



AGENDA MEMORANDUM

Action Item for the City Council Meeting July 14, 2020

DATE: June 1, 2020
TO: Peter Zanoni, City Manager
FROM: Rudy Bentancourt, Director of Housing and Community Development
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Special Board Meeting of the Corpus Christi Housing Finance Corporation

CAPTION:

Special Board Meeting of the Corpus Christi Housing Finance Corporation regarding the redevelopment of the Ward Building.

SUMMARY:

The purpose is to consider approving the plans for redevelopment of the Ward Building and granting an extension of .one year to close the construction financing for the redevelopment due to financing delays caused by COVID-19.

BACKGROUND AND FINDINGS:

On August 29, 2018, the CCHFC sold the historic Ward Building located at N. Chaparral and Peoples Street to William Hoover for the sum of \$150,000 on the condition that within two years the developer would submit to the CCHFC for approval plans for the redevelopment of the building and obtain a construction loan for the redevelopment. Plans have been finalized for the development of 10,000 square feet of commercial space, 14 art studios and 8 multi-family units in the restored building which consists of a ground floor, mezzanine, and two additional floors. The construction plans have been completed and nomination packages have been filed with the Texas Historical Commission and the US Department of the Interior for approval to be placed on the National Register of Historic Places.

A commitment for construction financing had been obtained and plans were to begin construction this summer, but the lender has placed a hold on the loan until markets stabilize due to the uncertainties created by the COVID-19 pandemic. Nationally, rental properties are facing many challenges, and commercial and multi-family projects currently financed are requiring loan modifications in order to remain viable. The developer is requesting approval of the plans for redevelopment in order to satisfy the first part of the obligation under the 2018 conveyance but needs an additional year in order to finalize the construction financing.

ALTERNATIVES:

The Corporation could choose not to approve the redevelopment of the Ward Building.

FISCAL IMPACT:

No funding is required from the CCHFC in connection with the Ward Building.

Funding Detail:

Fund:	N/A
Organization/Activity:	N/A
Mission Element:	N/A
Project # (CIP Only):	N/A
Account:	N/A

RECOMMENDATION:

It is the recommendation of staff to approve the plans for redevelopment of the Ward Building and extension for closing the construction loan.

LIST OF SUPPORTING DOCUMENTS:

Agenda for CCHFC Board Meeting
Unapproved October 1, 2019, Board Meeting Minutes
Treasurer's Report
Plans for Redevelopment of the Ward Building