

**AGREEMENT BETWEEN CORPUS CHRISTI B CORPORATION AND  
THE SALVATION ARMY** A GEORGIA CORPORATION

This Agreement for the Type B Affordable Housing Program Redevelopment ("Agreement") is entered into between the Corpus Christi B Corporation ("Corporation") and The Salvation Army (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 transitional 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 2 affordable housing rental units at 1820 Buford Street to provide transitional housing for homeless persons. The Project must be an affordable housing project, as described by 42 U.S.C. Section 12745, and must contain 2 units available to qualified individuals. The development 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~~ make available 2 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. Any single-room occupancy units within the development must comply with the housing quality standards of 24 CFR 982.605. Any shared housing units for family occupancy must comply with the housing quality standard of 24 CFR 982.618.



2. **Compensation.** 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 \$500,000 as a reimbursement for the costs of creating transitional housing units to provide affordable housing.
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:

The Salvation Army  
Attn: Captain Patrick Gesner  
P.O. Box 2507  
Corpus Christi, Texas 78403

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 120<sup>th</sup> 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**

\_\_\_\_\_  
Scott Harris  
President

Date: \_\_\_\_\_

**ATTEST:**

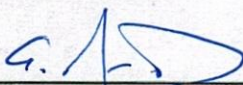
\_\_\_\_\_  
Rebecca Huerta  
City Secretary

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

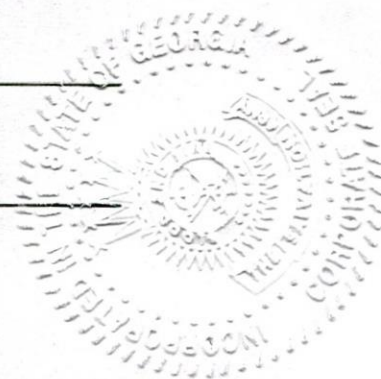
\_\_\_\_\_  
Aimee Alcorn-Reed  
Assistant City Attorney  
Attorney for Corporation

**THE SALVATION ARMY A GEORGIA CORPORATION**

X  \_\_\_\_\_  
By: Austruberto Flores III

Title: ASSISTANT TREASURER

Date: **JAN 22 2020**





## **Exhibit A – Scope of Work**

Insert Scope of Work from Developer



DOING  
THE MOST  
GOOD<sup>SM</sup>

William Booth, Founder  
Andre' Cox, General  
David Hudson, Commissioner, National Commander  
Villis Howell, Commissioner, Territorial Commander  
Ronnie Raymer, Lt. Colonel, Divisional Commander  
Captain Patrick & Lt. Laura Gesner, Regional Coordinators

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### **Transitional Housing Program**

The Salvation Army of the Coastal Bend is proud to serve families and individuals experiencing homelessness, we have a dedicated team and program to assist those in need. Our goal is to successfully transition families and individual from homelessness into permanent sustainable and affordable housing.

The Center of Hope will have 60 single beds and 30 family rooms, which will provide clients the time and resources they need to get back on their feet. Each household is referred to us by Coordinated Entry based on their vulnerability index score and needs. We offer intense case management to ensure our program participant have every tool necessary to be successful in our program. Our program participants take advantage of life skills classes, financial literacy classes, planned activities, tutoring, youth & adult programs. During their stay our program participants have access to a designated laundry room, hygiene kits, transportation assistance, 3 meals per day, family lounge, playground, computer room and library. Once specific case management goals have been met, clients transition from the Center to off-site, market based apartments. The Salvation Army of the Coastal Bend assists paying for deposits and rent, gradually increasing the percentage paid by the client until self-sufficiency is attained.

The Center of Hope will have a total of 192 beds available. Each unit will comply with HUD affordable housing guidelines for single room occupancy or shared family housing. Two units, totaling 8 beds, will be set aside and permanently designated as program fee-based transitional housing. The remaining units will have flexible designation as either emergency shelter or transitional housing, dictated by the needs of Salvation Army's clients and the community at large. Clients will have the opportunity to transition in place through Salvation Army's programs, providing stability for residents and flexibility for the Salvation Army.





DOING  
THE MOST  
GOOD<sup>SM</sup>

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### **Program Requirements**

Program participants in the Transitional Housing program are required to obtain a job and save money during their stay. The percentage of savings is based on the program participant's budget and income. Many participants save up to 70% of their income, the minimum goal is 25%. Program participants are required to pay a program fee, the fee is calculated based on their income, fees are recertified every 90 days. Participants can be enrolled in the Transitional Housing program for up to 24 months, and must recertify every 90 days. The Salvation Army and the Center of Hope operate drug and alcohol free programs, and all participants are expected to be sober and substance free while enrolled. Participants are also expected to abide by program specific guidelines while enrolled in the Transitional Housing program.