

RESOLUTION NO. 22-290

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, REQUESTING FUNDING FROM THE MONROE COUNTY LAND AUTHORITY IN THE AMOUNT OF \$4,028,250.00, FOR THE CONSTRUCTION OF FOR SALE WORKFORCE HOUSING AT THE PROPOSED LOFTS AT BAHAMA VILLAGE DEVELOPMENT LOCATED AT 918 FORT STREET (OTHERWISE KNOWN AS THE 3.2 ACRE SITE) PURSUANT TO SECTION 380.0666(3)(A), FLORIDA STATUTES, AND IN ACCORDANCE WITH CITY OF KEY WEST COMPREHENSIVE PLAN POLICY 3-1.1.7.

WHEREAS, the City of Key West owns the property at 918 Fort Street (RE# 00001630-000801) and has executed a 99 year lease agreement with a developer to construct affordable residences onsite; and

WHEREAS, the \$4,028,250.00 will partially subsidize the construction of 28 for sale workforce units at 918 Fort Street; and

WHEREAS, the City desires to lower the final sales price of fourteen units currently accessible to individuals with incomes in the 140% AMI range and this gap funding for construction facilitates these lower sales prices; and

WHEREAS, the Monroe County Land Authority holds funds on behalf of the City of Key West that may be dedicated to the

purchase of land or costs of construction for the purpose of providing workforce housing; and

WHEREAS, the City and the Monroe County Land Authority shall record a Declaration of Affordable Housing Restrictions and other legal documents as needed to ensure monitoring and compliance of homeowner income limits and other provisions of City ordinances and State statutes applicable to Monroe County Land Authority funding.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

Section 1: That the funds held by the Monroe County Land Authority are requested for funding of the construction of 28 proposed for sale affordable workforce housing units on the 3.2 acre property located at 918 Fort Street, commonly referred to as the 3.2 acre site, adjacent to the proposed 98 rental units. The property at 918 Fort Street (RE# 00001630-000801) is hereby nominated to the Monroe County Land Authority for funding in the amount of four million twenty-eight thousand, two hundred and fifty dollars (\$4,028,250.00). This funding shall function to amend and reduce the multiplier for the required fourteen (14)

owner occupied affordable housing "middle income" units to not exceed three and one-half times the annual median household income (100% AMI) (adjusted for family size) for Monroe County, in accordance with section 122-1472.

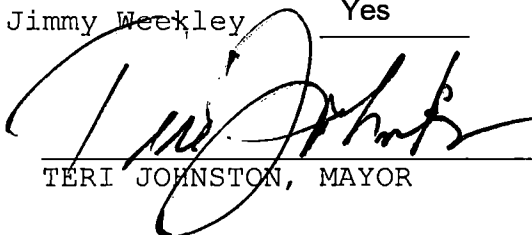
Section 2: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this 6th day of December, 2022.

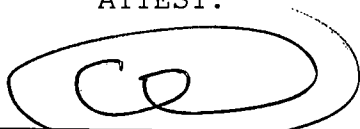
Authenticated by the Presiding Officer and Clerk of the Commission on 7th day of December, 2022.

Filed with the Clerk on December 7, 2022.

Mayor Teri Johnston	<u>Yes</u>
Vice Mayor Sam Kaufman	<u>Yes</u>
Commissioner Lissette Carey	<u>Yes</u>
Commissioner Mary Lou Hoover	<u>Yes</u>
Commissioner Clayton Lopez	<u>Yes</u>
Commissioner Billy Wardlow	<u>Yes</u>
Commissioner Jimmy Weekley	<u>Yes</u>


TERI JOHNSTON, MAYOR

ATTEST:


CHERYL SMITH, CITY CLERK



THE CITY OF KEY WEST

Post Office Box 1409 Key West, FL 33041-1409 (305) 809-3700

EXECUTIVE SUMMARY

TO: Patti McLaughlin, City Manager

FROM: Katie P. Halloran, Planning Director

DATE: December 6, 2022

RE: A request for approval for a fund disbursement of \$4,028,250.00 from the Monroe County Land Authority to the City of Key West for the construction of for-sale affordable housing units at the proposed Lofts at Bahama Village development at 918 Fort Street (otherwise known as the 3.2 acre site) pursuant to Section 380.0666(3)(a), Florida Statutes, and in accordance with City of Key West Comprehensive Plan Policy 3-1.1.7.

ACTION STATEMENT:

This resolution requests disbursement of affordable housing construction gap funding from the Monroe County Land Authority to reduce the sales prices of for-sale affordable housing units at the Lofts at Bahama Village development proposed at 918 Fort Street (RE# 00001630-000801). The City of Key West owns the property at 918 Fort Street and has executed a 99-year lease agreement with a developer to construct affordable residences onsite. The City desires to lower the final sales price of fourteen units currently accessible to individuals with incomes in the 140% AMI range. The overall effect of this construction funding will be to lower the final sales prices of these fourteen units to allow individuals with household income levels between 81% AMI to 140% AMI to be financially eligible to become homeowners.

BACKGROUND:

The property at 918 Fort Street, commonly referred to as 3.2 acres, is a City-owned property located within the Historic Neighborhood Commercial District – Bahama Village Truman Waterfront (HNC – 4). The subject property currently holds 126 Building Permit Allocations (BPAS), which shall be constructed as both rental and for-sale units. The proposed development plan is comprised of three buildings, Buildings A and B shall contain 98 rental units; Building C shall contain 28 sale units consisting of 18 two-bedroom units and 10 three-bedroom units. The City Commission approved Resolutions 22-080 and 22-158 earlier this year, which entered the City into a 99-year ground lease with the ‘Rental Lessee’ for the parcel housing rental units and ‘Occupant Lessee’ for the parcel housing for-sale units. The major development plan for all three buildings is currently in the process of acquiring approvals from the City.

On July 15, 2022, the lessee executed a Declaration of Affordable Housing Restrictions in regard to building C, the Declaration states three units within Building C shall be for “very low-income” persons, eleven units shall be designated for “low-income” persons, and fourteen units shall be



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designated for “middle income persons”.

A City Commission resolution to request Land Authority funding to subsidize construction of all 28 for-sale units will allow for lower sales prices of the fourteen “middle income persons” units. The developer is proposing nine (9) two-bedroom units and five (5) three-bedroom units that would have sales prices that would drop from the middle income range to the median income range. Thus, if approved, the Land Authority funding would allow more households with lower incomes to access more for-sale units at 918 Fort Street. The Land Authority funding would be passed through the City of Key West as provided by Section 380.0666(3)(a), Florida Statutes, to construct twenty eight for-sale units for household income levels between 81% AMI to 140% AMI.

The following table (Table 1.) reflects the sales price for each of the AMI categories per code definitions:

Table 1. Per Code Definitions

Unit Size	Very Low 60% (1.5)	Low 80% (2.5)	Median 100% (3.5)	Moderate 120% (5.0)	Middle 140% (6.5)
2 Bedrooms	\$138,750	\$230,625			\$599,625
3 Bedrooms	\$153,750	\$256,250			\$666,250

The following table (Table 2.) reflects the suggested multiplier for the 140% AMI category.

Table 2. Suggested.

Unit Size	Very Low 60% (2.5)	Low 80% (3.1)	Median 100% (3.5)
2 Bedrooms	\$138,750	\$230,625	\$322,875
3 Bedrooms	\$153,750	\$256,250	\$358,750

In order for the project at 918 Fort Street to be eligible to receive Land Authority funds, the City, acting as the Naval Properties Local Redevelopment Authority of the City of Key West, must require future homeowners of for-sale units at 918 Fort Street to remain compliant with Land Authority funding requirements. An Amended and Restated Declaration of Affordable Housing Restriction and any additional legal document will require that the developer, Bahama Village on Fort, LTD (Vestcor), and after sales, AH Monroe, will be responsible to ensure future homeowner income remains below 160% AMI, as provided by Section 380.0666(3)(a) Florida Statutes. Homeowners that become ineligible will have one year to sell their units, and A.H. Monroe will have Right of First Refusal (ROFR), to purchase that unit and resell to an income eligible homebuyer.

PURPOSE AND JUSTIFICATION:

Staff recommends approving the 3.5 multiplier for this project, which would result in decreasing



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the sale price of the fourteen originally proposed "middle income persons" condo units at 918 Fort Street. The City of Key West is currently undergoing a housing crisis and has a limited supply of housing units available. The City of Key West would like to partner with AH Monroe and Vestcor to ensure homeownership units at 918 Fort Street are accessible to a broader range of working families and individuals in Bahama Village. The purpose of this approval is to also ensure that the proposed fourteen "middle income units", would be accessible to prospective buyers with incomes from 140% AMI down to 81% AMI. The City acknowledges concerns raised recently by Bahama Village community members regarding the sales prices of these units and is working to reduce these prices to support the community.

FINANCIAL IMPACT:

Approval of the disbursement would reduce the total fund balance of the Monroe County Land Authority.

RECOMMENDATION:

Staff recommends approving the request to the Monroe County Land Authority to disburse \$4,028,250.00 for construction of 28 affordable workforce housing units for the property at 918 Fort Street (RE# 00001630-000801), otherwise known as the 3.2 acres in accordance with City of Key West Comprehensive Plan Policy 3-1.1.7. in order to reduce the for sale price of the fourteen (14) affordable middle income units from 6.5 times the "middle" household income (adjusted for family size) down to 3.5 times the annual median income (adjusted for family size).

CITY OF KEY WEST

Memorandum to the Monroe County Land Authority



TO: Christine Hurley, Executive Director
Monroe County Land Authority

FROM: Patti McLauchlin, City Manager

DATE: December 6, 2022

RE: Bahama Village 3.2 Lofts

The City of Key West ("City") requests Monroe County Land Authority ("Land Authority") funding in the amount of \$4,028,250.00 in accordance with City of Key West Comprehensive Plan Policy 3-1.1.7. *This is letter is revised from its first issuance on October 4, 2022, to clarify the provisions of the request pursuant to discussions between City of Key West and Monroe County Land Authority staff as they relate to meeting the Land Authority Statute 380.0666(3)(a) to provide affordable housing to families whose income does not exceed 160 percent of the median family income for the area.*

BACKGROUND:

The property at 918 Fort Street, commonly referred to as 3.2 acres, is a City-owned property located within the Historic Neighborhood Commercial District – Bahama Village Truman Waterfront (HNC – 4). The subject property currently holds 126 Building Permit Allocations (BPAS), which shall be constructed for both rental and for-sale units. The proposed development plan is comprised of three buildings, which building C shall contain 28 condominium sale units consisting of 18 two-bedroom units and 10 three-bedroom units.

On July 15, 2022, the lessee executed a Declaration of Affordable Housing Restrictions in regard to building C, the Declaration states three units within Building C shall be for "very low-income" persons (earning a maximum of 60% of median), eleven units shall be designated for "low-income" persons (earning a maximum of 80% of median), and fourteen units shall be designated for "middle income persons (earning a maximum of 140% of median)" ***.

In order to assure compliance with the Land Authority Statute, the City and the Land Authority will record an Amended and Restated Declaration of Affordable Housing Restriction to ensure monitoring and compliance associated with MCLA funding is appropriately addressed in the deed restriction, the lease, and/or other appropriate legal agreements. The amended and restated deed restriction and other documents as appropriate will include:

- a prohibition on rentals
- a requirement that an owners family income may not exceed 160% AMI during the course of ownership of a unit. Owner families will have room to grow their income [as families earning between 81% - 140% of area median income can purchase], to 160%. In the event an owner's income exceeds 160% AMI, then such owner will be required to sell and/or

convey the unit to an income qualified person within twelve (12) months of becoming ineligible. AH Monroe Inc. has agreed to repurchase any units which are unable to be sold within the time frame required to sell due to ineligibility. In the case of a passing of an owner, the title may transfer only to income qualified heirs.

The resale requirements will permit a 1.5% per year increase. For example, if an owner originally purchased their unit for \$200,000.00 on January 1 of Year 0, the owner would be permitted to sell those same rights to income qualified persons under the methods prescribed herein, after six (6) full calendar years of ownership, for a maximum Purchase Option Price of \$218,000.000, as long as such sales price would not exceed another valid sale or transfer price restriction.

- ***A restatement of the for sale price of the fourteen (14) units from 6.5 times annual middle household income (adjusted for family size) down to 3.5 times annual median income (adjusted for family size) provided the City is successful in its request to transfer \$4,028,250.00 to the developer. This language shall be clarified in the 99 Year Ground Lease Agreement between The Navy Properties Local Redevelopment Authority of the City of Key West and Bahama Village on Fort, Ltd.

EXPLANATION OF FUNDING:

Number of units to be built with this funding: 28

Purpose of Funding: Funding is for construction of the home ownership units. Land Authority funding would lower the sales price of the fourteen “middle income persons” units that will otherwise be financially accessible to only prospective homeowners at the 140% AMI (Area Median Income). Land Authority funding for construction of the 28 unit building will broaden the eligibility of the higher priced for-sale units to future owners at lower income levels. Household income limits will be in compliance with both City and Land Authority limits.

Subsidy Per Unit:** The proposed Land Authority subsidy of \$4,028,250.00 would provide construction funding of \$143,866.07 per unit toward all 28 units. This will permit a sales price of the middle income units to be lowered to \$322,875 (2 bedroom) or \$358,750 (3 bedroom) which is 3.5 times the income of a family of four at the 100% AMI; this would be a reduction from City Code Sections 122-1466 and 122-1472 which allows a 2022 maximum sales price of a two-bedroom unit of \$599,625 and a three-bedroom unit at \$666,250, according to the executed lease. The sales prices of nine (9) two-bedroom units, and five (5) three-bedroom units will change compared to the language in the existing ground lease as a result of this gap funding.

On September 20, 2022, the City Commission gave approval to staff to move forward with a revision to the current multiplier for the Workforce Housing home sales prices for the Area Median Income groups for this project.

It is our understanding the Land Authority needs a Key West resolution requesting these funds. Further, we look forward to finalizing all needed amendments to the applicable Declaration of

Affordable Housing Restrictions to ensure compliance and monitoring for this project.

Once the resolution and declaration are completed, Land Authority staff will present this to the Land Authority Governing Board for consideration.

Please contact me with any questions and we thank you for your continued partnership to create deeply needed workforce housing in the City of Key West.

December 5, 2022

City Commission of the City of Key West
c/o Cheri Smith, City Clerk
1300 White Street
Key West, FL 33040
Email: csmith@cityofkeywest-fl.gov

Monroe County Land Authority
c/o Christine Hurley, Executive Director
1200 Truman Avenue
Key West, FL 33040
Email: hurley-christine@monroecounty-fl.gov

RE: City of Key West ("City") request to Monroe County Land Authority ("Land Authority")
for Lofts at Bahama Village 3.2

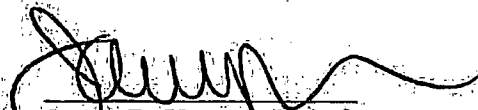
Dear Cheri and Christine:

Bahama Village on Fort, Ltd., a Florida limited partnership ("Developer"), is party to (i) that certain Ground Lease Agreement dated July 15, 2022, recorded in the Official Records of Monroe County Book 3185, Page 1 (the "Lease") and (ii) that certain Declaration of Affordable Housing Restrictions dated July 15, 2022, recorded in the Official Records of Monroe County Book 3185, Page 113 (the "Affordable Restriction"), both related to the development of twenty-eight (28) affordable housing units at 918 Fort St., Key West, FL 33040 (the "Project").

Developer is aware of the City's effort to request funds from the Land Authority for the ultimate purpose of reducing the sales price of the units at the Project. Developer has the fourteen (14) units designated "middle income" in the Affordable Restriction and Lease earmarked for nine (9) two-bedroom units and five (5) three-bedroom units. Developer will sell the fourteen (14) subject units at a sale price not more than 3.5 times the prevailing Monroe County Area Median Family Income (AMI) adjusted for household size if the City and/or Land Authority contribute building funds to the Project equal to the difference in the total maximum sales price of the fourteen (14) units at the current 6.5 x AMI sale price and the total maximum sales price of the fourteen (14) units at the proposed 3.5 x AMI sale price.

For example, using the 2022 AMI, the difference between the total maximum sales price of the fourteen (14) units at the current 6.5 x AMI sale price and the total maximum sales price of the fourteen (14) units at the proposed 3.5 x AMI sale price is \$4,028,250.¹ If the funding is received or committed, Developer will execute amendments to the Lease and Affordable Restriction to reflect the receipt of the gap funding and the reduction to the proposed 3.5 x prevailing AMI maximum sale price for the subject fourteen (14) units.

We look forward to our continued cooperation on the Project.


James R. Hoover, VP of
Manager of GP of Developer

¹ The final "gap" funding amount must be determined at the time of the sale of the units.

Prepared by and
return to:

Shawn D. Smith, Esq.
P.O. Box 1409
Key West, FL 33041-1409
(305) 809-3773

(For Recorder's Use Only)

DECLARATION OF AFFORDABLE HOUSING RESTRICTIONS

This Declaration of Affordable Housing Restriction (hereinafter "Declaration") is made and entered into this 15th day of July 2022 by BAHAMA VILLAGE ON FORT, LTD., a Florida limited partnership (the "Declarant")

This Declaration applies to all of the units which are or may be located on the real property located in Historic Bahama Village, in Key West, Florida, which is more fully described in the Legal Description attached hereto and incorporated herein as Exhibit A (hereinafter "Property").

WHEREAS, the Property has been leased to Declarant pursuant to that certain 99-year ground lease by and between The Naval Properties Local Redevelopment Authority of the City of Key West, a political subdivision of the State of Florida ("City of Key West") and Declarant dated 7-15-22 and recorded JULY 19, 2022 at Book 3185, Page 001 of the Official Records of Monroe County (the "Lease");

WHEREAS, the City of Key West has required that the Property be subject to affordable housing restrictions, which shall establish affordable housing categories to facilitate the development of housing designed to meet the needs of people in the City, establish eligibility requirements for occupants of such affordable housing, and restrict the sales price of the Property and requires that the Property be sold at a price substantially less than fair market value to a purchaser within a specific income range;

WHEREAS, Declarant as well as subsequent purchasers will benefit from the limitations and regulations placed on the Property by operation of this Declaration;

WHEREAS, the intent of the City of Key West in imposing reasonable regulations on the Property is to establish and maintain the affordability of the Property for persons with incomes within a specified range; and

WHEREAS, the intent of Declarant is to preserve through this Declaration the affordability of the Property and to assign to the City the right to enforce compliance with this Declaration as an intended beneficiary of this Declaration.

NOW, THEREFORE, the Declarant agrees that the Property shall be held conveyed, assigned or leased subject to the following affordable housing restrictions, covenants and conditions, which shall run with the Property and be binding on all parties having any right, title or interest in the Property or any part thereof, their heirs, successors and assigns for the entire term of this Declaration.

I. DEFINITIONS

A. "Declarant" shall include any subsequent purchaser, devisee, transferee, grantee or holder of title of the Property or any portion of the Property.

B. "Transfer" means any sale, assignment or transfer, voluntary, involuntary or by operation of law (whether by deed, contract of sale, gift, devise, bequest, trustee's sale, deed in lieu of foreclosure, or otherwise) of any interest in the Property, including but not limited to, a fee simple interest, a joint tenancy interest, a life estate, a leasehold interest, or an interest evidenced by a land contract by which possession of the Property is transferred and Declarant retains title.

C. "Transferee" shall mean an individual, or individuals, who receive a Transfer of the Property from the Declarant.

D. "Income" shall mean gross income.

All other terms shall have the same meaning given to them in the Lease and Related Agreements (as defined in the Lease).

II. TERM AND ENFORCEABILITY

A. This Declaration shall run with the land and with the title to the Property in perpetuity and bind the Declarant, its successors in interest and assigns, from the effective date of this Declaration.

B. The Property is held and hereafter shall be held, conveyed, encumbered, used, sold, leased and occupied subject to the covenants, conditions, restrictions and limitations set forth in the Lease and this Declaration. All of the herein-stated covenants, conditions, restrictions and limitations are intended to constitute both equitable servitudes and covenants running with the land.

C. Any transferee, sublessee, lessee, mortgagee or purchaser of the Property, or of any portion of or interest in the Property, by the acceptance of a deed or sublease therefore, whether from Declarant or from any subsequent purchaser of the Property or an Owner/Occupant (as defined in the Lease), or by the signing of a contract or agreement to purchase or sublease the same, shall, by the acceptance of such deed, sublease or mortgage, or by the signing of such contract or agreement, be deemed to have consented to and accepted the covenants, conditions, restrictions and limitations set forth herein. Any written instrument attempting or

purporting to lease or sublease, sell, convey, grant, transfer, exchange assign or mortgage any legal or equitable rights or interests to the Property (including the interest in the Lease) shall be deemed null and void, where such instrument purports or evidences an attempt to sell, convey, grant, transfer, exchange or assign any right or interest to the Property where such instrument is inconsistent with or contrary to the conditions or covenants contained herein. Any lease, sublease, deed or instrument of conveyance executed by or on behalf of Declarant or any subsequent grantee, devisee, heir, assignee or other transferee shall expressly set forth verbatim this and the foregoing reservations, restrictions and covenants or, in lieu thereof, incorporate them by specific reference to this Declaration by Book and Page number(s) where recorded in the Public Records of Monroe County, Florida.

D. In order to preserve through this Declaration the affordability of the Property for persons with incomes within a specified range, the Declarant hereby grants and assigns to the City the right to monitor and enforce compliance with this Declaration. Declarant otherwise reserves the rights necessary to implement the provisions of this Declaration.

III. IDENTIFICATION OF THE UNITS AFFECTED

Pursuant to the Lease, all units on the Property shall be workforce affordable housing. The affordable housing development located on the Property shall consist of the following units for sale designated at "low income" or "very low income" or "middle income"

- A. Three (3) units designated for "very low-income" persons
- B. Eleven (11) units designated for "low-income" persons
- C. Fourteen (14) units designated for "middle income" persons

Prior to selling any units within the affordable housing development on the Property, the Declarant shall record an Identification of Affordable Housing Agreement in the public records of Monroe County, Florida, which recorded document shall identify which unit are which particular income level.

IV. OCCUPANCY, SALE AND USE OF THE PROPERTY

A. The Property shall be operated, managed and otherwise administered as affordable housing and such other uses incidental to residential use as may be permitted by local zoning and land use regulations.

1. At the time an affordable housing (very low-income) unit is sold, such sales price shall not exceed one and one-half times the annual median household income (adjusted for family size) for Monroe County, in accordance with section 122-1472 of the City Code.
2. At the time an affordable housing (low-income) unit is sold, such sales price shall not exceed two and one-half times the annual median household income (adjusted for family size) for Monroe County, in accordance with section 122-1472 of the City Code.
3. At the time an affordable housing (middle income) unit is sold, such sales price shall not exceed six and one-half times the annual median household income (adjusted for

family size) for Monroe County, in accordance with section 122-1472 of the City Code.

4. The following eligibility requirements shall be required of households or persons to qualify for affordable work force housing units to the extent lawful:
 - (a) The household or person shall derive at least 70 percent of its or his/her total income from gainful employment in the county. This section shall not disqualify an individual previously and continuously qualified who reaches the age of retirement, or becomes disabled, and is otherwise income qualified.
 - (b) At the time of sale of an affordable housing (very low income) unit, the total income of eligible household or persons shall not exceed sixty (60) percent of the median household income for Monroe County (adjusted for family size). In the event that a very low income affordable housing unit is leased, the total income of the eligible household or persons leasing the unit shall not exceed 60 percent of the median household income for Monroe County (adjusted for family size). During the occupancy of the rental unit, the household's income may increase to an amount not to exceed 100 percent of the median household income for Monroe County (adjusted for family size). In such event, the tenant's occupancy shall terminate at the end of the existing lease term. The monthly rent for the rental unit, not including utilities, shall not exceed 25 percent of that amount which represents 60 percent of the monthly median household income of Monroe County (adjusted for family size).
 - (c) At the time of sale of an affordable housing (low income) unit, the total income of eligible household or persons shall not exceed eighty (80) percent of the median household income for Monroe County (adjusted for family size). In the event that a low income affordable housing unit is leased, the total income of the eligible household or persons leasing the unit shall not exceed 80 percent of the median household income for Monroe County (adjusted for family size). During the occupancy of the rental unit, the household's income may increase to an amount not to exceed 120 percent of the median household income for Monroe County (adjusted for family size). In such event, the tenant's occupancy shall terminate at the end of the existing lease term. The monthly rent for the rental unit, not including utilities, shall not exceed 25 percent of that amount which represents 80 percent of the monthly median household income of Monroe County (adjusted for family size).
 - (d) At the time of sale of an affordable housing (middle income) unit, the total income of eligible household or persons shall not exceed one hundred forty (140) percent of the median household income for Monroe County (adjusted for family size). In the event that a middle income affordable housing unit is leased, the total income of the eligible household or persons leasing the unit shall not exceed 140 percent of the median household income for Monroe County (adjusted for family size). During the occupancy of the rental unit, the household's income may increase to an amount not to exceed 180 percent of the median household income for Monroe County (adjusted for family size). In such event, the tenant's occupancy shall

terminate at the end of the existing lease term. The monthly rent for the rental unit, not including utilities, shall not exceed 25 percent of that amount which represents 140 percent of the monthly median household income of Monroe County (adjusted for family size).

5. Eligibility is based on proof of legal residence in the county as demonstrated by a valid State of Florida driver license or identification card, voter registration card if eligible, and an employer verification form signed by the employer or sufficient evidence, satisfactory to the City or its designee, demonstrating income qualification through self-employment.

6. Priority shall be given to families of four or more members for larger sized affordable housing units.

7. The income of eligible households shall be determined by counting the full amount, before any payroll deductions, of wages, salaries, overtime pay, commissions, fees, tips, bonuses, Social Security, annuities, insurance policies retirement funds, pensions, disability or death benefits unemployment compensation disability or death benefits, unemployment compensation disability compensation, worker's compensation, severance pay and any net income from the operation of a business or profession of all household members. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income from operation of a business or profession. Unrelated adults may be qualified individually for rental purposes provided the total lease payment to the Owner does not exceed the rent limits established by the City.

8. In the event that a tenant of an affordable housing unit's income shall exceed the maximum allowable income under this section and such shall occur for the first time during the last three months of a tenancy, then the Owner/Occupant landlord and tenant may extend a lease for a period of one year at the affordable rate.

9. The planning board may review a potential tenant's household's income and unique circumstances to determine eligibility and conformance with the intent of this Declaration to assure that people in need are not excluded and people without need are not included

V. DEFAULTS AND REMEDIES

A. Upon any violation of the provisions of this Declaration, the City may declare a default under this Declaration by delivering written notice thereof to the Declarant. After providing written notice of default, and provide that such default has not been reasonably cured within thirty (30) days of receipt of such default notice, the City may apply to a court of competent jurisdiction for specific performance of the Declaration, for an injunction prohibiting a proposed sale or transfer or lease in violation of this Declaration, for a declaration that a prohibited transfer or lease is void, or for any such other relief as may be appropriate.

B. The remedies stated herein shall not be exclusive, but shall be cumulative to all other remedies and rights the parties may lawfully exercise.

VI. REQUIREMENTS FOR WRITTEN REPORTS FROM DECLARANT

Declarant shall provide a written report to the City each year on January 1, or on such other date as specified by the City in writing, which includes a statement that Declarant has complied with all provisions of this Declaration, or includes Declarant's explanation of any violation of any provision of this Declaration. The report shall be submitted within thirty (30) days of the specified date to the City, or to such other person or address designated by the City. Failure to provide a report in a timely manner, or any misrepresentations on the report, shall constitute a default under this Declaration.

VII. GENERAL PROVISIONS

A. The City may assign its rights and delegate its duties hereunder in writing without the consent of Declarant. Upon such assignment, the City shall notify the Declarant.

B. If any action is brought to enforce the terms of this Declaration, the prevailing party shall be entitled to reasonable attorneys' fees and costs.

C. If any one or more of the provisions contained in this Declaration shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Declaration, and this Declaration shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

D. The terms of this Declaration shall be interpreted under the laws of the State of Florida and venue shall lie in Monroe County, Florida.

E. All notices required herein shall be sent by certified mail, return receipt requested, to the Declarant at 3030 Hartley Road, Suite 310, Jacksonville, FL 32257, with a copy to Smith Hawks, PL, 138 Simonton Street, Key West, FL 33040 and to the City or its designee at P.O. Box 1409, Key West, FL, 33041, or such other address that either party may subsequently provide in writing to the other party. In the event of any change in contact information, the parties agree to record an amendment to this Declaration in the public records of Monroe County, Florida reflecting such change.

VIII. CONVERSION TO CONDOMINIUM FORM OF OWNERSHIP

Prior to Declarant or any subsequent owner or transferee converting ownership of the Property to condominium or a similar form of ownership, pursuant to Lease, Declarant shall obtain the City's reasonable approval of such condominium documents (including a condominium declaration) to same and Declarant expressly agrees herein to execute an amended Declaration as reasonably required by the City.

IX. MORTGAGE SUBORDINATION

Subject to the terms regarding "Leasehold Mortgages" under the Lease, upon demand by the City any mortgagee who accepts any or all of the Property as collateral or security for any purpose or loan shall execute and deliver, in recordable form, its subordination agreement subordinating its mortgage to the terms and conditions of this Declaration.

[Rest of page intentionally left blank; Signature page to follow]

IN WITNESS WHEREOF, the Declarant has executed this Declaration as of the date written below.

BAHAMA VILLAGE ON FORT, LTD., a Florida limited partnership

By: Bahama Village on Fort GP, LLC, its general partner

By: Vestcor, Inc., a Florida corporation, its manager

Signed, sealed and delivered in our presence:

Allison Adams
Witness Name: Allison Adams

Amyjo K Means
Witness Name: Amyjo K. MEANS

By: Jason B. Floyd
Name: Jason B. Floyd
Title: Vice President

STATE OF FLORIDA
COUNTY OF Duval

The foregoing instrument was acknowledged before me by physical presence or online notarization this 15th day of July, 2022 by Jason B. Floyd as VP of Vestcor, Inc., a Florida corporation, manager of Bahama Village on Fort GP, LLC, general partner of BAHAMA VILLAGE ON FORT, LTD., a Florida limited partnership, who are personally known to me or have produced _____ as identification.

[Notary Seal]

Rebecca L. White

Notary Public

Printed Name:

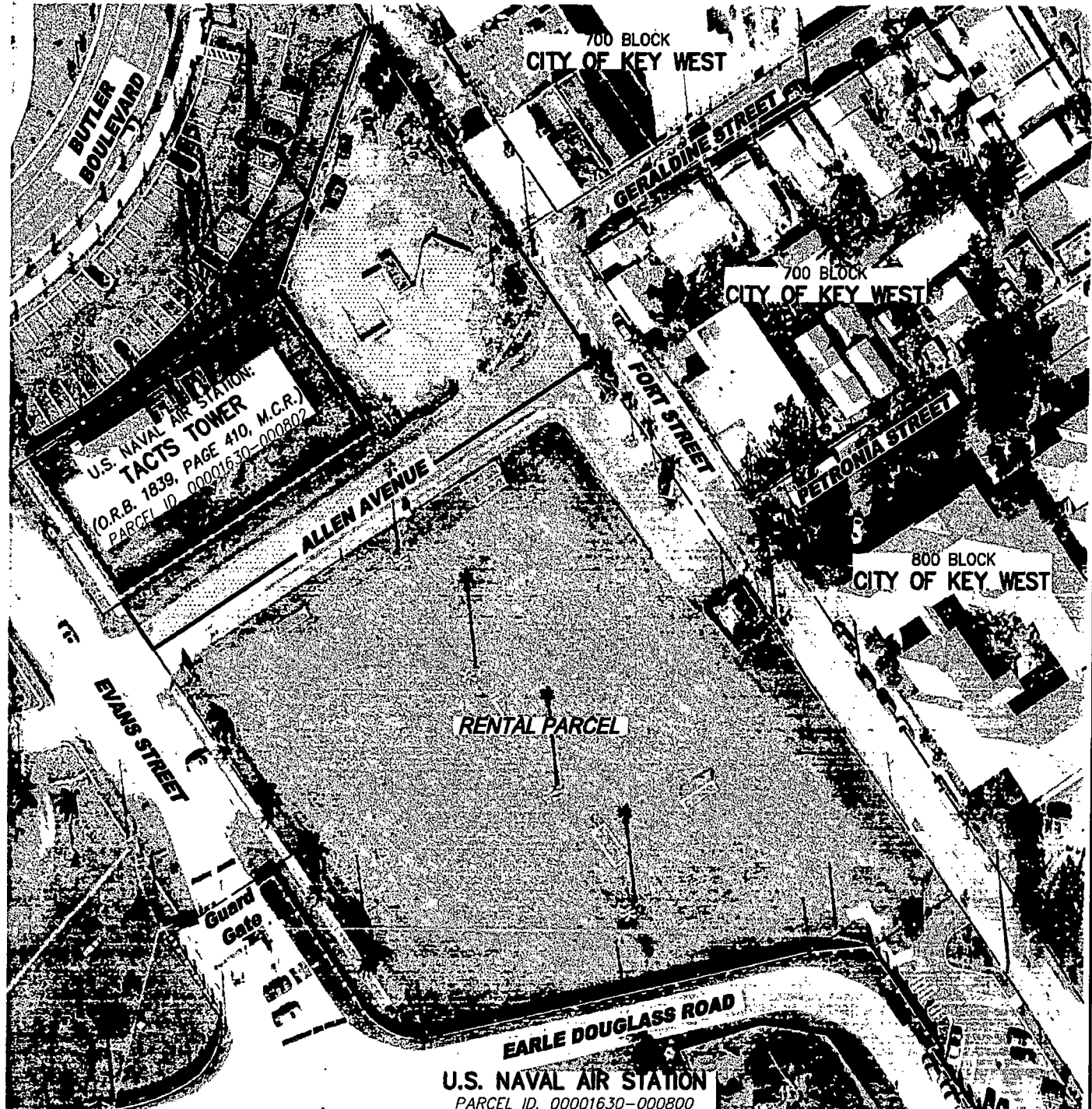
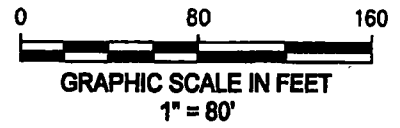
My Commission Expires:



EXHIBIT A

**NOT A VALID SURVEY WITHOUT
ALL ACCOMPANYING SHEETS**

**SKETCH AND DESCRIPTION
BAHAMA VILLAGE SALE PARCEL**
PORTION OF TRUMAN ANNEX
(O.R.B. 1839, PG. 410, M.C.R.)
CITY OF KEY WEST, MONROE COUNTY, FLORIDA



REVISIONS
REVISED PARCEL CONFIGURATION - 04/26/2022 -K.C.
REVISED PARCEL CONFIGURATION - 05/20/2022 -K.C.
REVISED PARCEL CONFIGURATION - 06/22/2022 -K.C.



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JOB #:	11558-2.1
SCALE:	1" = 80'
DATE:	03/08/2022
BY:	K.C.
CHECKED:	K.M.C-A-T
F.B.	N/A
PG.	N/A
SHEET:	1 OF 5

**SKETCH AND DESCRIPTION
BAHAMA VILLAGE SALE PARCEL
PORTION OF TRUMAN ANNEX
(O.R.B. 1839, PG. 410, M.C.R.)
CITY OF KEY WEST, MONROE COUNTY, FLORIDA**

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SURVEYOR'S REPORT:

1. Reproductions of this Sketch are not valid without the electronic signature of a Florida licensed surveyor and mapper. Additions or deletions to this survey map or report by other than the signing party is prohibited without written consent of the signing party.
2. No Title Opinion or Abstract to the subject property has been provided. It is possible that there are Deeds, Easements, or other instruments (recorded or unrecorded) which may affect the subject property. No search of the Public Records has been made by the Surveyor. NOTICE: There may be encumbrances that are not delineated on this survey that may be found in the Public Records of Monroe County, Florida.
3. The land description shown hereon was prepared by the Surveyor.
4. Data shown hereon was compiled from instrument(s) of record and does not constitute a boundary survey.
5. Bearings shown hereon are relative to Grid North of the North American Datum of 1983, Florida State Plane Coordinate System, East Zone with the southwesterly right-way line of Fort Street having a bearing of S 33°54'27" E.
6. This map is intended to be displayed at a scale of 1:960 (1"=80') or smaller.
7. Abbreviation Legend: E= Easting; ID= Identification; L.B.= Licensed Business; M.C.R.= Monroe County Records; N= Northing; O.R.B.= Official Records Book; P.B.= Plat Book; PG.= Page; P.L.S.= Professional Land Surveyor; P.O.B.= Point of Beginning; P.O.C.= Point of Commencement; R/W= Right-of-Way.

CERTIFICATION:


I HEREBY CERTIFY that the attached Sketch and Description of the hereon described property is true and correct to the best of my knowledge and belief as prepared under my direction. I FURTHER CERTIFY that this Sketch and Description meets the Standards of Practice set forth in Chapters 5J-17, Florida Administrative Code, pursuant to Chapter 472, Florida Statutes.

Date: 06/22/2022

Keith M. Chee

Digitally signed by Keith M. Chee-A-Tow, PLS
Date: 2022.06.22 14:31:53 -04'00'

KEITH M. CHEE-A-TOW, P.L.S.
Florida Registration No. 5328
AVIROM & ASSOCIATES, INC.
L.B. No. 3300
E-Mail: Keith@AviromSurvey.com

REVISIONS	 <p>AVIROM & ASSOCIATES, INC. SURVEYING & MAPPING 50 S.W. 2nd AVENUE, SUITE 102 BOCA RATON, FLORIDA 33432 (561) 392-2594 / www.AVIROMSURVEY.com <small>©2022 AVIROM & ASSOCIATES, INC. all rights reserved. This sketch is the property of AVIROM & ASSOCIATES, INC. and should not be reproduced or copied without written permission.</small></p>	JOB #: 11558-2.1
REVISED PARCEL CONFIGURATION - 04/26/2022 -K.C.		SCALE: N/A
REVISED PARCEL CONFIGURATION - 05/20/2022 -K.C.		DATE: 03/06/2022
REVISED PARCEL CONFIGURATION - 06/22/2022 -K.C.		BY: K.C.
		CHECKED: K.M.C-A-T
	F.B. N/A PG. N/A	
	SHEET: 2 OF 5	

**SKETCH AND DESCRIPTION
BAHAMA VILLAGE SALE PARCEL
PORTION OF TRUMAN ANNEX
(O.R.B. 1839, PG. 410, M.C.R.)
CITY OF KEY WEST, MONROE COUNTY, FLORIDA**

LEGAL DESCRIPTION:


A portion of the lands described in a Quitclaim Deed from the U.S. Government (Grantor) to the City of Key West (Grantee) as recorded in Official Records Book 1839, Page 410, of the Public Records of Monroe County, Florida, described as:

A portion of land located on the Island of Key West, Monroe County, Florida, said parcel also located in Truman Annex (formerly U.S. Navy) and being more particularly described as follows:

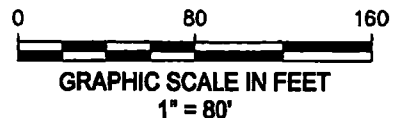
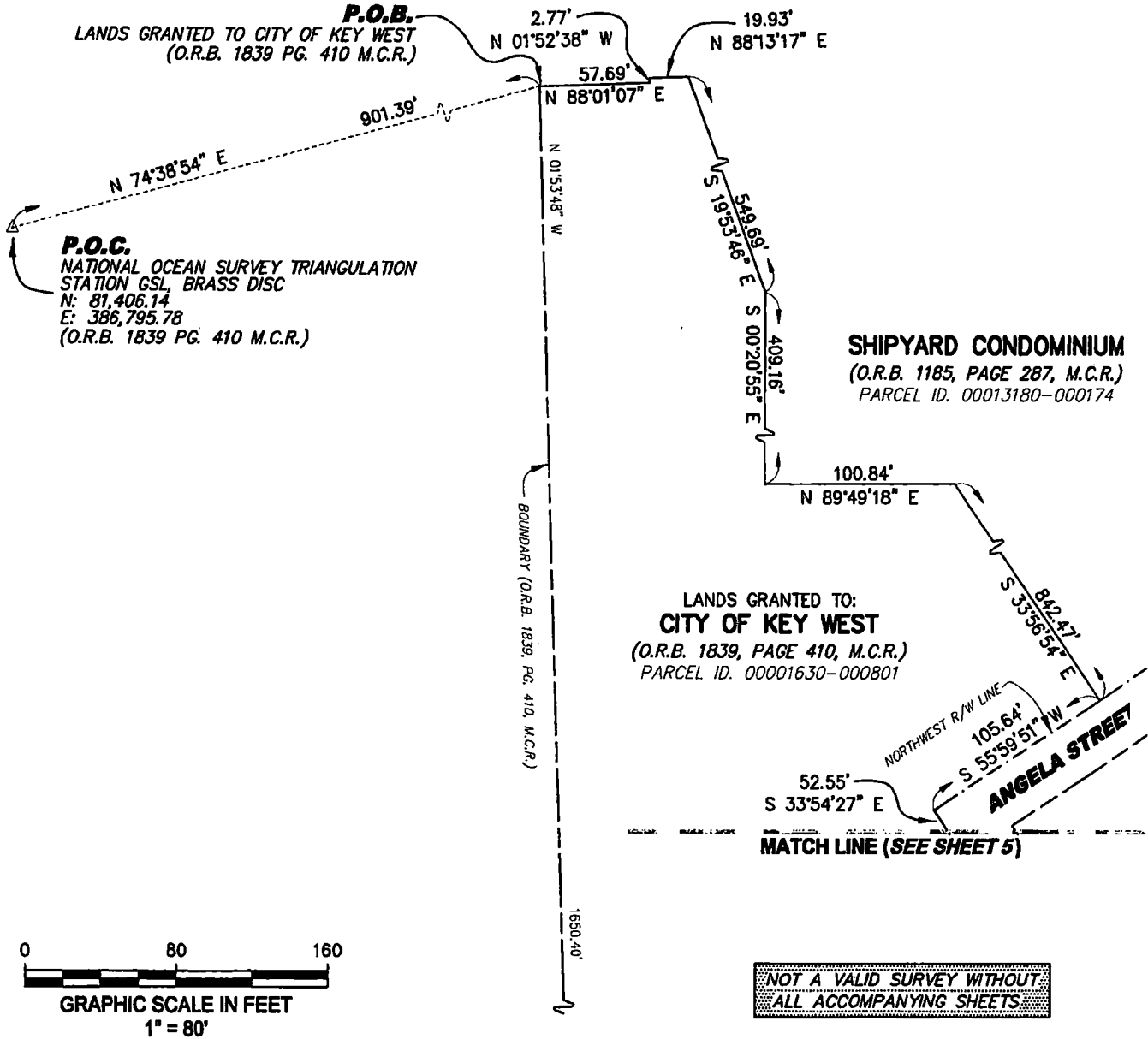
COMMENCE at the National Ocean Survey Triangulation Station, GSL, being a brass disc set in concrete, located on the outer mole of Truman Annex, the coordinates of which are N 81,406.14 and E 386,795.78 (1983/89), based on the U.S. Coast and Geodetic Survey Mercator grid coordinate system which has for it's zero coordinate a point of Latitude North 24°20'00" and 500.00 feet west of Longitude West 81°00'00"; thence N 74°38'54" E, a distance of 901.39 feet to the Point of Beginning of the lands granted to the City of Key West as described in Official Records Book 1838, Page 410 of said Public Records; thence along the boundary of the lands as described in said Quitclaim Deed for the following eight (8) courses and distances: N 88°01'07" E, a distance of 57.69 feet (1); thence N 01°52'38" W, a distance of 2.77 feet (2); thence N 88°13'17" E, a distance of 19.93 feet (3); thence S 19°53'46" E, a distance of 549.69 feet (4); thence S 00°20'55" E, a distance 409.16 feet(5); thence N 89°49'18" E, a distance of 100.84 feet (6); thence S 33°56'54" E, a distance of 842.47 feet (7) to the northwest right-of-way of Angela Street; thence S 55°59'51" W along said right-of-way, a distance of 105.64 feet (8) to the southwesterly right-of-way of Fort Street according to the City of Key West Street Map dated May 26, 1955; thence S 33°54'27" E, along said right-of-way, a distance of 52.55 feet to the POINT OF BEGINNING of the Sale Parcel herein described; thence continue S 33°54'27" E along said right-of-way, 233.94 feet to a line being 33.00 feet south of and parallel with the southeasterly boundary line and its northeasterly extension of Tacts Tower as described in Official Records Book 1839, Page 410, of said Public Records; thence S 56°05'33" W along said parallel line, a distance of 305.76; thence N 33°49'42" W, 33.00 feet to the southeastern boundary line of said Tacts Tower; thence N 56°05'33" E along said boundary, a distance of 175.87 feet to the northeast boundary of said "Tacts Tower"; thence N 33°54'27" W along said boundary, 100.00 feet; thence S 56°05'33" W a distance of 24.17 feet; thence N 33°54'27" W, 30.82 feet; thence N 56°58'05" W, 15.81 feet; thence N 33°01'55" E, 37.25 feet; thence S 56°58'05" E, 25.40 feet; thence N 56°05'33" E, 30.69 feet; thence N 33°54'27" W, 35.41 feet; thence N 56°05'33" E, 15.48 feet; thence N 12°49'09" E, 42.22 feet; thence N 56°05'33" E, 39.07 feet to the southwesterly right-of-way of Fort Street and the POINT OF BEGINNING.

Said lands lying within Section 6, Township 68 South, Range 25 East, City of Key West, Monroe County, Florida containing 33,962 square feet (0.78 acres) more or less.

**NOT A VALID SURVEY WITHOUT
ALL ACCOMPANYING SHEETS**

<p>REVISIONS</p> <p>REVISED PARCEL CONFIGURATION - 04/26/2022 -K.C.</p> <p>REVISED PARCEL CONFIGURATION - 05/20/2022 -K.C.</p> <p>REVISED PARCEL CONFIGURATION - 06/22/2022 -K.C.</p>	 <p>AVIROM & ASSOCIATES, INC. SURVEYING & MAPPING</p> <p>50 S.W. 2nd AVENUE, SUITE 102 BOCA RATON, FLORIDA 33432 (561) 392-2594 / www.AVIROMSURVEY.com</p> <p><small>© 2022 AVIROM & ASSOCIATES, INC. all rights reserved. This sketch is the property of AVIROM & ASSOCIATES, INC. and should not be reproduced or copied without written permission.</small></p>	<p>JOB #: 11558-2.1</p> <p>SCALE: N/A</p> <p>DATE: 03/06/2022</p> <p>BY: K.C.</p> <p>CHECKED: K.M.C-A-T</p> <p>F.B. N/A PG. N/A</p> <p>SHEET: 3 OF 5</p>
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**SKETCH AND DESCRIPTION
BAHAMA VILLAGE SALE PARCEL
PORTION OF TRUMAN ANNEX
(O.R.B. 1839, PG. 410, M.C.R.)
CITY OF KEY WEST, MONROE COUNTY, FLORIDA**



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REVISIONS
REVISED PARCEL CONFIGURATION - 04/26/2022 -K.C.
REVISED PARCEL CONFIGURATION - 05/20/2022 -K.C.
REVISED PARCEL CONFIGURATION - 06/22/2022 -K.C.

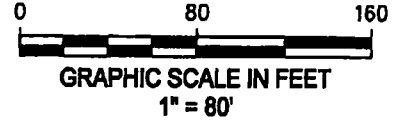


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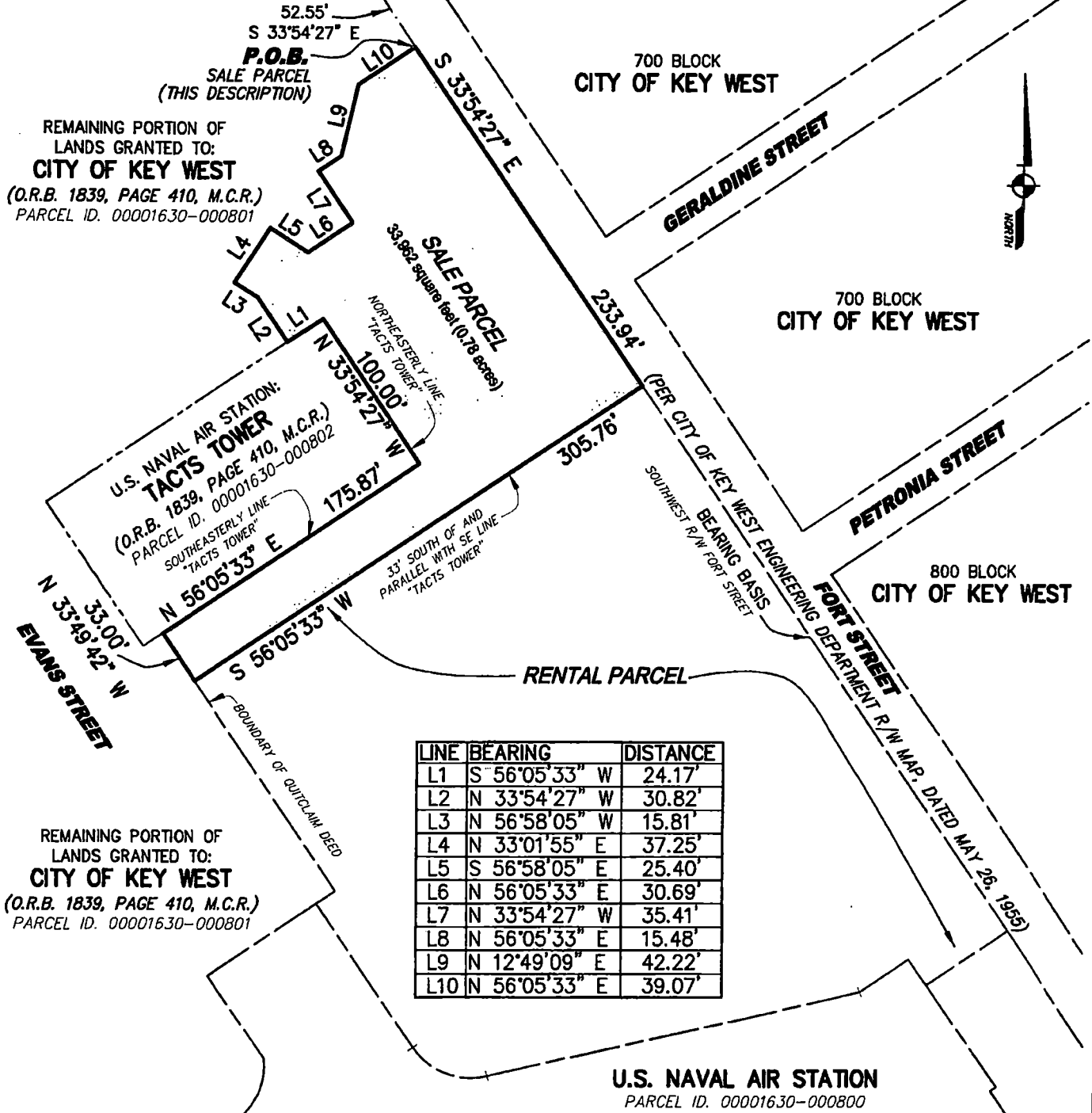
JOB #:	11558-2.1
SCALE:	1" = 80'
DATE:	03/06/2022
BY:	K.C.
CHECKED:	K.M.C-A-T
F.B.	N/A PG. N/A
SHEET:	4 OF 5

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**SKETCH AND DESCRIPTION
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PORTION OF TRUMAN ANNEX
(O.R.B. 1839, PG. 410, M.C.R.)
CITY OF KEY WEST, MONROE COUNTY, FLORIDA



MATCH LINE (SEE SHEET 4)



LINE	BEARING	DISTANCE
L1	S 56°05'33" W	24.17'
L2	N 33°54'27" W	30.82'
L3	N 56°58'05" W	15.81'
L4	N 33°01'55" E	37.25'
L5	S 56°58'05" E	25.40'
L6	N 56°05'33" E	30.69'
L7	N 33°54'27" W	35.41'
L8	N 56°05'33" E	15.48'
L9	N 12°49'09" E	42.22'
L10	N 56°05'33" E	39.07'

REMAINING PORTION OF LANDS GRANTED TO:
CITY OF KEY WEST
(O.R.B. 1839, PAGE 410, M.C.R.)
PARCEL ID. 00001630-000801

REMAINING PORTION OF LANDS GRANTED TO:
CITY OF KEY WEST
(O.R.B. 1839, PAGE 410, M.C.R.)
PARCEL ID. 00001630-000801

U.S. NAVAL AIR STATION
PARCEL ID. 00001630-000800

REVISIONS

REVISED PARCEL CONFIGURATION - 04/26/2022 -K.C.
REVISED PARCEL CONFIGURATION - 05/20/2022 -K.C.
REVISED PARCEL CONFIGURATION - 06/22/2022 -K.C.



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SHEET:	5 OF 5