

**AGREEMENT BETWEEN CORPUS CHRISTI B CORPORATION AND
TG 110 VILLAGE AT GREENWOOD GP, LLC**

This Agreement for the Type B Affordable Housing Program Redevelopment (“Agreement”) is entered into between the Corpus Christi B Corporation (“Corporation”) and TG 110 Village at Greenwood GP, LLC (the “Developer”).

WHEREAS, the Texas Legislature in Section 501 of the Local Government Code (Development Corporation Act of 1979) empowered local communities with the ability to adopt an optional local sales and use tax as a means of improving the economic health and prosperity of their citizens;

WHEREAS, on November 8, 2016, residents of the City passed Proposition 1, Adopt Type B Sales Tax to Replace Expiring Portion of Type A Sales Tax, which authorized the adoption of a sales and use tax to be administered by a Type B Corporation at the rate of one-eighth of one percent to be imposed for 20 years with use of the proceeds for (1) 50% to the promotion and development of new and expanded enterprises to the full extent allowed by Texas law, (2) \$500,000 annually for affordable housing, and (3) the balance of the proceeds for the construction, maintenance and repair of arterial and collector streets and roads;

WHEREAS, the 1/8th cent sales tax authorized by passage of Proposition 1 was subsequently enacted by the City Council and filed with the State Comptroller of Texas, effective April 1, 2018, to be administered by the Corpus Christi B Corporation Board;

WHEREAS, Section 501.073 of the Act requires the City Council to approve all programs and expenditures of the Corporation;

WHEREAS, the Board wishes to fund affordable housing projects in an effective manner;

WHEREAS, the Developer has proposed to develop new affordable housing units in the City;

WHEREAS, the Board has determined that it is in the best interests of the residents of the City that the Developer be awarded affordable housing funds, by execution of this Agreement, to accomplish the affordable housing project described in the Scope of Work, which is attached hereto as **Exhibit A** and incorporated herein by reference as if laid out here in its entirety and the Board has determined that such a development is required or suitable for the promotion of development and expansion of affordable housing;

In consideration of the covenants, promises, and conditions stated in this Agreement, the Corporation and the Developer agree as follows:

- 1. Agreement to Provide Affordable Housing Services.** This Agreement between the Corporation and the Developer is executed to implement the promotion and development of the Project. In performance of the Agreement, Developer will:
 - a. Construct 30 affordable housing rental units at 5992 Greenwood Drive to provide. The Project must be an affordable housing project, as described by

12745, and must contain 30 units available to qualified individuals. The Project must comply with all requirements of 42 U.S.C. Section 12745, including environmental building standards.

- b. Complete construction of the project and obtain a Certificate of Occupancy ("C of O") from the City's Development Services Department within two years following the Effective Date. Developer will comply with all laws, rules, and ordinances in the construction of the Project and will obtain all required permits.
- c. Developer will maintain the property and continue to rent 30 units only to qualified individuals as affordable housing in accordance with 42 U.S.C. Section 12475 for twenty years. If the property ceases to operate as an affordable housing facility during that twenty-year period, the Developer will immediately reimburse the Corporation all amounts paid to the Developer under this Agreement. If the Corporation is dissolved prior to the end of the twenty-year period and such reimbursement of funds is required under this provision, the Developer will immediately reimburse the City all amounts paid under this Agreement. The obligation to reimburse funds under this section will survive the termination or earlier expiration of this Agreement.
- d. The Developer will expend at least \$12,735,884.00 on the construction of the Project within two years or prior to receipt of the C of O if it is received in a shorter amount of time.

2. Compensation. The Corporation will reimburse the Developer in an amount not to exceed \$1,250,000.00 over two years.

- a. Upon receipt of the C of O for the completed development, Developer shall request payment from the Corporation by providing notice in accordance with Section 8 below. The request for payment will include evidence that all costs of construction have been paid and that there are no liens on the property for unpaid construction costs. Upon receipt of the request for payment and verification that the development complies with all requirements of this Agreement, the Corporation shall, as soon as practicable, pay the Developer an amount not to exceed \$625,000.00 as a reimbursement for the costs of creating housing units to provide affordable housing.
- b. If the Corporation has made the first payment under this section, then, upon request of the Developer on or after the first anniversary of receipt of the C of O, the Corporation shall, as soon as practicable, pay the Developer an amount not to exceed \$625,000.00 as final reimbursement under this Agreement.
- c. If the Developer does not provide proof of the expenditure of at least \$12,735,884.00 on the construction of the Project, the incentive payments will be limited to a proportional amount of the \$625,000.00 based on the percentage of that amount that the Developer can establish was expended on the construction of the completed Project. For example, and for illustrative purposes only, if the Developer expends \$12,099,089.80, which is 95% of \$12,735,884.00, on the construction of the Project, then the incentive payments to the Developer will each be reduced to 95% of the incentive, or \$593,750.

3. Property Sale Limited to Affordable Housing. During the term of this Agreement and the Affordability Period, Developer may only sell the property or the Project to qualified individuals for use as affordable housing. Sale of the property for any other purpose will require repayment of all funds under Section 1(c) above.

4. **Effective Date.** The effective date of this Program Agreement is the date on which the City Council grants approval to the Corporation for this Project, so long as all parties have executed this Agreement.
5. **Term.** The term of this Agreement is for two years beginning on the effective date.
6. **Termination.** Corporation may terminate this Agreement 30 days' written notice of Developer's failure to comply with any terms of the Agreement.
7. **Amendments or Modifications.** No amendments or modifications to this Agreement or to the Project may be made, nor any provision waived, unless the amendment or modification is made in writing and signed by persons duly authorized to sign agreements on behalf of all parties.
8. **Notices.** Any required written notices shall be sent, certified mail, return receipt requested, addressed as follows:

If to Corporation:

City of Corpus Christi B Corporation
Attn: President
1201 Leopard Street
Corpus Christi, Texas 78401

With a copy to:

City of Corpus Christi
Attn.: City Attorney
P.O. Box 9277
Corpus Christi, Texas 78469-9277

If to Developer:

Raymond H. Lucas
Lucas & Associates, LP
3419 Nacogdoches Road
San Antonio, Texas 78217

Notice is effective upon deposit in the United States mail in the manner provided above.

9. **Relationship of Parties.** In performing this Agreement, the Corporation and the Developer shall act in an individual capacity, and not as agents, representatives, employees, employers, partners, joint-venturers, or associates of one another. The employees or agents of either party may not be, nor be construed to be, the employees or agents of the other party for any purpose.

10. Insurance; Bonds. Not applicable.

11. Non-Appropriation. The continuation of this Agreement after the close of any fiscal year of the City and Corporation, which fiscal year ends on September 30th annually, is subject to appropriations and budget approval specifically covering this Agreement as an expenditure in said budget, and it is within the sole discretion of the City's City Council and the Corporation's Board to determine whether or not to fund this Agreement. The Corporation does not represent that this budget item will be adopted, as said determination is within the City Council's sole discretion when adopting each budget.

12. Waiver. No waiver by either party of any breach of any term or condition of this Agreement waives any subsequent breach of the same.

13. Taxes. The Developer covenants to pay payroll taxes, Medicare taxes, FICA taxes, unemployment taxes and all other applicable taxes. Upon request, the Corporation shall be provided proof of payment of these taxes within 15 days of such request.

14. DEVELOPER SHALL FULLY INDEMNIFY, HOLD HARMLESS AND DEFEND THE CITY OF CORPUS CHRISTI, THE CORPUS CHRISTI B CORPORATION, AND THEIR RESPECTIVE OFFICERS, EMPLOYEES AND AGENTS ("INDEMNITEES") FROM AND AGAINST ANY AND ALL LIABILITY, LOSS, CLAIMS, DEMANDS, SUITS, AND CAUSES OF ACTION OF WHATEVER NATURE, CHARACTER, OR DESCRIPTION ON ACCOUNT OF PERSONAL INJURIES, PROPERTY LOSS, OR DAMAGE, OR ANY OTHER KIND OF INJURY, LOSS, OR DAMAGE, INCLUDING ALL EXPENSES OF LITIGATION, COURT COSTS, ATTORNEYS' FEES AND EXPERT WITNESS FEES, WHICH ARISE OR ARE CLAIMED TO ARISE OUT OF OR IN CONNECTION WITH A BREACH OF THIS AGREEMENT OR THE PERFORMANCE OF THIS AGREEMENT BY THE DEVELOPER OR RESULTS FROM THE NEGLIGENT ACT, OMISSION, MISCONDUCT, OR FAULT OF THE DEVELOPER OR ITS EMPLOYEES, CONTRACTORS, OR AGENTS. DEVELOPER MUST, AT ITS OWN EXPENSE, INVESTIGATE ALL CLAIMS AND DEMANDS, ATTEND TO THEIR SETTLEMENT OR OTHER DISPOSITION, DEFEND ALL ACTIONS BASED THEREON WITH COUNSEL SATISFACTORY TO THE CITY ATTORNEY, AND PAY ALL CHARGES OF ATTORNEYS AND ALL OTHER COSTS AND EXPENSES OF ANY KIND ARISING OR RESULTING FROM ANY SAID LIABILITY, DAMAGE, LOSS, CLAIMS, DEMANDS, SUITS, OR ACTIONS. THE INDEMNIFICATION OBLIGATIONS OF DEVELOPER UNDER THIS SECTION SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT.

- 15. Assignment.** No assignment of this Agreement by the Developer, or of any right or interest contained herein, is effective unless the Executive Director of the Corporation first gives written consent to such assignment. The performance of this Agreement by the Developer is of the essence of this Agreement, and the Executive Director's right to withhold consent to such assignment is within the sole discretion of the Executive Director on any ground whatsoever.
- 16. Severability.** Each provision of this Agreement is considered to be severable and, if, for any reason, any provision or part of this Agreement is determined to be invalid and contrary to applicable law, such invalidity shall not impair the operation of nor affect those portions of this Agreement that are valid, but this Agreement shall be construed and enforced in all respects as if the invalid or unenforceable provision or part had been omitted.
- 17. Governing Law.** Developer agrees to comply with all federal, Texas, and City laws in the performance of this Agreement. The applicable law for any legal disputes arising out of this Agreement is the law of the State of Texas, and such form and venue for such disputes is the appropriate district, county, or justice court in and for Nueces County, Texas.
- 18. Undocumented Workers.** Developer does not and agrees that it will not knowingly employ any undocumented workers. If, after receiving payments under this Agreement, Developer is convicted of a violation under 8 U.S.C. Section 1324a(f), Developer shall repay the payments received under this Agreement, including the cost of property acquisition, to the Corporation, with interest at the Wall Street Journal Prime Rate, not later than the 120th day after the date Developer has been notified of the violation.
- 19. Entire Agreement.** This Agreement constitutes the entire agreement between the parties concerning the subject matter of this Agreement and supersedes all prior negotiations, arrangements, agreements and understandings, either oral or written, between the parties.

[Signature Page Follows]

CORPUS CHRISTI B CORPORATION

TG 110 VILLAGE AT GREENWOOD GP, LLC
By: TG 110, Inc., Sole Member

Scott Harris
President

Date: _____



By: Gilbert M. Piette
Title: Executive Director

Date: 1-31-2020

ATTEST:

Rebecca Huerta
City Secretary

Date: _____

APPROVED AS TO FORM:

Aimee Alcorn-Reed
Assistant City Attorney
Attorney for Corporation

Exhibit A – Scope of Work

Village at Greenwood
5992 Greenwood Drive, Corpus Christi, Texas
Corner of Greenwood and Frio Street
60
Unit Multifamily Rental Development
New Construction

Developer: Housing and Community Services, Inc., a Texas non-profit corporation, d/b/a Prospera Housing Community Services (“PHCS”)
Co-Developer Lucas & Associates, L.P.
Owner: TG 110 Village at Greenwood GP, LLC
CHDO: TG 110, Inc. – 501(c)(3) – Sole Member of Owner

Type of Development

The Village at Greenwood is an 60-unit family development is located in an excellent area for affordable housing that is accessible to major employment centers, restaurants, multiple grocery and pharmacy retail stores within 1 miles, and highly rated public schools. The property will provide resident services and have an onsite services coordinator.

Funding Sources:

Texas General Land Office Grant	<u>Application</u>
Permanent Lien – Wells Fargo	\$ 8,185,884
City of Corpus	\$ 3,300,000
	<u>\$ 1,250,000</u>
Total	\$12,735,884

Funding Uses:

Land	\$ 1,228,130
Construction Costs	\$ 8,321,717
Soft Costs	\$ 2,553,000
Financing Costs	\$ 533,037
Reserves	<u>\$ 100,000</u>
Total	\$12,735,884

Unit Configuration

Unit Type	Baths	Affordable Units	Market Units	Total Units
1br	1	5	1	6
2br	2	24	6	30
3br	2	22	2	24
Total		51	9	60

7 units are at 30% of area median income or below
23 units are at 60% of area median income or below
21 units are at 80% of area median income or below
9 units are at Market

One bedroom – 758 sq ft
Two bedroom – 985 sq ft
Three bedroom – 1193 sq ft

Exhibit A – Scope of Work

Select Energy and Other Development Highlights

Project will be newly constructed 60 unit Apartment complex to be built to current building codes with modern amenities.

Amenities – New approx. 2,500 – 3,000 sq. ft. community building with business center and services office, swimming pool, cabana and playground.

Energy Efficient –

Housing units must meet the Model Energy Code.

Appliances will be energy efficient include refrigerator with ice maker, garbage disposal, and dishwasher, microwave over the stove, washer / dryer connections, ceiling fans, exterior low-E windows, energy efficient insulation, 14 SEER central HVAC.

Exterior – 30 year dimensional shingles & radiant barrier.

Handicapped units - 5% of the units (3 Units) ADA compliant.

Perimeter Fencing – Perimeter fence with vehicular and pedestrian control access gates. Office access to the public while residential units would be limited to residents and guests.

Parking Lot – Sufficient parking spaces to meet City code.