

MEMORANDUM OF UNDERSTANDING

Powder Springs Public Service Housing

This MEMORANDUM OF UNDERSTANDING (“Memorandum”) is made and entered into as of the ___ day of _____, ___, by and between HABITAT FOR HUMANITY OF NORTHWEST METRO ATLANTA, INC (“Habitat”) and THE CITY OF POWDER SPRINGS, GEORGIA (the “City”).

I. BACKGROUND

- A. Habitat and the City intend to enter into a partnership to establish Habitat as the City’s partner in the implementation of affordable housing construction for eligible public service employees that builds healthy, socio-economically diverse neighborhoods.
- B. In 2023 the City acquired the vacant lot at 3862 Misty Bleau Drive in Powder Springs through tax sale, and subsequently the Mayor and City Council declared the property as surplus and authorized its sale for development as affordable housing.
- C. On October 6, 2023, the City solicited bids for the purchase of the property. Habitat submitted the winning bid and subsequently purchased the lot and has held it until the expiration of the redemption period.
- D. The City has set aside \$40,000.00 of its Coronavirus State and Local Fiscal Recovery Funds (“SLFRF”) designated as Revenue Loss to support the construction of an affordable housing unit through a partnership with Habitat for Humanity.
- E. The designated funds will be paid to Habitat to cover site development and infrastructure costs for the construction of a new home on its lot in Powder Springs at 3862 Misty Bleau Drive.
- F. Habitat is an affordable housing developer with a long-standing history of new home construction and rehabilitation in Cobb County. As such it has the capability to provide the Public/Private Partnership that can act quickly to take advantage of development opportunities that are presented.

II. PROGRAM NAME

The project will be known as Powder Springs Public Service Housing Program.

III. PROGRAM GOALS

- A. Provide eligible Public Service employees with homeownership opportunities within the City
- B. Convert undeveloped City-owned property into affordable housing opportunities
- C. Neighborhood Revitalization.
- D. Help build mixed income neighborhoods.

IV. PROGRAM GUIDELINES

- A. Homes will be made available to eligible employees of the City of Powder Springs, Cobb County, and Cobb County Schools. All employees must be full-time employees and employed for at least 12 months at the time of application. Employees must still be full-time employees at the time of mortgage origination.
- B. Eligible employees must have a household income of no more than 80% of the Area Median Income based on the CDBG Maximum Household Income Limits for Cobb County, provided by the Department of Housing and Urban Development, as of the date their application to the program is submitted through the mortgage origination date.
- C. All applicants will be chosen through a predetermined application process with an open and end date, provided they meet Habitat mortgage qualifications, which includes being a first-time homeowner.
- D. All homes must be owner-occupied.
- E. All homes must be sold at a cost mutually agreed to be affordable by Habitat and the City, provided that cost does not exceed \$250,000.
- F. All mortgages must include long-term affordability language that restricts for a period of twenty (20) years the future sale of the home to a buyer that has an income of no more than 80% of the Area Median Income at the time of sale based on the CDBG Maximum Household Income Limits for Cobb County, provided by the Department of Housing and Urban Development. Mortgage interest rates shall not exceed 0.00%.

V. AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Habitat will work to construct a new house on its lot at 3862 Misty Bleau Drive.
2. The house constructed will meet all local housing code requirements. Construction standards will focus on producing a high-quality product, that is architecturally consistent with the direction of the City and nature of the property neighborhood. The total value of the home, including land, development and construction costs, when completed will meet the cost parameters and limitations for affordable housing as defined by CDBG and the Department of Housing and Urban Development.
3. The City will have a City Project Team which will consist of, at least, the City Manager, the Executive Director for Development and Infrastructure, the Community Development Director, and the ARPA Program Manager.
4. Habitat will submit finalized housing design plans for administrative review by the City during the permitting process. The submitted plans will comply with the requirements of the Powder Springs Unified Development Code, including Division IV – Architectural Design Requirements and Guidelines, and Division V – Residential Infill Development Guidelines. After the design plans are completed and reviewed by the City, Habitat will, in its sole discretion, control the time, manner and methods for construction of the home, subject to compliance with all state and local construction laws and ordinances.
5. Habitat will provide monthly reports of progress to City staff during the duration of the program period, which will end upon sale of the house.
6. Habitat will provide periodic reports of progress to the City, upon request, during the program period.
7. The City will provide programmatic direction to Habitat through one point of contact designated by the City Project Team. The City Council will communicate its wishes through this designated point of contact.
8. The City will provide Habitat with \$40,000 in Coronavirus State and Local Fiscal Recovery Funding at the commencement of the program which shall encompass activities described herein. The City will remit the funds to Habitat within thirty days of the execution of this agreement.
9. Habitat will expend the funds within one year of receipt of the funds and on a timely basis will provide to the City documentation of the expenses covered by the funds.

10. Habitat will seek funding from public and private sources as needed to complete the construction.

11. Habitat will provide a streamlined application process for prospective homeowners to the City and Cobb County School System for distribution to all employees. The City will handle the distribution of the notices to the eligible applicants. All applications will be sent to Habitat and will be reviewed and processed by Habitat.

12. The City will assist with application distribution and marketing to all employees, ensuring ample time for education.

13. Habitat will fully manage the processing of applications and qualifying of applications.

14. Public Relations. Both parties will work together to provide for a public relations effort to communicate the efforts of Habitat and the City with respect to revitalization.

15. Term and Termination. This Memorandum shall be effective from the date of this Memorandum and shall be in effect until December 31, 2025 or until the sale of the house has been completed, whichever earlier. In any event, the agreement may be terminated by either party with 90 days' notice. If such termination is invoked, all remaining unobligated funds and properties must be returned to the City.

16. Cooperation/Further Assurances. Habitat and the City will cooperate with each other and provide such assistance as may reasonably be requested in connection with the fulfillment of their respective obligations under this Memorandum. After the date of this Memorandum, Habitat and the City will enter into all additional legal documents and agreements and take all other action necessary or desirable in the judgment of either party's counsel to comply with the Rules and Regulations and all other applicable laws, ordinances, and regulations.

17. Governing Law. This Memorandum shall be governed by and construed in accordance with the laws of the State of Georgia, without regard to choice of law rules. Venue of any action arising out of this Memorandum shall lie in Cobb County, Georgia.

18. Successors and Assigns. This Memorandum shall inure to the benefit of and be binding upon the parties to this Memorandum and the successors and assigns of Habitat and the City. Notwithstanding the foregoing, neither party may assign this Memorandum without the prior written consent of the other party.

19. Notices. Any notices permitted or required to be given hereunder shall be given in writing and shall be delivered in person or by nationally recognized overnight courier or sent by certified mail, return receipt requested, postage prepaid, addressed as follows:

if to Habitat:

Habitat for Humanity of Northwest Metro Atlanta, Inc.

1625 Spring Rd. SE

Smyrna, Georgia 30080

Attn: Jessica Gill, Chief Executive Officer, and Executive Director

if to The City:

The City of Powder Springs

Pam Conner, City Manager

P.O. Box 46

Powder Springs, GA 30127

or to such other address as either party may furnish to the other by notice given in the manner herein provided. Any such notices shall be deemed to have been duly given when delivered in person or by nationally recognized overnight courier service or when deposited in any United States Post Office which accepts said certified mail.

20. Severability. The invalidation of any one or more of the provisions of this Memorandum or any part thereof by judgment of any Court of competent jurisdiction shall not in any way affect the validity of any other provisions of this Memorandum, but the same shall remain in full force and effect.

21. Amendment. This Memorandum may be amended only by an instrument in writing executed by the City and Habitat.

22. Enforcement/Attorney's Fees. The failure of either party, in one or more instances, to insist upon compliance with any of the terms and conditions or to exercise any right or privilege conferred in this Memorandum shall not constitute or be construed as the waiver of such or any similar restriction, right, option, or privilege, but the same shall continue and remain in full force and effect as if no such

forbearance had occurred. This Memorandum shall be enforceable by Habitat and the City through all legal means available to comply with the Memorandum and applicable rules and regulations, at law or in equity. Without limitation of available remedies, Habitat and the City shall be entitled to injunctive relief and to demand rescission of any transaction which was completed in violation of this Memorandum. In any action commenced or taken to enforce this Memorandum, Habitat and the City shall be entitled to recover reasonable attorneys' fees, court costs and litigation expenses incurred in connection with such enforcement action.

23. Time is of the Essence. Time shall be of the essence in the performance of the terms and conditions of this Memorandum.

24. Merger. This Memorandum constitutes the final, complete and entire agreement among the parties with respect to the subject matter thereof and all prior agreements and understandings are merged herein.

By each parties signatures hereto, the City and Habitat agree to this Agreement effective as of the date hereinabove written.

IN WITNESS WHEREOF, the City of Powder Springs hereby executes in their corporate names by their duly authorized officers, under seal as of the _____ day of _____, 2024.

HABITAT FOR HUMANITY
OF NORTHWEST METRO
ATLANTA, INC.

THE CITY OF POWDER SPRINGS

By: _____

By: _____

Title: _____

Title: _____