

RESOLUTION NO. 19-161

**A RESOLUTION AUTHORIZING A ONE-YEAR EXTENSION OF THE CITY OF PORT ARTHUR SECTION 4A ECONOMIC DEVELOPMENT CORPORATION AGREEMENT WITH LEGACY COMMUNITY DEVELOPMENT CORPORATION TO MANAGE ITS AFFORDABLE HOUSING PROGRAM AT A COST NOT TO EXCEED \$35,000. (PAEDC FUNDING ACCOUNT NO. 120-1429-582.54-11)**

**WHEREAS**, pursuant to Resolution Nos. 16-232, 17-157, and 18-211, the City Council of the City of Port Arthur approved the City of Port Arthur Section 4A Economic Development Corporation (“PAEDC”) entering into an agreement, with Legacy Community Development Corporation (“Legacy CDC”) for management for its downtown payment assistance program for affordable housing in a target area of the City; and

**WHEREAS**, the citizens of the City of Port Arthur approved Proposition 2, allowing PAEDC to allocate \$300,000 per year of its sales and user tax for affordable housing in a target area of the City; and

**WHEREAS**, Legacy CDC’s agreement with PAEDC will expire at the end of July 2019; and

**WHEREAS**, Legacy CDC’s services will still be needed by PAEDC to manage the homeownership program; and

**WHEREAS**, on April 1, 2019, the PAEDC Board of Directors approved to extend the agreement for one year with the option to extend for an additional two years for homeownership program services associated with the affordable housing program.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT ARTHUR, TEXAS:**

**Section 1.** That the facts and opinions in the preamble are true and correct.

**Section 2.** That the City Council of the City of Port Arthur approves PAEDC to extend its consultant agreement with Legacy CDC for one year for a cost not to exceed \$35,000 for one year.

**Section 3.** That a copy of the caption of this Resolution be spread upon the Minutes of the City Council.

**READ, ADOPTED AND APPROVED** on this 23rd day of April A.D., 2019, at a Meeting of the City Council of the City of Port Arthur, Texas, by the following vote: AYES:

Mayor Freeman;

Councilmembers Scott, Jones, Decret and  
Moses.

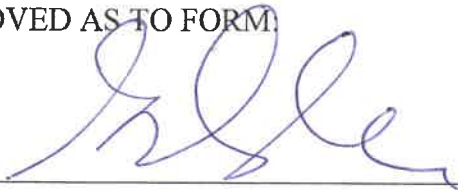
NOES: None.

D. Freeman  
**Derrick Freeman, Mayor**

ATTEST:  
Sherri Bellard  
**Sherri Bellard, City Secretary**

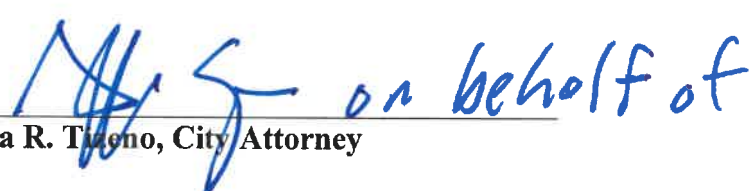
APPROVED:  
Floyd Batiste  
**Floyd Batiste, PAEDC CEO**

APPROVED AS TO FORM:



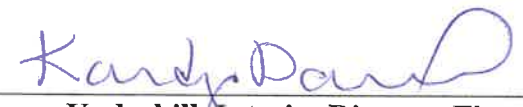
**Guy N. Goodson, PAEDC Attorney**

APPROVED AS TO FORM:



**Valecia R. Tineno, City Attorney**

APPROVED AS TO AVAILABILITY OF FUNDS:



**Rebecca Underhill, Interim Director Finance**

*Kandy Danley*

## CONSULTANT AGREEMENT

THIS CONSULTANT AGREEMENT (the "Agreement") made and entered into effective as of the \_\_\_\_ day of \_\_\_\_\_, 2019 (the "Effective Date"), by and between Legacy Community Development Corporation ("Legacy CDC") and City of Port Arthur Section 4A Economic Development Corporation ("PAEDC").

### RECITAL

PAEDC desires to retain and engage Legacy CDC as a Consultant and Legacy CDC desires to contract with PAEDC to furnish certain homeownership program services (the "Services") as defined in the Proposal for Services attached hereto as **Exhibit "A"**.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, PAEDC hereby engages and retains Legacy CDC as an Independent Contractor:

- (A) **Recital:** The recital set forth above and the Proposal for Services attached hereto as **Exhibit "A"** are incorporated into this Agreement as if fully set forth herein, for all purposes.
- (B) **Term:** The term of this Agreement shall begin effective \_\_\_\_\_, 2019 and shall continue \_\_\_\_\_, 2020, for completion of Services, or until earlier terminated pursuant to paragraph D below. The term of this Agreement may be extended by PAEDC on or before the termination date of any term of this Agreement for such time periods to correspond with the ballot proposition approved by the City of Port Arthur under an affordable housing program ballot proposition dated on the 7<sup>th</sup> day of May 2016. In the event the ballot proposition is not renewed by the City of Port Arthur, this Agreement will stay in effect as long as PAEDC needs Legacy CDC services to assist in pending/ongoing homeownership program services that commenced before the expiration of the ballot proposition.
- (C) **Compensation:** During the term of this Agreement, Legacy CDC shall be paid compensation as defined in the Budget incorporated within **Exhibit "A"**, and as verified by PAEDC. Legacy CDC shall submit invoices to PAEDC for such services as identified in Task Order One, and said invoices shall be payable within ten (10) business days of receipt.
- (D) **Services:** Legacy CDC agrees to provide Services to PAEDC as set forth in **Exhibit "A"** provided that such services may be modified from time to time by written agreement of both parties.
- (E) **Termination:** PAEDC shall be entitled to terminate this Agreement in the event that Legacy CDC fails or refuses to perform its obligations. In addition, PAEDC may also terminate this agreement upon thirty (30) days written notice for convenience or in the event of the termination or lack of funding.

- (F) Independent Contractor: Nothing in this Agreement shall be construed to create the relationship of employer and employee or a joint venture or partnership agreement. Legacy CDC shall be at all times and for all purposes an Independent Contractor and, accordingly, PAEDC will not make any deductions for taxes or other deductions from compensation. As an Independent Contractor, Legacy CDC will pay its own taxes and be responsible for securing its own vehicle insurance and shall fully indemnify PAEDC for any such liability. Legacy CDC recognizes and agrees that it has no authority to bind or commit PAEDC except as expressly authorized by PAEDC.
- (G) Performance: Legacy CDC agrees that it will to the best of its ability and experience perform all of the duties which may be required pursuant to this Agreement, and will exercise the same degree of skill and care in performing said services as normally employed by persons performing the same or similar services.
- (H) Insurance: Legacy CDC shall, at its own expense, maintain liability insurance on any personal automobile used for business purposes with a minimum of \$1,000,000 combined single limit. Legacy CDC shall further maintain, at its own expense, general liability insurance in the amount of \$2,000,000 each occurrence, and Workers Compensation coverage as required by law. Proof of insurance shall be furnished to PAEDC upon request, and shall list PAEDC as an additional insured upon request.
- (I) Outside Activities: This Agreement is not intended to prohibit Legacy CDC from accepting other employment or providing services to its own clients provided that such employment does not compete with or substantially interfere with the business of PAEDC and does not create a conflict with PAEDC partners including the City or PAEDC incentive recipients.
- (J) Confidentiality: Any information, including client information, which PAEDC may disclose to Legacy CDC in connection with this Agreement will be considered confidential and Legacy CDC will not disclose said confidential information to any person unless expressly authorized by PAEDC. Legacy CDC shall not at any time or in any manner, either directly or indirectly, divulge, disclose or communicate to any person, firm, or corporation in any manner whatsoever any information concerning any matters affecting or relating to the business of PAEDC, including its manner of operation, its plans, processes, data or any other information not generally known in the practice but which has been disclosed to LEGACY CDC or become known by it as a consequence of this engagement by PAEDC. All documents, records, word papers and correspondence prepared by Independent Contractor while in the engagement of PAEDC are the property of PAEDC and after termination of this Agreement shall remain with PAEDC.
- (K) No Assignment: Legacy CDC acknowledges that the services to be performed hereunder are unique and personal. Accordingly, Legacy CDC may not assign any

of his rights or delegate any of his duties or obligations hereunder without the prior written consent of PAEDC.

- (L) Mutual Limitation of Liability: Notwithstanding any other provision of this Agreement, neither party hereto, including their respective officers, agents, servants, and employees, shall be liable to the other party for lost profits or punitive damages or for any special, indirect, incidental, or consequential damages in any way arising out of this Agreement however caused or based on any theory of liability (including, but not limited to: contract, tort, or warranty) even if advised about the possibility of such damages.
  
- (M) Governing Law: This Agreement is deemed to be effective in and shall be construed in accordance with the laws of Texas, and shall not be modified or amended except in writing signed by all parties. Jurisdiction shall be in a court of competent jurisdiction in Jefferson County, Texas.

EXECUTED this the \_\_\_\_ day of \_\_\_\_\_, 2019.

**City of Port Arthur Section 4A  
Economic Development Corporation**

By: \_\_\_\_\_

EXECUTED this the \_\_\_\_ day of \_\_\_\_\_, 2019.

**Legacy Community Development  
Corporation**

By: \_\_\_\_\_

# Exhibit "A"

RECEIVED

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## PROPOSAL FOR CONSULTANT SERVICES

### Overview

Legacy CDC is pleased to submit this proposal for consultant services to support the Port Arthur EDC in achieving its Downtown Homeownership Program goals.

### The Objective

The purpose of the program is to develop a homeownership program that will achieve the goals of the PAEDC:

- Goal #1: Certification of prospective buyers
- Goal #2: Declare prospective tenants as "mortgage ready"
- Goal #3: Research financing mechanisms for the purchase
- Goal #4: Foster the develop of affordable houses
- Goal #5: Close on sales

### Our Proposal

Legacy Community Development Corporation is dedicated to providing housing opportunities, education, supportive services and referrals to create stable, self-sufficient families.

#### Vision Statement

Because of Legacy Community Development Corporation's holistic approach to helping families achieve stability and self-sufficiency, our community will be empowered, safe and sustained.

Legacy CDC is a nonprofit organization whose primary focus is the development of affordable housing. Legacy was established in 2006 to assist low to moderate income families overcome challenges with at-risk children and housing stability.

Over the past ten (10) years, hundreds of families of have received homeownership counseling services, credit counseling and home buyer certification.

The purpose of the Home Buyer Education Certification is to educate prospective homebuyers in the principals of homeownership. Buying a house represents one of the greatest financial commitments a family can make. At the same time, owning a home comes with a sense of accomplishment and pride. While we can expect to experience mixed emotions and high stress at times, this class has been



developed to educate those who have no experience in the home buying process. In taking this class, attendees will have the opportunity to learn about the following topics during a very interactive class session: renting vs. owning, steps in the home buying process, understanding the role of real estate and mortgage professionals, determining affordability, creating a budget, understanding credit, types of affordable mortgage products, finding the right home, maintaining a home and taking care of finances.

At the completion of the class, attendees will be able to determine their position in the home buying process and the steps they should take to attain the goal of a smooth process with the help of their purchasing team.

This class is the first step that takes prospective home buyers closer to the "American Dream."

Legacy will work with each client to address credit or other obstacles to achieving their goal of homeownership.

## **Technical Expertise**

Legacy CDC has administered homebuyer assistance programs since 2009. Legacy's staff has over 29 years of experience in the operation of affordable housing and homebuyer assistance programs. The Executive Director served as the Housing program director for the City of Port Arthur, Irving and the Beaumont Housing Authority. She and her staff are certified to instruct homebuyer education courses, provide credit, post purchase and foreclosure prevention counseling.

Legacy is currently funded by the cities of Beaumont and Port Arthur to operate homebuyer assistance programs. Legacy is the only Certified Housing Development Organization (CHDO) in Port Arthur. Our organization works with the citizens of Port Arthur on a daily basis preparing them for homeownership. We currently have a client pool of over 60 families. At this time, five (5) families have been pre-qualified for mortgages and are waiting for the first homes to be constructed.

Legacy has developed long term relationships with local realtors and bankers who understand the buyer's needs and market in Port Arthur. Our realtor and lender partners have worked in this type of program for decades. They have been trained on the basics of fair housing through participation in the Fair Housing Coalition. The Legacy ED was a founding member of the Coalition. We have reached out to our partners and we are ready to proceed with the program immediately.

## **Management Expertise**

Legacy CDC is continually proven to be a leader in the field of affordable housing. Legacy CDC has served as a certified Community Housing Development Organization for the cities of Port Arthur, Beaumont and TDHCA.

As previously mentioned, our Executive Director is a certified State and Federal Grant Administrator and certified HUD Community Housing Development Organization Manager. She has over 29 years of affordable housing experience (including 3 years experience as Executive Director of Beaumont Housing Authority). Staff members are all Neighborworks or HUD certified to provide credit and homebuyer certification counseling.

Legacy believes that staff training is the key to a successful program. Legacy was the first CHDO in Texas to participate in HUD's CHDO Management and Planning certification course. The course consists of three 5-week courses, spanning approximately 5 months, covering a wide range of management and affordable housing topics, focusing on strategic planning, operations management and financial

management.

The course assists CHDOs in increasing their effectiveness by refining their skills and increasing their knowledge of the federal HOME Program regulations. To participate in the program, Legacy received letters of support from the City of Port Arthur and Beaumont. (See attached certificate)

In addition, Legacy's Executive Director is a certified Grant Administrator. She has year of experience in grant compliance, reporting and monitoring activities. She revamped and redeveloped the City of Irving's Homeownership Program during her six (6) year tenure.

Legacy has been funded as a CHDO for the past 8 years through the cities of Beaumont, Orange and Port Arthur and has never received a poor review or loss funding due to lack of performance. Legacy also participates in the Texas State Affordable Housing Corporation's homeownership program.

### **Project Scope of Work/Deliverables**

Following is a complete list of all project deliverables:

| <b>Deliverable</b>              | <b>Description</b>  |
|---------------------------------|---|
| Certification of 100 applicants | Each participant will participate in 8 hours of pre-purchase homebuyer certification course |
| Contracts for Purchase          | Each participant will execute an earnest money contract and deposit earnest money.          |
| Occupation of units             | Participants shall acquire and close on units   |

### **Timeline for Execution**

Key project dates are outlined below. Dates are best-guess estimates and are subject to change until a contract is executed.

| <b>Description</b>                                    | <b>Start Date</b> | <b>End Date</b> | <b>Duration</b>                          |
|---|-------------------|-----------------|--|
| Contract Negotiation and Execution                    | July 15, 2016     | July 14, 2017   | 1 year                                   |
| Marketing and Acceptance of Applications              | August 1, 2016    | July 14, 2017   |  |
| One on One Counseling and Assessment of Participants. | August 1, 2016    | July 14, 2017   | 1 hour per client, 2 sessions per client |
| Homebuyer Certification Classes                       | August, 2016      | July, 2017      | 8 hours per class                        |
| Credit Counseling                                     | August, 2016      | July, 2017      | Monthly sessions                         |
| Quarterly Reporting                                   | October, 2016     | July, 2017      |  |
| Selection of Home and Contract Signing                | August, 2016      | July, 2017      |  |
| Project completion                                    | July 14, 2017     |                 |  |

## Pricing

The following table details the pricing for delivery of the services outlined in this proposal. This pricing is valid for <30 days> from the date of this proposal. The Fee Schedule is \$2,500 per month for twelve months.

| Services Cost <Category #1>   | Price              |
|---|--------------------|
| Homebuyer Certification Class (\$75 per participant, includes training materials) | \$7500.00          |
| Counseling Sessions and Meetings  | \$22,500.00        |
| <b>Total</b>  | <b>\$30,000.00</b> |

## Insurance Requirements


Legacy maintains General Liability Insurance, Board Indemnity Insurance, Errors and Omissions Insurance and coverage for all properties owned. If awarded, Legacy will present the requested throughout the duration of the contract period.

## References

| Contract                          | Contact Person  | Email                      | Phone         |
|-----------------------------------|---|----------------------------|---------------|
| HOME Program Administration       | Beverly Freeman,<br>Director of City of Port Arthur Housing Program | bfreeman@portarthur.net    | 409-983-8283  |
| HOME Program Administration       | Joann Patillo,<br>Director of City of Beaumont Housing Program      | jpatillo@ci.beaumont.tx.us | 409-832-3178  |
| TSHAC Affordable Housing Program. | Jo Keene, Housing Manager   | jkeene@tshac.org           | 512-334-21550 |

We look forward to working with the Port Arthur Economic Development Corporation. We are confident that we can meet the challenges ahead, and stand ready to partner with you in delivering an effective homeownership program.

If you have questions on this proposal, feel free to contact Vivian Ballou at your convenience by email at [legacycdc@yahoo.com](mailto:legacycdc@yahoo.com) or by phone at 409-365-9850. Thank you for your consideration,

  
Vivian L. Ballou  
Executive Director

# U.S. Department of Housing and Urban Development

*In recognition of the successful completion of the  
requisite course of study and on nomination of*

**Training & Development Associates, Inc.**

*HUD hereby confers upon*

## Vivian L. Ballou

*this certificate in*

### CHDO Management and Planning

*Given on the 21st of March in the year two thousand and thirteen*

SCANNED



Yolanda Chavez  
Deputy Assistant Secretary for Grant Programs  
U.S. Department of Housing and Urban Development



SCANNED