

RESOLUTION NO. 24-298

A RESOLUTION OF THE NAVAL PROPERTIES LOCAL REDEVELOPMENT AUTHORITY OF THE CITY OF KEY WEST (LRA) APPROVING AN AMENDMENT TO THE DECLARATION OF AFFORDABLE HOUSING RESTRICTIONS FOR BAHAMA VILLAGE ON FORT, LTD, AS THE DECLARANT AND ACKNOWLEDGED BY THE CITY OF KEY WEST FOR THE PROPERTY KNOWN AS THE TRUMAN WATERFRONT/BAHAMA VILLAGE 3.2 ACRES, TO AMEND AND RESTATE THE WORK FORCE HOUSING CODES THAT GOVERN THE SALE PRICE AND FUTURE RESALE VALUES FOR THE CONDO HOMEOWNERSHIP RESALE UNITS LOCATED AT 710 FORT STREET; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the LRA has approved and entered into a 99-year Ground Lease Agreement with Bahama Village on Fort, Ltd. On July 19, 2022 in the official records of Monroe County , Florida at Book 3185, Page 1 (original lease) and a Declaration of Affordable Housing Restrictions was recorded on July 20, 2022 in the Official Records of the Monroe County at Book 3185, Page 113 for the 28 Work Force Housing for sale units at 710 Fort Street (RE# 00001630-000801) owned by the City of Key West; and

WHEREAS, on October 16, 2024 the Monroe County Comprehensive Plan Land Authority approved a provision of construction subsidy funding in the amount of \$6,170,457.00 to decrease the sale price for the 28 Work Force units contemplated in the Declaration; and

WHEREAS, the City desires to keep the final sales price of twenty-eight units affordable and accessible to individuals with incomes tiers in the Work Force Housing Code defines as Very Low (60% AMI) up to Middle Incomes (140% AMI) and this subsidy funding for construction facilitates these lower sales prices and creating affordable housing; and

WHEREAS, the Land Authority shall record a Land Use Restrictive Agreement and other legal documents as needed to ensure monitoring and compliance of homeowner income limits, preservation of affordable housing and other provisions of City ordinances and State statutes applicable to Monroe County Comprehensive Plan Land Authority funding.

NOW THEREFORE, BE IT RESOLVED BY THE NAVAL PROPERTIES LOCAL REDEVELOPMENT AUTHORITY OF KEY WEST, FLORIDA, AS FOLLOWS:

Section 1: That Article IV OCCUPANCY, SALE AND USE OF THE PROPERTY Section A, Subsections 1, 2 & 3 be amended and restated as follows: Three (3) Affordable Housing Units designated "very-low" income shall have a sales price that will not exceed seventy-five percent of the annual median household income (adjusted for family size) for Monroe County (0.75 X AMI) in accordance with section 122-1472 of the City Code; Eleven (11) Affordable Housing Units designated "low-income" shall have a sales price that will

not exceed one and one-half times annual median household income (adjusted for family size) for Monroe County (1.5 x AMI), in accordance with section 122-1472 of the City Code; and Fourteen (14) Affordable Housing Units designated "middle-Income" shall not exceed three and one-half times annual median household income (adjusted for family size) for Monroe County (3.5 x AMI), in accordance with section 122-1472 of the City Code. The maximum sales price will be adjusted annually based upon the then prevailing area median household income (adjusted for family size) for Monroe County.

Section 2: That the attached Amendment to the Declaration of Affordable Housing Restrictions for Bahama Village on Fort, Ltd. and acknowledged by the City of Key West is hereby approved.

Section 3: 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 Authority.

Passed and adopted by the Naval Properties Local
Redevelopment Authority at a meeting held this 14th day of
November, 2024.

Authenticated by the Presiding Officer and Clerk of the
Commission on 18th day of November, 2024.

Filed with the Clerk on November 18, 2024.

Chair Danise Henriquez	<u>Yes</u>
Vice Mayor Clayton Lopez	<u>Yes</u>
Commissioner Lissette Carey	<u>Yes</u>
Commissioner Monica Haskell	<u>Yes</u>
Commissioner Mary Lou Hoover	<u>Yes</u>
Commissioner Sam Kaufman	<u>Yes</u>
Commissioner Donald "Donie" Lee	<u>Yes</u>
Ex-officio Member Christina Gardner	<u>Yes</u>



DANISE HENRIQUEZ, CHAIR

ATTEST:



KERI O'BRIEN, CITY CLERK



MEMORANDUM

Date: November 14, 2024

To: Honorable Mayor and Commissioners

Via: Todd Stoughton
Interim City Manager

From: Tina Burns
Housing & Community Development Director

Subject: **24-6597 Request to approve an amendment to the Declaration of Affordable Housing Restrictions by Bahama Village on Fort , Ltd as the Declarant and acknowledged by the City of Key West to amend and restate the Work Force Housing Code that governs the sale prices and future resale values for the homeownership units located at 710 Fort Street; Providing for an effective date.**

Introduction

Respectfully request the Naval Properties Local Redevelopment Authority of the City of Key West to approve the amendment to the Declaration of Affordable Housing Restrictions (Declaration) by Bahama Village on Fort , Ltd as the Declarant and acknowledged by the City of Key West to amend and restate the Work Force Housing Code that governs the sale prices and future resale values for the homeownership units located at 710 Fort Street; Providing for an effective date.

Background

The City of Key West owns the property with the assigned street addresses of 710, 750 and 810 Fort Street also commonly referred to as the 3.2 acres, located within the Historic Neighborhood Commercial District – Bahama Village Truman Waterfront. When completed the development will consist of 126 Work Force units, including rental and homeownership.

The City executed a 99-year Ground Lease and Declaration of Affordable Housing Restrictions with the Developer to construct affordable residences onsite. The residences will consist of 98 Work Force rental units located at 750 and 810 Front Street, that after construction will be managed by A.H. of Monroe County. Additionally, 28- Work Force “for sale” two- and three-bedroom Condos units will be available for purchase to eligible homebuyers.

The request for the amendment of Declaration of Affordable Housing Restrictions pertains to the property address of 710 First Street for the 28-unit Condominiums and affects the approved Declaration of Affordable Housing Restrictions recorded on 07/20/2022 in Book 3185, Page 113, in the Official Records of the Monroe County.

The City approved the Request for Proposal by the developer and the project plan included building 3-units of very low- income housing (60% AMI), 11-units of Median Income (80% AMI) housing and 14-units of Middle Income (140%) housing. Due to higher costs associated with the interest rates, insurance costs, more restrictive condo reserve regulations and current work force ordinance regulations the purchase prices of the homes increased significantly since the start of the project above what would be considered affordable for the very low to middle income households purchasing these units. The City Commission tasked staff to look into avenues for additional resources to assist and reduce the pricing of all 28-units.

Through a collaborative partnership with the Monroe County Comprehensive Land Plan Authority (Land Authority) the Key West City Commission made three (3) nominations of funding for Land Authority dollars totaling \$6,170,457.00 to be used towards construction subsidy to the developer that will subsidize all units and further increase the affordability for the homebuyers.

The Land Authority will issue construction funds in the amount of \$6,170,457.00 directly to the City of Key West to be released to the Developer, Bahama Village on Fort, Ltd., after the City has entered into a written agreement with developer outlining how funding will be disbursed.

By utilizing the Land Authority funding all units will have a Land Use Restriction Agreement recorded against each individual unit by the Land Authority memorializing each the individual per unit subsidy and will run with the property in perpetuity and will be binding on upon the Grantor, City and Naval Redevelopment Authority and their respective successors and or assigns.

The Land Authority approved the provision of construction subsidy for the development on October 16, 2024, to decrease the maximum sale price for the twenty-eight (28) affordable housing units that are subject to the Declaration.

To keep the units affordable after the initial sales, the amendment also reduces the multipliers that are used in the definitions of the work force housing codes to reflect lower multipliers that will keep the resale values of these units affordable in perpetuity.

The current code allows the properties to sell for the following multiplier based on their income determinations; Very- Low 60% AMI means a dwelling whose sales price does not exceed **one and one-half times (1.5)** the annual median household income (adjusted for family size) for Monroe County; Low Income 80% AMI means a dwelling whose sales price does not exceed **two and one-half times (2.5)** the annual median household income (adjusted for family size) for Monroe County; and Middle Income 140% AMI means a dwelling whose sales price does not exceed **six and one-half times (6.5)** the annual median household income (adjusted for family size) for Monroe County.

The amendment to the Declaration will reduce those multipliers shown above and maintain the properties as affordable going forward. The amended housing restrictions for the resale multipliers will be as follows; Very- Low 60% AMI means a dwelling whose sales price does not exceed **seventy-five percent (.75)** of the annual median household income (adjusted for family size) for Monroe County; Low Income 80% AMI means a dwelling whose sales price does not exceed **one and one-half times (1.5)** the annual median household income (adjusted for family size) for Monroe County; and Middle Income 140% AMI means a dwelling whose sales price does not exceed **three and one-half times (3.5)** the annual median household income (adjusted for family size) for Monroe County. The Maximum sales price will be adjusted annually based upon the then prevailing area median household income (adjusted for family size) for Monroe County.

Multiplier Comparison Chart:

	Current Code Resale Multiplier	Revised Lofts of Bahama Village Resale Multiplier
Very Low 60%	1.5 X	.75 X
Low 80%	2.5 X	1.5 X
Middle 140%	6.5 X	3.5 X

Comparison Chart for Resale Values:**Current Code Resale Multipliers:**

	Very Low 60% and below	Low 61 % - 80%	Median to Middle 81% - 140%
Multiplier	1.5 X	2.5 X	6.5 X
2 Bedroom Units	\$161,156	\$268,594	\$698,344
3 Bedroom Units	\$178,969	\$298,281	\$775,531

Revised Lofts of Bahama Village Resale Multipliers:

	Very Low 60% and below	Low 61 % - 80%	Median to Middle 81% - 140%
Multiplier	.75 X	1.5 X	3.5 X
2 Bedroom Units	\$80,578.00	\$161,156.00	\$376,031.00
3 Bedroom Units	\$89,484.00	\$178,969.00	\$417,594.00

Procurement

There are no costs or related expenses associated with this request that will affect the City's approved budget for FY25. The money from the Land Authority will flow through the City directly to the developer for construction subsidy to reduce the sales prices of each unit being sold. Once a Certificate of Occupancy or Temporary Certificate of Occupancy (or other similar documentation) for each unit has been completed, the developer or their representatives may send written notice to the then-current City Attorney and City Manager of the City notifying of the receipt of the Certificate of Occupancy or Temporary Certificate of Occupancy for the Units and the City will disburse for that identified unit.

Recommendation

Respectfully request the Naval Properties Local Redevelopment Authority of the City of Key West to approve the amendment to the Declaration of Affordable Housing Restrictions (Declaration) by Bahama Village on Fort , Ltd as the Declarant and acknowledged by the City of Key West to amend and restate the Work Force Housing Code that governs the sale prices and future resale values for the homeownership units located at 710 Fort Street; Providing for an effective date.

After recording return to:
Ronald J. Ramsingh, Esq.
P.O. Box 1409
Key West, FL 22041-1409
(305)809-3773

AMENDMENT TO
DECLARATION OF AFFORDABLE HOUSING RESTRICTIONS

THIS AMENDMENT TO DECLARATION OF AFFORDABLE HOUSING RESTRICTIONS (this “**Amendment**”) is made and entered into as of the 19th day of November, 2024, by BAHAMA VILLAGE ON FORT, LTD., a Florida limited partnership (“**Declarant**”), and acknowledged by the City of Key West, a municipal corporation of the State of Florida (the “**City**”).

RECITALS

A. The Declarant entered into that certain Declaration of Affordable Housing Restrictions dated July 15, 2022 and recorded in the Official Records of Monroe County at Book 3185, Page 113, imposing affordable housing restrictions on twenty-eight (28) residential units proposed at real property located at the Truman Waterfront in Historic Bahama Village in the City of Key West (the “**Declaration**”).

B. The Monroe County Comprehensive Plan Land Authority has approved the provision of construction funds in the amount of \$6,170,457.00 to decrease the maximum sale price for the twenty-eight 28 affordable housing units that are the subject of the Declaration (“**Land Authority Funds**”).

C. Declarant and City desire to amend the Declaration as set forth in this Amendment.

NOW, THEREFORE, Declarant declares as follows:

1. Incorporation of Recitals. The above recitals are true and correct and are incorporated herein as if set forth in full.

2. General Provisions. Except as specifically amended and modified by this Amendment, all of the terms, covenants, conditions, and agreements of the Declaration shall remain in full force and effect. In the event of any conflict between the provisions of the Declaration and the provisions of this Amendment, this Amendment shall control. In the event of any conflict between the provisions of the Declaration (as amended by this Amendment) and City Code, the Declaration shall control.

3. Affordable Workforce Housing Restrictions. Upon Lessee’s receipt of the Land Authority Funds, Article IV, Section A. (1) – (3) of the Declaration shall be amended and restated as follows with additions bold and underlined and removals struck through:

“

IV. OCCUPACNCY, 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 seventy-five percent of the ~~one and one-half times~~ the annual median household income (adjusted for family size) for Monroe County (0.75 x AMI), 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 ~~one two~~ and one-half times the annual median household income (adjusted for family size) for Monroe County (1.5 x AMI), 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 three six ~~three~~ and one-half times the annual median household income (adjusted for family size) for Monroe County (3.5 x AMI), in accordance with section 122-1472 of the City Code.

”

The remainder of Article IV shall not be amended and remain as stated in the Declaration.

4. Applicability. The revisions to the Declaration set forth in Section 3 of this Amendment shall only become effective upon Declarant's receipt of the Land Authority Funds in the amount of \$6,170,457.00.

5. Binding Effect: Choice of Law. This Amendment shall be binding upon the Declarant, their personal representatives, successors and assigns and be governed by the laws of the State of Florida.

6. Authority. The Declarant represents and warrants that it has full authority to execute this Amendment.

[Signature Page to follow]

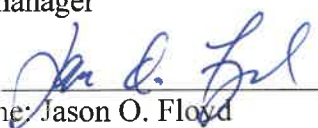
IN WITNESS WHEREOF, Declarant has caused this Amendment to be executed by its duly authorized representative as of the date above.

DECLARANT:

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

By: Bahama Village on Fort GP, LLC, a
Florida limited liability company, its
general partner

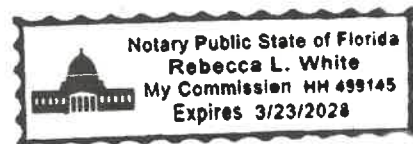
By: Vestcor, Inc., a Florida corporation,
its manager

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

STATE OF FLORIDA
COUNTY OF DUVAL

Subscribed and sworn to (or affirmed) before me, by means of ☒ physical presence or ☐ online notarization, on November 19, 2024, by Jason O. Floyd as Vice President 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. He is personally known to me or has produced _____ (type of identification) as identification.


NOTARY PUBLIC




[Signature Page to Amendment to Declaration of Affordable Housing Restrictions]

Acknowledged by the City of Key West:

ATTEST

By:  Deputy Clerk

CITY OF KEY WEST, a municipal corporation
of the State of Florida

By:  Mayor

[Signature Page to Amendment to Declaration of Affordable Housing Restrictions]

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 D. Floyd
Name: Jason D. 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 D. 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

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



THE CITY OF KEY WEST

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

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



THE CITY OF KEY WEST

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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

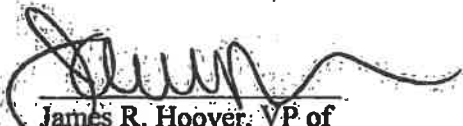
Dear Cheri and Christine:

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 D. Floyd
Name: Jason D. Floyd
Title: Vice President

STATE OF FLORIDA
COUNTY OF Duval

The foregoing instrument was acknowledged before me ☒ by physical presence or ☐ online notarization this 15 day of July, 2022 by Jason D. 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: _____

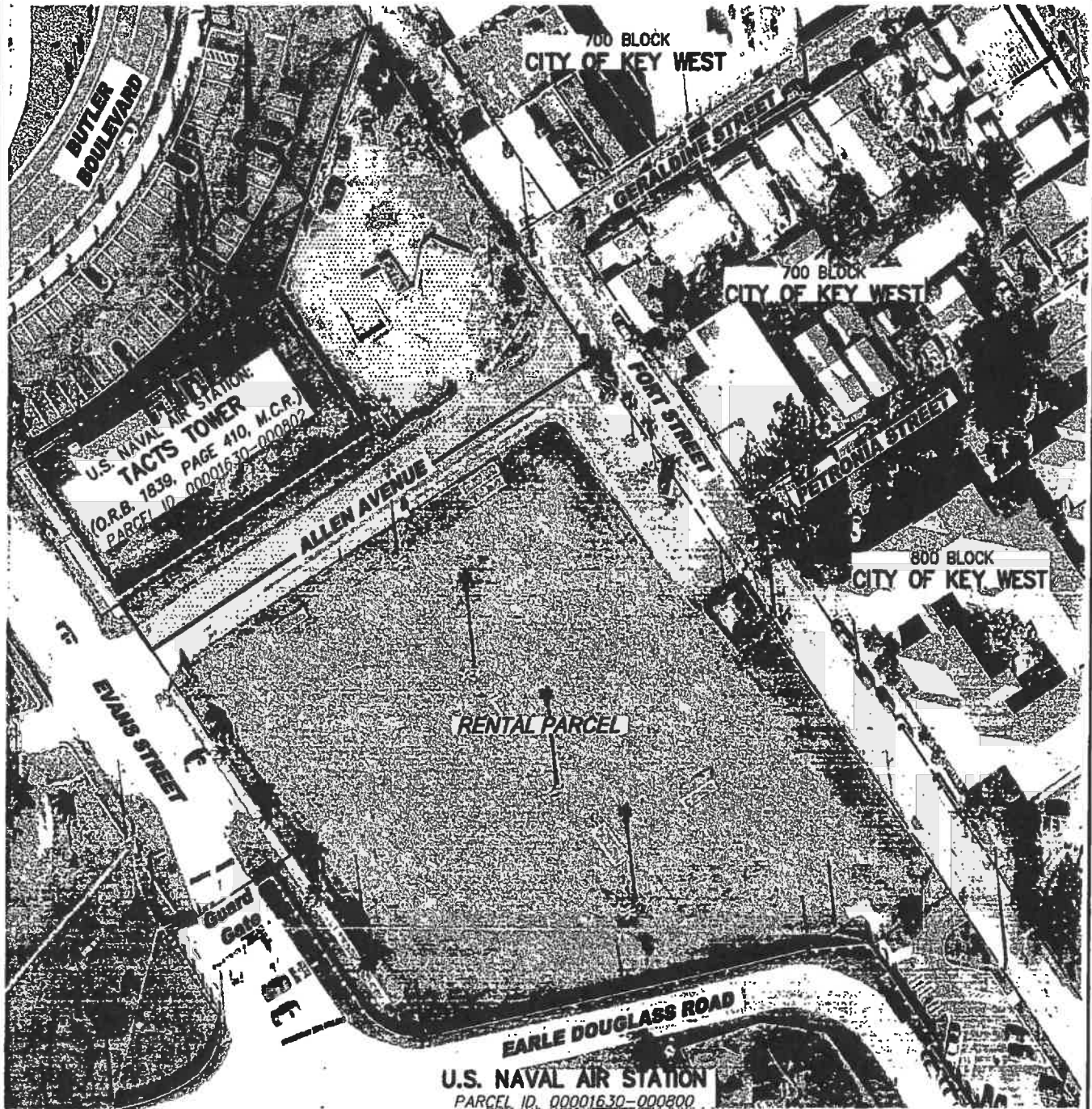
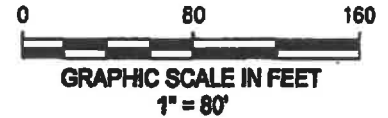
My Commission Expires: _____



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.



**AVIOM & ASSOCIATES, INC.
SURVEYING & MAPPING**

50 S.W. 2nd AVENUE, SUITE 102
BOCA RATON, FLORIDA 33432
(561) 392-2594 / www.AVIOMSURVEY.com

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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

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

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-A-Tow

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

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:	N/A
DATE:	03/08/2022
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.**

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.



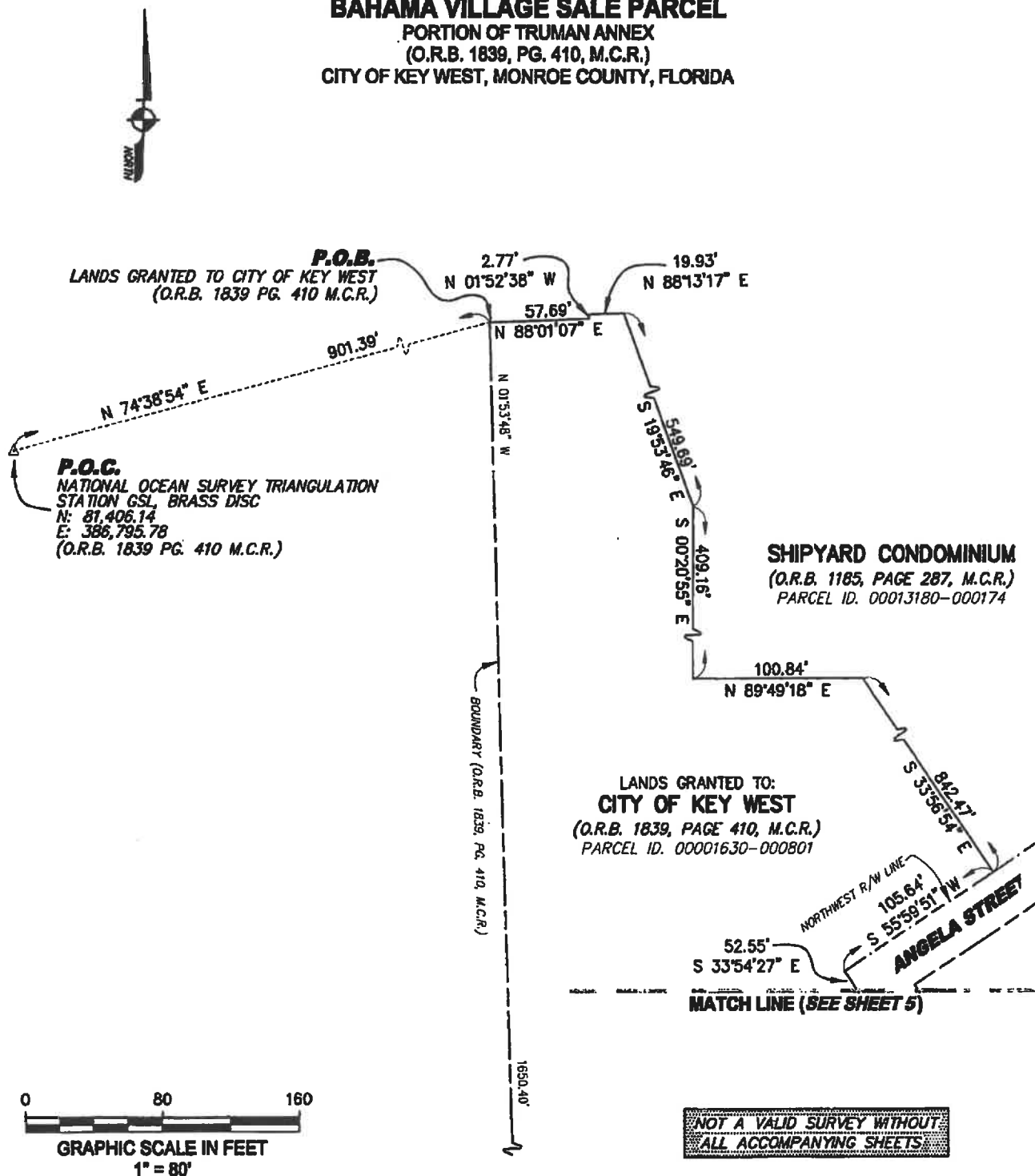
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JOB#:	11558-2.1
SCALE:	N/A
DATE:	03/08/2022
BY:	K.C.
CHECKED:	K.M.C-A-T
F.B.	N/A PG. N/A
SHEET:	3 OF 5

**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**



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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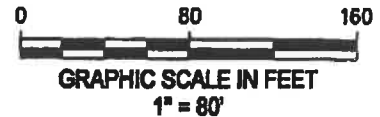
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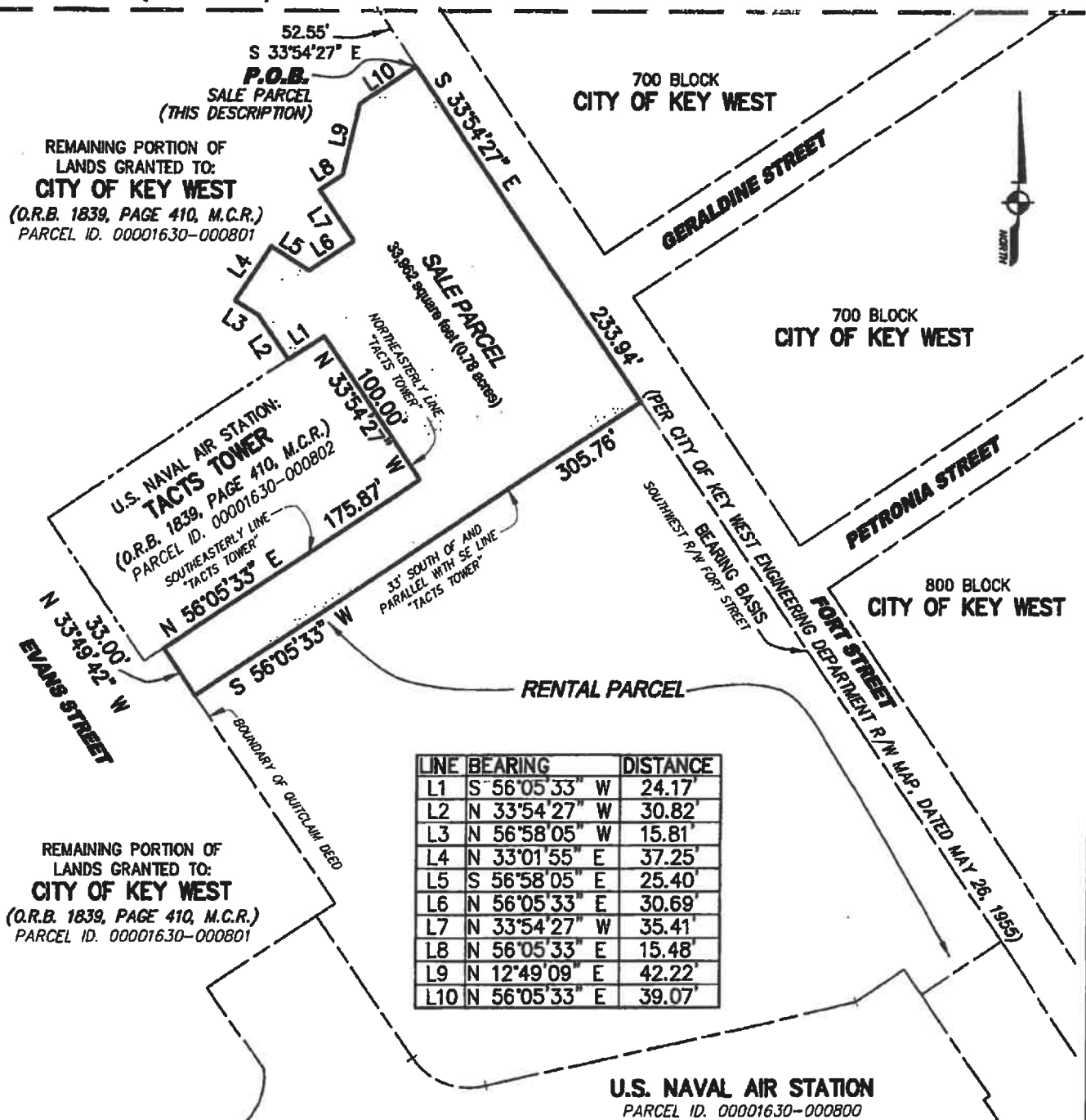
JOB #: 11558-2.1
SCALE: 1" = 80'
DATE: 03/08/2022
BY: K.C.
CHECKED: K.M.C-A-T
F.B. N/A PG. N/A
SHEET: 4 OF 5

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



MATCH LINE (SEE SHEET 4)



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: 5 OF 6

RESOLUTION NO. 23-289

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 \$900,000 FOR THE CONSTRUCTION OF THE FOR SALE WORKFORCE HOUSING UNITS AT THE 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 THE CITY OF KEY WEST COMPREHENSIVE PLAN POLICY 3-1.1.7.; AUTHORIZING THE CITY MANAGER TO EXECUTE ALL DOCUMENTS CONSISTENT THEREWITH UPON CONSENT OF THE CITY ATTORNEY; PROVIDING FOR AN EFFECTIVE DATE

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, on December 6, 2022, the City of Key West approved a disbursement of in the amount of \$4,028,250.00 from the Monroe County Land Authority Funds to subsidize the construction of 28 for sale workforce units at 918 Fort Street; and

WHEREAS, the City desires to keep the final sales price of fourteen units affordable and accessible to individuals with incomes

up to 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, preservation of affordable housing 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 additional requested funding for the construction of 28 for sale affordable workforce housing units on the 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 an additional funding request in the amount of nine hundred thousand dollars

(\$900,000.00). This funding shall function to provide construction gap funding for the required fourteen (14) owner occupied affordable housing median, moderate and middle income units not to 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 the City Manager is authorized to execute any necessary documents consistent herewith, upon review and consent of the City Attorney.

Section 3: 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.

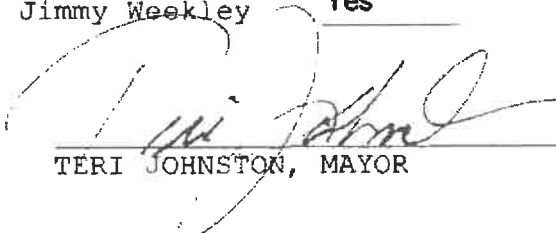
Passed and adopted by the City Commission at a meeting held this 12th day of October, 2023.

Authenticated by the Presiding Officer and Clerk of the Commission on 12th day of October, 2023.

Filed with the Clerk on October 12, 2023.

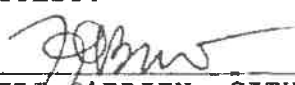
Mayor Teri Johnston	<u>Yes</u>
Vice Mayor Sam Kaufman	<u>Yes</u>
Commissioner Lissette Carey	<u>Yes</u>

Commissioner Mary Lou Hoover	<u>Yes</u>
Commissioner Clayton Lopez	<u>Absent</u>
Commissioner Billy Wardlow	<u>Yes</u>
Commissioner Jimmy Weekley	<u>Yes</u>



TERI JOHNSTON, MAYOR

ATTEST:



KERY O'BRIEN, CITY CLERK



MEMORANDUM

Date: October 12, 2023

To: Honorable Mayor and Commissioners

Via: Albert P. Childress *APC*
City Manager

From: Tina Burns *TB*
Housing & Community Development Director

Subject: Request for approval for fund disbursement in the amount of \$900,000 from the Monroe County Land Authority to the City of Key West for the construction of affordable homeownership units at the Lofts of Bahama Village development at 918 Fort Street (also known as the 3.2 site) pursuant to Section 380.0666(3)(a), Florida Statutes, and in accordance with the City of Key West Comprehensive Plan Policy 3-1.1.7; and authorizing the City Manager to execute all documents consistent therein with upon consent of the City Attorney; providing for an effective date.

Introduction

Respectfully request the City Commission to approve an additional disbursement of funding from the Monroe County Land Authority to provide construction gap funding to reduce the sales prices of the homeownership units at the Lofts at Bahama Village development at 918 Fort Street and create affordable housing units; authorizing the City Manager to execute all documents consistent therein with upon consent of the City Attorney; providing for an effective date.

Background

The City of Key West owns the property at 918 Fort Street commonly referred to as 3.2 acres, located within the Historic Neighborhood Commercial District – Bahama Village Truman Waterfront. The City has executed a 99-year lease agreement with the Developer to construct affordable residences onsite. The residences will consist of 98 rental units that after construction will be managed by A.H. of Monroe County and an additional 28-affordable homeownership units that will be sold to income eligible low-to-middle income homebuyers.

In December of 2022, the City Commission approved an initial disbursement of Monroe County Land Authority Funding in the amount of \$4,028,250.00 to provide for construction gap funding to reduce the purchase price of the fourteen (14) median, moderate- and middle-income units to make them affordable for homebuyers whose income are between 81% AMI to 140% AMI. The initial request has been secured for the development.

The purchase prices listed below are based off the 2023 HUD Income limits. These prices can change yearly due to HUD's updated median limits for Monroe County which historically publishes in April.

Current Pricing RFP	Very Low 60% ≤	Low 61% to 80%	Median to Middle 81% to 100%
2 Bedroom	\$146,531.00	\$244,219.00	\$634,696.00
3 Bedroom	\$162,750.00	\$271,250.00	\$705,250.00
Development GAP Land Authority Funding			
2 Bedroom	\$0.00	\$0.00	\$292,790.00
3 Bedroom	\$0.00	\$0.00	\$325,500.00
Final Purchase Prices to homebuyer	Very Low 60% ≤	Low 61% to 80%	Median to Middle 81% to 100%
Multiplying Factor by Code	1.50%	2.50%	3.50%
2 Bedroom	\$146,531.00	\$244,219.00	\$341,906.00
3 Bedroom	\$162,750.00	\$271,250.00	\$379,750.00

The additional funding request of \$900,000 will cover the increased costs of the purchase price changes for 2023 and 2024.

With the first disbursement of \$4,028,250.00 from the Monroe County Land Authority Funding and this added amount of \$900,000, total construction gap funding for the project will total \$4,928,250.00.

This project is listed as a priority 1 affordable housing goal 2 under new housing in the Key West Forward 3-year strategic plan.

Procurement

Approval of the requested disbursement would reduce the available funds balance of the Monroe County Land Authority monies that are allocated for the City of Key West.

Recommendation

Request the City Commission to approve the additional disbursement of funding in the amount of \$900,000 from the Monroe County Land Authority to create affordable housing by providing construction gap funding to reduce sales prices of the homeownership units at the Lofts at Bahama Village development; and authorizing the City Manager to execute all documents consistent therein with upon consent of the City Attorney; providing for an effective date.

RESOLUTION NO. 24-185

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, REQUESTING FUNDING FROM THE MONROE COUNTY COMPREHENSIVE PLAN LAND AUTHORITY IN THE AMOUNT OF \$ 1,242,207.00, FOR THE CONSTRUCTION SUBSIDY OF THE HOMEOWNERSHIP WORKFORCE HOUSING UNITS AT THE LOFTS OF BAHAMA VILLAGE DEVELOPMENT LOCATED AT 918 FORT STREET (OTHERWISE KNOWN AS THE 3.2 ACRE SITE); AUTHORIZING THE CITY MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS UPON CONSENT OF THE CITY ATTORNEY; PROVIDING FOR AN EFFECTIVE DATE

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, on December 6, 2022, the City of Key West requested an allocation in the amount of \$4,028,250.00 from the Monroe County Land Authority Funds to subsidize the construction of 28 workforce homeownership units at 918 Fort Street and; and

WHEREAS, on October 8, 2023, the City of Key West requested an additional allocation in the amount of \$900,000.00 from the Monroe County Land Authority Funds to further subsidize the construction of 28 workforce homeownership units at 918 Fort Street and; and

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

WHEREAS, the Monroe County Comprehensive Plan Land Authority (hereinafter referred to as "Land Authority") allocates 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 creating affordable workforce housing; and

WHEREAS, the Land Authority shall record a Land Use Restrictive Agreement and other legal documents as needed to ensure monitoring and compliance of homeowner income limits, preservation of affordable housing and other provisions of City ordinances and State statutes applicable to Monroe County Comprehensive Plan 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 Land Authority are requested for additional subsidy funding for the construction of 28 affordable workforce homeownership units on the 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 Comprehensive Plan Land Authority for an additional funding request in the amount of one million, two hundred and forty-two thousand, two hundred and seven dollars (\$1,242,207.00). This funding shall function to provide construction subsidy for the twenty-eight (28) owner occupied affordable housing very low, low and middle income units not to exceed the multipliers of three quarters times (.75), one and one-half times (1.5) and three and one-half times (3.5), respectively of the annual median household incomes (adjusted for family size) for Monroe County, in accordance with section 122-1472. See Exhibit "A" entitled Bahama Village Sale Price Reduction Analysis attached hereto.

Section 2: That the attached Exhibit A are the new purchase calculations for the home ownership units.

Section 3: That the City Manager is authorized to execute any necessary documents upon review and consent of the City Attorney.

Section 4: 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 8th day of August, 2024.

Authenticated by the Presiding Officer and Clerk of the
Commission on 8th day of August, 2024.

Filed with the Clerk on August 8, 2024.

Mayor Teri Johnston	<u>Absent</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>


SAM KAUFMAN, VICE MAYOR

ATTEST:


KERI O'BRIEN, CITY CLERK

Exhibit "A"

Bahama Village Sales Price Reduction Analysis

	60%	80%	140%	Total
2 BR	2	7	9	18
3 BR	1	4	5	10

Persons	2024 - 100% Income
3	\$107,438
4	\$119,313

Current Price

	1.5	2.5	6.5
	Sales Price		
BR	60%	80%	140%
2	\$161,157	\$268,595	\$698,347
3	\$178,970	\$298,283	\$775,535

Reduced Price

	0.75	1.5	3.5
	Sales Price		
BR	60%	80%	140%
2	\$80,579	\$161,157	\$376,033
3	\$89,485	\$178,970	\$417,596

Funds Required to Reduce Price

BR	60%	80%	140%	
2	\$161,156	\$752,066	\$2,900,817	
3	\$89,485	\$477,248	\$1,789,685	
Totals	\$250,641	\$1,229,314	\$4,690,502	\$6,170,457



MEMORANDUM

Date: August 8, 2024

To: Honorable Mayor and Commissioners

Via: Todd Stoughton
Interim City Manager

From: Tina Burns
Housing & Community Development Director

Subject: **24-6213 Request the Monroe County Comprehensive Plan Land Authority to allocate funding in the amount up to \$1,242,207.00, for the purpose of construction subsidy for the creation of affordable workforce housing units at the Lofts of Bahama Village located at 918 Fort Street (otherwise known as the 3.2 site); Authorizing the City Manager to execute necessary documents upon consent of the of the City Attorney.**

Introduction

Respectfully request the City Commission to approve an allocation of funding from the Monroe County Comprehensive Plan Land Authority in the amount up to \$1,242,207.00 to provide construction subsidy to create affordable housing and reduce the sales prices of the twenty-eight (28) workforce housing homeownership units at the Lofts at Bahama Village development at 918 Fort Street; authorizing the City Manager to execute all necessary documents upon consent of the City Attorney; providing for an effective date.

Background

The City of Key West owns the property at 918 Fort Street commonly referred to as 3.2 acres, located within the Historic Neighborhood Commercial District – Bahama Village Truman Waterfront. The City has executed a 99-year lease agreement with the Developer to construct affordable residences onsite. The residences will consist of 98 rental units that after construction will be managed by A.H. of Monroe County and an additional 28-affordable workforce homeownership units that will be sold to income eligible very-low to middle income homebuyers.

In December of 2022, the City Commission approved an initial allocation of Monroe County Comprehensive Plan Land Authority Funding in the amount of \$4,028,250.00 to provide for construction subsidy funding to reduce the purchase price of the fourteen (14) Middle-income units (140%) down to Median Income units (100%) to make them affordable for homebuyers whose income are between 81% and 140% .

In October of 2023an additional allocation request of Monroe County Comprehensive Plan Land Authority Funding in the amount of \$900,000 was approved by the City Commission to cover gap funding needed to complete the project.

The two allocations of Monroe County Comprehensive Plan Land Authority Funding total \$4,928,250.00.

Due to the increasing costs of various elements including interest rates, insurance costs and condo HOA reserves the additional allocation of funding will help subsidize all the units and further increase the affordability for the homebuyers.

This request of Land Authority funds will be used as construction subsidy to reduce the sales prices for all three income levels on all twenty-eight units. See chart below for final pricing schedule:

Subsidizing only the 14 "Middle" Units to "Median" 6.5X to 3.5X				Subsidizing All 28 Units			
Income	Verylow 60% and Below	Low 61%- 80%	Median 80% -140%	Income	Verylow 60% and Below	Low 61%- 80%	Median / Middle 81% -140%
Purchase Price Multiplier	1.5 X	2.5X	3.5 X	Purchase Price Multiplier	.75 X	1.5X	3.5 X
Unit Size				Unit Size			
2 Bedroom	\$161,156.00	\$268,594.00	\$376,031.00	2 Bedroom	\$80,578.00	\$161,156.00	\$376,031.00
3 Bedroom	\$178,969.00	\$298,281.00	\$417,594.00	3 Bedroom	\$89,484.00	\$178,969.00	\$417,594.00

Project Costs to Subsidize all 28 Units

Bedroom Size	Multiplier Change	Buydown	Costs Per Unit	Number	
				of Units	Totals by Units
2-Bedroom	Middle 6.5 to Median 3.5	698344-376031	\$322,313.00	9	\$2,900,817.00
3-Bedroom	Middle 6.5 to Median 3.5	775531-417594	\$357,937.00	5	\$1,789,685.00
2-Bedroom	Low 2.5 X to 1.5X	268594-161156	\$107,438.00	7	\$752,066.00
3-Bedroom	Low 2.5 X to 1.5X	298281-178969	\$119,312.00	4	\$477,248.00
2-Bedroom	Very-Low 1.5X to .75X	161156-80578	\$80,578.00	2	\$161,156.00
3-Bedroom	Very-Low 1.5X to .75X	178969-89484	\$89,485.00	1	\$89,485.00

Total to Buy Entire Project Down: \$6,170,457.00

1st Reso Nomination Request - CC Approved 12/2023:	\$4,028,250.00
2nd Reso Nomination Request - CC Approved 09/2024:	\$900,000.00
3rd Proposed Request to Balance Project Need:	\$1,242,207.00
Total Land Authority Investment in Project:	\$6,170,457.00

This project is listed as a priority 1 affordable housing goal 2 under new housing in the Key West Forward 3-year strategic plan.

Procurement

Approval of the requested disbursement would reduce the available funds balance of the Monroe County Comprehensive Plan Land Authority monies that are allocated for the City of Key West.

Recommendation

Request the City Commission to approve an allocation of funding up to \$1,242,207.00 from the Monroe County Comprehensive Plan Land Authority to provide construction subsidy to create affordable housing and reduce the sales prices of the workforce housing homeownership units at the Lofts at Bahama Village development at 918 Fort Street; authorizing the City Manager to execute all necessary documents upon consent of the City Attorney; providing for an effective date.

RESOLUTION NO. 03-2025

A RESOLUTION OF THE MONROE COUNTY COMPREHENSIVE PLAN LAND AUTHORITY APPROVING \$6,170,457 FOR CONSTRUCTION FUNDING TO THE CITY OF KEY WEST FOR 28 HOMEOWNERSHIP UNITS ON PROPERTY LEGALLY DESCRIBED IN EXHIBIT A WITH ID# 00001630-000801, 318 FORT STREET, KEY WEST, FLORIDA, 33040, SUBJECT TO A LAND USE RESTRICTION AGREEMENT (LURA) RESTRICTING INCOME LIMITS FOR HOUSEHOLDS PURCHASING THE UNITS FOUND IN EXHIBIT B, INCLUSIVE OF AN INDIVIDUAL LAND USE RESTRICTION AGREEMENT (LURA) TO BE RECORDED UPON PURCHASE OF INDIVIDUAL CONDOMINIUM UNITS, AND AUTHORIZING THE CHAIRMAN TO EXECUTE DOCUMENTS IN SUPPORT OF THE PROJECT.

WHEREAS, the Naval Properties Local Redevelopment Authority of the City of Key West (hereinafter KW) are partnering to develop a site located at 318 Fort Street in Key West with Bahama Village on Fort, LTD., with 98 rental units and 28 condominium for sale units consisting of 18 two bedroom units and 10 three bedroom units known as the 3.2 Acres Site (hereinafter Subject Project); and

WHEREAS, the Key West City Commission has adopted Resolution 22-290 requesting \$4,028,250, Resolution 23-289 requesting \$900,000, and Resolution 24-185 requesting \$1,242,207 for a total of \$6,170,457 from the Land Authority toward construction 28 condominium "for sale" units to be reserved for homeownership in order to provide these units to lower income households/families on the Subject Project; and

WHEREAS, Section 380.0666(3)(a), Florida Statutes, empowers the Monroe County Comprehensive Plan Land Authority (hereinafter "Land Authority") to contribute tourist impact tax revenue to the City of Key West for the construction of affordable housing in Key West; and

WHEREAS, the Subject Project will provide affordable housing to persons whose income does not exceed 160 percent of the Area Median Income in accordance with section 380.0666(3)(a), Florida Statutes or less if required by the City of Key West; and

WHEREAS, the Land Authority Advisory Committee considered this resolution at a meeting held on September 25, 2024 and voted 5/0 to recommend approval; NOW, THEREFORE,

BE IT RESOLVED BY THE MONROE COUNTY COMPREHENSIVE PLAN LAND AUTHORITY:

Section 1. The above recitals are true and correct and incorporated herein.

Section 2. The Land Authority hereby approves \$6,170,457 in construction funding for the Subject Project as a grant to City of Key West in exchange for a deed restriction (Land Use Restriction Agreement [LURA]) incorporated hereto as Exhibit B, that requires all units constructed with Land Authority funding to be owned by families whose income does not exceed 160 percent of median family income for the area at the time of purchase, which applies to 28 ownership units that may be located on the real property described in the legal description

attached hereto and incorporated herein as Exhibit A. Nothing in the LURA shall preclude the City of Key West or any other entity from setting more restrictive income limits.

Section 3. Said funds shall be disbursed to KW upon recordation of the condominium documents. The City of Key West will record the Land Use Restriction Agreement (LURA) for Individual Units, found in Exhibit D, of the LURA attached as Exhibit B with the subsidy amount per unit as a lien at each closing on each condominium unit. The subsidy amount is transferrable when a subsequent sale of a condominium unit occurs.

Section 4. The Land Authority Chairman and Executive Director are hereby authorized to execute documents in support of the City of Key West project, as may be required by the Florida Housing Finance Corporation or any other granting agency attesting to said funding commitment by the Land Authority.

Section 5. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Monroe County Comprehensive Plan Land Authority at a regular meeting on this 16th day of October, 2024.



Commissioner Craig Cates	<u>Yes</u>
Vice Chairwoman Michelle Lincoln	<u>Yes</u>
Commissioner Holly Raschein	<u>Yes</u>
Commissioner James Scholl	<u>Yes</u>
Chairman David Rice	<u>Yes</u>

ATTEST:

MONROE COUNTY
COMPREHENSIVE PLAN LAND
AUTHORITY

Cynthia
Guerra

Digitally signed by
Cynthia Guerra
Date: 2024.10.17
15:45:16 -04'00'

Cynthia Guerra
Acting Executive Director

David Rice
Chairman

Approved as to form and legality:

Signed by:

Greg Oropeza, Esquire

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

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 ITS 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 1839, 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 FEET; 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.

EXHIBIT B

LAND USE RESTRICTION AGREEMENT

**BAHAMA VILLAGE CONDOMINIUM, KEY WEST, FLORIDA
PARCEL IDENTIFICATION NUMBERS 00001630-000801**

THIS INSTRUMENT PREPARED
BY AND RETURN TO:

Gregory S. Oropeza, Esq.
Oropeza, Stones, & Cardenas, PLLC
221 Simonton Street
Key West, FL 33040

LAND USE RESTRICTION AGREEMENT

BAHAMA VILLAGE CONDOMINIUM, KEY WEST, FLORIDA PARCEL IDENTIFICATION NUMBERS 00001630-000801

THIS LAND USE RESTRICTION AGREEMENT (hereinafter "Agreement") is made and entered into as of the ____ day of _____, 2024, between the BAHAMA VILLAGE ON FORT, LTD., a Florida limited partnership (hereinafter "Grantor"), THE NAVAL PROPERTIES LOCAL REDEVELOPMENT AUTHORITY OF THE CITY OF KEY WEST (hereinafter "Navy Redevelopment Authority"), THE CITY OF KEY WEST, FLORIDA (hereinafter the "City"), and the MONROE COUNTY COMPREHENSIVE PLAN LAND AUTHORITY, a land authority pursuant to section 380.0663(1), Florida Statutes and Monroe County Ordinance No. 031-1986 (hereinafter "Land Authority"), and their respective successors and assigns.

RECITALS

A. This Agreement pertains to the real property located on Key West, Florida bearing Parcel Identification Number 00001630-000801 as more particularly described in Exhibit "A" attached hereto and incorporated herein (the "Property"); and

B. The Navy Redevelopment Authority, a dependent district of the City, as the fee title holder of the Property and Grantor, as tenant, entered into that certain Ground Lease Agreement dated July 15, 2022, recorded on July 19, 2022, in Official Records Book 3185, Page 1, Public Records of Monroe County, Florida, as amended by that certain Amendment to Ground Lease Agreement dated November 13, 2023, recorded on November 14, 2023, in Official Records Book 3250, Page 2166, Public Records of Monroe County, Florida for the lease of the Property to Grantor together with that certain Declaration of Affordable Housing Restrictions dated July 15, 2022 and recorded on July 20, 2022 in Official Records Book 3185, Page 113, Public records of Monroe County, Florida; and

C. At the request of the City and in accordance with Land Authority Resolution No _____ the Land Authority approved construction funding in the amount of Six Million One Hundred Seventy Thousand Four Hundred Fifty-Seven and 00/100 Dollars (\$6,170,457.00) for the purpose of reducing the sales price of twenty-eight (28) newly constructed home ownership condominium units located on the Property; and

D. Grantor intends to sell the twenty-eight (28) individual condominium units, which at the time of the initial sale of each unit, each purchaser shall execute a Land Use Restriction

Agreement for Individual Units (the "Unit LURA") memorializing the individual per unit subsidy specific to the respective unit in accordance with the schedule set forth on Exhibit "B" hereto; and

E. As a condition of extending funding to the City to provide for development of affordable housing on the Property, the City, Navy Redevelopment Authority and Grantor have agreed that the Property shall comply with the affordable housing requirements specified herein; and

F. TRUIST BANK ("Truist"), holds a first mortgage encumbering the Property described in that certain Leasehold Mortgage, Assignment of Rents, Security Agreement and Fixture Filing dated as of March 11, 2024 which is recorded in Official Records Book 3266 at Page 1069, aforesaid records, and has consented to this Agreement as set forth in the Joinder attached hereto and incorporated herein as Exhibit "C".

G. Subsequent to the filing of this Agreement, the Property will be submitted to condominium form of ownership. The Declaration of Condominium of Bahama Village Condominium (the "Declaration of Condominium") to be recorded to form the condominium form of ownership shall incorporate therein the requirements of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor, City, Navy Redevelopment Authority and Land Authority do hereby contract and agree as follows:

ARTICLE I

COMPLIANCE WITH LAND AUTHORITY REQUIREMENTS

In order to comply with the Land Authority's requirements pursuant to Section 380.0663(1), *et seq.*, Florida Statutes and Monroe County Ordinance No. 031-1986, Grantor, City and Navy Redevelopment Authority hereby covenant and agree as follows:

- 1.01 The restrictions contained in this Article I shall not expire, shall run with the Property in perpetuity and shall be binding upon Grantor, City and Navy Redevelopment Authority, their respective successors, or assigns.
- 1.02 Use of the Property shall be restricted to the provision of affordable housing for families or households whose income does not exceed 160% of the prevailing Area Median Income for Monroe County, adjusted for assumed household size based on the number of bedrooms in the unit. Nothing herein shall preclude the City or any other entity providing affordable housing on the Property from setting more restrictive income limits than those imposed by this Agreement, including but not limited to, the Declaration of Affordable Housing Restrictions dated July 15, 2022, in Official Records Book 3185, Page 113, Public Records of Monroe County, Florida. Subsidy amounts provided by the Land Authority are set forth on the schedule in Exhibit "B" attached hereto and incorporated herein.

- 1.03 At the time of the initial sale of each unit, each purchaser shall execute a Unit LURA on a form substantially similar to the form attached hereto as Exhibit "D".
- 1.04 The City shall be responsible for ensuring compliance with the restrictions in this Article I to the extent of confirming compliance for income eligibility and purchase restrictions at initial sales and subsequent resales. Nothing herein shall be implied to require that the City or the Navy Redevelopment Authority shall be responsible for enforcing the conditions, limitations or restrictions contained in the Declaration of Condominium referred to in paragraph G above.
- 1.05 All of the twenty-eight (28) condominium units shall be sold to third party purchasers in compliance with this Agreement within twenty-four (24) months from the time each unit obtains a certificate of occupancy.

ARTICLE II

CONSIDERATION

In addition to other purposes, the Land Authority agrees to issue construction funds of \$6,170,457.00 to the City after the City has entered into an agreement with the Grantor outlining how funding will be disbursed to the Grantor and after a written request has been forwarded to the Executive Director of the Land Authority, for use by the Grantor, to buy down the cost of each individual condominium unit to an affordable level as defined by the City, as shown in Exhibit "B". In consideration of said Land Authority extension of funding for the foregoing purposes, the City, Grantor, joined by the Navy Redevelopment Authority and the Land Authority have entered into this Agreement. The City agrees to provide at the time of conveyance, each time one of the 28 units is conveyed, a closing statement, prior to closing, that shows the purchase price and subsidy amount, as well as income qualification information demonstrating the purchaser of the unit annual income is less than 160% of the prevailing Area Median Income for Monroe County.

ARTICLE III

RELIANCE

In performing its duties hereunder, the Land Authority may rely upon statements and certificates of the City and Grantor, purchasers, and the residents of the Property believed to be genuine and to have been executed by the proper person or persons, and upon audits of the books and records of City and Grantor pertaining to occupancy of the Property.

ARTICLE IV

TERM

This Agreement shall become effective upon its execution and delivery and shall remain in full force and effect without expiration, unless modified by mutual written consent of the parties.

ARTICLE V
ENFORCEMENT

If Grantor or City default in the performance of its obligations under this Agreement or breaches any material covenant, agreement or warranty of Grantor or City set forth in this Agreement, and if such default remains uncured for a period of thirty (30) days after written notice thereof shall have been given by the Land Authority to Grantor, City, and Truist (the "Cure Period"), then the Land Authority may take any action at law or in equity or otherwise to address said default(s), including, but not limited to an action to recover on a per unit basis the funding provided in accordance with Exhibit "B" for non-compliance with Article 1.04 above. However, if the default stated in such notice can be corrected, but not within the Cure Period, and if Grantor and City adopt a plan to correct or cure the default and commences the correction within the Cure Period, and thereafter diligently pursues the same to completion within such extended period as may be agreed upon between the parties, the Land Authority shall not have waived its right of enforcement if the default remains uncured after the expiration of the extended cure period.

The Land Authority hereby agrees that Truist shall have the right, but not the obligation, to provide a cure of Grantor's default, and should Truist offer to cure Grantor's default during the Cure Period or any agreed upon extended time thereafter, the Land Authority hereby agrees to accept such cure by Truist as if the cure had been made by Grantor.

ARTICLE VI
RECORDING AND FILING; COVENANTS TO RUN WITH THE LAND

6.01. Upon execution Grantor and City shall cause this Agreement and all amendments and supplements hereto to be recorded and filed in the official public records of Monroe County and shall pay all fees and charges incurred in connection therewith.

6.02 This Agreement and the covenants contained herein shall run with the land and shall bind, and the benefits shall inure to, respectively, Grantor, City, Navy Redevelopment Authority and Land Authority and their respective successors and assigns during the term of this Agreement.

ARTICLE VII
GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, with respect to both substantive rights and with respect to procedures and remedies.

ARTICLE VIII
NOTICE AND EFFECT

All notices and other communications to be made or permitted to be made hereunder shall be in writing and shall be delivered to the addresses shown below or to such other addresses that the parties may provide to one another in accordance herewith. Such notices and other communications shall be given by any of the following means: (a) personal service or (b) national express air courier, provided such courier maintains written verification of actual delivery. Any notice or other communication given by the means described in subsection (a) or (b) above shall be deemed effective upon the date of receipt or the date of refusal to accept delivery by the party to whom such notice or other communication has been sent.

Land Authority:	Monroe County Land Authority 1200 Truman Avenue, Suite 207 Key West, FL 33040 Attention: Executive Director
Grantor:	Bahama Village on Fort, Ltd. 1649 Atlantic Blvd. Jacksonville, FL 32207 Attn: Jason O. Floyd
Truist:	Truist Bank CIG-CRE Loan Admin Atlanta Office 303 Peachtree Street NE, 3rd Floor Mail Code GA-ATL-803-05-03-40 Atlanta, Georgia 30308 Email: CIG-CRELegalNotices@Truist.com
With a copy to:	Truist Bank 1010 Kennedy Drive Key West, Florida 33040 Attention: Dale Bittner Email: dale.bittner@truist.com

with a copy to (for information purposes only):

**Womble Bond Dickinson (US) LLP
Attn: Vanessa Morris, Esq.
1331 Spring Street, NW, Suite 1400
Atlanta, Georgia 30309**

Email: Vanessa.Morris@wbd-us.com

City and Navy Redevelopment Authority:
City of Key West
1300 White St.
Key West, FL 33040
Attention: City Attorney

Any party may change said address by giving the other parties hereto notice of such change of address in accordance with the foregoing provisions.

ARTICLE IX
MISCELLANEOUS

9.01. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions shall not in any way be affected or impaired.

9.02. This Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument and each of which shall be deemed to be an original.

Signature Pages Immediately Following

**COUNTERPART SIGNATURE PAGE TO
LAND USE RESTRICTION AGREEMENT**

IN WITNESS WHEREOF, Grantor has caused this Agreement to be signed, sealed and attested on their behalf by duly authorized representatives, all as of the date first set forth above.

WITNESSES:

Grantor:

Print: _____
Address: _____

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

**By: Bahama Village on Fort GP, LLC, a Florida
limited liability company, its General Partner**

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

**By: _____
Jason O. Floyd, Vice President**

Print: _____
Address: _____

**STATE OF FLORIDA
COUNTY OF DUVAL**

The foregoing instrument was acknowledged before me by means of physical presence this _____ day of _____, 2024 by Jason O. Floyd, as Vice President of Vestcor, Inc., Manager of Bahama Village on Fort GP, LLC, General Partner of BAHAMA VILLAGE ON FORT, LTD., a Florida limited partnership. Said person is personally known to me or has produced a valid driver's license as identification.

Notary Public; State of Florida
Print Name: _____
My Commission Expires: _____
My Commission No.: _____

**COUNTERPART SIGNATURE PAGE TO
LAND USE RESTRICTION AGREEMENT**

IN WITNESS WHEREOF, The Naval Properties Local Redevelopment Authority of the City of Key West has caused this Agreement to be signed, sealed and attested on their behalf by duly authorized representatives, all as of the date first set forth above.

WITNESSES:

Print: _____

Address: _____

Print: _____

Address: _____

**THE NAVAL PROPERTIES LOCAL
REDEVELOPMENT AUTHORITY OF THE
CITY OF KEY WEST**

By: _____
Denise Henriquez, Chairwoman

Address: 1300 White Street
Key West, FL 33040

Approved as to form and legality

[SEAL]

Gregory S. Oropeza, Esq.

**STATE OF FLORIDA
COUNTY OF MONROE**

The foregoing instrument was acknowledged before me by means of physical presence this ____ day of _____, 2024, by Denise Henriquez, as Chairwoman of THE NAVAL PROPERTIES LOCAL REDEVELOPMENT AUTHORITY OF THE CITY OF KEY WEST. Said person is personally known to me or has produced a valid driver's license as identification.

Notary Public; State of Florida
Print Name: _____
My Commission Expires: _____
My Commission No.: _____

**COUNTERPART SIGNATURE PAGE TO
LAND USE RESTRICTION AGREEMENT**

IN WITNESS WHEREOF, City of Key West, Florida, has caused this Agreement to be signed, sealed and attested on their behalf by duly authorized representatives, all as of the date first set forth above.

WITNESSES:

CITY OF KEY WEST, FLORIDA

Print: _____

Address: _____

By: _____
Denise Henriquez, Mayor

Print: _____

Address: _____

Address: 1300 Whitehead Street
Key West, FL 33040

Approved as to form and legality

[SEAL]

Gregory S. Oropeza, Esq.

**STATE OF FLORIDA
COUNTY OF MONROE**

The foregoing instrument was acknowledged before me by means of physical presence this _____ day of _____, 2024, by Denise Henriquez as Mayor of the CITY OF KEY WEST, FLORIDA. Said person is personally known to me or has produced a valid driver's license as identification.

Notary Public; State of Florida

Print Name: _____

My Commission Expires: _____

My Commission No.: _____

**COUNTERPART SIGNATURE PAGE TO
LAND USE RESTRICTION AGREEMENT**

IN WITNESS WHEREOF, Land Authority has caused this Agreement to be signed, sealed and attested on their behalf by duly authorized representatives, all as of the date first set forth above.

WITNESSES:

**MONROE COUNTY COMPREHENSIVE PLAN
LAND AUTHORITY**

Print: _____

Address: _____

By: _____
David P. Rice, Chairman

Print: _____

Address: _____

Address: 1200 Truman Avenue, Suite 207
Key West, FL 33040

Approved as to form and legality

[SEAL]

Gregory S. Oropeza, Esq.

**STATE OF FLORIDA
COUNTY OF MONROE**

The foregoing instrument was acknowledged before me by means of physical presence this _____ day of _____, 2024, by David P. Rice, as Chairman of the MONROE COUNTY COMPREHENSIVE PLAN LAND AUTHORITY, a land authority pursuant to section 380.0663(1), Florida Statutes and Monroe County Ordinance No. 031-1986, on behalf of the Land Authority. Said person is personally known to me or has produced a valid driver's license as identification.

Notary Public; State of Florida

Print Name: _____

My Commission Expires: _____

My Commission No.: _____

EXHIBIT "A"
LEGAL DESCRIPTION OF PROPERTY

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 ITS 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 1839, 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 FEET; 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.

EXHIBIT "B"
INDIVIDUAL SUBSIDY AMOUNT PER UNIT TYPE

<i># of Units</i>	<i>Street</i>	<i>Initial Purchase Price/Unit</i>	<i>Subsidy Investment/Unit</i>	<i>Non-Subsidized Cost/Unit</i>	<i>Income Level</i>	<i>Maximum Purchase Price/Unit</i>	<i>Bedroom Size</i>	<i>Total Subsidy</i>
2	710 Fort Street	\$80,578.00	\$80,578.00	\$181,156.00	Very-Low 60%	0.75 x AMI*	2-Bedroom	\$181,156
1	710 Fort Street	\$89,484.00	\$89,485.00	\$178,969.00	Very-Low 60%	0.75 x AMI*	3-Bedroom	\$89,485
7	710 Fort Street	\$181,156.00	\$107,438.00	\$268,594.00	Low 61%-80%	1.5 x AMI*	2-Bedroom	\$762,086
4	710 Fort Street	\$178,969.00	\$119,312.00	\$298,281.00	Low 61%-80%	1.5 x AMI*	3-Bedroom	\$477,248
8	710 Fort Street	\$376,031.00	\$322,313.00	\$698,344.00	Median / Middle 81%-140%	3.5 x AMI*	2-Bedroom	\$2,900,817
5	710 Fort Street	\$417,594.00	\$357,937.00	\$775,531.00	Median / Middle 81%-140%	3.5 x AMI*	3-Bedroom	\$1,769,685
								\$6,170,457

* AMI = most recently published Area Median Income for Monroe County, FL, adjusted for assumed household size based on the number of bedrooms

EXHIBIT "C"
JOINDER BY TRUIST BANK

JOINDER OF MORTGAGEE

TRUIST BANK whose address 1010 Kennedy Drive, Key West, Florida 33040, having a record interest, more particularly described as being the owner and holder of a mortgage dated March 11, 2024 in the original principal amount of \$7,300,000.00 given by **Bahama Village on Fort, Ltd., a Florida limited partnership ("Mortgagor(s))**, to **Truist Bank, a North Carolina banking corporation, its successors and/or assigns as their interests may appear ("Mortgagee(s))**, encumbering the real property described in that mortgage, which is recorded in Official Records Book 3266 at Page 1069 (said mortgage is hereinafter referred to as the "Mortgage"), in the lands described in the Land Use Restriction Agreement between **BAHAMA VILLAGE ON FORT, LTD., a Florida limited partnership, THE NAVAL PROPERITES LOCAL REDEVELOPMENT AUTHORITY OF THE CITY OF KEY WEST, THE CITY OF KEY WEST, FLORIDA Grantor(s)/Mortgagee(s), and the MONROE COUNTY COMPREHENSIVE PLAN LAND AUTHORITY, a land authority pursuant to section 380.0663(1), Florida Statutes and Monroe County Ordinance No. 031-1986 and Grantee, Mortgagee, hereby joins in, consents to, ratifies and joins in the filing of the Land Use Restriction Agreement for the purpose of subjecting its mortgage interest to the provisions of the foregoing Land Use Restriction Agreement, executed or to be executed in favor of MONROE COUNTY COMPREHENSIVE PLAN LAND AUTHORITY, a land authority pursuant to section 380.0663(1), Florida Statutes and Monroe County Ordinance No. 031-1986, with the intent that the Mortgage shall be subject to the Land Use Restriction Agreement, executed at Key West, Florida, on the date indicated below.**

IN WITNESS WHEREOF, Mortgagee grants this Joinder and executed this instrument on the date set forth below.

Witness No. 1 (Print Name)

TRUIST BANK, a North Carolina banking corporation

Witness No. 1 (Signature)

By: _____
Name: _____
Title: _____

Witness No. 2 (Print Name)

Witness No. 2 (Signature)

[Bank Seal]

STATE OF _____
COUNTY OF _____

The foregoing instrument was (acknowledged/sworn to and subscribed) before me by means of ☐ physical presence or ☐ online notarization, this _____ day of _____, 2024 by _____, as _____ of TRUIST BANK who ☐ is/are personally known or ☐ have produced a driver's license as identification.

[Notary Seal]

Notary Public

Printed Name: _____

My Commission Expires: _____

FORM OF UNIT LURA

THIS INSTRUMENT PREPARED
BY AND RETURN TO:

Gregory S. Oropeza, Esq.
Oropeza, Stones, & Cardenas, PLLC
221 Simonton Street
Key West, FL 33040

LAND USE RESTRICTION AGREEMENT FOR INDIVIDUAL UNITS

BAHAMA VILLAGE CONDOMINIUM, KEY WEST, FLORIDA PARCEL IDENTIFICATION NUMBER _____

THIS LAND USE RESTRICTION AGREEMENT (hereinafter "Agreement") is made and entered into as of the ____ day of _____, 2025, between the _____ (hereinafter "Grantor") the CITY OF KEY WEST, FLORIDA (hereinafter "City"), and the MONROE COUNTY COMPREHENSIVE PLAN LAND AUTHORITY, a land authority pursuant to section 380.0663(1), Florida Statutes and Monroe County Ordinance No. 031-1986 (hereinafter "Land Authority"), and their respective successors and assigns.

RECITALS

A. This Agreement pertains to the real property located on Key West, Florida bearing Parcel Identification Number _____, with an address of 710 Fort Street, Unit _____, Key West, Florida 33040 and as more particularly described in Exhibit "A" attached hereto and incorporated herein (the "Property"); and

B. The Property is a _____ bedroom unit for purchase with a sales price restricted to _____X the prevailing area median income for Monroe County, adjusted for assumed household size based on the number of bedrooms in the unit; and

C. The Navy Redevelopment Authority, a dependent district of the City, as the fee title holder of the Property and Bahama Village on Fort, LTD, a Florida limited partnership, as tenant, entered into that certain Ground Lease Agreement dated July 15, 2022, recorded on July 19, 2022, in Official Records Book 3185, Page 1, Public Records of Monroe County, Florida as amended by that certain Amendment to Ground Lease Agreement dated November 13, 2023, recorded on November 14, 2023, in Official Records Book 3250, Page 2166, Public Records of Monroe County, Florida and ad amended by that certain Second Amendment to Ground Lease Agreement dated _____, recorded on _____ in Official Records Book _____, Page _____, Public Records of Monroe County, Florida for the lease of the 918 Fort Street, Key West, Florida 33040, within which the subject Property is located; and

D. Bahama Village on Fort, LTD, a Florida limited partnership was the workforce housing developer of the Property; and

E. At the request of the City and in accordance with Land Authority Resolution No _____ the Land Authority approved construction funding in the amount of Six Million One Hundred Seventy Thousand Four Hundred Fifty-Seven and 00/100 Dollars (\$6,170,457.00) for the purpose of reducing the sales price of twenty-eight (28) newly constructed home ownership condominium units located at 710 Fort Street, Key West, Florida 33040; and

F. As a result of Land Authority Resolution No _____ there is a subsidy in the amount of _____ that has been applied to the Property which shall be an encumbrance which runs with the Property.; and

G. Grantor acknowledges that the Developer of the Property received subsidies to reduce the sales price of the Property and as such, Grantor has agreed that the Property shall comply with the affordable housing requirements specified herein; and

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Land Authority do hereby contract and agree as follows:

ARTICLE I **COMPLIANCE WITH LAND AUTHORITY REQUIREMENTS**

In order to comply with the Land Authority's requirements pursuant to Section 380.0663(1), *et seq.*, Florida Statutes and Monroe County Ordinance No. 031-1986, Grantor hereby covenants and agrees as follows:

- 1.06 The restrictions contained in this Article I shall not expire, shall run with the Property in perpetuity and shall be binding upon Grantor and his/her/their respective successors, or assigns.
- 1.07 Use of the Property shall be restricted to the provision of affordable housing for families or households whose income does not exceed 160% of the Area Median Income at the time of acquisition of the Property. Nothing herein shall preclude the City or any other entity providing affordable housing on the Property from setting more restrictive income limits than those imposed by this Agreement, including but not limited to, the Declaration of Affordable Housing Restrictions dated July 15, 2022 in Official Records Book 3185, Page 113, Public Records of Monroe County, Florida and the Amendment to Declaration of Affordable Housing Restrictions dated _____ in Official Records Book _____, Page _____, Public Records of Monroe County, Florida.
- 1.08 The Property is a _____ bedroom unit which may not be leased or rented and is restricted in sales price to _____X the prevailing area median income for Monroe County,

adjusted for assumed household size based on the number of bedrooms in the unit as a result of receiving funding in the amount of _____ (\$_____). Any instrument transferring an interest in the Property shall include in bold font, the Notice of Restrictions as set forth on Exhibit "B" attached hereto and incorporated herein.

- 1.09 In the event of a resale of the Property by Grantor, the grantee of the Property from Grantor shall, prior to the sale of the Property obtain a certificate of compliance from the Land Authority and execute a Land Use Restriction or assumption of this Agreement in a form satisfactory to the Land Authority and shall execute and record an Assumption of Land Use Restriction Agreement in the form and substance as set forth on Exhibit "C" attached hereto and incorporated herein.
- 1.10 On or before January 31 of each calendar year the City shall provide to the Land Authority a compliance report evidencing the Grantor(s) compliance with this Agreement.

ARTICLE II

CONSIDERATION

In addition to other purposes, the Land Authority has extended to the City, for use by the Grantor for the Property as an inducement to the City and Grantor to restrict use of the Property to affordable housing in perpetuity. In consideration of said Land Authority extension of funding for the foregoing purposes, Grantor and Land Authority have entered into this Agreement.

ARTICLE III

RELIANCE

In performing its duties hereunder, the Land Authority may rely upon statements and certificates of the City and Grantor, and the residents of the Property believed to be genuine and to have been executed by the proper person or persons, and upon audits of the books and records of City and Grantor pertaining to occupancy of the Property.

ARTICLE IV

TERM

This Agreement shall become effective upon its execution and delivery and shall remain in full force and effect without expiration, unless modified by mutual written consent of the parties.

ARTICLE V
ENFORCEMENT

If Grantor defaults in the performance of its obligations under this Agreement or breaches any material covenant, agreement or warranty of Grantor set forth in this Agreement, and if such default remains uncured for a period of thirty (30) days after written notice thereof shall have been given by the Land Authority to Grantor, then the Land Authority may take any action at law or in equity or otherwise to address said default(s), including, but not limited to an action to recover on a per unit basis the funding provided in the amount of _____ (\$ _____) for non-compliance with Article I above. However, if the default stated in such notice can be corrected, but not within the thirty (30) day period, and if Grantor adopts a plan to correct or cure the default and commences the correction within the thirty (30) day period and thereafter diligently pursues the same to completion within such extended period, the Land Authority shall not have waived its right of enforcement if the default remains uncured after the expiration of the extended cure period.

ARTICLE VI
RECORDING AND FILING; COVENANTS TO RUN WITH THE LAND

6.01. Upon execution Grantor shall cause this Agreement and all amendments and supplements hereto to be recorded and filed in the official public records of Monroe County and shall pay all fees and charges incurred in connection therewith.

6.02 This Agreement and the covenants contained herein shall run with the land and shall bind, and the benefits shall inure to, respectively, Grantor and Land Authority and their respective successors and assigns during the term of this Agreement.

ARTICLE VII
GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, with respect to both substantive rights and with respect to procedures and remedies.

ARTICLE VIII
NOTICE AND EFFECT

All notices and other communications to be made or permitted to be made hereunder shall be in writing and shall be delivered to the addresses shown below or to such other addresses that the parties may provide to one another in accordance herewith. Such notices and other communications shall be given by any of the following means: (a) personal service or (b) national express air courier, provided such courier maintains written verification of actual delivery. Any notice or other communication given by the means described in subsection (a) or (b) above shall be deemed effective upon the date of receipt or the date of refusal to accept delivery by the party to whom such notice or other communication has been sent.

Land Authority: Monroe County Land Authority
1200 Truman Avenue, Suite 207
Key West, FL 33040
Attention: Executive Director

Grantor:

Any party may change said address by giving the other parties hereto notice of such change of address in accordance with the foregoing provisions.

ARTICLE IX
MISCELLANEOUS

9.01. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions shall not in any way be affected or impaired.

9.02. This Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument and each of which shall be deemed to be an original.

Signature Pages Immediately Following

**COUNTERPART SIGNATURE PAGE TO
LAND USE RESTRICTION AGREEMENT**

IN WITNESS WHEREOF, Grantor has caused this Agreement to be signed, sealed and attested on their behalf by duly authorized representatives, all as of the date first set forth above.

WITNESSES:

Grantor:

Print: _____

Address: _____

By: _____

Print: _____

Address: _____

**STATE OF FLORIDA
COUNTY OF MONROE**

The foregoing instrument was acknowledged before me by means of physical presence this _____ day of _____, 2024 by _____. Said person is personally known to me or has produced a valid driver's license as identification.

Notary Public; State of Florida

Print Name: _____

My Commission Expires: _____

My Commission No.: _____

**COUNTERPART SIGNATURE PAGE TO
LAND USE RESTRICTION AGREEMENT**

IN WITNESS WHEREOF, Land Authority has caused this Agreement to be signed, sealed and attested on their behalf by duly authorized representatives, all as of the date first set forth above.

WITNESSES:

**MONROE COUNTY COMPREHENSIVE PLAN
LAND AUTHORITY**

Print: _____

Address: _____

By: _____
David P. Rice, Chairman

Print: _____

Address: _____

Address: 1200 Truman Avenue, Suite 207
Key West, FL 33040

Approved as to form and legality

[SEAL]

Gregory S. Oropeza, Esq.

**STATE OF FLORIDA
COUNTY OF MONROE**

The foregoing instrument was acknowledged before me by means of physical presence this _____ day of _____, 2024, by David P. Rice, as Chairman of the MONROE COUNTY COMPREHENSIVE PLAN LAND AUTHORITY, a land authority pursuant to section 380.0663(1), Florida Statutes and Monroe County Ordinance No. 031-1986, on behalf of the Land Authority. Said person is personally known to me or has produced a valid driver's license as identification.

Notary Public; State of Florida

Print Name: _____

My Commission Expires: _____

My Commission No.: _____

EXHIBIT "A"
LEGAL DESCRIPTION OF PROPERTY

Unit _____ of _____ Condominium pursuant to the Declaration of Condominium
recorded in Official Records Book _____, Page _____ Public Records of Monroe County,
Florida.

EXHIBIT "B"

NOTICE OF RESTRICTIONS

ANY INSTRUMENT OF CONVEYANCE, LEASE, ASSIGNMENT, GRANT OR OTHER DISPOSITION OF ANY INTEREST IN OR TO ANY PORTION OF THE DEMISED PREMISES OR TO ANY IMPROVEMENTS ERECTED THEREON WILL BE SUBJECT TO CERTAIN RESTRICTIONS INCLUDING, BUT NOT LIMITED TO RIGHTS OF FIRST REFUSAL, USE, OCCUPANCY, INCOME, MEANS, RESALE PRICE, RENTAL LIMITATIONS, INCLUDING BUT NOT LIMITED TO THOSE SET FORTH IN THE GROUND LEASE AGREEMENT RECORDED IN OFFICIAL RECORDS BOOK 3185, PAGE 1 OF THE PUBLIC RECORDS OF MONROE COUNTY, FLORIDA, AS AMENDED BY THE AMENDMENT TO GROUND LEASE AGREEMENT RECORDED IN OFFICIAL RECORDS BOOK 3250, PAGE 2166 OF THE PUBLIC RECORDS OF MONROE COUNTY, FLORIDA, AS AMENDED BY THE SECOND AMENDMENT TO GROUND LEASE AGREEMENT RECORDED IN OFFICIAL RECORDS BOOK ____, PAGE ____ OF THE PUBLIC RECORDS OF MONROE COUNTY, FLORIDA, THE DECLARATION OF AFFORDABLE HOUSING RESTRICTIONS RECORDED IN OFFICIAL RECORDS BOOK 3185, PAGE 113 OF THE PUBLIC RECORDS OF MONROE COUNTY, FLORIDA, AS AMENDED BY THE FIRST AMENDMENT TO DECLARATION OF AFFORDABLE HOUSING RESTRICTIONS RECORDED IN OFFICIAL RECORDS BOOK ____, PAGE ____ OF THE PUBLIC RECORDS OF MONROE COUNTY, FLORIDA, AND THE LAND USE RESTRICTION AGREEMENT RECORDED IN OFFICIAL RECORDS BOOK ____, PAGE ____ OF THE PUBLIC RECORDS OF MONROE COUNTY, FLORIDA.

EXHIBIT "C"

This instrument prepared by and return to:
Oropeza, Stones & Cardenas
221 Simonton Street
Key West, FL 33040
(305) 294-0252

LAND USE RESTRICTION ASSUMPTION AGREEMENT AND CONSENT TO ASSUMPTION OF LAND USE RESTRICTION

The undersigned, (Buyer's Name _____), in consideration of the purchase and sale of the workforce housing condominium unit located at _____, which Buyer is purchasing from _____ ("Seller") who executed that certain Land Use Restriction Agreement dated _____, filed and recorded on _____ in Official Records Book _____ at Page _____, of the Public Records of Monroe County, Florida (the "LURA") evidencing a sum of _____ (\$ _____) applied to the subject property for construction funding. Such LURA is a restriction, to wit:

(the "Property")

And (Buyer's name) does hereby assume and agree to be bound by and comply with the terms and conditions set forth by and within the LURA and further warrants and represents said LURA constitutes a valid and subsisting lien upon the Property.

Dated at Key West, Monroe County, Florida this ____ day of _____, 20 ____.

Signed, sealed and delivered
in the presence of:

Signature of Witness

(Buyer Name)

Printed Name of Witness

Address of Witness

Signature of Witness

Printed Name of Witness

Address of Witness

STATE OF FLORIDA:
COUNTY OF MONROE:

SWORN TO AND SUBSCRIBED before me by means of physical presence or electronic means, this ____ day of _____, 20____, by (Buyer's Name), who is personally known by me or has produced _____ as identification.

Notary Public, State of Florida

Notary Public, State of Florida