

Memorandum of Understanding (MOU) Between

Habitat for Humanity of Washington DC and JS Congress Holdings, LLC

Primary Contact:

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PURPOSE:

This Memorandum of Understanding identifies a mutual understanding and obligations of Habitat for Humanity of Washington, D.C., Inc. ("DC Habitat") and JS Congress Holdings, LLC ("Partner") and its successors and assigns, as it relates to Partner's contribution to a maximum of five (5) units to DC Habitat for the purpose of acquiring, developing and constructing affordable homeownership units in Ward 5 or 6 of the District of Columbia under the auspices of the DC Zoning Commission approved proffer included in PUD Case #16-13 for 1109 Congress Street, NE, Washington, DC ("Congress Street Project").

TERM:

The term of this MOU shall begin on the later of the date that this memorandum is executed or the PUD order is entered into the DC Register, and shall continue until all five (5) housing units are expected to be completed and settled with eligible residents, subject to the terms below:

**COMMITMENTS AND OBLIGATIONS OF HABITAT FOR HUMANITY OF WASHINGTON, DC
AND JS CONGRESSS HOLDINGS, LLC**

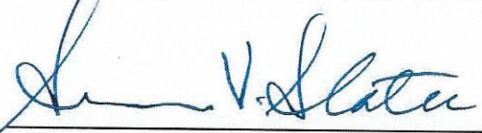
1. The number of housing units shall be not less than five (5), with an average size of approximately 900 net square feet ("NSF") and an average of 2 bedrooms.
2. A minimum of three housing units, which is the equivalent of 3.9% of the residential NSF at the Congress Street Project (approximately 1815 NSF=3.9% of approximately 46,344 NSF) shall be built by JS Congress Holdings, LLC and located in the 1109 Congress Street development in the boundaries of Advisory Neighborhood Commission ("ANC")6C ("On-Site Housing Units") and shall maintain affordability in accordance with the Inclusionary Zoning Regulations adopted by the Zoning Commission for the District of Columbia as set forth in 11-C DCMR §§ 1000 *et seq.* ("IZ Regulations"). These units shall be offered for sale to buyers at incomes levels no greater than 80% of the Area Mean Income ("AMI") for the Washington, D.C. region.
3. A minimum of five housing units, which is the equivalent 9.7% of the residential NSF at the Congress Street Project (approx. 4,500 NSF= approx. 9.7% of approximately 46,344 NSF) shall be

located in Ward 5 or 6, ("Off-Site Housing Units"). These units will have flexibility to be in accordance with the current DC Habitat covenants in lieu of IZ Regulations. These units shall be offered for sale to buyers at income levels no greater than 50% of AMI.

4. Habitat for Humanity will have the Off-Site Housing Units location(s) under its control prior to the issuance of a building permit for the Congress Street Project, currently estimated to be on or about March 31, 2018.
5. The Off-Site Housing Units will be completed and available for occupancy before the issuance of a certificate of occupancy for the Congress Street Project, currently estimated to be on or about July 31, 2019.
6. DC Habitat shall prepare a development plan and project pro-forma for the project.
7. No funding assistance from the government of the District of Columbia will be used towards the development of the off-site units.
8. Partner will be a co-developer, and DC Habitat will be responsible for day-to-day activities. Partner will have review of major decision approvals such as approval of house and land acquisition to satisfy compliance with the stated goals of this MOU, contractual compliances, as well as other major decisions. DC Habitat will be responsible for providing monthly activity reports to Partner.
9. Partner will contribute to DC Habitat at least \$125,000 per future home at the time of closing on acquisition of each property that will result in the acquisition, development, and construction of those future home(s), until the goal of 5 units and a minimum of 4,500 NSF is achieved, with property locations, sizes of housing units, and affordability levels meeting all of the parameters set forth in the terms of this MOU and in the final PUD Order of Zoning Commission Case #16-13 for 1109 Congress Street, NE. Partner's contribution shall occur no later than October 31, 2017. The total disbursements shall be provided to DC Habitat for a maximum of 5 homes.
10. This MOU is subject to PUD approval by Zoning Commission Case #16-13 for 1109 Congress Street, NE with a proffer of 3.9% of residential square feet provided as on-site ADU's for households earning up to 80% of AMI. 9.7 % of residential square feet off-site through Habitat for Humanity of Washington, DC amounting to 5 units with characteristics as described above.
11. This MOU shall not bind either party unless and until a definitive agreement on mutually agreeable terms is entered into between the two parties hereto. Such agreement shall establish all of the terms and conditions upon which the transactions contemplated herein are to be effectuated.

IN ADDITION, AT PARTNER'S DISCRETION, DC HABITAT WILL DO THE FOLLOWING:

- 1) Recognize Partner on DC Habitat's website and in the DC Habitat annual report, as well as through DC Habitat's social media platform.
- 2) Provide the opportunity for Partner's employees to participate in corporate team builds on sites and dates mutually agreeable to the parties.
- 3) Include Partner's logo in a sponsor appreciation ad run twice per year in a major DC publication, such as The Washington Post.
- 4) Issue a joint press release about the partnership and DC Habitat.
- 5) Publish a story on the sponsorship in a DC Habitat print or digital publication.
- 6) Grant Partner permission to use DC Habitat logo on company website and in other communications, as desired.
- 7) Recognize Partner as a sponsor in all marketing materials.




Habitat for Humanity of Washington, DC, Inc.

3/17/2017
Date

JS Congress Holdings, LLC
Date

3/12/2017

By: JS Congress Investors, LLC, its Sole Member
By: J Street Development Company, LLC, its Manager
By: 
Bruce Baschuk, President