



AGENDA MEMORANDUM

Action Item for the City Council Meeting February 21, 2023

DATE: February 21, 2023

TO: Peter Zaroni, City Manager

THRU: Constance Sanchez, Chief Financial Officer
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Annual Board Meeting of the Corpus Christi Housing Finance Corporation

CAPTION:

Annual Board Meeting of the Corpus Christi Housing Finance Corporation (CCHFC) to elect officers, consider a resolution amending and reaffirming the Corpus Christi Housing Finance Corporation's Investment Policy and Investment Strategy, and consider an Inducement Resolution for \$17,625,000 in Multifamily Housing Revenue Bonds for a new 152-unit affordable housing multi-family development at Greenwood Drive and Gollihar Road.

SUMMARY:

The agenda for the annual board meeting of the Corpus Christi Housing Finance Corporation includes actions to: (1) elect officers, (2) approve a Resolution amending and reaffirming the Corpus Christi Housing Finance Corporation's Investment Policy and Investment Strategy, and (3) consider matters pertaining (including approval of an inducement resolution in the amount of \$17,625,000) related to the issuance of Multifamily Housing Revenue Bonds.

BACKGROUND AND FINDINGS:

Election of Officers

After each City Council election and the appointment of new board members, the CCHFC must elect new officers which are: President, Vice President, Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, General Manager and Assistant General Manager. Typically, the President and Vice President have been elected from the Board, and those positions were filled in the last election by Michael T. Hunter as President, and Roland Barrera as Vice President.

The Bylaws provide that all officers do not have to be Board members, and the remaining positions have been held by the persons on City staff holding the functional equivalent positions. The recommendation for these positions is as follows:

General Manager	Peter Zanoni
Assistant General Manager	Constance P. Sanchez
Secretary	Rebecca Huerta
Assistant Secretary	Vacant
Treasurer	Heather Hurlbert
Assistant Treasurer	Judy Villalon

Investment Policy

The Board annually must review, amend as necessary and reaffirm its Investment Policy and Investment Strategy. The Resolution provided addresses the requirement for the Board to review, amend and reaffirm the Investment Policy and Investment Strategy.

Bond Issuance Background

The CCHFC originally was organized in 1979 for the purpose of issuing single family revenue bonds when double-digit interest rates for home mortgages made it difficult for first-time homebuyers to obtain financing and purchase homes. It successfully completed three bond issues in 1980, 1982 and 1985 that provided for the origination of over 2,000 home mortgages for first-time home buyers. The CCHFC also issued Multifamily Housing Revenue Bonds to finance five apartment projects in the 1980's. When conditions changed in the bond markets, the CCHFC ceased issuing bonds and refocused efforts in originating mortgage credit certificates which assisted over 3,000 first-time homebuyers during the period from 1987 through 2009 when that program concluded.

Inducement Resolution

Greenwood Manor, LP, commonly known as ALMA at Greenwood, a single asset entity, is interested in developing an affordable housing project in Corpus Christi. The project will use 4% tax credits and multifamily housing revenue bonds.

To include preliminary costs and land acquisition in a possible future issuance of revenue bonds, Greenwood Manor, LP is requesting the adoption of a preliminary resolution known as an "Inducement Resolution" by the CCHFC. The CCHFC has no legal obligation to issue any bonds at any time in the future, and any issuance of bonds will be subject to review and approval at a future meeting of the Board. The Inducement Resolution is solely for the purpose of allowing inclusion of the preliminary expenses incurred in the event that bonds are issued at some point in the future.

Any revenue bonds issued by the CCHFC solely are payable from the loan payments received from a particular development project. They are not a general obligation of the CCHFC, and neither the City of Corpus Christi nor its credit rating are involved. The CCHFC has no taxing power.

Previously, the CCHFC has issued two Inducement Resolutions for this project. No bonds were issued. The economic climate for development costs and borrowing costs has necessitated restructuring this development project. Previous action for this project includes commitments from several City and City related sources. These sources are \$481,483 from the CCHFC, \$160,560 from Type A, \$1,191,871 from Type B, and \$1,166,086 from the HOME Investment Partnerships Program.

ALTERNATIVES:

The CCHFC may select other persons it chooses to be officers, may amend the Investment Policy, and may choose to not adopt the proposed Inducement Resolution. If the Inducement Resolution is not authorized, then the Texas Bond Review Board Region 10 bond allocation, where Corpus Christi is located, will collapse into a statewide pool where receiving bonds for this project will be challenging.

FISCAL IMPACT:

There is no current year fiscal impact for this item.

Funding Detail:

Fund: NA

Organization/Activity: NA

Mission Element: NA

Project # (CIP Only): NA

Account: NA

RECOMMENDATION:

Staff recommends the adoption of the resolutions for the amending and reaffirming of the Investment Policy and Investment Strategy and the inducement for Multifamily Revenue Bonds.

LIST OF SUPPORTING DOCUMENTS:

Agenda for CCHFC Board Meeting

Board Meeting Minutes from April 19, 2022

Resolution Adopting Investment Policy and Investment Strategy

Exhibit A 2022-2023 CCHFC Investment Policy

2022-2023 CCHFC Investment Policy Redline

Resolution with Respect to the Issuance of Bonds to Finance activities for Greenwood Manor

CCHFC Bond Transaction Guide

PowerPoint