

**Memorandum of Understanding (MOU)  
Between  
Atlantic County Improvement Authority  
And  
Inlet Community Development Corporation  
Housing Downpayment Assistance**

**Purpose**

The Atlantic County Improvement Authority (ACIA) serves as Atlantic County's multi-purpose financing, development, and project management agency whose primary purpose is to plan, finance and construct public improvements such as schools, municipal buildings, transportation facilities, housing developments, infrastructure redevelopment, roadway construction and beautification, and convention facilities.

The ACIA implements the Atlantic City Downpayment Assistance Program for Eligible applicants who have resided in Atlantic County for the previous twelve (12) months or are employed in Atlantic City. Eligible applicants also must not have owned a home for the previous two (2) years and total household income cannot exceed \$100,000. The Program will offer and provide downpayment assistance up to 10% of the purchase price, and up to \$5,000 of eligible closings costs, for a combined total amount not to exceed \$30,000 per household for homes not to exceed \$250,000.

The Inlet Community Development Corporation (Inlet CDC) supports businesses, residents, and visitors in the Inlet Neighborhood. One of the primary goals of the Inlet CDC is to promote home ownership. To this end, the Inlet CDC has secured funding through the New Jersey Neighborhood Revitalization Tax Credit Program and other sources to achieve this goal.

The purpose of this nonbinding Memorandum of Understanding (MOU) is to document the partnership between the ACIA and the Inlet CDC to work together in to promote home ownership in the Inlet Neighborhood. Should Inlet CDC agree to this MOU, a formal agreement will be prepared

**Scope**

The Inlet CDC wishes to enter into this Memorandum of Understanding (MOU) to have the ACIA manage the Inlet Home Buyer Assistance Program. The Inlet CDC will provide an additional \$4,500.00 grant to four (4) eligible buyers for downpayment assistance

The ACIA will administer the Inlet Home Buyer Assistance Program (Inlet Program) per the following understandings:

**1. INLET CDC AND ACIA UNDERTAKINGS**

**A. INLET CDC GRANT**

Subject to INLET CDC receiving sufficient funding from the DCA through the NRTC grant, INLET CDC hereby agrees to provide funding, in a total initial amount not to exceed \$20,000.00 to the ACIA, for the ACIA to use for the Inlet Program, subject to the terms hereof. A portion of the funds shall be

released by INLET CDC to the ACIA, as each eligible purchase proceeds to settlement, as detailed below in section 4.

## **B. ACIA PROGRAM ADMINISTRATION**

The ACIA agrees that it shall accept and utilize the Funds exclusively for the Inlet Program in accordance with the terms and conditions of this Agreement.

All tasks required to administer the Inlet Program, including (but not limited to) reviewing applicant eligibility and other underwriting tasks, preparing all required closing documents and disbursing funds at settlements, shall be performed by the ACIA.

ACIA shall administer the Inlet Program in accordance with the general parameters and procedures employed by the ACIA in its administration of the ACIA's current Atlantic City Home Buyer's assistance programs, subject to the following general modifications:

- i. Funds will only be used for the purchase of eligible single family and duplex residential properties in the Inlet Target Area;
- ii. Residential multi-family may be eligible for assistance, subject to the buyer's agreement to restore the property to a single family or duplex use effective as of the settlement date (to be evidenced by a deed covenant in a form deemed acceptable by the ACIA and /or INLET CDC);
- iii. The Inlet Program will be available to renters who have resided in Atlantic County for the previous twelve (12) months or are employed in Atlantic City and who have not owned a home for the previous two (2) years. Preference will be given to current renters in the Inlet Target Area ;
- iv. Properties purchased with financial assistance provided through the Inlet Program must be used as a primary residence by the person(s) who received the assistance;
- v. Funds will be advanced to the recipient as a 5-year forgivable loan;
- vi. If the recipient desires to sell or otherwise ceases to use and occupy the premises during the 5-year term, grant funds shall be subject to recapture and reuse by the ACIA for other persons who are eligible for assistance through the Inlet Program;
- vii. ACIA will develop and enforce all required applications, agreements, recordings, inspections and title searches necessary to implement the program;
- viii. Funding through the Inlet Program may be supplemented (stacked) with funding provided by the ACIA's existing Atlantic City Home Buyer's Program, provided that the ACIA's lien for assistance under this program will have priority over the lien for Inlet Program funds.

## **2. CONSIDERATION AND TERM:**

A. Consideration. In consideration for the services to be performed by the ACIA, the ACIA shall be entitled to a fee calculated as follows for each assistance grant that is settled through the Inlet Program:

- i. For home purchases which only involve participation in the Inlet Program, the fee payable to the ACIA will be \$500.00;

- ii. For purchases which involve funding through the Inlet Program and the ACIA's Atlantic City Home Buyer program, the fee payable to the ACIA will be \$500.00.

Each party shall otherwise be responsible for its own costs for employees, supplies and professional services.

- B. **Term:** This Agreement shall have an initial term of TWO YEARS, commencing as of \_\_\_\_ and terminating on \_\_\_\_\_, and may be renewed by the mutual agreement of the ACIA and INLET CDC for three additional One Year terms.

Notwithstanding expiration of the term, any action which by its nature will have a continuing obligation, such as the ACIA's duty to monitor and enforce grants to first time buyers for the full 5-year grant terms, shall continue and remain in full force and effect until such obligation is satisfied.

### **3. DISBURSEMENTS**

When an application for assistance under the Inlet Program has been deemed acceptable by the ACIA in accordance with the terms hereof, INLET CDC will:

- A. Certify the availability of funds to the ACIA, as necessary for the ACIA to proceed with settlement prerequisites.
- B. At least TEN (10) days prior to settlement, the ACIA will obtain a draft HUD Settlement sheet or similar settlement statement showing all anticipated settlement costs;
- C. A copy of the preliminary settlement sheet will be provided by ACIA to INLET CDC with a request for the required grant funds.
- D. ACIA shall have also provided INLET CDC with copies of the assistance application supporting documents, as may be requested by INLET CDC, to provide for proper accounting for grant fund utilization.
- E. INLET CDC will issue payment to the ACIA in an amount equal to the approved grant plus the fee due and owing to the ACIA at settlement.

### **4. POST-CLOSING TASKS**

The ACIA shall be solely responsible for preparation and proper recording of all instruments necessary to ensure applicant compliance with Inlet Program requirements. The ACIA shall be solely responsible for post-closing monitoring and enforcement of grant terms and conditions. The requirements of owner occupancy will be enforced by the terms of the mortgage or a deed restriction for the required period. Upon violation action will be taken by ACIA and its Counsel to resolve the issue and that all related costs incurred by ACIA will be reimbursed by the property owner.

Copies of records of each settlement, along with post-closing inspections shall be provided by ACIA to INLET CDC. Such records are provided only for INLET CDC's informational purposes in connection with grant monitoring. Any review, comment or other action taken by INLET CDC in response to such records shall be strictly for INLET CDC's assurance that grant terms are being

satisfied and shall not make INLET CDC responsible for any task or duty that has been assigned by this Agreement to the ACIA.

**5. MUTUAL COOPERATION:** The parties shall cooperate with each other to perform the duties and responsibilities under this Agreement in an efficient and prompt manner. Each party's program administrators shall be available for any changes or consultations, at such party's cost, during the term of this Agreement.

**6. INDEPENDENT ENTITIES SUPERVISION AND CONTROL:** Nothing in this Agreement shall be construed to require or make INLET CDC responsible for supervisory control, supervision or management of the internal administration and operation of the ACIA's implementation of the Inlet Program or to make the INLET CDC responsible for the acts or omissions of ACIA employees, officers and contractors in connection with the provision of the services which are the subject of this Agreement. The parties agree that the ACIA shall be solely responsible for supervision, management, compensation or other costs, training or control of its personnel, equipment and administration of the Scope of Work.

**7. INDEMNIFICATION:** The ACIA agrees to indemnify INLET CDC and its officers, employees, agents and servants from any and all losses, claims, actions, costs, expenses, judgments, subrogation, attorney fees or other expenses which may arise by reason of any real or alleged injury or damage to the person or property of others arising out of or incidental to ACIA's performance of its responsibilities under the terms of this Agreement, to the extent caused by the negligent acts or omissions of ACIA's officers, employees, agents or contractors.

INLET CDC agrees to indemnify the ACIA and its officers, agents and servants from any and all losses, claims, actions, costs, expenses, judgments, subrogation, attorney fees or other expenses which may arise by reason of any real or alleged injury or damage to the person or property of others arising out of or incidental to performance of INLET CDC's responsibilities under the terms of this Agreement, to the extent caused by the negligent acts or omissions of its officers, employees, agents or contractors of INLET CDC.

Nothing arising from or related to this Agreement shall be deemed to confer upon any third person any right against the ACIA or INLET CDC, nor waive any defense or prerequisite to liability that may be available to the ACIA pursuant to the New Jersey Tort Claims Act.

**8. DEFAULT:** In the event that either party shall fail or refuse to perform any of their material obligations, or otherwise be in default under this Agreement then the non-defaulting party may proceed with all available legal and equitable remedies; provided, however, that the non-defaulting party shall first give the defaulting party written notice setting forth the facts which allegedly constitute a default, along with an opportunity to cure the default, within a time period which shall be reasonable under the circumstances (which, in no event, shall be deemed to exceed twenty days). The exercise or the beginning of the exercise of any right or remedy shall not preclude subsequent or simultaneous exercise of the same or any other right or remedy.

**9. WAIVER:** Any waiver of compliance with the terms and conditions hereof, or with regard to any breach by either party under this Agreement shall not affect similar rights subsequently arising, nor operate as a waiver of subsequent breaches of the same or similar kinds, nor as a waiver of the clause or condition under which said rights arose or said breach occurred. Similarly, any inspection and any notice whereby a party knew or should have known of a breach by the other party shall not operate as a waiver of such breach, or of any subsequent or similar breach, or as a waiver of the clause or condition under which said rights arose or said breach occurred.


**10. ENTIRE AGREEMENT:** This Agreement constitutes the entire Agreement between the parties pertaining to the subject matter contained herein as a superseded all prior agreements, representations or understanding of the parties. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all parties.

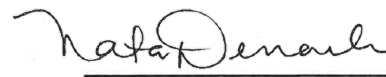
**11. SEVERABILITY:** If any term or provision of this Agreement, or any application thereof to any person or circumstance shall, to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to person or circumstance other than those to which it is held invalid or unenforceable, shall not be affected thereby. Each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law, except to the extent that may frustrate the entire purpose of this Agreement.

**12. GOVERNING LAW:** This Agreement shall be construed in accordance with, and governed by, the laws of the State of New Jersey. The ACIA agrees that it shall administer the tasks described in the attached Scope of Work in accordance with all applicable Federal and State regulations and statutes.

**13. AUDIT CLAUSE:** The ACIA shall keep and maintain proper and adequate books, records and accounts accurately reflecting all costs and expenditures paid with funding provided under this Agreement. The INLET CDC, its employees, officers, or representatives shall have the right upon written request and reasonable notice, to inspect and examine all books and records related to the books and records specific to this agreement. Such records shall be retained by the ACIA for at least seven (7) years. In no event shall books and records be disposed of or destroyed prior to seven (7) years or such longer term as may be proscribed by law.

**14. NOTICES:** All notices and other communications provided for hereunder shall be in writing and shall be delivered by regular mail to the parties at the addresses stated above.

  
8/15/2023  
Timothy D. Edmunds, P.E.  
Executive Director  
Atlantic County Improvement Authority

  
8/15/2023  
Natalie Devonish, President  
Inlet CDC