



Interoffice Memorandum

AGENDA ITEM

July 8, 2022

TO: Mayor Jerry L. Demings
–AND–
County Commissioners

FROM: Jon V. Weiss, P.E., Director
Planning, Environmental, and Development
Services Department

A handwritten signature in black ink, appearing to read "J. Weiss", is written over the printed name of Jon V. Weiss.

**CONTACT PERSON: Mitchell Glasser, Manager
Housing and Community Development Division
407-836-5190**

SUBJECT: July 26, 2022 – Consent Item
Memorandum of Understanding

Each year, the Florida Housing Finance Corporation (FHFC) awards federal low-income housing credits to six large counties within the State of Florida, one of which includes Orange County. FHFC implemented a process intended to select developments with a higher level of public purpose. Specifically, any local government may select one development for a scoring preference called Local Government Area of Opportunities. This designation provides the selected development with a significant local financial contribution established in FHFC's Request for Applications. The development awarded a Local Government Area of Opportunity designation will receive additional points on their application to FHFC, providing them the opportunity to receive the highest maximum score.

Local governments may award a Local Government Area of Opportunity designation resulting in multiple developments receiving the highest maximum score, in which case a lottery is used to determine the recipient of the FHFC housing credit allocation. The award of housing credits by lottery is inconsistent with a coordinated and orderly approach, providing uncertainty to both local governments and affordable housing developers. Orange County and the City of Orlando wish to maximize their resources and benefit their respective communities by creating a coordinated and orderly approach.

The Memorandum of Understanding alternates years for awarding the Local Government Area of Opportunity designation between the two governments. This will eliminate the lottery system and provide both governments the opportunity to obtain housing credits every other year to advance their respective housing goals. The City of Orlando will submit in 2022, and Orange County will submit in 2023. The Memorandum of Understanding also provides for a six-year renewal.

ACTION REQUESTED: Approval and execution of Memorandum of Understanding Between Orange County, Florida and City of Orlando, Florida to alternate years for the Local Government Area of Opportunity through the Florida Housing Finance Corporation. All Districts.

JWV:MG
Attachment

BCC Mtg. Date: July 26, 2022

This Document

Prepared by:

Lisa Pearson, Esq.
Chief Assistant City Attorney
City of Orlando
400 S. Orange Ave.
Orlando, FL 32801
(407) 246-2295

**MEMORANDUM OF UNDERSTANDING
BETWEEN
ORANGE COUNTY, FLORIDA AND CITY OF ORLANDO, FLORIDA**

THIS MEMORANDUM OF UNDERSTANDING (“Agreement”) is made and entered into as of the 26 day of July, 2022, (“Effective Date”), by and between **Orange County**, Florida, a political subdivision under the laws of the State of Florida (“Orange County”) and the **City of Orlando**, Florida, a municipal corporation (“City”).

WITNESSETH:

WHEREAS, the bulk of Florida Housing Finance Corporation (“FHFC”) resources for the financing of affordable rental housing developments comes from the federal low-income housing tax credits that provides developers with either a 30% or 70% subsidy for rental housing development, commonly known as the 4% tax credit and 9% tax credit, respectively; and

WHEREAS, FHFC annually allocates 9% tax credits (“Housing Credits”) through a competitive request for application (“RFA”) for Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach, and Pinellas Counties; and

WHEREAS, FHFC awards Housing Credits to the development scoring the highest number of points in each of the six large counties; and

WHEREAS, in response to multiple developments within the same county scoring the same number of points resulting with a lottery determining which development was funded, the FHFC implemented a process within Florida’s larger counties intended to result in more developments with a higher level of public purpose being selected than could be accomplished through a lottery. Specifically, any local government in a larger county may select one development for a scoring preference, called Local Government Area of Opportunity designation, by providing the selected development with a significant financial contribution established in FHFC’s RFA; and

WHEREAS, a development awarded a Local Government Area of Opportunity designation by a local government will receive additional points on their application to FHFC, providing them the opportunity to receive the highest maximum score; and

WHEREAS, several local governments within a given large county may award a Local Government Area of Opportunity designation resulting in multiple developments receiving the highest maximum score, in which case a lottery is used to determine the recipient of the FHFC Housing Credit allocation; and

WHEREAS, the award of Housing Credits by lottery is inconsistent with a coordinated and orderly approach; and

WHEREAS, the City and Orange County wish to maximize their resources and benefit their respective communities by creating a coordinated and orderly approach to providing support to applications for the Housing Credits allocated by FHFC that also supports affordability throughout the parties' respective jurisdictions by encouraging project decentralization; and

WHEREAS, a system of alternating years for awarding the Local Government Area of Opportunity designation between the two governments will eliminate the lottery system and provide both governments the opportunity to obtain Housing Credits every other year that will advance their respective housing goals; and

WHEREAS, this allocation system provides certainty to meet each individual government's affordable housing goals.

NOW THEREFORE, the parties agree as follows:

1. **Funding Obligations.**

a. FHFC's 2022 Funding Cycle (Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach and Pinellas Counties).

- i. City of Orlando will award a single development the Local Government Area of Opportunity designation providing the development the opportunity to score the maximum number of points on the FHFC application.
- ii. Orange County will not award any development the Local Government Area of Opportunity designation for FHFC's 2022 Funding Cycle.

b. FHFC's 2023 Funding Cycle (Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach and Pinellas Counties).

- i. Orange County will award a single development the Local Government Area of Opportunity designation providing the development the opportunity to score the maximum number of points on the FHFC application.
 - ii. City of Orlando will not award any development the Local Government Area of Opportunity designation for FHFC's 2023 Funding Cycle.
 - c. Upon this Agreement's automatic renewal pursuant to the "Renewal" section, the parties will alternate awarding a single development with the Local Government Area of Opportunity designation for each FHFC Funding Cycle (Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach and Pinellas Counties) to provide the development the opportunity to score the maximum number of points on the FHFC application.
 - i. The City of Orlando will award a single development the Local Government Area of Opportunity designation for each of the following FHFC Funding Cycles (Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach and Pinellas Counties) providing said development the opportunity to score the maximum number of points on the FHFC application: **2024, 2026, and 2028**.
 - ii. Orange County will award a single development the Local Government Area of Opportunity designation for each of the following FHFC Funding Cycles (Housing Credit Financing for Affordable Housing Developments Located in Broward, Duval, Hillsborough, Orange, Palm Beach and Pinellas Counties) providing said development the opportunity to score the maximum number of points on the FHFC application: **2025, 2027, and 2029**.
 - iii. Neither party will award a development the Local Government Area of Opportunity designation unless it is during their respective FHFC Funding Cycle as described in, and in accordance with, this Agreement.
2. **Expiration and Renewal.** This Agreement shall expire on December 31, 2023. Upon this Agreement's expiration, this Agreement shall automatically renew for an additional 6-year period and expire on December 31, 2029, unless either party terminates this Agreement earlier by delivering written notice to the other party in accordance with the "Termination" section of this Agreement.
3. **Termination.** Either party may terminate this Agreement for any reason by delivering written notice to the other party.

4. **Notice**. All notices and correspondence related to this Agreement shall be in writing and delivered by nationally recognized overnight courier, personal service, or by certified mail, return receipt requested addressed to the parties at their respective notice addresses indicated below or as the same may be changed in writing from time to time. Such notice shall be deemed given on the day on which personally served, or if by mail, on the fifth day after being posted or the date of actual receipt, whichever is earlier:

City:

City of Orlando
Housing and Community Development
ATTN: Director, Oren Henry
400 South Orange Avenue
Orlando, Florida 32801

Orange County:

Orange County
Housing and Community Development
ATTN: Mitchell Glasser
525 E. South Street
Orlando, Florida 32801

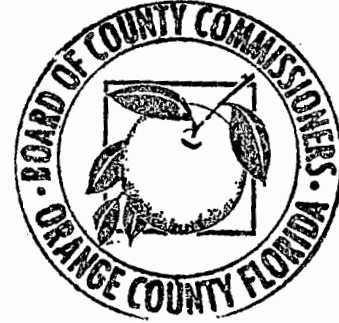
With a copy to:

Lisa Pearson, Esq.
City Attorney's Office
City of Orlando
400 South Orange Avenue
Orlando, Florida 32801

Orange County Administration
ATTN: Deputy County Administrator
201 S. Rosalind Ave.
Orlando, Florida 32801

5. **Sovereign Immunity**. Nothing in this Agreement shall be deemed or construed as a waiver of any privilege, immunity or other protection which may be available to the City or the County under the doctrine of sovereign immunity or the limitations of liability contained in §768.28, Florida Statutes.
6. **Scope**. Nothing in this Agreement shall commit either party to obligate or transfer any funds to the other. This Agreement is not intended to and does not create any right, benefit, responsibility or obligation that may be enforced by any non-party.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates set forth below.



ORANGE COUNTY FLORIDA

By: Board of County Commissioners

By: *Ryan W. Bwohn*

for Jerry L. Demings
Orange County Mayor

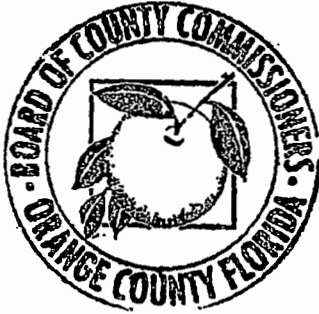
Date: July 26, 2022

ATTEST: Phil Diamond, CPA
County Comptroller as Clerk of the
Board of County Commissioners

By: *Katie Smith*

Date: July 26, 2022

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates set forth below.



ORANGE COUNTY FLORIDA
By: Board of County Commissioners

By: *Jerry L. Demings*
for Jerry L. Demings
Orange County Mayor

Date: July 26, 2022

ATTEST: Phil Diamond, CPA
County Comptroller as Clerk of the
Board of County Commissioners

By: *Phil Diamond*

Date: July 26, 2022

ATTEST:

CITY OF ORLANDO, municipal corporation,
organized and existing under the laws
of the State of Florida (SEAL)

By: *SHH*
Stephanie Herdocia, City Clerk

By: *[Signature]*
Mayor / Mayor Pro Tem

Date: 6.6.22

**STATE OF FLORIDA
COUNTY OF ORANGE**

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this 6th day of June, 2022, by Mayor / Mayor Pro Tem and Stephanie Herdocia, City Clerk, of the City of Orlando, Florida, who are both personally known to me.

[Signature]
Notary Public Signature
My Commission Expires: February 11, 2023



Approved as to form and legality for the
use and reliance of the City of Orlando
Florida only

6-1, 2022
By: *[Signature]*
Lisa Pearson, Esq.
Chief Assistant City Attorney