

**EXHIBIT "E"**  
**LAND USE RESTRICTION AGREEMENT**  
**CITY OF CLEARWATER**  
**HOME Investment Partnership Program &**  
**Pinellas County Housing Trust Fund Program**

THIS DECLARATION, made this \_\_\_ day of \_\_\_\_\_, between \_\_\_\_\_, a Florida not-for-profit corporation, its successors, assigns and transferees of the project described below, whose mailing address is \_\_\_\_\_, Clearwater, Florida \_\_\_\_\_, hereinafter called ("Borrower") and the City of Clearwater, Florida, a municipal corporation organized and existing under the laws of the State of Florida hereinafter called ("City").

WHEREAS, the Borrower shall renovate certain real property for affordable rental units to low-moderate income tenants described herein and agrees with the City that the real property which is subject to this executed Mortgage and Note shall be subject to the restrictive covenants set forth herein.

WHEREAS, the Borrower agrees that the restrictive covenants shall remain in full force and effect against the real property until the end of a thirty (30) year affordability period ("Affordability Period").

This Agreement shall be properly filed and recorded by the City in the Official Public Records of the Pinellas County, Florida and shall constitute a restriction upon the use of the property subject to and in accordance with the terms contained herein.

IN CONSIDERATION of funds the City has provided through the HOME Investment Partnership Program and the Pinellas County Housing Trust Fund Program to the Borrower for a loan of \$ \_\_\_\_\_ to finance the rehabilitation or construction of certain units and closing costs associated with the project in the City of Clearwater, Pinellas County, Florida, more particularly described as: Exhibit "A" Attached.

In consideration of financing for the rehabilitation of the above referenced property, the Borrower acknowledges that this Agreement is necessary to comply with the affordability requirements of the HOME program as stated at 24 CFR Part 92, and the Pinellas County Housing Trust Fund Program, from which funds were obtained to finance such loan, and subpart B of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, §24.101, and therefore, borrower covenants and agrees that in connection with the rehabilitation of the project, that the City should approve any transfer or sale of the subject property and borrower will comply, and will require any subsequent purchaser of the project to comply, with the following:

**1. Covenants and Restrictions on Use of Funds.** HOME Investment Partnership Program and Pinellas County Housing Trust Fund Program allocations provided to this project will be used for rehabilitation of the real property. During the Period of Affordability as defined herein, the units shall be rented to tenants having an annual income which does not exceed 80 percent of the median family income for the area, as determined and made available by the U.S. Department of Housing and Urban Development with adjustments for smaller and larger families at the time of occupancy. The income of the persons who will occupy the unit shall be verified by the City or a designated party agreed to by the Borrower and the City, by obtaining third party verification of current income for the tenants who will occupy the housing units and verification of assets. Source documentation evidencing annual income may include wage statements, interest statements, and unemployment compensation statements, other documentation approved by the

City. In the event that neither of the above methods is suitable, the Borrower may use other methods acceptable to the City to verify income. Annual income for the purpose of this Agreement shall be as defined by the U.S. Department of Housing and Urban Development for the HOME Program.

(a) For the purpose of this Agreement, the Period of Affordability shall commence upon the date of this Agreement and end on the last day of the thirtieth (30<sup>th</sup>) year thereafter.

(b) During the Period of Affordability, the HOME Investment Partnership Program and the Pinellas County Housing Trust Fund shall require four of the \_\_\_\_\_ HOME- assisted units must rent at the low HOME rents level and \_\_\_\_\_ of the units at the high HOME rents level for a period of thirty years. It is encouraged that all other units remain affordable with rents at or below the Fair Market Rents as defined annually by the U. S. Department of Housing and Urban Development.

(c) All proceeds, program income and recaptured funds associated with this project shall be returned to the City of Clearwater within 30 days.

(d) Any noncompliance with the requirement of this Section shall be corrected within 30 days after such error is first discovered or would have been discovered by the exercise of reasonable diligence.

**2. Property Standards:** The units shall meet and maintain all applicable local codes, the Florida Building Code, ordinances, including but not limited to, zoning ordinances at the time of project completion. All units must meet all applicable State and local housing quality standards, code requirements and accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 and covered multifamily dwellings as defined at 24 CFR 100.20, and must also meet the design and renovation requirements at 24 CFR 100.205, which implement the Fair Housing Act. Renovation of the unit must meet the Model Energy Code.

**3. Location of HOME Investment Partnership Program and Pinellas County Housing Trust Fund Program Assisted Units.** The location of the units is as follows:

\_\_\_\_\_, Clearwater, Florida \_\_\_\_\_. Legal Description Attached.

The Borrower agrees that there will be no material changes to the units after initial commitment by the City without assurances provided by Borrower and approved by City that any proposed changes will not adversely affect the HOME assisted units or any provision of this Agreement.

**4. No Discrimination.** The Borrower shall not discriminate, as defined by Federal Statutes, on the basis of race, creed, color, sex, age or national origin in the use or occupancy of the HOME assisted unit or in connection with the employment or application for employment of persons for the operation and management of the project.

**5. Affirmative Marketing Efforts.** The Borrower will follow the affirmative marketing procedures and requirements for the HOME Program to attract eligible tenants in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status or disability.

**6. Environmental Reviews.** The acquisition project must be assessed for environmental effects in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and related authorities listed in HUD's implementing regulations at 24 CFR parts 50 and 58.

**7. Displacement, relocation, and acquisition.** The Borrower will take reasonable measures to minimize displacement of persons as a result of a project being assisted with HOME funds in accordance with the requirements of the Uniform Relocation Assistance and Real

Properties Acquisition Act. The borrower shall be responsible for any relocation expenses incurred without City approval.

**8. Lead Based Paint.** The Borrower shall be responsible for maintaining that all HOME assisted units meet the requirements listed in the Lead Based Paint Poisoning Prevention Act and 24 CFR part 35.

**9. No Conflicts with Other Documents.** The Borrower warrants that it has not, and will not, execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that, in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

**10. Requests for disbursement of funds.** Loan funds will be placed in an escrow account at a title company. The Borrower shall request funding for the project from the City of Clearwater in accordance with its application and approval for such funds.

**11. Records.** The Borrower shall retain all records pertaining to Project for a period of five years after audit and/or resolution of audit findings involving this loan. The Borrower shall maintain accurate information regarding the occupancy for each HOME unit during the term of the Affordability Period and, at the request of the City, shall submit this information to the City for the City's review and comment. The Borrower shall maintain documentation substantiating compliance with Affirmative Marketing Requirements. These Project records shall be made available to The City of Clearwater, U.S. Department of Housing and Urban Development and/or representatives of the Comptroller General of the United States for audit, inspection or copying purposes during normal business hours. The Owner shall maintain project records that include the following:

- (1) A full description of each unit assisted with HOME funds, including the location and form of HOME assistance.
- (2) The source and application of funds for each unit, including supporting documentation in accordance with 24 CFR 85.20.
- (3) Records demonstrating that each unit meets the property standards of the lead based paint requirements.
- (4) Records demonstrating that each tenant is income eligible.
- (5) Records demonstrating that the purchase price or estimated value is in accordance with program guidelines.
- (6) Records demonstrating that each HOME assisted unit meets the affordability requirements.
- (7) Records documenting required inspections, monitoring reviews and audit, and the resolution of any findings or concerns
- (8) Records documenting equal opportunity and fair housing records.
- (9) Records documenting all HOME related financial activities.
- (10) Records documenting affirmative marketing and MBE/WBE activities.

**12. Monitoring.** The Borrower shall permit the City or its designee to inspect all records pertaining to units upon reasonable notice and within normal working hours and shall submit to the City such documentation as required by the City to document compliance with this Agreement and HOME Program rules. If the project is new construction, the Borrower shall provide the required documentation quarterly, until all HOME units are sold.

**13. Successors Bound.** This Agreement and the covenants contained herein shall run with the land and shall bind, and the benefits shall inure to, respectively, the Borrower and its

successors and assigns and all subsequent owners of the project or any interest therein, and to the City for the Period of Affordability set forth in this Agreement.

**14. Enforcement of Terms.** The benefits of this Agreement shall inure to, and may be enforced by the City for the Period of Affordability, whether or not the City shall continue to be the holder of the Mortgage, whether or not the project loan may be paid in full, and whether or not any bonds issued for the purpose of providing funds for the project are outstanding.

**15. Conflict of Interest.** The Borrower warrants that no person covered who exercises or exercised any functions or responsibilities with respect to HOME activities or who is in the position to participate in decisions or gain inside information may obtain a financial interest or benefit from a HOME activity; or have an interest in any contract, subcontract or agreement for themselves or for persons with business or family ties.

**16. Conditions of Religious Organizations.** HOME funds may not be used for rehabilitation or construction of housing that is owned by primarily religious organizations or to assist primarily religious organizations in acquiring housing.

**17. Uniform Administrative Requirements.** If the owner of the HOME assisted project is a not-for-profit organization, the owner agrees to comply with applicable federal administrative requirements of OMB Circular A-87 and applicable provisions of 24 CFR 85 for government entities, or OMB Circular A-122 and applicable provisions of 24 CFR Part 84 for non-profit entities.

**18. Severability.** The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portion thereof.

**19. Defaults and Remedies.** If the Borrower shall fail to observe or perform any covenant, condition or agreement contained herein on its part to be observed or performed, then and in such event, the City shall be entitled, in addition to all other remedies provided by law or in equity:

(a) To compel specific performance by the Borrower of its obligations under this Agreement, it being recognized that the beneficiaries of Borrower obligations hereunder cannot be adequately compensated by monetary damages in the event of Borrower's default.

(b) To cause the Borrower to pay to the City an amount equal to all HOME Investment and Pinellas County Housing Trust Fund Program funds loaned to Borrower less any principal balance previously repaid by Borrower or the transfer of real property acquired with HOME Investment Partnership Program and Pinellas County Housing Trust Program assistance, if any assisted unit is knowingly or negligently rented to persons who do not comply with the requirements for such unit or doesn't have low to moderate income tenants.

(c) In addition, to these remedies, a default by the Borrower hereunder shall constitute a default under the Mortgage and Note which will enable the City thereunder, after notice and an opportunity to cure as therein provided, to accelerate the Borrower's loan and take such other actions as may be permitted under the terms of the Mortgage.

**Name of the organization**

By: , Inc.  
a Florida not-for-profit corporation

By: \_\_\_\_\_  
President

**CITY OF CLEARWATER, FLORIDA**

By and through  
City Council through the Dept. Director

By: \_\_\_\_\_  
, Director  
Economic Development & Housing

**EXHIBIT “A”**