in the City.
 - 2) The cost to provide utilities (water, sewer, and electric), telephone, and internet services for 800 square feet of commercial space. (Example – CHR leases 2,400 square feet – the City will pay 1/3 of the utility costs)
4. Within twenty (20) days after the end of each of CHR's fiscal quarters during the term of this Agreement, CHR shall submit to the City Manager a balance sheet prepared in accordance with Generally Accepted Accounting Principles. The balance sheet shall be comparative to the prior year with notes accompanying all account variances that both exceed 10% and are greater than \$500. In addition, CHR shall provide an income statement in accordance with Generally Accepted Accounting Principles and a detailed aged accounts payable listing. The income statement shall compare quarterly and year-to-date income and expenses to both prior year and budget with notes accompanying account variances that both exceed 10% and are greater than

\$500.

5. CHR agrees to continue 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. Both CHR and the City find it appropriate and necessary to enhance and promote the transparency of CHR meetings and operations for the benefit of CHR, the City and the public in general. In furtherance thereof, CHR shall adhere to the following requirements during the term of this agreement:
 - (a) CHR shall continue to follow a standard procedure by which agendas for all meetings of the CHR Board shall be noticed and such notice shall provide the time, date, and place of such meeting, generally describing the purpose of the meeting (which may be done through a posted agenda) and a prominently displayed statement that the public may attend such meeting. Such notice shall be posted at least 72 hours prior to the meeting, except in the case of an emergency meeting called by the CHR Board, in which case notice shall be posted at the earliest possible date and time taking into account such emergency situation. The notice shall be posted at the City Hall board where similar notices are posted and shall also be posted on the CHR website as described below.
 - (b) CHR shall continue to maintain a website accessible by the general public which shall provide general descriptions and information relating to CHR, its purposes and goals and other relevant information determined appropriate by the CHR Board. As noted above, meeting agendas shall also be posted, together with the agenda back-up or supporting

materials and any other required or relevant information.

7. CHR will annually report on the status of providing additional BMRH units within the City and the progress made on attainment of the program target, as defined in the Sanibel Plan. This report will be delivered to City Council during November of each year of this agreement.
8. If, during the term of this agreement, the City updates or amends the Housing Element of the Sanibel Plan during a Comprehensive Plan review or the Evaluation and Appraisal Report (EAR) process, CHR shall, within 120 days from the date the City Council approves said update or amendment to the Housing Element of the Sanibel Plan, present to the City a plan which outlines how the BMRH updated or amended goals will be achieved.
9. There is currently one City-owned dwelling unit (located at 2001 Algiers Lane, Sanibel) within the CHR inventory of Below Market Rate Housing unit rentals. CHR agrees to continue to maintain and operate such dwelling unit as part of the CHR inventory during the term of this Agreement. CHR shall maintain liability insurance coverage for such unit in a manner and amount of coverage generally applicable to BMRH units owned by CHR and the City shall maintain hazard, flood, and wind insurance coverage for such unit.

CHR will maintain the required property (hazard, flood, and windstorm) and liability insurance (excluding mold liability coverage) to repair and replace the BMRH units owned by CHR at the replacement values and to insure against liability claims. The City of Sanibel shall be named as an additional insured on all policies. The City shall be provided a minimum of ten (10) days prior written notice in the event that any policy is cancelled or altered in a manner which

reduces the insurance protection afforded the City as an additional insured.

As established in 2019, CHR shall continue to budget and establish a reserve of funds for potential mold liability and remediation, and shall make minimum annual contributions of \$2,500.00 to such reserve in furtherance thereof. To make any payments for such mold liability and remediation shall require a 75% super majority vote of CHR's Board of Directors.

10. CHR will continue to promote 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 for 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 storm water 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, to require tenants evacuate the Island, if mandatory evacuation is declared by City Council during a state of emergency.
13. By or before May 15 annually, CHR will provide an updated and current hurricane plan to require the evacuation of all BMRH residents.
14. As the BMRH structures age, all utility connections and building maintenance is

the responsibility of CHR.

15. This Agreement may be renegotiated in response to unforeseen needs of the City's Below Market Rate Housing program.
16. This Agreement shall commence on October 1, 2022 {referred to herein as the "effective date"} and shall terminate midnight September 30, 2027. 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 in accordance with the notice requirements of subsection 19 of this Agreement.
17. On or before January 15 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 and this contract. Also accompanying the audit report shall be relevant economic and demographic information relating to CHR's clients, including both tenants and owners. CHR shall submit for reimbursement from City for its reasonable expenses incurred in obtaining this audit, not more than \$15,000.
18. To comply with the provisions of Section 166.0451, Florida Statutes, the City and CHR agree to review City owned surplus lands on Sanibel on a regular basis to determine the potential use for workforce housing.
19. NOTICE.

All notices, certificates or other communications hereunder shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, or sent by nationally recognized overnight courier (with delivery instructions for "next business day" service) to the parties at the following addresses:

If to CHR:

Community Housing & Resources, Inc.
Attention: Executive Director and Board President 800
Casa Ybel Rd Unit #7 ~~2401 Library Way~~
PO Box 1098
Sanibel, FL 33957

If to City: City of Sanibel
 Attention: City Manager
 800 Dunlop Road
 Sanibel, FL 33957

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.

City Seal
And
City Attorney Stamp

CITY OF SANIBEL

BY: _____
Dana A. Souza, City Manager

COMMUNITY HOUSING & RESOURCES, INC.

BY: _____

Printed: _____
Title: President

ATTEST:

Signature

Printed Name and Title