CITY OF SAN ANGELO TEXAS Development Corporation

Agenda
10/23/2024

Notice is hereby given of a regular meeting of the City of San Angelo Development Corporation (COSADC) to be held on October 23, 2024 at 8:30 AM at the McNease Convention Center – South Meeting Room, 501 Rio Concho Drive, San Angelo, Texas, for the purpose of considering the following agenda items.

1. **Call to Order**
2. **Prayer**
3. **Public Comment**

Issues or items that are not on the agenda may be raised by the public at this time. Citizens should speak from the podium, begin by stating their name and limit remarks to less than three minutes. Board members may request that a discussed item be placed on a future agenda. The Board takes public comment on all Regular Agenda items during the discussion of those items.

4. **Consent Agenda**
   a. Consider approving the regular meeting minutes from September 25, 2024. (Nora Nevarez)
   b. Consider approving the necessary Corporation Disbursement. (Nora Nevarez)
   c. Consider approving the negotiation and execution of a one-year Lease Agreement with options to extend for four additional one-year terms with the ASU Small Business Development Center and authorizing the Board President or designee to negotiate and execute all necessary documents (Michael Dane)
5. **Regular Agenda**
   a. Consider approving the September 2024 Financials. (Presentation made by Tina Dierschke, Director of Finance)
   b. Consider approval of: a) amendments to the Affordable Housing Assistance Program (AHAP) guidelines, b) authorizing the Board President to negotiate and execute a sub-recipient agreement with Galilee CDC to manage the AHAP. (Presentation made by Robert Salas, Director of Neighborhood and Family Services)
   c. Public Hearing regarding the use of sales and use tax funds in an amount not to exceed $59,500 for purposes of awarding a contract to Inter/Direct U.S.A., Ltd, d/b/a Community Development Strategies (CDS) for professional services to prepare an update to the 2019 San Angelo Rental Housing Study that assessed overall housing needs in the competitive market area, including workforce and affordable housing, a project authorized for a Type B corporation under Local Government Code Chapters 501 & 505, Subchapter D (Presentation by Robert Schneeman, Economic Development Project Manager)
   d. Consideration and possible action regarding the marketing and recruitment plan for 2025 by

the San Angelo Chamber of Commerce Marketing and Recruitment Team. (Presentation by San Angelo Chamber of Commerce)

e. Presentation regarding marketing efforts for fiscal 2025 . (Presentation by Andi Markee, Media Advantage, LLC)

6. **Closed Session**

Executive Session under the provision of Government Code, Title 5. Open Government; Ethics, Subtitle A. Open Government, Chapter 551. Open Meetings, Subchapter D. Exceptions to Requirement that Meetings be Open under the following sections:

a. Section 551.071 - Consultation with attorney regarding possible action authorizing the Board President to negotiate and execute lease amendments with the City of San Angelo and Skyline Aviation allowing encumbrance of Skyline's leasehold estate interest in the lease of City Airport property commonly known as 8534 Hangar Rd., San Angelo, Texas.

b. Section 551.087 - Business prospect negotiations regarding Skyline Aviation Aircraft Mechanics School

7. **Follow Up and Administrative Issues**

a. Consideration and possible action of the items discussed in Closed Session, if needed

b. Announcement and consideration of Future Agenda items

8. **Adjournment**

CERTIFICATION

I hereby certify that the above notice of meeting was posted on the bulletin board at the City Hall of the City of San Angelo, Texas, on the 18th day of October 2024 at 4:00 P.M.

____

Michael Dane
Economic Development Interim Director

All agenda items are subject to action. All contracts/agreements may be subject to further negotiation prior to execution. The Board reserves the right to consider business out of posted order and/or meet in a closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

In compliance with the Americans with Disabilities Act, the City of San Angelo will provide for reasonable accommodations for persons attending the Development Corporation meetings. To better serve you, requests should be received 48 hours prior to the meetings. Please contact the Economic Development Office at 325-653-7197, or the ADA Coordinator at 325-657-4407 for request, or by completing a request form online at cosatx.us/ada.

COSADC meetings are broadcast on Channel 17-Government Access at 8:00 A.M. on every Wednesday after each meeting.

Report to Board

CITY OF SAN ANGELO TEXAS Development Corporation

Requestor: Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197

Meeting Date: October 23, 2024

Item type: Consent Item

Caption:

Consider approving the regular meeting minutes from September 25, 2024. (Nora Nevarez)

Summary/History:

Financial Impact:

Other Information/Recommendation:

Attachments:

1. COSADC Meeting Minutes 09-25-2024 COSADC Meeting Minutes 09-25-2024.pdf

Presentation:

Approvals/Reviews:

Nora Nevarez	Created/Initiated
Michael Dane	Approved
Tina Dierschke	Approved
Brandon Dyson	Final Approval

City of San Angelo, Texas
Development Corporation Meeting
Wednesday, September 25, 2024

Present:
Dr. Clifton Jones, President
Rick Mantooth, First Vice President
Steven Mahaffey, Director
Max Puello, President
Carlos Rodriguez, Director
Joe Spano, Director

1. **Call to Order**

With a quorum of the City of San Angelo Development Corporation Board Members present, President Jones called the regular session of the City of San Angelo Development Corporation to order at 8:30 a.m., on Wednesday, September 25, 2024 at the East Mezzanine of City Hall, 72 W College Avenue, San Angelo, TX 76903

2. **Prayer**

President Jones provided an invocation.

3. **Public Comment**

Nora Nevarez, Economic Development Coordinator, explained the new process for Pubic Speaking. The new process will take into effect October 1, 2024.

- Those wishing to speak, must sign a Public Comment Request form prior to the meeting beginning;
- Corporate Secretary will state your name and address or SMD # before the individual can make any remarks;
- The speaker is limited to three minutes of public comment;
- The applicant, proponent or appellant on an agenda item is limited to five minutes of public comment;
- Speakers may address the governing body once during the public comment period and once on each item indicate above;
- Comments must be direct to the board;

- Questioning of staff or board is not appropriate during the public Comment periods(s);
- The presiding officer may further limit public comment as necessary to maintain efficiency or decorum of the meeting;
- Speakers name will be included in the official minutes;

4. Consent Agenda

a. Consider approving the regular meeting minutes from August 28, 2024. (Nora Nevarez)

b. Consider approving the necessary Corporation Disbursement. (Nora Nevarez)

c. Consider approving the August 2024 Financial Statements (Tina Dierschke, Corporate Treasurer)

Motion: Director Mahaffey made a motion, seconded by Director Puello to approve the consent agenda as presented. The motion carried unanimously six (6) ayes to zero (0) nays.

No public comment.

5. Regular Agenda

a. Consider a resolution authorizing the use of sales and use tax funds in an amount not to exceed $59,500 for purposes of awarding a contract to Inter/Direct U.S.A., Ltd, d/b/a Community Development Strategies (CDS) for profsessional services to prepare an update to the 2019 San Angelo Rent al Housing Study that assessed overall housing needs in the competitive market area, including workforce and affordable housing, a project authorized for a Type B corporation under Local Government Code Chapters 501 & 505, Subchapter D, authorizing the Board President to negotiate and execute all necessary documents, and recommending ratification by City Council. (Presentation by Michael Dane, Interim Director of Economic Development.

Motion: First Vice President Mantooth made a motion, seconded by Director Rodriguez to approve the resolution as presented. The motion carried unanimously six (6) ayes to zero (0) nays.

Michael Looney, Vice President with the San Angelo Chamber of Commerce stated having an updated study would

b. Consider approving the proposed COSADC meeting calendar for 2025. (Presentation made by Nora Nevarez, Economic Development Coordinator)

Ms. Nevarez presented the 2025 COSADC meeting calendar.

Motion: Director Puello made a motion, seconded by Director Spano to approve the item as presented. The motion carried unanimously six (6) ayes to zero (0) nays.

No public comment.

c. Consider approving the sale of approximately 9.02 acres more or less of land at the Industrial Park at a price of $65,000 per acre, to ATI Group, the exact acreage to be determined by a survey on the ground, authorizing the Board Prescient to negotiate and execute all related documents and recommending approval by City Council (Presentation made by Robert Schneeman, Economic Development Project Manager)

This item was not discussed per Robert Schneeman.

d. Discussion and possible Action regarding

1. Presentation regarding Skyline Aviation/Howard College Air frame & Power Plant Aviation Mechanics School.

2. Consider a resolution authorizing the Board President to negotiate and execute an Economic Development Incentive Agreement with Skyline Aviation, a project authorized under Chapters 501 & 505 of the Texas Development Corporation Act necessary to promote economic development and expand business enterprise which create or retain primary jobs and recommending approval by City council. (Present at ion made by Robert Schneeman, Economic Development Project Manager)

Robert Schneeman, Project Manager introduced this proposed project.

Bryan Vincent, owner of Skyline Aviation, spoke about the program and the impact it would bring to the community.

Jonathan Shorey, CEO of Skyline Aviation spoke about the program, instructor, and students.

Mike Berry, Manager, Research and Intelligence for the San Angelo Chamber of Commerce stated he conducted a study. Showing significant growth and gap for qualified mechanics and electricians.

Board will continue discussing this item in Executive session.

No public comment.

6. **Closed Session**

Executive Session under the provision of Government Code, Title 5. Open Government; Ethics, Subtitle A. Open Government, Chapter 551. Open Meetings, Subchapter D. Exceptions to Requirement that Meetings be Open under the following sections:

At 9:29 a.m., the Board convened Executive Session under the provision of Government Code, Title 5. Open Government; Ethics, Subtle A. Open Government, Chapter 551. Open Meeting, Subchapter D. Exceptions to Requirement that Meetings be Open under the following sections

a. Section 551.087 - Business prospect negotiations regarding Skyline Aviation Aircraft Mechanics School

At 10:20 A.M.., the Board reconvened

No action taken on this item.

7. **Follow Up and Administrative Issues**

a. Consideration and possible action of the items discussed in Closed Session, if needed

None

b. Announcement and consideration of Future Agenda items.

Michael Dane, Interim Director of Economic Development suggested that the October meeting be held earlier if needed.

Director Mahaffey requested an update regarding the West Texas Water Partnership.

8. Adjournment

Motion: Director Mahaffey made a motion, seconded by First Vice President Mantooth to adjourn the meeting. The motion carried unanimously six (6) ayes to zero (0) nays.

There being no further business, the meeting adjourned by consensus at 10:27 A.M.

THE CITY OF SAN ANGELO

____
Corporation President

ATTEST:

____
Corporation Secretary

In accordance with Chapter 2, Article 2.300, of the Official Code of the City of San Angelo, the minutes of this meeting consist of the preceding Minute Record and the Supplement Minute Record. Details on Board meetings may be obtained from the City Clerk's Office. (Portions of the video recording may be distorted due to equipment malfunction or other uncontrollable factors.)

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Report to Board

City of SAN ANGELO TEXAS Development Corporation

Requestor: Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197

Meeting Date: October 23, 2024

Item type: Consent Item

Caption:

Consider approving the necessary Corporation Disbursement. (Nora Nevarez)

Summary/History:

Financial Impact:

Other Information/Recommendation:

Attachments:

1.	Disbursement 10-23-2024	Disbursement 10-23-2024.pdf

Presentation:

Approvals/Reviews:

Nora Nevarez	Created/Initiated
Michael Dane	Approved
Tina Dierschke	Approved
Brandon Dyson	Final Approval

City of San Angelo Development Corporation
Check Disbursements
For Board Approval October 23, 2024

Economic Development

Skyline Aviation, Inc.	$ 92,080.80	ED Hangar Renovation (Inv. FB014)	*Ck. 6211*
SA Chamber of Commerce	65,625.00	Hangar Renovation/Addition	
Media Advantage	10,222.50	Marketing (Inv. 24061,240625,24051, & 24052)	*Ck. 6220*
The Bearded Barista	6,034.30	Reimbursement (Inv.22-01)	*Ck. 6212*
The Bearded Barista	2,557.94	Reimbursement (Inv. 22-02)	
JR Silva Tree Serv & Landscaping	2,391.00	Landscaping at Indust. Park & BRC	*Ck. 6218*
Jowers Commercial Cleaning	1,600.00	Janitorial Cleaning at BRC (Inv 6368 & 6371)	*Ck. 6217*
Servpro of San Angelo	1,348.29	Restoration (Inv. 1401)	*Ck. 6222*
Ener-tel	1,728.00	Annual security (Inv. 338834 & 339711)	*Ck. 6228*
Total for Board Consideration	**$ 183,587.83**		
Russ Wallace	$ 625.00	IT servs. For Business Factory (Inv. 1058)	*Ck. 6231*
Downtown San Angelo, Inc.	500.00	Sponsorship (Inv. 10262454)	*Ck. 6213*
CTWP	491.78	Copier leases (Inv. 1609133 & 1608823)	*Ck. 6227*
Gannet Texas/New Mexico	465.02	Legal ad 10615357	*Ck. 6229*
Rads Window Cleaning	350.00	Clean exterior/Interior windows at BRC (Inv. 1270)	*Ck. 6221*
Advance Elevator Inc	250.00	Maint. For Elevator at BRC (Inv. 747252)	
TEDC	200.00	Registration for ED Sales Tax Workshop - C.Jones (Inv. 26065)	*Ck. 6230*
Atmos Energy	159.13	Gas utlities at BRC (Inv, 101824)	
House of Chemicals	157.25	Cleaning supplies (Inv. 1030800)	*Ck. 6216*
MC Electric	120.80	Replace LED Bulbs (Inv. 2286)	*Ck. 6219*
Ener-tel	100.00	Serv Call (Inv. 337705)	*Ck. 6215*
Bug Express	85.00	Qtrly Pest Control (Inv. 98801)	*Ck. 6225*
Angelo Water Serv Co	71.45	Water delivery and water cooler rental (Inv. 2409)	*Ck. 6224*
CVEC	44.41	Electric serv for signage at airport	*Ck. 6226*
Republic Serv	31.24	Trash Serv at BRC (Inv. 1316166)	
	$ 3,651.08		
Total Eco Dev Disbursements	**$ 187,238.91**		

Ballot

First Title	$ 64,800.00	Mortgage buy down - 1613 S. Randolph	*Ck. 2084*
COSA	$ 498,959.34	Ft. Stockton Wtr Right Reimb	
Total for Board Consideration	**$ 563,759.34**		
Total Routine Disbursements			
Total Ballot Disbursements	**$ 563,759.34**		
Grand Total Disbursements this Period	**$ 750,998.25**		

Report to Board

CITY OF SAN ANGELO TEXAS Development Corporation

Requestor:	Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197
Meeting Date:	October 23, 2024
Item type:	Consent Item

Caption:

Consider approving the negotiation and execution of a one-year Lease Agreement with options to extend for four additional one-year terms with the ASU Small Business Development Center and authorizing the Board President or designee to negotiate and execute all necessary documents (Michael Dane)

Summary/History:

ASU SBDC requires a lease for office space in the Business Resource Center. The lease shall be renewed and extended for four (4 years, beginning September 1, 2024, and terminating on August 31, 2029.

Financial Impact:

Other Information/Recommendation:

Attachments:

Presentation:

Approvals/Reviews:

Nora Nevarez	Created/Initiated
Michael Dane	Approved
Tina Dierschke	Approved
Brandon Dyson	Final Approval

Report to Board

CITY OF SAN ANGELO TEXAS Development Corporation

Requestor: Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197

Meeting Date: October 23, 2024

Item type: Regular Item

Caption:

Consider approving the September 2024 Financials. (Presentation made by Tina Dierschke, Director of Finance)

Summary/History:

Financial Impact:

Other Information/Recommendation:

Attachments:

1. COSADC FS 2409 Final COSADC FS 2409 Final.pdf

Presentation:

Approvals/Reviews:

Nora Nevarez	Created/Initiated
Michael Dane	Approved
Tina Dierschke	Approved
Brandon Dyson	Final Approval

City of San Angelo Development Corporation

Financial Information and Schedules
As of September 30, 2024

Contents

This UNAUDITED information is designed for internal use and analysis only.

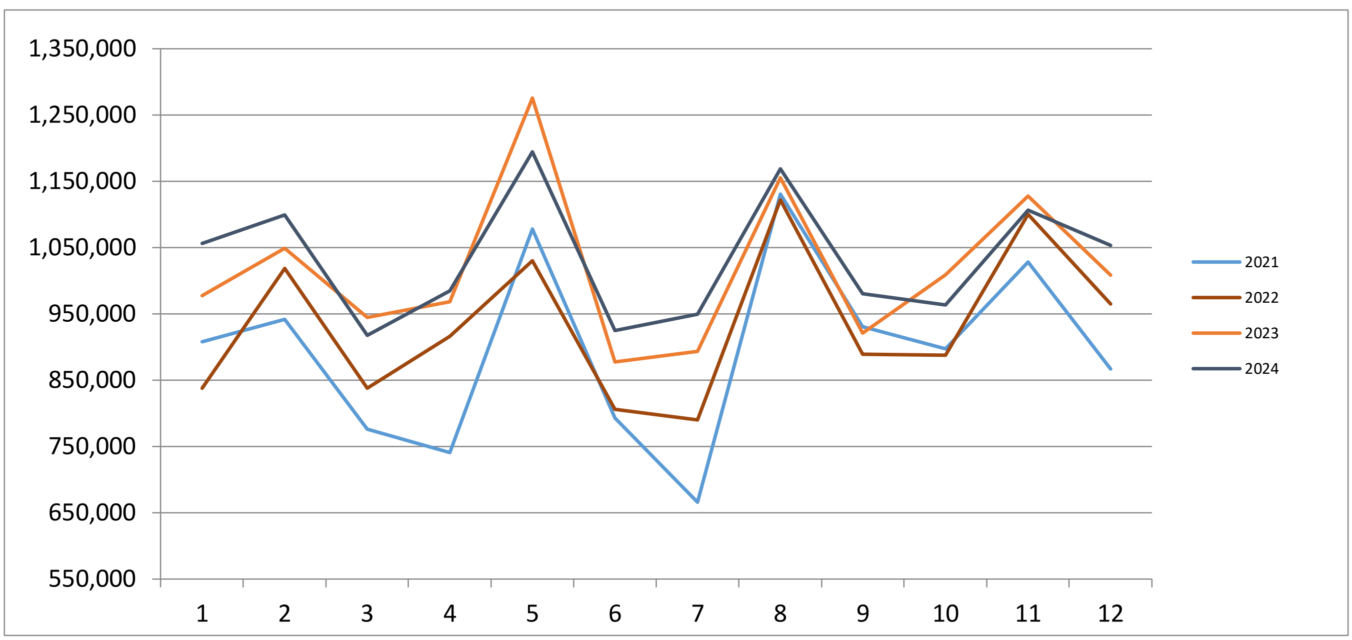
City of San Angelo Development Corporation
Executive Summary
September 2024

Available Fund Balances

Unassigned Fund Balance-Economic Development	7,573,738
Unassigned Fund Balance-Ballot	12,083,422

Sales Tax Analysis

Month	2021	2022	2023	2024	% Over/(Under)
Oct	907,912	837,902	977,628	1,056,249	8.04%
Nov	941,714	1,018,994	1,049,058	1,099,298	4.79%
Dec	776,336	838,245	944,644	917,530	-2.87%
Jan	740,927	916,151	968,413	985,000	1.71%
Feb	1,077,963	1,030,426	1,275,717	1,194,486	-6.37%
Mar	792,882	806,025	877,403	924,721	5.39%
Apr	665,954	790,185	893,339	949,450	6.28%
May	1,130,561	1,122,067	1,155,640	1,168,794	1.14%
Jun	930,276	889,239	920,877	980,358	6.46%
Jul	897,588	887,685	1,008,794	963,312	-4.51%
Aug	1,027,915	1,100,228	1,128,012	1,106,232	-1.93%
Sep	866,535	965,151	1,008,166	1,053,612	4.51%



City of San Angelo Development Corporation
Balance Sheet - Economic Development
As of September 30, 2024

ASSETS	
Current Assets	
Checking/Savings	
Cash	888,128
Money Market	4,367,546
Total Checking/Savings	5,255,674
Accounts Receivable	
Leases	2,675
Total Accounts Receivable	2,675
Other Current Assets	
Investments	6,014,795
Total Other Current Assets	6,014,795
Total Current Assets	11,273,144
Fixed Assets	
Vehicles	28,540
Land -Industrial Park	62,948
Industrial Park-Phase I	409,078
Industrial Park-Phase II	4,261,855
Industrial Park-Phase III	20,377
Building-Business Resource Ctr	2,004,967
Accumulated Depreciation	(1,291,807)
Total Fixed Assets	5,495,957
TOTAL ASSETS	16,769,101
LIABILITIES & FUND EQUITY	
Liabilities	
Current Liabilities	
Security Deposits	5,188
Accounts Payable	110,835
Total Current Liabilities	116,022
Total Liabilities	116,022
Fund Equity	
Committed for Eco. Dev. Projects	3,532,403
Restricted for Fixed Assets	5,495,957
Reserved for Encumbrance	50,980
Unassigned Fund Balance	7,573,738
Total Fund Equity	16,653,079
TOTAL LIABILITIES & FUND EQUITY	16,769,101

City of San Angelo Development Corporation
Revenue and Expenditure Report - Economic Development
September 2024

		Budget	Month Actual	YTD Actual	YTD Actual W/ Enc	Over/(Under) Budget	% of Budget
Revenues							
Sales & Use Tax		3,235,804	295,011	3,471,732	3,471,732	235,928	107%
Interest on Investments		173,891	24,915	353,956	353,956	180,065	204%
Lease Income		12,154	2,567	17,005	17,005	4,851	140%
Miscellaneous Income		450	-	50	50	(400)	11%
Gain on Sale Assets		-	-	392,395	392,395	392,395	100%
Total Revenues		3,422,299	322,493	4,235,138	4,235,138	812,839	124%
Expenditures							
Administrative		115,203	6,792	78,661	87,096	(28,107)	76%
Partnership Affiliations		86,297	-	78,797	78,797	(7,500)	91%
COSADC Staff		370,019	60,907	242,393	242,393	(127,626)	66%
City Services		199,714	49,928	199,714	199,714	-	100%
Industrial Park Ops & Maint		31,032	824	9,901	16,601	(14,431)	53%
Marketing-Chamber of Commerce		262,500	-	262,500	262,500	-	100%
Advertising		52,449	32,644	47,349	52,449	-	100%
Building Maintenance/Utilities		108,576	12,306	61,668	89,801	(18,775)	83%
Capital		40,000	7,108	33,628	33,628	(6,372)	84%
Business Factory		169,311	6,875	26,566	29,177	(140,134)	17%
Total Operating Expenditures		1,435,101	177,384	1,041,177	1,092,156	(342,945)	76%
Projects							
US Customs Retention II	DC0152	151,762	-	-	-	(151,762)	0%
SMC Global	DC0163	146,401	-	7,483	7,483	(138,918)	5%
Ethicon	DC0170	599,067	-	167,234	167,234	(431,833)	28%
TGC/GAFB II	DC0181	234,409	-	234,409	234,409	-	100%
SMC Global - BREP	DC0182	362,500	-	350,000	350,000	(12,500)	97%
SME-Prime	DC0184	50,000	-	50,000	50,000	-	100%
Ind Park Clearing	DC0188	6,186	-	-	-	(6,186)	0%
Skyline P3	DC0192	3,000,000	92,081	2,863,496	2,863,496	(136,504)	95%
Rosenberger Site Sol.	DC0206	75,000	-	-	-	(75,000)	0%
Airport Fire Suppression	DC0207	10,902	-	10,902	10,902	-	100%
Technology Tower, LLC	DC0209	250,000	-	100,000	100,000	(150,000)	40%
ASU Airport Facility	DC0211	2,000,000	-	-	-	(2,000,000)	0%
Lip Chip	DC0212	29,700	-	-	-	(29,700)	0%
Splash Pad	DC0213	150,000	-	-	-	(150,000)	0%
Allen's Transport	DC0214	150,000	-	-	-	(150,000)	0%
Talk of Texas	DC0215	100,000	-	-	-	(100,000)	0%
Future Projects		42,019	-	-	-	(42,019)	0%
		7,357,946	92,081	3,783,524	3,783,524	(3,574,422)	51%
Total Project Expenditures							
Total Expenditures		8,793,047	269,465	4,824,701	4,875,680	(3,917,367)	55%
Revenue Over/(Under) Expenditures		(5,370,748)	53,028	(589,563)	(640,542)		

City of San Angelo Development Corporation
Economic Development Projects
As of September 30, 2024

Project	Code	Original Allocation	Current Allocation	Current Year Activity	Inception to Date	Remaining Allocation
US Customs Retention II	DC0152	46,435	1,149,225	-	997,463	151,762
SMC Global	DC0163	200,000	200,000	7,483	61,082	138,918
Ethicon	DC0170	47,724	1,057,203	167,234	625,370	431,833
TGC/GAFB II	DC0181	145,000	301,270	234,409	301,270	-
SMC Global - BREP	DC0182	362,500	362,500	350,000	350,000	12,500
SME-Prime	DC0184	150,000	100,000	50,000	100,000	-
Ind Park Clearing	DC0188	25,000	25,000	-	18,814	6,186
Skyline P3	DC0192	3,000,000	3,000,000	2,863,496	2,863,496	136,504
Rosenberger Site Sol.	DC0206	75,000	75,000	-	-	75,000
Airport Fire Suppression	DC0207	83,500	83,500	10,902	83,500	-
Technology Tower, LLC	DC0209	250,000	250,000	100,000	100,000	150,000
ASU Airport Facility	DC0211	2,000,000	2,000,000	-	-	2,000,000
Lip Chip	DC0212	29,700	29,700	-	-	29,700
Splash Pad	DC0213	150,000	150,000	-	-	150,000
Allen's Transport	DC0214	150,000	150,000	-	-	150,000
Talk of Texas	DC0215	100,000	100,000	-	-	100,000
		6,814,859	9,033,398	3,783,524	5,500,995	3,532,403

Total Committed, Not Expended	3,532,403

City of San Angelo Development Corporation
Balance Sheet - Ballot
As of September 30, 2024

ASSETS	
Current Assets	
Checking/Savings	
Cash	5,533
Money Market	10,272,536
Total Checking/Savings	10,278,069
Other Current Assets	
Investments	2,995,159
Total Other Current Assets	2,995,159
Total Current Assets	13,273,227
TOTAL ASSETS	13,273,227
LIABILITIES & FUND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	705,148
Total Current Liabilities	705,148
Total Liabilities	705,148
Fund Equity	
Committed for Ballot Projects	484,658
Assigned for Debt Service	-
Unassigned Fund Balance	12,083,422
Total Fund Equity	12,568,079
TOTAL LIABILITIES & FUND EQUITY	12,568,079

City of San Angelo Development Corporation
Revenue and Expenditure Report - Ballot
September 2024

	Budget	Month Actual	YTD Actual	YTD Actual w/ Enc	Over/(Under) Budget	% of Budget
Revenues						
Sales & Use Tax	8,320,639	758,601	8,927,310	8,927,310	606,671	107%
Interest on Investments	217,283	46,861	547,361	547,361	330,078	252%
Total Revenues	8,537,922	805,462	9,474,671	9,474,671	936,749	111%
Expenditures						
City Services	34,105	8,526	34,105	34,105	-	100%
Affordable Housing Admin	30,135	7,534	30,135	30,135	-	100%
Loan/Debt Service	5,469,038	-	5,469,038	5,469,038	-	100%
Total Operating Expenditures	5,533,278	16,060	5,533,278	5,533,278	-	100%
Projects						
West Texas Water Partnership	200,000	-	-	-	(200,000)	0%
Affordable Housing	669,615	254,982	384,928	384,928	(284,687)	57%
Water Rights	498,960	498,960	498,960	498,960	-	100%
Future Projects	2,000,819	-	-	-	(2,000,819)	0%
Total Project Expenditures	3,369,394	753,942	883,888	883,888	(2,485,506)	26%
Total Expenditures	8,902,672	770,002	6,417,166	6,417,166	(2,485,506)	72%
Revenue Over/(Under) Expenditures	(364,750)	35,460	3,057,505	3,057,505		

City of San Angelo Development Corporation
Ballot Projects
As of September 30, 2024

Project	Project Allocation	Current Year Activity	Inception to Date	Remaining Allocation
Ballot Projects:				
Water Supply Projects				
West Texas Water Partnership	3,244,885	-	2,545,954	698,931
* Reclaimed Water Alternatives	1,389,965	-	1,389,965	-
* Red Arroyo Storm Water Basin	151,040	-	151,040	-
Total Expenditures	4,785,890	-	4,086,960	698,931
Total Water Supply Projects				698,931
Affordable Housing				
Revenues				
* Sale of Fixed Assets - Blackshear Properties	394,351	-	394,351	-
Total Revenues				
Expenditures				
Affordable Housing	4,803,925	883,888	5,018,198	(214,273)
* Blackshear Neighborhood Boundary	28,300	-	28,300	-
* Blackshear Properties	404,125	-	404,125	-
* Neighborhood Blitz	550,000	-	550,000	-
* Neighbors Helping Neighbors	53,000	-	53,000	-
* Rebuilding Together - Housing One Stop	23,759	-	23,759	-
* Rebuilding Together - Housing Repair	74,920	-	74,920	-
* Rehabs	114,487	-	114,487	-
* Roofing Grant	200,000	-	200,000	-
Total Expenditures	6,252,516	883,888	6,466,790	(214,273)
Total Affordable Housing				(214,273)
Other Projects				
* Sports Facilities Maintenance	285,353	-	285,353	-
Total Expenditures	285,353	-	285,353	-
Total Ballot Projects Committed, Not Expended				484,658
Voter Approved Projects:				
* Fort Concho Improvements	900,000	-	900,000	-
* Sports & Athletics Facilities	708,744	-	708,744	-
* 29th Street Sports Complex	1,750,000	-	1,750,000	-
Total Expenditures	3,358,744	-	3,358,744	-
Total Voter Approved Projects Committed, Not Expended				-

* Completed

City of San Angelo Development Corporation
Transaction Detail by Account
September 2024

	Group #	PO #	Type	Date	Number	Description	Amount
FUND 700 DEVELOPMENT CORPORATION							
700-0000-313.00-00 TAX / SALES AND USE TAX							
	8678		AJ	9/30/2024	594	COSADC Sales Tax	295,011.34
700-0000-361.10-00 INTEREST / INTEREST ON INVESTMENTS							
	8667		AJ	9/30/2024	585	Bank Interest ED	4,831.77
	8667		AJ	9/30/2024	585	MM Interest ED	17,083.39
	8667		AJ	9/30/2024	585	Investment Interes	3,000.00
700-0000-363.11-00 RENT / RENT							
	8320		AJ	9/15/2024	MR		2,566.90
700-0700-411.03-20 PROFESSIONAL & TECHNICAL / PROFESSIONAL							
	8448		AP	9/13/2024	0006211	SKYLINE AVIATION I	92,080.80
700-0700-411.04-11 PURCHASED SERVICES / WATER/SEWER UTILITI							
	7998		AJ	9/4/2024	UT	UB CHARGE UPDATE	148.20
700-0700-411.04-12 PURCHASED SERVICES / NATURAL GAS							
	8271	132570	AP	9/9/2024	0006209	ATMOS ENERGY	158.54
	7927	132570	AP	8/5/2024	0006197	ATMOS ENERGY	171.44
700-0700-411.04-13 PURCHASED SERVICES / ELECTRICITY							
	8505		AP	9/17/2024	0716260	GEXA ENERGY, LP	1,800.92
	8120	132330	AP	8/30/2024	0006201	CONCHO VALLEY ELEC	44.41
700-0700-411.04-31 PURCHASED SERVICES / BLDG. & GROUNDS MAI							
	8709	134510	AP	10/7/2024	0002085	ADVANCED SERVICE G	(2,982.47)
	8710	134510	AP	10/7/2024	0006214	ADVANCED SERVICE G	2,982.47
	8709	132050	AP	10/7/2024	0002086	ENER-TEL SERVICES	(100.00)
	8710	132050	AP	10/7/2024	0006215	ENER-TEL SERVICES	100.00
	8709	132701	AP	10/7/2024	0002087	HOUSE OF CHEMICALS	(157.25)
	8710	132701	AP	10/7/2024	0006216	HOUSE OF CHEMICALS	157.25
	8709	132279	AP	10/7/2024	0002088	JOWERS COMMERCIAL	(800.00)
	8710	132279	AP	10/7/2024	0006217	JOWERS COMMERCIAL	800.00
	8709	132279	AP	10/7/2024	0002088	JOWERS COMMERCIAL	(800.00)
	8710	132279	AP	10/7/2024	0006217	JOWERS COMMERCIAL	800.00
	8709	134155	AP	10/7/2024	0002089	JR SILVA TREE SERV	(66.00)
	8710	134155	AP	10/7/2024	0006218	JR SILVA TREE SERV	66.00
	8709	134155	AP	10/7/2024	0002089	JR SILVA TREE SERV	(1,533.00)
	8710	134155	AP	10/7/2024	0006218	JR SILVA TREE SERV	1,533.00
	8709	132376	AP	10/7/2024	0002090	MC ELECTRIC	(120.80)
	8710	132376	AP	10/7/2024	0006219	MC ELECTRIC	120.80
	8709	132247	AP	10/7/2024	0002092	RADS WINDOW CLEANI	(350.00)
	8710	132247	AP	10/7/2024	0006221	RADS WINDOW CLEANI	350.00
	8709	134445	AP	10/7/2024	0002093	SERVPRO OF SAN ANG	(1,348.29)
	8710	134445	AP	10/7/2024	0006222	SERVPRO OF SAN ANG	1,348.29
	8535	132376	AP	9/24/2024	0002090	MC ELECTRIC	120.80
	8535	132701	AP	9/24/2024	0002087	HOUSE OF CHEMICALS	157.25
	8535	132050	AP	9/19/2024	0002086	ENER-TEL SERVICES	100.00
	8535	132279	AP	9/19/2024	0002088	JOWERS COMMERCIAL	800.00
	8535	134510	AP	9/19/2024	0002085	ADVANCED SERVICE G	2,982.47
	8535	132279	AP	9/17/2024	0002088	JOWERS COMMERCIAL	800.00
	8492	132247	AP	9/16/2024	0002092	RADS WINDOW CLEANI	350.00
	8492	134445	AP	9/16/2024	0002093	SERVPRO OF SAN ANG	1,348.29
	8492	134155	AP	9/15/2024	0002089	JR SILVA TREE SERV	1,533.00
	8271	134510	AP	9/11/2024	0006207	ADVANCED SERVICE G	427.50
	8271	132701	AP	9/9/2024	0006210	HOUSE OF CHEMICALS	95.00
	8119	132376	AP	9/5/2024	0006204	MC ELECTRIC	121.40
	8119	132279	AP	9/2/2024	0006203	JOWERS COMMERCIAL	800.00
	8272	132049	AP	8/31/2024	0006208	REPUBLIC SERVICES,	31.45
	7923	133931	AP	8/23/2024	0006195	ADVANCE ELEVATOR	250.00
	8538	134155	AP	10/8/2023	0002089	JR SILVA TREE SERV	66.00
700-0700-411.04-42 PURCHASED SERVICES / RENT OF EQUIPMENT							
	8120	132333	AP	8/30/2024	0006202	CTWP	34.25
	8120	132333	AP	8/30/2024	0006202	CTWP	420.00

City of San Angelo Development Corporation
Transaction Detail by Account
September 2024

Group #	PO #	Type	Date	Number	Description	Amount
700-0700-411.05-30 PURCHASED SERVICES / INFORMATION TECHNOL						
8720		AJ	9/28/2024	618	Optimum Sept 24	634.75
8722		AJ	9/28/2024	620	VoIP - Sept 24	330.96
700-0700-411.05-31 PURCHASED SERVICES / CELLULAR PHONE						
8723		AJ	8/22/2024	621	Verizon Chrgs Aug	50.31
700-0700-411.05-40 PURCHASED SERVICES / ADVERTISING						
8709	130781	AP	10/7/2024	0002091	MEDIA ADVANTAGE	(4,201.50)
8710	130781	AP	10/7/2024	0006220	MEDIA ADVANTAGE	4,201.50
8709	133032	AP	10/7/2024	0002091	MEDIA ADVANTAGE	(910.00)
8710	133032	AP	10/7/2024	0006220	MEDIA ADVANTAGE	910.00
8709	130781	AP	10/7/2024	0002091	MEDIA ADVANTAGE	(3,900.00)
8710	130781	AP	10/7/2024	0006220	MEDIA ADVANTAGE	3,900.00
8709	133032	AP	10/7/2024	0002091	MEDIA ADVANTAGE	(1,210.00)
8710	133032	AP	10/7/2024	0006220	MEDIA ADVANTAGE	1,210.00
8535	130781	AP	9/19/2024	0002091	MEDIA ADVANTAGE	3,900.00
8535	133032	AP	9/19/2024	0002091	MEDIA ADVANTAGE	1,210.00
8536	130781	AP	8/17/2024	0002091	MEDIA ADVANTAGE	4,201.50
8536	133032	AP	8/17/2024	0002091	MEDIA ADVANTAGE	910.00
7924	130781	AP	7/31/2024	0006198	MEDIA ADVANTAGE	4,192.75
7924	133032	AP	7/31/2024	0006198	MEDIA ADVANTAGE	3,451.76
7924	133032	AP	7/31/2024	0006198	MEDIA ADVANTAGE	1,060.00
7925	130781	AP	6/30/2024	0006198	MEDIA ADVANTAGE	7,453.75
7925	133032	AP	6/30/2024	0006198	MEDIA ADVANTAGE	6,264.73
700-0700-411.05-42 PURCHASED SERVICES / LEGAL NOTICES						
7922		AP	7/24/2024	0011964	CITIBANK, N.A	570.15
700-0700-411.05-65 PURCHASED SERVICES / SPECIAL PROJECT "A"						
8709	130781	AP	10/7/2024	0002091	MEDIA ADVANTAGE	(1.00)
8710	130781	AP	10/7/2024	0006220	MEDIA ADVANTAGE	1.00
8535	130781	AP	9/19/2024	0002091	MEDIA ADVANTAGE	1.00
8448		AP	9/16/2024	0006212	THE BEARDED BARIST	6,034.30
8119	132025	AP	9/1/2024	0006206	WALLACE, RUSSELL E	625.00
8120	132333	AP	8/30/2024	0006202	CTWP	24.30
8120	132333	AP	8/30/2024	0006202	CTWP	30.00
8567		AP	8/23/2024	0012037	CITIBANK, N.A	55.99
7922		AP	7/17/2024	0011964	CITIBANK, N.A	25.00
7922		AP	7/11/2024	0011964	CITIBANK, N.A	79.36
700-0700-411.05-80 PURCHASED SERVICES / TRAVEL & LODGING						
8444		AP	9/20/2024	0716048	GUNTER, BRENDA	910.04
8567		AP	8/28/2024	0012037	CITIBANK, N.A	26.99
8567		AP	8/28/2024	0012037	CITIBANK, N.A	1,058.32
8567		AP	8/28/2024	0012037	CITIBANK, N.A	26.99
8567		AP	8/28/2024	0012037	CITIBANK, N.A	26.99
8567		AP	8/28/2024	0012037	CITIBANK, N.A	59.99
8567		AP	8/27/2024	0012037	CITIBANK, N.A	602.96
8567		AP	8/27/2024	0012037	CITIBANK, N.A	52.94
700-0700-411.06-10 SUPPLIES / OFFICE SUPPLIES						
8567		AP	8/23/2024	0012037	CITIBANK, N.A	55.99
7922		AP	7/31/2024	0011964	CITIBANK, N.A	16.00
700-0700-411.06-14 SUPPLIES / POSTAGE & SHIPPING						
7921		AP	8/27/2024	0012011	POSTMASTER	17.00
700-0700-411.06-30 SUPPLIES / FOOD						
8526		AP	9/19/2024	0006213	DOWNTOWN SAN ANGEL	500.00
8567		AP	8/29/2024	0012037	CITIBANK, N.A	34.50
7923	131781	AP	8/23/2024	0006196	ANGELO WATER SERVI	75.43

City of San Angelo Development Corporation
Transaction Detail by Account
September 2024

	Group #	PO #	Type	Date	Number	Description	Amount
	7919		AP	8/22/2024	0006199	SAN ANGELO CHAMBER	1,000.00
	8567		AP	8/12/2024	0012037	CITIBANK, N.A	246.51
	7922		AP	7/25/2024	0011964	CITIBANK, N.A	41.40
700-0700-800.07-43 PROPERTY / FURNITURE & FIXTURES							
	7923	133734	AP	8/29/2024	0006200	TAURUS TECHNOLOGIE	7,107.75
700-0705-411.04-11 PURCHASED SERVICES / WATER/SEWER UTILITI							
	8067		AJ	9/6/2024	UT	UB CHARGE UPDATE	31.92
700-0705-411.04-31 PURCHASED SERVICES / BLDG. & GROUNDS MAI							
	8709	134155	AP	10/7/2024	0002089	JR SILVA TREE SERV	(792.00)
	8710	134155	AP	10/7/2024	0006218	JR SILVA TREE SERV	792.00
	8492	134155	AP	9/16/2024	0002089	JR SILVA TREE SERV	792.00
FUND 711 COSADC - BALLOT							
711-0000-313.00-00 TAX / SALES AND USE TAX							
	8678		12/24	9/30/2024	594	COSADC Sales Tax	758,600.59
711-0000-361.10-00 INTEREST / INTEREST ON INVESTMENTS							
	8667		12/24	9/30/2024	585	MM Interest Ballot	39,861.24
	8667		12/24	9/30/2024	585	Investment Interes	7,000.00
711-0700-411.03-20 PROFESSIONAL & TECHNICAL / PROFESSIONAL							
	8526		12/24	9/26/2024	0002084	FIRST TITLE CO	64,800.00

THE CITY OF SAN ANGELO, TEXAS

Schedule of Revenues and Expenditures
Fiscal Year through September 30, 2024

100% of Year Lapsed

Hickory Water Supply II - Fund 527

Debt Payments Through 2045

	Dept	Current Budget	Month Actual	YTD W/Enc	Over/(Under) Budget	Previous Years Activity	Inception to Date
Beginning Fund Balance		**20,216,461**		**20,216,461**			
REVENUES:							
C.O. Proceeds		-	-	-	-	69,490,001	69,490,001
Interest Income		-	-	1,264,866	1,264,866	1,712,119	2,976,985
Total Revenues		-	-	1,264,866	1,264,866	71,202,120	72,466,986
EXPENDITURES:							
Post Construction	4150	150,000	-	150,000	-	-	150,000
Design & Inspection	4157	1,282,944	-	1,235,443	(47,501)	1,862,112	3,097,555
Construction	4159	17,071,398	1,462,238	17,050,876	(20,522)	44,960,966	62,011,842
Issue Costs	9900	-	-	-	-	1,868,804	1,868,804
Transfer to Debt Service	1994	-	-	-	-	2,293,777	2,293,777
Total Expenditures		18,504,342	1,462,238	18,436,319	(68,023)	50,985,659	69,421,978
Revenue Over/(Under) Expenditures		**(18,504,342)**	**(1,462,238)**	**(17,171,453)**			
Ending Fund Balance		**1,712,119**		**3,045,008**			

Report to Board

City of SAN ANGELO TEXAS Development Corporation

Requestor: Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197

Meeting Date: October 23, 2024

Item type: Regular Item

Caption:

Consider approval of: a) amendments to the Affordable Housing Assistance Program (AHAP) guidelines, b) authorizing the Board President to negotiate and execute a sub-recipient agreement with Galilee CDC to manage the AHAP. (Presentation made by Robert Salas, Director of Neighborhood and Family Services)

Summary/History:

In accordance with previous COSADC Board direction, staff is requesting approval of the AHAP guidelines to include housing rehabilitation and multifamily projects as eligible activities along with new home construction, and approval of a sub-recipient agreement to allow Galilee CDC to manage the AHAP program with oversight by Neighborhood & Family Services Department staff.

Financial Impact:

No overall impact to the annual AHAP allocation.

Other Information/Recommendation:

Attachments:

1.	Subrecipient Agreement - Oct 15 2024 Draft	Subrecipient Agreement - Oct 15 2024 Draft.doc
2.	AHAP Guidelines - Oct 15 2024 Draft	AHAP Guidelines - Oct 15 2024 Draft.docx

Presentation:

Approvals/Reviews:

Nora Nevarez	Created/Initiated
Michael Dane	Approved
Tina Dierschke	Approved
Brandon Dyson	Final Approval

SUBRECIPIENT AGREEMENT BETWEEN THE
CITY OF SAN ANGELO DEVELOPMENT CORPORATION
AND
GALILEE COMMUNITY DEVELOPMENT CORPORATION
FOR THE AFFORDABLE HOUSING ASSISTANCE PROGRAM

This *Subrecipient Agreement for the Affordable Housing Assistance Program* (the "Agreement") is entered into this 1st day of October 2024 (the "Effective Date"), by and between the City of San Angelo Development Corporation, a type 4B development corporation organized pursuant to the Texas Development Corporation Act (hereinafter called "COSADC") and Galilee Community Development Corporation, a non-profit organization chartered under the laws of the State of Texas (hereinafter called "Galilee"). This Agreement will supersede any agreements between these parties regarding the subject matter herein.

WITNESSETH:

WHEREAS, COSADC is a non-profit Type B development corporation created by the City of San Angelo pursuant to the Texas Development Corporation Act, Chapters 501 and 505 of the Texas Local Government Code (the "Act"), and is authorized by law to expend economic development sales and use tax proceeds for authorized projects, including those projects authorized by the November 2, 2010, Special Election Ballot Proposition No. 2 (the "Ballot"); and,

WHEREAS, such Ballot approved projects includes expenditures for development and expansion of affordable housing; and,

WHEREAS, Section 505.153 of the Act likewise authorizes land, buildings, equipment, facilities, and improvements found by the board of directors to be required or suitable for the promotion of development and expansion of affordable housing, as described by 42 U.S.C. Section 12745; and,

WHEREAS, 42 U.S.C. Section 12745 outlines federal qualifications for affordable housing (the "Federal Qualifications"); and,

WHEREAS, COSADC has set aside a portion of its Economic Development Half Cent Sales Tax funds for affordable housing as prescribed by the Ballot; and,

WHEREAS, COSADC has adopted an Affordable Housing Assistance Program (the "AHAP") through which it offers assistance authorized by the Act and Ballot; and.

WHEREAS, COSADC adopted amended Policies and Procedures for the AHAP on ___________, 2024 (the "Policy"), which outlines the types of affordable housing assistance offered and the procedures by which interested parties may participate in the program; and,

WHEREAS, COSADC desires to enter into this Agreement with Galilee to offer AHAP funding to Galilee in return for Galilee's management of the AHAP in compliance with the Policy requirements and Federal Qualifications.

NOW, THEREFORE, in consideration of the mutual benefits and promises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

A. **TERM:** The Term of this Agreement shall commence on the Effective Date and continue for a period of three (3) years, unless earlier terminated as set out herein. Thereafter, COSADC shall have two (2) one (1) year options to extend the Term by delivering written notice to Galilee exercising the options prior to expiration of the initial Term or any extension thereof.

B. **AHAP FUNDING:**

1. The Parties agree that funding provided by COSADC hereunder shall be on a reimbursement basis and subject to all terms and conditions of the Policy, as it may be amended from time to time. The Policy is incorporated herein by reference and adopted in its entirety as if set forth verbatim in this Agreement.

2. The Parties further agree that all funding shall be provided and expended in accordance with this Agreement, the Policy, the Act, and the Federal Qualifications as those terms are defined herein. In the event of conflict between such authorities, provisions of the Federal Qualifications and the Act shall control.

3. Galilee shall be reimbursed for actual expenditures made and advanced by Galilee for qualifying affordable housing assistance authorized under the Policy. In addition to reimbursement of authorized expenditures, Galilee shall receive an annual administrative fee for management of the AHAP in an amount not to exceed five percent (5%) of the annual AHAP allocation. In no event shall the sum of the reimbursements and administrative fee exceed the total amount allocated for the AHAP pursuant to the Ballot and approved COSADC budget. However, Galilee may utilize unspent AHAP funding from a prior year that is carried over into a new year following the Effective Date of this Agreement. No administrative fee shall be due to Galilee on any portion of AHAP funding that has been carried over from a prior year. The COSADC budget may include an administrative fee for the City of San Angelo Neighborhood and Family Services Department ("NFS") out of the annual AHAP allocation for the oversight of this Agreement and continued management of AHAP transactions closed prior to the Effective Date of this Agreement. The annual allocation for AHAP is currently capped at THREE

Commented [BD1]: Newest language.

HUNDRED THIRTY-FIVE THOUSAND AND NO/100 DOLLARS ($335,000.00), but subject to a funding stream of sales tax receipts.

4. COSADC designates NFS as its point of contact for administration and oversight of this Agreement. All AHAP funding reimbursement requests shall be submitted to, and reviewed by NFS, prior to payment to Galilee.

C. GALILEE'S RESPONSIBILITIES:

1. In accordance with the Policy, Galilee shall manage all aspects of the AHAP, including, but not limited to the following:

   a) Creating and maintaining client applications;

   b) Planning, construction, and rehabilitation of qualifying single or multi-family affordable housing;

   c) Vetting clients for eligibility;

   d) Creating/coordinating real estate documents and closings with title companies;

   e) Providing financing to eligible applicants for qualified home and/or lot purchases;

   f) Taking all reasonable actions necessary to recapture AHAP funding forfeited due to client defaults, foreclosure, or sale of properties;

   g) Maintain compliance with rent limits as set by HUD for multi-family projects;

   h) Create and maintain affordability agreements with homeowners for all rehabilitation projects;

   i) Ensure that legal documents securing transactions funded by the AHAP, in whole or in part, include provisions for recapture of such funds as may be required by the Federal Qualifications or other applicable law.

2. In conjunction with approval of COSADC's annual budget, present an annual report to the COSADC Board of Directors regarding AHAP activities, expenditures, outcomes, current and future objectives. Additionally, submit quarterly written reports to NSF staff regarding the same that may be included in updates provided to the COSADC Board of Directors.

Commented [BD2]: New Language.

3. Coordinate with and report to NFS regarding AHAP activities as requested.

4. Regarding multi-family affordable housing projects, Galilee shall present such projects to the COSADC Board directly and obtain their approval prior to

performing any work or making any expenditures for which it will seek reimbursement under this Agreement.

5. Provide NFS with an annual audit report performed in compliance with OMB Circular A-133 when applicable.

6. Together with any request made by Galilee for reimbursement payments, provide NFS with records sufficient to verify under generally accepted accounting and audit principals the expenditures claimed for reimbursement. Receipts, invoices, cancelled checks or other similar documentation showing proof of payment may be acceptable. Requests for reimbursement shall be made in the same fiscal year as the claimed expenditure.

D. **COSADC RESPONSIBILITIES:** On behalf of the COSADC Board, NFS will act as the oversight agent to ensure compliance with the terms and conditions of this Agreement and the Policy, and shall:

1. Furnish Galilee with all necessary information regarding AHAP requirements for projects.

2. Notify Galilee of any changes in the AHAP Policy or program limits that affects assistance, including but not limited to income limits, property value limits, and rent limits.

3. Conduct inspections of work completed and provide information to Galilee regarding any progress inspections or monitoring to ensure compliance with this Agreement and the Policy.

4. Manage all funding requests for reimbursement submitted by Galilee. Reimbursement requests shall be reviewed and either approved or denied within thirty (30) days of receipt of the request. If the reimbursement request is denied, NFS shall provide written explanation of reasons for denial, including references to this Agreement, the Policy, the Act, and/or the Federal Qualifications.

5. Manage payment of the administrative fee for Galilee's management of the AHAP.

6. Review and coordinate approval by the COSADC Board of Directors for all multi-family housing projects as outlined in the Policy.

7. Administer and oversee any AHAP transactions closed prior to the Effective Date of this Agreement for which Galilee will not be responsible.

E. **RECORDS AND REPORTS:** Galilee shall establish and maintain a reasonable accounting system necessary to track, report and verify performance of the services to be provided under this agreement. During the Term of this Agreement and any extension thereof, and for a period of five (5) years from and after expiration of the Term as the Term may be extended, Galilee shall allow COSADC, NFS, and/or its third party auditor, upon five (5) days advance notice, to inspect and audit all books and records of Galilee as necessary to verify Galilee's compliance with the terms and conditions of this Agreement.

F. **CONFLICT OF INTEREST**: No employee, agent, consultant, officer, elected official or appointed official of the City of San Angelo, COSADC, and Galilee CDC, who has responsibilities related to the AHAP or access to "inside" information concerning said program will obtain a financial benefit or interest from any AHAP activity for themselves or those with whom they have family or business ties during their tenure or for one year thereafter.

G. **NONDISCRIMINATION**: Galilee represents and warrants to COSADC that Galilee does not and will not engage in discriminatory practices and that there shall be no discrimination in connection with Galilee's performance under this Agreement on account of race, color, sex, religion, age, handicap, marital status or national origin. Galilee further covenants that no otherwise entitled individual shall, solely by reason of race, color, sex, religion, age, handicap, marital status or national origin, be excluded from participation in, be denied employment or other services, or be subject to discrimination under any provision of this Agreement.

H. **DEFAULT:** In the event that Galilee breaches any of the terms and conditions of this Agreement or amendments hereto, then such breach shall constitute a default under this Agreement. COSADC shall give Galilee written notice of default. Galilee will have thirty (30) days from the date of said notice of default to: (a) cure the default; or (b) obtain a valid waiver thereof from COSADC. In the event of default that is not cured or waived, COSADC may terminate the Agreement without further notice or liability to Galilee, and all reimbursements previously paid by COSADC while Galilee was in default shall become an obligation of Galilee due and payable to COSADC within seven (7) days of expiration of the above-described cure period. In the event such amounts are not paid by Galilee within the cure period provided, the obligation shall accrue interest at the greater of ten percent (10%) per annum or the maximum rate allowed by law until paid in full. In the event of default by Galilee, COSADC shall not be obligated to make further reimbursements to Galilee unless and until such defaults are timely cured.

I. **TERMINATION:**

1. COSADC shall have the right to terminate this Agreement, by giving Galilee at least thirty (30) days prior written notice, upon discontinuance or termination of the AHAP, unavailability of funding for the AHAP, or if COSADC determines, in its sole discretion, that continuation of this Agreement is no longer in the public interest.

2. Either party may terminate this Agreement at any time by giving written notice to the other party of such termination and specifying the effective date thereof at least thirty (30) days before the effective date of such termination.

3. COSADC shall have the right to terminate if Galilee defaults and fails to cure as provided in Section G. above.

4. The dissolution or termination of Galilee's existence as a going business or concern, Galilee's insolvency, appointment of receiver for Galilee's assets, any assignment of all or substantially all of the assets for the benefit of creditors of Galilee, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Galilee shall all be deemed events of default. However, in the case of involuntary proceedings, if such proceedings are discharged within sixty (60) days after filing, no event of default shall be deemed to have occurred.

5. Either Party may terminate if any subsequent Federal or State legislation or any decision of a court of competent jurisdiction declares or renders this Agreement invalid, illegal or unenforceable.

J. **INDEMNIFICATION: GALILEE SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS COSADC AND ITS BOARD MEMBERS, OFFICIALS, EMPLOYEES AND AGENTS, (COLLECTIVELY REFERRED TO AS "INDEMNITEES") AND EACH OF THEM FROM AND AGAINST ALL LOSS, COSTS, PENALTIES, FINES, DAMAGES, CLAIMS, EXPENSES (INCLUDING ATTORNEY'S FEES) OR LIABILITIES (COLLECTIVELY REFERRED TO AS "LIABILITIES") ASSERTED BY ANY PERSON OR PERSONS, INCLUDING AGENTS OR EMPLOYEES OF GALILEE OR COSADC BY REASON OF ANY INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO OR DESTRUCTION OR LOSS OF ANY PROPERTY ARISING OUT OF, RESULTING FROM, OR IN CONNECTION WITH (I) THE PERFORMANCE OR NON-PERFORMANCE OF THIS AGREEMENT WHICH IS OR IS ALLEGED TO BE DIRECTLY OR INDIRECTLY CAUSED, IN WHOLE OR IN PART, BY ANY ACT, OMISSION, DEFAULT OR NEGLIGENCE (WHETHER ACTIVE OR PASSIVE) OF GALILEE OR ITS EMPLOYEES, AGENTS OR SUB-CONTRACTORS (COLLECTIVELY REFERRED TO AS "GALILEE"), REGARDLESS OF WHETHER IT IS, OR IS ALLEGED TO BE, CAUSED IN WHOLE OR PART BY ANY ACT, OMISSION, DEFAULT OR NEGLIGENCE OF THE INDEMNITEES, OR ANY OF THEM OR (II) THE FAILURE OF GALILEE TO COMPLY WITH ANY OF THE PROVISIONS OF THIS AGREEMENT OR THE FAILURE OF GALILEE TO CONFORM TO STATUTES, ORDINANCES, OR OTHER REGULATIONS OR REQUIREMENTS OF ANY GOVERNMENTAL AUTHORITY, FEDERAL OR STATE, IN CONNECTION WITH THE PERFORMANCE OF THIS AGREEMENT, OR AS A RESULT OF ANYTHING CLAIMED**

TO BE DONE OR ADMITTED TO BE DONE BY GALILEE HEREUNDER. GALILEE EXPRESSLY AGREES TO INDEMNIFY AND HOLD HARMLESS THE INDEMNITEES, OR ANY OF THEM, FROM AND AGAINST ALL LIABILITIES WHICH MAY BE ASSERTED BY AN EMPLOYEE OR FORMER EMPLOYEE OF GALILEE, OR ANY OF ITS SUB-CONTRACTORS, AS PROVIDED ABOVE, FOR WHICH GALILEE'S LIABILITY TO SUCH EMPLOYEE OR FORMER EMPLOYEE WOULD OTHERWISE BE LIMITED TO PAYMENTS UNDER STATE WORKERS' COMPENSATION OR SIMILAR LAWS. THIS INDEMNIFICATION SHALL SURVIVE THE TERM OF THIS AGREEMENT AS LONG AS ANY LIABILITY COULD BE ASSERTED. NOTHING HEREIN SHALL REQUIRE GALILEE TO INDEMNIFY, DEFEND, OR HOLD HARMLESS ANY INDEMNIFIED PARTY FOR THE INDEMNIFIED PARTY'S OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

K. **INSURANCE**: At all times during the Term of this Agreement, Galilee shall maintain the insurance coverage types and amounts, and subject to the terms and conditions detailed in Exhibit "A" attached hereto.

L. **MISCELLANEOUS PROVISIONS:**

1. Service of all notices under this Agreement will be sufficient if given personally, by registered or certified mail, return receipt requested, and mailed to the party involved at the address and to the attention of the person set forth below, or to such other person or address as said party may provide in wiring from time to time. Notice shall be deemed given on the day on which personally delivered; or, if by mail, on the third day after being deposited with the U.S. Mail or the date of actual receipt, whichever is earlier.

City of San Angelo NFS Dept.
Robert Salas, Director
72 W. College Ave.
San Angelo, TX 76903

Galilee CDC
Stephanie Hamby, Executive Director
39 Buick St.
San Angelo, TX 76901

COSADC
Michael Dane, Int. Director
Business Resource Center, Suite 120.8
69 N. Chadbourne St.
San Angelo, TX 76903

2. This Agreement shall be construed and enforced according to the laws of the State of Texas. The parties acknowledge that this Agreement can be performed in Tom Green County, Texas, and that venue for the resolution of

any dispute between the parties relating to this Agreement shall be in Tom Green County, Texas.

3. Title and paragraph headings are for convenient reference and are not a part of this Agreement.

4. No waiver or breach of any provision of this Agreement shall constitute a waiver of any subsequent breach of the same or any other provision hereof, and no waiver shall be effective unless made in writing.

5. Should any provision, paragraph, sentence, word or phrase contained in this Agreement be determined by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable under the laws of the State of Texas or the City of San Angelo, such provision, paragraph, sentence, word or phrase shall be deemed modified to the extent necessary in order to conform with such laws, or if not modifiable, then same shall be deemed severable, and in either event, the remaining terms and provisions of this Agreement shall remain unmodified and in full force and effect or limitation of its use.

6. This Agreement constitutes the sole and entire Agreement between the parties hereto relating to the subject matter of the Agreement. No modification or amendment hereto shall be valid unless in writing and executed by properly authorized representatives of the parties hereto.

7. Any delay or failure in the performance by either Party hereunder shall be excused if and to the extent caused by the occurrence of a Force Majeure. For purposes of this Agreement, Force Majeure shall mean a cause or event that is not reasonably foreseeable or otherwise caused by or under the control of the Party claiming Force Majeure, including acts of God, fires, floods, explosions, riots, wars, hurricane, sabotage terrorism, vandalism. accident, restraint of government, governmental acts, injunctions, labor strikes, other than those of Company or its suppliers, that prevent a Party from performing, and other like events that are beyond the reasonable anticipation and control of the Party affected thereby, despite such Party's reasonable efforts to prevent, avoid, delay, or mitigate the effect of such acts, events or occurrences, and which events or the effects thereof are not attributable to a Party's failure to perform its obligations under this Agreement.

8. This Agreement shall be binding upon the parties hereto, their heirs, executors, legal representatives, successors or permitted assigns.

9. Failure by either party on one or more occasions to exercise one or more of its rights under this Agreement shall not be construed as waiver of such right or rights, and rights granted hereunder are in addition to those available under law and equity.

10. The provisions of this Agreement, which by their nature extend beyond the expiration or termination of the Agreement, will survive expiration or termination of the Agreement.

11. This Agreement shall not be assigned by Galilee, in whole or in part, without the prior written consent of COSADC, which consent may be withheld or conditioned, in the sole discretion of the COSADC Board of Directors.

12. COSADC and Galilee acknowledge that Galilee is an independent contractor, and that no term or provision hereof or act of Galilee in performance of this Agreement shall be construed as making Galilee an agent or employee of COSADC. All officers and employees of Galilee shall be solely responsible to Galilee, and COSADC shall not have any authority, responsibility, or liability with respect thereto.

Executed this ___ day of October, 2024.

CITY OF SAN ANGELO
DEVELOPMENT CORPORATION

ATTEST:

____
Dr. Clifton Jones, President

____
Nora Nevarez, Corporate Secretary

GALILEE CDC

____
Stephanie Hamby, Executive Director

APPROVED AS TO CONTENT:

____
Michael Dane, Interim Director of Economic Development

APPROVED AS TO FORM

____
Brandon Dyson, Deputy City Attorney

EXHIBIT A
INSURANCE REQUIREMENTS

General Conditions. The following conditions shall apply to all insurance policies obtained by GALILEE for the purpose of complying with this Agreement.

Satisfactory Companies. Coverage shall be maintained with insurers that have an AM Best rating of A- or better and with insurers licensed to do business in Texas.

Named Insureds. All insurance policies required herein shall be drawn in the name of GALILEE, with COSADC, its board and commission members, officials, agents, guests, invitees, consultants and employees named as additional insureds where their interest may appear for liabilities arising in whole or in part by the conduct of the GALILEE, except on Workers' Compensation coverage.

Waiver of Subrogation. GALILEE shall require its insurance carrier(s), with respect to all insurance policies referenced in this agreement, to waive all rights of subrogation against COSADC, its council members, board and commission members, officials, agents, guests, invitees, consultants and employees.

Certificates of Insurance. At or before the time of execution of this Agreement, GALILEE shall furnish COSADC's Risk Manager with certificates of insurance as evidence that all of the policies required herein are in full force and effect and provide the required coverage and limits of insurance. All certificates of insurance shall clearly show that all applicable requirements as listing within this agreement have been satisfied. The certificates shall provide that any company issuing an insurance policy shall provide to COSADC not less than thirty (30) days advance notice in writing of cancellation, non-renewal or material change in the policy of insurance. In addition, GALILEE and insurance company shall immediately provide written notice to COSADC's Risk Manager upon receipt of notice of cancellation of any insurance policy, or of a decision to terminate or alter any insurance policy. Copies of required endorsements will be attached to the certificates to confirm the required endorsements are in effect. Certificates of insurance and notices of cancellations, terminations or alterations shall be furnished to COSADC's Risk Manager at City Hall, 72 West College, San Angelo, Texas 76903.

GALILEE'S Liability. The procurement of such policy of insurance shall not be construed to be a limitation upon GALILEE'S liability or as a full performance on its part of the indemnification provisions of this Agreement. GALILEE'S obligations are, notwithstanding any policy of insurance, for the full and total amount of any damage, injury or loss caused by or attributable to its activities conducted at, about or upon the Premises. Failure of GALILEE to maintain adequate coverage shall not relieve GALILEE of any contractual responsibility or obligation.

Sub-Contractors' Insurance. GALILEE shall cause each Sub-Contractor of GALILEE to purchase and maintain insurance of the types and in the amounts specified below. GALILEE shall require Sub-Contractors to furnish copies of certificates of insurance to COSADC's Risk Management Department evidencing coverage for each Sub-Contractor.

Types and Amounts of Insurance Required. GALILEE shall obtain and continuously maintain in effect at all times during the Term hereof, at GALILEE'S sole expense, insurance coverage as follows with limits not less than those set forth below:

Commercial General Liability or equivalent Aviation Liability. This policy shall be an occurrence-type policy and shall protect GALILEE and additional insureds against all claims arising from bodily injury, sickness, disease or death of any person (other than the GALILEE'S employees) and damage to property of COSADC or others arising out of the act or omission of the GALILEE or its agents and employees. This policy shall also include protection against claims for the contractual liability assumed by GALILEE and include completed operations, products liability, contractual coverage, broad form property coverage, explosion, collapse, underground, Premises/operations,. Coverage shall not be less than:

$ 1,000,000.00	General Aggregate
$ 1,000,000.00	Products- Completed Operations Aggregate
$ 1,000,000.00	Personal & Advertising Injury
$ 1,000,000.00	Each Occurrence
$ 500,000.00	Fire Damage (any one fire)

Business Automobile Liability. This policy shall be written in commercial form and shall protect GALILEE and the additional insureds against all claims for injuries to members of the public and damage to property of others arising from the use of motor vehicles and shall cover operation on the Premises of all motor vehicles licensed for highway use, whether they are owned, non-owned or hired. Coverage shall not be less than:

$ 1,000,000.00	Combined Single Limit

Workers' Compensation and Employer's Liability. If GALILEE hires any employees, GALILEE shall maintain Workers' Compensation and Employer's Liability insurance, which shall protect the GALILEE against all claims under applicable state workers' compensation laws and employer's liability. The insured shall also be protected against claims for injury, disease or death of employees which, for any reason, may not fall within the provisions of a workers' compensation law. Coverage shall not be less than:

Statutory Amount	Workers' Compensation
$ 100,000.00	Employer's Liability, Each Accident
$ 500,000.00	Employer's Liability, Disease - Policy Limit
$ 100,000.00	Employer's Liability, Disease – Each Employee

POLICIES AND PROCEDURESFOR
AFFORDABLE HOUSING ASSISTANCE PROGRAM(AHAP) CITY OF SAN ANGELO
DEVELOPMENT CORPORATION

Updated October ___ , 2024

SINGLE-FAMILY NEW CONSTRUCTION
AFFORDABLE HOUSING ASSISTANCE PROGRAM (AHAP)

1. Introduction and Purpose

The purposes of the City of San Angelo Development Corporation (COSADC) Affordable Housing Assistance Program (AHAP) is as follows: 1) to increase home ownership in City of San Angelo identified neighborhoods targeted for revitalization; 2) to assist low to moderate-income households with home purchases and rehabilitations, and 3) to leverage private funds for these purposes with Federal and nonfederal grant funds. It is the goal of the Program to serve the maximum number of households within the approved annual allocation from COSADC (1/2 Cent Sales Tax) funding. Participants in the Program are as follows:

- City of San Angelo Community & Housing Support Division (City Staff)
- Income -Eligible Applicants
- Preferred Lenders
- Participating Non-Profit/For -Profit Contractors
- Other Entities Providing/Encouraging Affordable Housing Development

The policies and procedures set forth herein are subject to approval and revision by the COSADC Board and City Staff responsible for administering the program. City Staff and approved program-verified non-profit organizations (with City Staff review) will determine income eligibility for grants and loans provided under the COSADC's AHAP.

COSADC may contract with a program-verified non-profit organization to fully administer the AHAP in accordance with these Policies and Procedures. In such event, all references to the obligations of City Staff herein, shall instead be delegated to the program-verified non-profit organization except as otherwise set out in the contract. Additionally, any contracted program-verified non-profit organization shall be responsible for the provision of financing to eligible applicants and recapture of AHAP funding due to client default or delinquency.

Approved program-verified non-profit organizations may include additional requirements beyond the minimum requirements of these guidelines. Those additional program requirements, such as sweat equity, participation in IDA match savings, and additional homebuyer education classes will be reviewed and approved by the Community Housing Support Division Manager.

2. Authority for Program / Administration of Program

- Program funded primarily by the economic development sales tax authorized under The Development Corporation Act of 1979, (the Act) as amended.
- Affordable housing is an eligible activity under the Act and was approved by the voters through several elections, with the last election occurring on November 2, 2010.
- COSADC 's approved annual allocation for this program is $335,000 subject to a funding stream of sales tax receipts.
- COSADC is responsible for funding recommendations and community relations issues.
- City Staff is responsible for oversight, and implementation of these Policies and Procedures that

have been reviewed and adopted by formal resolution of the Board of the COSADC.

3. **<u>Types of Assistance:</u>** Subject to the applicant eligibility requirements detailed herein, eligible applicants may be offered the following types of affordable housing assistance:

- ***Gap Reduction/mortgage Buy-down***

    - Gap reduction/mortgage buy down up to **$ 50,000** contingent upon the execution of a deferred, non-interest-bearing 2nd Lien Deed of Trust and Promissory Note due at the time the subject property is sold, proceeds from which will be used as reinvestment back into the Program.

    - Deferred loan for the gap financing amount will be forgivable starting in year six (6) and extend through the life of the mortgage and forgiven monthly thereafter in equal amounts.

    - Required closing costs (if down payment assistance is unavailable from other sources).

    - Purchase of lot, not to exceed **$15,000.00** which can include demolition of existing <u>*structures.*</u>

- ***Housing Rehabilitation***

    - Verification of homestead is required.

    - Must meet income eligibility.

    - Exterior repairs/renovation of siding, exterior paint, roofs, windows, and exterior doors. Limited landscaping will be considered.

    - Deferred loan up to **$20,000** forgiven monthly in equal amounts based on the affordability period set by HUD:

        Project cost less than $15K – 5 years.

        Project cost $15K or more – 10 years.

    - City Staff or contracted program manager will determine the need and develop project work specs accordingly.

    - Property must meet all inspections as specified by City Staff.

- ***Multifamily Rental Projects***

    - Purchase and/or renovation of existing multifamily units.

    - Projects will be selected by City Staff and approved by the COSADC board.

        - Projects will be limited to available funding based on fund balance and ongoing rehab and/or gap financing projects.

    - To comply with HUD income requirements, all tenants must meet HUD low/moderate income levels. Project managers/owners must maintain tenant income records at all times. City Staff will monitor tenant income eligibility documentation annually.

4. **Eligible Applicants**

- Applicants must reside in the City of San Angelo for a minimum of one year, or be currently employed with a local San Angelo business, the City of San Angelo, Tom Green County, or the San Angelo Independent School District for a minimum of one year.

- Applicant's gross annual household income may not exceed current income limits for low to moderate-income households, as established and periodically revised by the U.S. Department of Housing & Urban Development (HUD). This is defined as households with incomes not to exceed 80% of the Area Median Income, adjusted for family sizes (24 CFR, §92.2 (9)).

- Applicants must be U.S. Citizens or permanent legal residents.

5. **For Gap Financing**:

- Verification of homeowner's insurance paid property taxes and homestead is required annually for the entire term the applicant resides at the property after closing is complete.

- An applicant, and co-applicant (if applicable), must be an individual who has not purchased real property within three (3) years prior to submitting an application for this Program. Co -applicants are defined as spouses and adult co-habitants.

- Income is calculated based on HUD-established procedures for calculating adjusted annual gross income (24 CFR, Subpart E §92.203).

- Applicants must provide a minimum of $**500** in Earnest Money and/or contribution of time and effort (i.e., sweat equity) toward the purchase of their home. Sweat equity programs must be approved by staff and require appropriate monitoring and verification as defined by staff.

- Each applicant must attend and complete a staff-approved Homebuyer Education program prior to purchasing a home.

- Applicants will be served on a first-come-first-served basis, as funding, allows, with a minimum mortgage pre-approval qualification of **$60,000** minimum. Homebuyers will be required to qualify for amounts to cover the higher sales price. However, debt-to-income ratios identified later inthis document will still apply.

- Willing to relocate to one of the six (6) neighborhoods targeted for revitalization (see APPENDIX A).

- Must sign and submit to City Staff or organization approved for client processing a signed acknowledgment form that he/she has read the Program Policies and understands all his/his rights and responsibilities under the program.

- Applicants will be served as they become Bank Qualified and Income/Program Verified. The later date of either the bank qualification letter/Good Faith Estimate (GFE) and their completed Income/Program Verification shall be used to determine the order which they shall be served. The date of the first bank qualification letter/GFE and completed Income/Program Verification letter shall continue to be used for determining order even as the applicant must recertify every six months while waiting for AHAP buy-down funding approval.

Preferred Lenders – Mortgage Companies, Banks, and Other Financial Institutions

- A "Preferred Lender" is defined as a mortgage Lender partnering with the COSADC to promote and support the COSADC AHAP and which has been selected by an applicant.
- Applicants must apply for mortgage financing with one of the Lenders from the COSADC Preferred Lenders list or from a financial institution willing to become a Preferred Lender
- Owner finance options do not qualify as "Preferred Lenders"

To participate as a preferred Lender, the Lender must meet the following criteria:

- Agree to waive 10% of standard fees. The list of standard fees eligible to be considered forthis waiver is subject to review and approval by the COSADC.
- "Sub-prime" loans will not be approved.
- Mortgage brokers will be required to waive 10% of their Origination Fee.
- Lend to low and/or moderate-income families.
- Agree to participate in the marketing of the COSADC's AHAP.
- Agree to pre-approve applicants before the prospective homebuyer can be fully eligible for the COSADC Mortgage buy-down assistance and City's down payment assistance and supply the applicants with a pre-approval letter.
- Lender agrees to contact the City Staff 30-60 days after an applicant becomes delinquent to the extent of becoming a possible foreclosure to pursue curable action.
- Any federally or state-chartered financial institution may apply at any time to be on the COSADC's list of preferred Lenders.
- Must provide closing notification to the staff at least three (3) workdays prior to closing to provide staff time to obtain payment information and secure funding for the project.
- Provide Homebuyer Education classes (in-house) or through an approved third party.
- Establish an escrow account.
- Preferred Lenders will be expected to commit to these provisions in writing.

Lender Underwriting Guidelines:

- Payment -to-Income and Debt-to-Income Ratios not to exceed those established by the Federal Housing Administration (FHA) benchmarks.
- Collateral–Newly constructed or to be constructed house which meets or exceeds program minimum standards.
- $500.00 minimum down payment (earnest money and/or sweat equity) from the borrower.

- Minimum loan term– 20 years; 30 years preferable.

- Maximum Loan to Value Ratio –100% inclusive of the City of San Angelo's second mortgage loan

- Fixed Interest Rate comparable to current FHA 203(b) fixed rates adjusted for a similar term,amount, and credit quality.

Homebuyer Education

- Homebuyers are required to take a homebuyers education class. City Staff accepts an online class at www.knowdebt.org. The client must pass an exam and submit the certificate to staff prior to closing.

Role of the Title Company

- Title Company is to close the loan on behalf of the Lender and homebuyer.

- Title Company provides City Staff with a HUD1 form (a list of buyers and seller's fees) 5 (five) business days prior to closing the loan.

- City submits a check for the gap reduction/mortgage buy down and closing costs to the Title Company.

Eligible Properties and Inspections

- Eligible properties are newly constructed single-family homes financed through this Program and located within the neighborhoods targeted for revitalization as determined by City Staff.

- Single-family homes whose sale price to the buyer does not exceed **95%** of the area purchase price for single-family homes as established by HUD for the San Angelo area.

- Property must meet all inspections as specified by City Staff.

- Houses must meet minimum construction standards and specifications as set forth in APPENDIX B and all applicable City building codes.

Legal Documents

The City of San Angelo's Legal Department or designated outside counsel, or counsel for any contracted program-verified non-profit organization, will review as to form all legal documents related to the AHAP at least annually. For single-family home purchases, applicants are required to sign a Real Estate Lien Note and Deed of Trust document before the release of funds to the Title Company. Legal documents including a Deed of Trust will reflect the following:

- Recapture provisions where the non-forgiven portion of the note will be repaid upon the sale of the housing unit.

- Deferred forgivable loan starting with the first month of the SIXTH (6th) year and forgiven in a set amount each month for the remaining life of the mortgage. (The monthly amount to be forgiven beginning with the 61st month is calculated by multiplying the total sum then due on the note, not to exceed the original principal sum, by a fraction having a numerator of 1 and a denominator equal to the number of months left on the note).

- Allow COSADC, or the contracted program-verified non-profit organization, to "cure" in cases where the client/borrower chooses to sell the home while having a portion of the note outstanding and un-forgiven. The right to cure will be preserved by the execution of a "right of first refusal" by the client/borrower at closing. To exercise the right, COSADC or the contracted program-verified non-profit organization would be required to "match" the sum and terms of a legitimate written offer of purchase made by a ready, willing, and able potential qualified buyer. COSADC or the contracted program-verified non-profit organization would bid in the un-forgiven portion of the note, plus pay off the remaining balance of the banknote, and pay to the client any amount by which the offered purchase price exceeds the sum thereof. (The client will get the benefit of his/her equity in the property in the case of a voluntary sale.)

Variance from Homebuyer Assistance Program Policies and Procedures

Variances from these Policies and Procedures may be authorized by the Community & Housing Support Division Manager and shall only be granted under extraordinary extenuating circumstances and upon recommendation from the COSADC. Applicants or other program participants requesting such a variance must make a written request, providing a full explanation and description of the circumstances justifying the variance.

Rights and Responsibilities of the Applicant

- Submitting all information required to document eligibility for the program within a periodof 30 days.

- Get pre-approved by a preferred lender.

- Reviewing, executing, and understanding the grant agreement, deed of trust, and associated documents.

- Notifying City Staff and approved program verified non-profit organizations of any concerns and/or questions during the application process and homebuyer education period.

- Attending mandatory homebuyer education classes.

- Keep in contact with their builder to keep abreast of the construction process.

- Support the City Staff in obtaining closing documents identified in the HUD-1.

- Work with the builder to minimize the cost to COSADC.

- Agree to an escrow account to pay for annual taxes and insurance costs.

- Work with the builder in the selection of a lot, floor plan, and acceptable sales price for their home. (If the applicant can't come to an agreement with the assigned builder within 60 days, the applicant will be assigned the next builder from the qualified builders' list.

6. Grievance Procedures

If an application is denied, the applicant will be informed of his or her right to present an appeal and the timeframe to do so. An appeal must be made in writing and submitted to the Community & Housing Support Division Manager within 30 calendar days of the date the applicant is informed of the denial. The appeal will be presented to the COSADC Economic Development Director whose decision shall be final.

7. Role of Participating Organizations

Financial institutions, non-profit housing organizations, community development corporations, or redevelopment agencies acting on behalf of COSADC to administer an AHAP will be expected to conduct operations in a manner that is consistent with these guidelines. Though amounts of assistance, target client populations, and administrative procedures may vary, the following provisions, in particular, should be consistent with COSADC policy:

1) Income verification requirements.
2) First-come-first-served basis after clients have been approved by the bank and are income eligible. If clients are vetted and funds are no longer available for the fiscal year, they will be placed on a waiting list based on the approval date and funded in the next fiscal year.
3) Requirement of fee waivers from participating Lenders.
4) Homebuyer education requirements.
5) San Angelo residency requirements.
6) Sale Price purchase limitations (95% of median sales price).
7) Retention of records (for all applicant households whether denied or approved) for aperiod of five years.

8. Rights and Responsibilities of Participating Organizations and City Staff

- Administering the program in a professional manner that ensures maximum effectiveness, efficiency, and customer satisfaction.
- Timely communications with the applicant, title company, Lender, and City Staff regarding all administrative procedures that affect the completion of the purchase on behalf of the applicant.
- Determine the eligibility of applicants to attend classes.
- Advising the applicant regarding lending requirements.
- Clarifying with the applicant the advisability and eligibility of certain fees and/or charges.

9. Builders/Developers/Contractors

Local builders/developers/contractors (hereafter referred to as builders) interested in participating will need to contact City Staff or the contracted program-verified non-profit organization and obtain an application. Once the application has been received, Staff will vet the application for past performance and current capacity and then make an approval determination with an accompanying letter from the CHS Manager. If disapproved, the builder may appeal to the COSADC Board. To support the local economy, builders from outside the city limits will not be approved to participate in the program. Other considerations for approved builders:

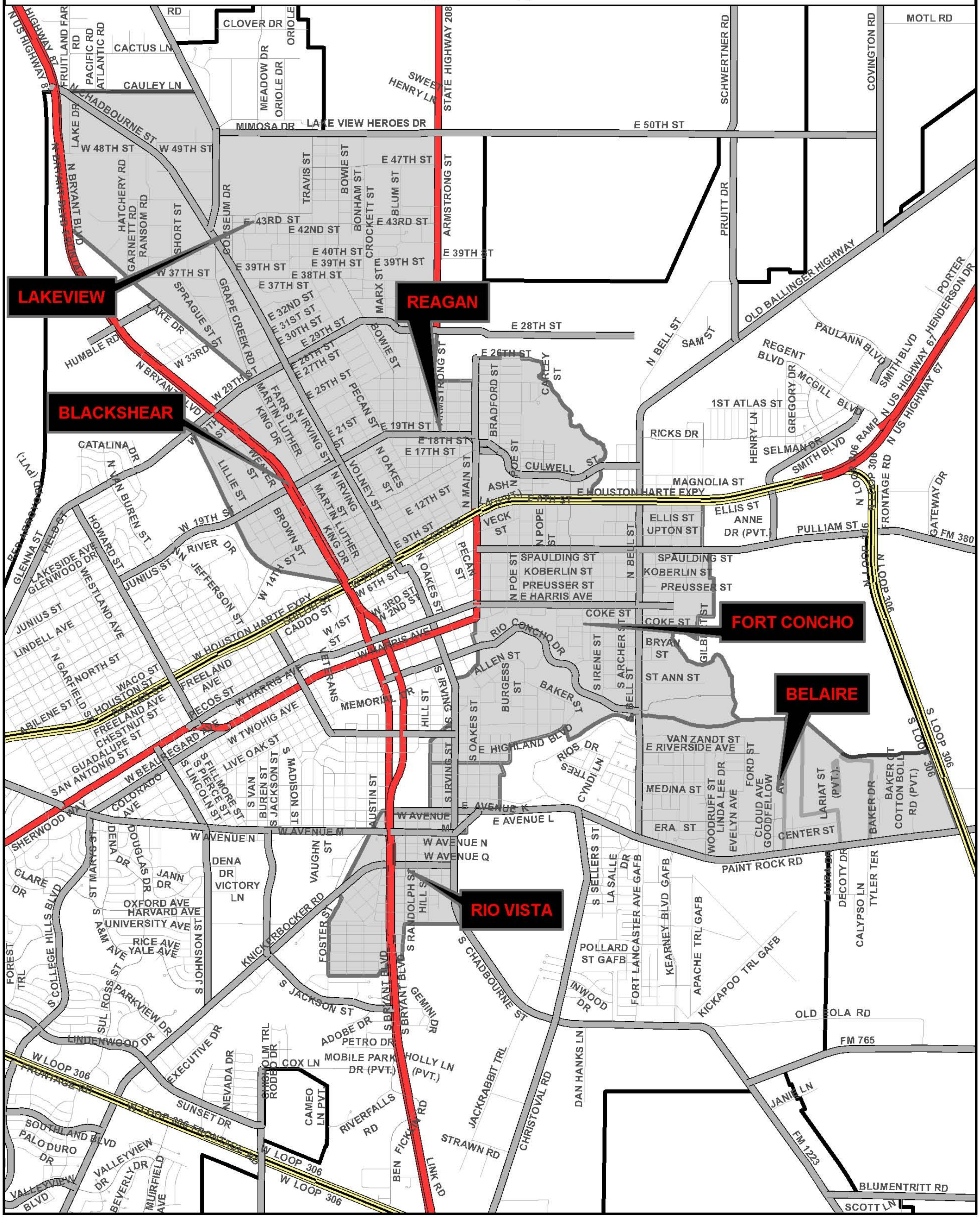
- Must obtain interim financing for the construction of the unit.
- Can either build at risk (i.e., build the unit without a qualified homebuyer at hand) or wait until a qualified homebuyer is identified by City Staff or the contracted program-verified non-profit organization.
- When building with an identified qualified homebuyer, a construction agreement between the homebuyer and builder must be executed.
- Must purchase the proposed lot prior to commencing construction.
- Must obtain an initial survey and final survey.
- Upon completion must notify the bank to order a final appraisal (cost to be covered by COSADC at closing.)

Date: 2/2/2018
COSA GIS Division

1 inch = 5,375 feet

Community Development Target Area Map

N



<u>APPENDIX B</u>

CITY OF SAN ANGELO DEVELOPMENT CORPORATION
HOMEBUYER ASSISTANCE PROGRAM:

SINGLE-FAMILY HOME CONSTRUCTION STANDARDS AND MINIMUM SPECIFICATIONS

Minimum square footage (living): 1,100 Square Feet without including Garage

Garage: Minimum one-car garage

Minimum No. bedrooms: 2

Minimum No. bath (full): 2 (one of which contains a full-size tub)

Exterior materials: Brick or OSB-backed Smart Siding

Foundation: Slab on Grade

Roofing materials (warranty): 20 Years

Insulation requirements (exterior walls, roof, etc.): Comply with city code (R30 in Attic, R13 on Exterior Walls)

Appliances furnished (energy star rating): Range/Dishwasher/Refrigerator

Driveway: Concrete

Fencing: Wooden in Back Yard

HVAC with 13 SEER or as required by the DOE

All other standard construction requirements as set by city code will apply

* *Above Standards Meet or Exceed the Minimum Standards Required by the City's Inspection and Permit Department as well as the energy efficiency standards in accordance with Title 42 U.S.C. 12708*

GENERAL PROCEDURES

The following is an outline of the normal sequence of events for a homebuyer assistance grant/ deferred loan. For specifics, see attached Standard Operating Procedures (SOP).

Initial Contact with Potential Homebuyer

- The potential homebuyer makes an inquiry about the program through lenders, or Family Support Division, and receives a **Homebuyer's Assistance Packet** from the City Staff or builder.
- The potential homebuyer submits a **Homebuyer Assistance Application** to City Staff or builder, which includes information on income, credit history, social security number, and household size.
- The time and date that the application is received is stamped on all components.
- The applicant is required to furnish documentation to verify income, family size, and any other information necessary to verify eligibility.

Income Verification, Program Approval, and Lender Pre-approval

- Staff will review the application information to determine income eligibility.
    - If the applicant's income is greater than 80% of the area median, Staff prepares a letter to the applicant notifying them that they are not eligible for assistance.
    - If the applicant's income is 80% of the area median or less, an interview will be scheduled with the applicant to verify all information and to thoroughly explain program procedures.
    - Applicants for homebuyer assistance must complete this income eligibility verification phase of the application process within 30 days. Incomplete applications will be returned to the applicant and may not be resubmitted for an additional 60 days.
- Income documents will include:
    - An IRS 1040
    - 3 months' current pay stubs
    - All income documentation must be current within 6 months of the application date
- City Staff will prepare a program approval letter for the applicant for later submission to their selected Lender.
- If the applicant is income-eligible and approved for the program, the applicant contacts a respective Lender to get pre-approved for a minimum $60K mortgage.
- Lender will provide a pre-approval letter and initial Good Faith Estimate.
    - Although the GFE will change based on the actual sales price, an initial GFE provides the Staff with critical information to help determine housing and debt-to-income ratios.
- Applicant returns the pre-approval letter to Family Support for filing.

Match up with Builders

- Staff will create and maintain a rotating list of eligible builders.
- Once approved for the program and pre-approved by the lender, City Staff will facilitate a meeting with the applicant (hereafter referred to as the client) and the next eligible builder in order to begin the construction process.
- Builder will provide the sales contract and the builder and client will execute the contract.
    - Sales contracts should include a clause specifying that the house must meet or exceed the construction standards and minimum specifications as set forth in Appendix B, as determined by an inspection by the City of San Angelo Inspection & Permits Division and the Family Support Division in order for the sale to go through.
- Based on the sales contract and amount of mortgage the client is pre-approved for, Staff will determine the amount of gap financing required

  - A letter will be sent to the lender, COSADC, client, and builder addressing the amount of funds to be committed for the project.
  - Funds will be reserved/committed to the project at this point.
- Client will select an eligible lot from the list provided by builder.
- Builder will contact COSA Purchasing Division to begin the lot purchasing process.
- If the client provides their own lot, ownership documentation (transfer of lien) must be executed prior to the start of construction.
  - Client will need to pay $75 for a title search to ensure a clear title which will be part of the $500 Earnest Money provided.
- Builder will be required to obtain interim financing.
- Client works with the builder to select appropriate options (colors, flooring, etc).
- Construction begins.

Construction

- Client and Staff will monitor construction quality control
- Upon 90% completion, Staff and/or builder will initiate the closing process
  - Contact the lender
  - Begin gathering required docs (see SOP for specific items)
- At construction completion, the Builder will be required to obtain a Certificate of Occupancy
- Staff and Client will walk thru to identify corrections
  - A punch list will be developed, and the Builder will be required to address all items on the punch list prior to setting up the closing date

Closing

- Staff will coordinate closing with the lender, title company, builder, and client
- Title Company must submit a Closing Disclosure form to City Staff.
- A City check for the mortgage reduction, down payment and closing costs will be submitted to the Title Company on the closing date.
- A minimum of 3 business days must be allowed for check disbursements by the City.
- The Family Support Division Manager or his/her designee will review legal documents for execution by the homebuyer while the check is being processed.
- City Staff will secure the COSADC and/or City's down payment and mortgage reduction/gap reduction assistance through a second lien on the property.
- Before payment to the title company can be issued, the applicant provides proof of homeowner's insurance coverage.
- The borrower will execute a Subordinate Lien Contract and Deed of Trust in the principal sum of the COSADC AHAP Deferred Payment Loan.
- This Loan will bear an interest rate of zero percent (0%). As long as the borrower is not in default with any conditions of this Program or the Subordinate Lien Contract and Deed of Trust, all payments of principal will be deferred. Principal and five percent interest (5%) on the unforgiven amount will be due and payable under the following conditions:

  a. Cessation of use as the borrower(s) sole residence.

  b. The sale, lease, rental, or transfer of Program property.

  c. Death of Borrow(s) unless transferred to a qualifying family member.

  d. Upon refinance of the 1st mortgage unless COSADC agrees to subordinate.

Homebuyers Education Class

- Applicants are required to attend a Homebuyer Education class at www.knowdebt.org or another HUD-approved course with City staff approval.
- Online versions require clients to pass an end-of-class test by 70% or better.

Record Keeping

- City Staff is responsible for maintaining a database of all prospective applicants, lenders, and builders.
- Records of all applicants to include those households denied assistance, will be maintained on file for 5 years.

Report to Board

City of SAN ANGELO TEXAS Development Corporation

Requestor:	Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197
Meeting Date:	October 23, 2024
Item type:	Regular Item

Caption:

Public Hearing regarding the use of sales and use tax funds in an amount not to exceed $59,500 for purposes of awarding a contract to Inter/Direct U.S.A., Ltd, d/b/a Community Development Strategies (CDS) for professional services to prepare an update to the 2019 San Angelo Rental Housing Study that assessed overall housing needs in the competitive market area, including workforce and affordable housing, a project authorized for a Type B corporation under Local Government Code Chapters 501 & 505, Subchapter D (Presentation by Robert Schneeman, Economic Development Project Manager)

Summary/History:

COSADC funded a Housing Study published in 2019 which looked at economic trends, demographics, market trends and demand for additional housing in San Angelo. That study,(Pre-COVID) is now 5 years old and the price of housing has increased significantly nationwide.
Staff have obtained a proposal from Community Development Strategies (CDS), the firm who prepared the 2019 study, for an update of that study. The total cost of the update is $56,500 plus a not to exceed amount of $3,000 for travel expenses.

The previous study has been useful in providing information to business prospects as well as home builders. Staff is recommending obtaining an update to this study. This item was approved by CODADC on September 25, 2024 and ratified by City Council on October 15, 2024.

Financial Impact:

$59,500 from Future Projects to a new project. Budget amendment required.

Other Information/Recommendation:

Attachments:

Presentation:

Approvals/Reviews:

Nora Nevarez	Created/Initiated
Michael Dane	Approved
Brandon Dyson	Approved
Tina Dierschke	Final Approval

Report to Board

City of SAN ANGELO TEXAS Development Corporation

Requestor:	Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197
Meeting Date:	October 23, 2024
Item type:	Regular Item

Caption:

Consideration and possible action regarding the marketing and recruitment plan for 2025 by the San Angelo Chamber of Commerce Marketing and Recruitment Team. (Presentation by San Angelo Chamber of Commerce)

Summary/History:

Chamber staff will provide a review of ther previous year's marketing efforts and present their proposed marketing plan for the coming year.

Financial Impact:

No fiscal impact. Plan presentation only.

Other Information/Recommendation:

Attachments:

Presentation:

Approvals/Reviews:

Nora Nevarez	Created/Initiated
Michael Dane	Approved
Brandon Dyson	Approved
Tina Dierschke	Final Approval

Report to Board

CITY OF SAN ANGELO TEXAS Development Corporation

Requestor:	Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197
Meeting Date:	October 23, 2024
Item type:	Regular Item

Caption:

Presentation regarding marketing efforts for fiscal 2025 . (Presentation by Andi Markee, Media Advantage, LLC)

Summary/History:

Media Advantage will discuss marketing efforts for Fiscal year 2025. If board has any input, they may do so at this time.

Financial Impact:

Other Information/Recommendation:

Attachments:

Presentation:

Approvals/Reviews:

Nora Nevarez	Created/Initiated
Michael Dane	Approved
Tina Dierschke	Approved
Brandon Dyson	Final Approval

Report to Board

CITY OF SAN ANGELO TEXAS Development Corporation

Requestor:	Robert Schneeman, Economic Development Coordinator, COSADC, 325.653.7197
Meeting Date:	October 23, 2024
Item type:	Executive Session Item

Caption:

Section 551.071 - Consultation with attorney regarding possible action authorizing the Board President to negotiate and execute lease amendments with the City of San Angelo and Skyline Aviation allowing encumbrance of Skyline's leasehold estate interest in the lease of City Airport property commonly known as 8534 Hangar Rd., San Angelo, Texas.

Summary/History:

Financial Impact:

Other Information/Recommendation:

Attachments:

Presentation:

Approvals/Reviews:

Robert Schneeman	Created/Initiated
Michael Dane	Approved
Tina Dierschke	Approved
Brandon Dyson	Final Approval

Report to Board

City of SAN ANGELO TEXAS Development Corporation

Requestor: Robert Schneeman, Economic Development Coordinator, COSADC, 325.653.7197

Meeting Date: October 23, 2024

Item type: Regular Item

Caption:

Section 551.087 - Business prospect negotiations regarding Skyline Aviation Aircraft Mechanics School

Summary/History:

Financial Impact:

Other Information/Recommendation:

Attachments:

Presentation:

Approvals/Reviews:

Robert Schneeman	Created/Initiated
Michael Dane	Approved
Tina Dierschke	Approved
Brandon Dyson	Final Approval

Report to Board

CITY OF SAN ANGELO TEXAS Development Corporation

Requestor: Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197

Meeting Date: October 23, 2024

Item type: Regular Item

Caption:

Consideration and possible action of the items discussed in Closed Session, if needed

Summary/History:

Financial Impact:

Other Information/Recommendation:

Attachments:

Presentation:

Approvals/Reviews:

Nora Nevarez Created/Initiated

Report to Board

CITY OF SAN ANGELO TEXAS Development Corporation

Requestor: Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197

Meeting Date: October 23, 2024

Item type: Regular Item

Caption:

Announcement and consideration of Future Agenda items

Summary/History:

Financial Impact:

Other Information/Recommendation:

Attachments:

Presentation:

Approvals/Reviews:

Nora Nevarez	Created/Initiated