

RESOLUTION 2015-238

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA AUTHORIZING USE OF \$120,000 OF THE STATE HOUSING INITIATIVES PARTNERSHIP (SHIP) PROGRAM FUNDS TO ASSIST THE ST. JOHNS HOUSING PARTNERSHIP'S PURCHASE OF A 12 UNIT MULTIFAMILY DEVELOPMENT, CURRENTLY MAXWELL MANOR I, SERVING LOW AND VERY-LOW INCOME HOUSEHOLDS.

RECITALS

WHEREAS, the St. Johns Housing Partnership (SJHP) desires to acquire Maxwell Manor I (the Property), a 12-unit multifamily development, for the purpose of providing affordable housing to low and very low income households; and

WHEREAS, SJHP has received conditional approval for a SHIP grant of \$120,000 to assist in the purchase and rehabilitation of the Property; and

WHEREAS, with the exception of receiving the approval of the Board of County Commissioners, SJHP has complied with the conditions in the attached pre-approval letter; and

WHEREAS, the Property will be deed restricted to the U.S. Department of Housing and Urban Development published income limits for low income households based upon appropriate family size for the life of the loan; and

WHEREAS, rents will be based on household income affordability and the current HUD published limits with an appropriate utility allowance; and

WHEREAS, all future occupants will be income certified on an annual basis and must qualify as Low Income at initial occupancy; and

WHEREAS, tenant verification files shall be maintained by SJHP and subject to an annual audit for the life of the loan; and

WHEREAS, the County's Affordable Housing Needs Study recognizes the need for low and very low income rental housing; and

WHEREAS, the Board has determined that approval of the SHIP grant serves a public purpose.

NOW THEREFORE, BE IT RESOLVED by the Board of County Commissioners of St. Johns County:

1. The above recitals are hereby adopted as legislative findings of fact.

2. The SHIP grant in the amount of \$120,000 for the purchase of Maxwell Manor I by the St. Johns Housing Partnership is approved as a 20 year forgivable loan, at zero percent interest, subject to the SHIP program land use restrictions.

3. To the extent that there are typographical or administrative errors that do not change the tone, tenor, or concept of this resolution, this resolution may be revised without subsequent approval of the Board of County Commissioners.

PASSED AND ADOPTED by the Board of County Commissioners of St. Johns County, Florida, this 15th day of August, 2015.

**BOARD OF COUNTY COMMISSIONERS
OF ST. JOHNS COUNTY, FLORIDA**

By: _____


Priscilla L. Bennett, Chair

ATTEST: Cheryl Strickland, Clerk

By: _____


Deputy Clerk

RENDITION DATE 8/20/15



Return to: Housing & Community Development
1955 U.S. 1, Suite B-1
(904) 827-6896 Fax 827-6899

MORTGAGE LIEN AGREEMENT
UNDER ST. JOHNS COUNTY, FLORIDA
State Housing Initiative Partnership
(SHIP)
Affordable Housing Element Funds

THIS INDENTURE is made this _____ day of _____, _____, between Community Safe Homes, LLC, a Florida limited liability company, whose mailing address is PO Box 1086, St. Augustine, FL 32085, (the Owner) and St. Johns County, Florida, a political subdivision of the State of Florida (Federal ID No. 59-6000825), whose mailing address is c/o Clerk of Circuit Court, P.O. Drawer 300, St. Augustine, Florida 32085, (the County).

WHEREAS, St. Johns County has an extremely limited amount of affordable rental housing to provide shelter for a significant portion of its working resident population and to provide housing options for special needs populations, including elderly, disabled, veteran, and income eligible residents; and

WHEREAS, The State Housing Initiative Partnership (SHIP) program supports the development and acquisition of affordable rental properties in areas of demonstrated need, such as St. Johns County; and

WHEREAS, the Owner is a limited liability company owned and managed by the St. Johns Housing Partnership (SJHP), a not-for-profit housing provider; and

WHEREAS, SJHP has submitted a proposal to purchase a 12 unit apartment complex located at 28 North Whitney Street, St. Augustine, Florida 32084, designated to serve the County's working resident population and special needs population; and

WHEREAS, SJHP has entered into a purchase and sale agreement to acquire the rental complex for \$520,000 and requests a \$120,000 loan from the St. Johns County Housing Fund for down payment, closing costs, and principle buy down, to insure affordability; and

WHEREAS, the terms and conditions of the loan are consistent with established state and local recorded lien policy, to insure housing affordability; and

WHEREAS, SJHP has secured commercial loan approval for the remaining balance of the purchase price; and

WHEREAS, upon approval of the Board of County Commissioners, SJHP will own and operate the property as part of the overall rental strategy; and

WHEREAS, the parties wish to preclude speculation and windfall profits from the sales of properties assisted with such funds.

NOW, THEREFORE, in consideration of the provision of financial assistance to the Owner for closing costs, down payment, and improvement assistance on the property, the Owner has mortgaged, granted, and conveyed to County the following described property located in St. Johns County, to wit:

(the Property), together with all improvements, replacements and additions now or hereafter erected on the Property, and all easements, appurtenances and fixtures now or hereafter a part of the Property, the Owner fully warrants the title to said Property and will defend the same against the lawful claims of all persons, subject to the following terms and conditions:

1. Available funds from the State Housing Initiatives Partnership (SHIP) funds in the amount of one hundred twenty thousand dollars (\$120,000.00) have been provided to for the benefit of the Owner to assist in acquisition of the Property, the receipt of which is hereby acknowledged by Owner.

2. The Owner agrees to continue to own the Property and rent it to income eligible households in accordance with SHIP program requirements.

3. The Owner shall have a zero percent interest deferred loan/mortgage that will remain in effect for 20 years from the date of the closing. The loan/mortgage will be forgiven at 5% a year.

4. If the Property is sold, transferred, refinanced, or is not rented to income eligible households in accordance with SHIP program requirements, the Owner or the Owner's successors, or assigns, shall be jointly and severably liable to repay to the County the original amount of the purchase assistance provided to Owner under this agreement, less any amount forgiven pursuant to paragraph 3 above.

5. The County may forgive any of the purchase assistance monies should there be insufficient net proceeds derived from a good faith sale of the Property at market value upon written approval of the Board of County Commissioners. Net proceeds are defined as the amount remaining after all private debts incurred by the Owner to acquire or improve the Property are repaid.

6. This agreement shall be recorded in the office of the Clerk of the Circuit Court in and for St. Johns County, Florida. The obligations set forth in this agreement shall run with title to the Property and shall encumber and burden title to the Property.

7. **THIS INSTRUMENT SHALL PLACE A LIEN UPON OWNER'S PROPERTY DESCRIBED HEREIN, AND THIS AGREEMENT SHALL BE BINDING UPON THE SUCCESSORS AND ASSIGNS OF THE OWNER.**

8. If the Owner endeavors to refinance or obtain a new mortgage secured by the Property, this agreement may only be subordinated according to the terms and conditions of the St. Johns County Housing and Community Development Subordination Agreement.

9. Any payments received by Owner as a result of false or misleading information submitted to County shall be paid back to the County by the Owner immediately upon discovery of same.

10. All obligations and conditions herein that are applicable to Owner are secured by this mortgage lien.

PROVIDED that if the Owner shall pay all obligations described herein and shall comply with all conditions and perform all agreements set forth herein, then this Mortgage Lien Agreement and the estate hereby created shall cease and be null and void.

IN WITNESS WHEREOF, Owner has executed this instrument under seal on the day and year first above written.

WITNESSES:

COMMUNITY SAFE HOMES, LLC
a Florida limited liability company

By: St. Johns Housing Partnership, Inc.,
a Florida non profit corporation,
its managing member

Print Name :

Print Name:

By: _____
William N. Lazar
Executive Director

STATE OF FLORIDA
COUNTY OF ST. JOHNS

The foregoing instrument was acknowledged before me this ____ day of January, 2014, by William N. Lazar, as Executive Director of St. Johns Housing Partnership, Inc. a Florida non profit corporation, the managing member of COMMUNITY SAFE HOMES, LLC, a Florida limited liability company. He is personally known to me or has produced _____ as identification.

(Signature of Notary Public)

(Typed name of Notary Public)
Notary Public, State of Florida
Commission No. _____
My commission expires: _____

(To reimburse St. Johns County for the no-interest loan and to clear the title of this lien, contact the Housing and Community Development Department or the County Administrator's Office. Cashier's check, money order, or business check should be made payable to "St. Johns Co. BCC Local Housing Asst. Trust Fund" for "Repayment of Community Safe Homes, LLC DRI/SHIP Lien".)