AGENDA REQUEST

AGENDA HEADING: Consent Agenda No. 2
COMMISSION MEETING DATE: June 17, 2019
AGENDA ITEM NO: IV.B.2.

BY Financial Administration
Kelly Strickland
Financial Administration Director
Strickland

Originating Department
Department Head
Presenter

SUBJECT:
Adoption Re: Affordable Housing Initiative Fund (141) - Proposed Res. No. 19R-2821 will establish revenue and expense budget of $1,500,000 pursuant to CRA Settlement Agreement between the City and Sarasota County.

COMMISSION PRIORITIES:
Budget and Finance

EXPLANATION:
Proposed Resolution No. 19R-2821, amending the 2018-19 fiscal year budget to establish revenue and expense budget of $1,500,000 in the Affordable Housing Initiative Fund per CRA Settlement Agreement between the City and Sarasota County. The County will contribute $1,000,000 and the City contributing $500,000 from BP Horizon Reserve designated for Affordable Housing, as enumerated in Exhibit A and the appropriate supporting documents.

ADMINISTRATION'S RECOMMENDATION:
Recommend motion to adopt proposed Resolution No. 19R-2821.

APPROVAL SUMMARY:

<table>
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<tr>
<th>Approval</th>
<th>Required</th>
<th>Date Completed</th>
<th>Completed By</th>
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<tr>
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<td>Y</td>
<td>06/06/2019</td>
<td>Kelly Strickland</td>
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<td>Finance Review / Approval</td>
<td>Y</td>
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<td>City Auditor and Clerk Approval</td>
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<td>06/06/2019</td>
<td>Shayla Griggs</td>
<td>APPROVED</td>
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AGENDA REQUEST

ADDITIONAL EXPLANATION:

ADDITIONAL ADMIN RECOMMENDATION:

FUNDING SOURCE:  
Sarasota County Contribution 141-264-000-337313-000000 $1,000,000.00  
Transfer in from General Fund BP Horizon Reserves 141-264-000-381000-000000 $500,000.00

HOUSING IMPACT (Per House):  
NEW CONSTRUCTION: $0  
REHABILITATION: $0

SUPPORT DEPARTMENTS:  
Development Services - Timothy Litchet

AGENDA DISPOSITION

COMMISSION ACTION:  
Final Action Motion:  
Motion By:  
Second By:  
Vote:  

2
RESOLUTION NO. 19R-2821

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF SARASOTA, FLORIDA AMENDING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018 BY PROVIDING FOR SUPPLEMENTAL APPROPRIATIONS IN THE AMOUNTS IDENTIFIED IN EXHIBIT A; PROVIDING FOR SEVERABILITY IF ANY OF THE PARTS HEREOF ARE DECLARED INVALID; PROVIDING FOR READING BY TITLE ONLY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to Resolution No. 18R-2741 the City has adopted a budget for the fiscal year beginning on October 1, 2018 and ending on September 30, 2019; and

WHEREAS, the City needs to amend said budget so as to provide for supplemental appropriations in the amounts identified in Exhibit A; and

WHEREAS, Section 166.241 (4) (c) Florida Statutes requires such a budget amendment be adopted in the same manner as the original budget.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SARASOTA, FLORIDA:

Section 1. The budget for the fiscal year commencing October 1, 2018 is hereby amended by providing for supplemental appropriations in the amounts identified in Exhibit A.

Section 2. Should any section, sentence, clause, part or provision of this Resolution be declared invalid or unenforceable, by a court of competent jurisdiction, the same shall not affect the validity of this Resolution as a whole, or any part hereof other than the part declared to be invalid. Said provision declared to be invalid shall be deemed severed from the remaining provisions of this Resolution.

Section 3. Resolutions or parts of Resolutions in conflict herewith are hereby repealed to the extent of such conflict.
Section 4. This Resolution shall take effect immediately upon adoption.

ADOPTED by the City Commission of the City of Sarasota, upon reading by title only, after posting on the bulletin board at City Hall for at least three (3) days prior to adoption, as provided by Article IV, Section 2 of the Charter of the City of Sarasota, this 17th day of June 2019.

_____________________________________
Mayor Liz Alpert

ATTEST:

_________________________________
Shayla Griggs
Interim City Auditor and Clerk

Mayor Alpert
Vice Mayor Ahearn-Koch
Commissioner Shaw
Commissioner Brody
Commissioner Freeland Eddie
# EXHIBIT A

City of Sarasota
Budget Amendments for 2018-19

<table>
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<th>Appropriated Revenue</th>
<th>Use of Fund Balance</th>
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<td>337313</td>
<td>000000</td>
<td>Establish revenue and expense budgets for newly created Fund</td>
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<tr>
<td></td>
<td>001</td>
<td>264</td>
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Use of Fund Balance - BP Horizon Reserves

Affordable Housing Initiative Fund
Interoffice Memorandum

To: City Commission
Via: Tom Barwin, City Manager
From: Kelly Strickland, Director of Financial Administration

Subject: Budget Amendment – CRA Settlement: Affordable Housing Program

Pursuant to the CRA Settlement Agreement between the City and Sarasota County and the corresponding Interlocal Agreement for Affordable Housing Initiative, a budget amendment is requested to establish revenue and expenditure budget in the newly created Affordable Housing Initiative Fund (141). The County will be contributing $1,000,000 and the City will be contributing $500,000 for the startup of this fund. The City’s portion of $500,000 will be transferred in from the BP Horizon Reserve, designated for Affordable Housing.

The budget to be established for this newly created fund is as follows:

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<tr>
<th>Account</th>
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<td>Transfer In From General Fund</td>
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<td>Fund Balance</td>
<td>(500,000)</td>
<td>Use of BP Horizon Reserves</td>
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If you have any questions, please feel free to contact me.
INTERLOCAL AGREEMENT
CITY OF SARASOTA AND SARASOTA COUNTY
FOR AFFORDABLE HOUSING INITIATIVE

THIS INTERLOCAL AGREEMENT is by and between the CITY OF SARASOTA, a Florida municipal corporation (hereinafter "CITY") and SARASOTA COUNTY, a political subdivision of the State of Florida (hereinafter "COUNTY") (collectively the CITY and COUNTY may be referred to as "Parties").

WHEREAS, the CITY and the COUNTY are acting pursuant to authority contained in their respective charters, general law and Section 163.01, Florida Statutes; and,

WHEREAS, both the CITY and COUNTY have identified housing affordability as a priority; and

WHEREAS, the CITY has proposed to develop and implement an affordable housing program within the boundaries of the City that will include the rehabilitation of existing single-family homes and the construction of new single-family homes within the City; and

WHEREAS, the CITY and COUNTY desire to collaborate on these affordable housing efforts; and

WHEREAS, the CITY has agreed to provide $500,000 toward this affordable housing effort; and

WHEREAS, the COUNTY is agreeable to providing the CITY with $1,000,000 toward this affordable housing effort based on the terms and conditions contained herein;

NOW THEREFORE, in consideration of the mutual covenants and obligations set forth herein, the CITY and the COUNTY agree as follows:

1. **Recitals:** The recitals set forth above are hereby incorporated into this Interlocal Agreement.

2. **Program:** City shall construct or rehabilitate affordable homes on City-owned lots utilizing the funds deposited into the Housing Account in accordance with paragraph 3 below and any net proceeds received from the sale or rehabilitation of the homes.
of such homes. Any net proceeds from the sale of such homes shall be deposited into the Housing Fund to be established in accordance with paragraph 3 below.

3. Funding: The CITY will contribute Five Hundred Thousand Dollars ($500,000.00) and the COUNTY will contribute One Million Dollars ($1,000,000.00) to an Affordable Housing Construction and Rehabilitation Program Trust Fund (hereinafter “Housing Fund”) established by CITY. These funds will be deposited by both the City and County within 60 days of the execution of this agreement. The funds from this Housing Fund shall only be spent on reasonable and customary expenses consistent with the implementation of this program. All withdrawals of the funds from the Housing Fund shall be treated as coming proportionally from funds contributed by the COUNTY and the CITY so long as funds from both the COUNTY and CITY remain in the Housing Fund.

4. Administration and management: The administration and management of the Program shall be the exclusive responsibility of the CITY and any costs for the administration and management of the Program that are paid from the Housing Fund shall be limited to reasonable and customary administrative expenses, which shall be reported as part of the quarterly reporting as an itemized expense.

5. Proceeds: The CITY shall deposit any net proceeds that might be received from the sale of the Program homes into the Housing Fund established and restricted in accordance with paragraph 2 of this Agreement. Furthermore, the value of any net proceeds from the sale of any Program asset that was developed or improved using COUNTY contributed funding will be allocated between the CITY and COUNTY in the same proportion as the initial respective contributions into the Housing Fund set forth in paragraph 2.

6. Monetary losses: The Parties to this Agreement acknowledge that monetary losses may occur in the building and selling of affordable houses; that construction costs may exceed the current market value for similar homes in similar neighborhoods; and that houses may be discounted for low-income or median-income buyers.

7. Quarterly Accounting: Within thirty (30) days of the end of each calendar quarter, CITY shall provide to COUNTY a written status report of all activities of the program in the preceding quarter, including, but not limited to, a list of all expenditures, revenues (if any), the existing balance of Housing Fund, agreements entered into with any third parties and records of property transactions. If any withdrawals of funds from the Housing Fund are not properly documented
as affirmatively within the scope of this Agreement, then the CITY shall deposit the corresponding amount of funds back into the Housing Fund within thirty days written notice from the COUNTY. Once the One Million Dollars ($1,000,000.00) of County funding is expended and reported on, this quarterly accounting can end and the City may continue the Program and keep this fund open indefinitely on its own authority without further obligation to the County.

8. **Notice to Parties:** Notices sent pursuant to this Interlocal Agreement shall be in writing and sent by U.S. Mail, certified mail or hand-delivery to the addresses set forth below, with a copy also sent via email. Either party may request in writing that a different address be used:

City of Sarasota  
Kelly Strickland, Finance Director  
1565 First Street  
Sarasota, Florida 34236  
Email: kelly.strickland@sarasotafl.gov

Sarasota County  
Kim Radtke, Director of the Office of Financial Management  
1660 Ringling Boulevard  
Sarasota, Florida 34236  
Email: sbotelho@scgov.net

9. **Hold Harmless and Indemnification:** The CITY shall hold the COUNTY harmless, defend the COUNTY, and, to the express limits of Section 768.28, *Florida Statutes*, shall indemnify the COUNTY and all of its officers, agents, and employees from any claim, loss, damage, cost, charge, or expense arising out of any act, error or omission by the CITY, its agents or its employees during the performance of this Agreement. However, nothing in the foregoing shall be construed to require the CITY to indemnify the COUNTY for any claim, loss, damage, cost, charge or expense that results from the negligence of the COUNTY or any of its officers, agents, or employees during the performance of this Agreement. It is expressly noted and agreed that the COUNTY is providing funding under this agreement toward the Program but is not in any way responsible for the quality, safety, or suitability of the design or the construction of the Program homes. Nothing contained herein shall be deemed to constitute any waiver of either
Party’s sovereign immunity beyond the waiver provided in Section 768.28, Florida Statutes.

10. **Dispute Resolution:** In the event of a dispute between the CITY and COUNTY under this Agreement, the City Manager and the County Administrator or their designated representatives shall review such dispute and options for resolution. Any dispute not resolved by the representatives shall be referred to the City Manager and the County Administrator. The mutual decision of the City Manager and County Administrator regarding the dispute shall be final. In the event the City Manager and the County Administrator are unable to agree, the matter shall be referred to the respective Commissions who may jointly elect to hold a joint meeting to resolve the matter. This process shall substitute for the dispute resolution process set forth in Chapter 164 of the Florida Statutes.

11. **Waiver of Jury Trial:** The CITY and COUNTY hereby expressly agree that in the event of litigation regarding this Agreement, any and all rights to a jury trial are waived.

12. **Severability:** If a term, condition or covenant of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall be valid and binding on each party.

13. **Entire Agreement:** This Agreement contains the entire agreement and understanding of the Parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements, understandings, express or implied, oral or written, of any nature with respect to the subject matter hereof.

14. **Term:** This Interlocal Agreement shall become effective upon recording of a certified copy in the Official Records of Sarasota County pursuant to Section 163.01(11), Florida Statutes and shall continue until all the funding in the Housing Fund has been lawfully expended in accordance with the terms of this Agreement. In the event that the City ends the program or closes out the Housing Fund, any of the initial unspent/remaining funding available will be returned to the County and the City in a proportion to the initial funding provided as described in Section 3 above.
IN WITNESS WHEREOF, the Parties hereto have executed this Interlocal Agreement in duplicate, by and through their duly authorized representatives, on the respective dates below.

Signed by COUNTY this 12 day of March, 2019.

BOARD OF COUNTY COMMISSIONERS
Sarasota County, Florida

By: Charles Hines, Chairman

ATTEST:
KAREN E. RUSHING, Clerk
of the Circuit Clerk of the
Ex-Officio Clerk of the
Board of County Commissioners

By: Deputy Clerk

Approved as to form and correctness

By: Stephen E. DeMarsh
County Attorney
Signed by CITY this 25th day of March, 2019.

CITY COMMISSION
City of Sarasota

By: [Signature]
Liz Alpert, Mayor

ATTEST:

[Signature]
Shayla Griggs
Interim City Auditor and Clerk

Approved as to form and correctness

By: [Signature]
Robert M. Fournier
City Attorney