



## AGENDA MEMORANDUM

Action Item for the City Council Meeting of February 14, 2023

**DATE:** February 2, 2023

**TO:** Peter Zaroni, City Manager

**THRU:** Constance Sanchez, Chief Financial Officer  
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### Resolution of Support for 9% Low-income Housing Tax Credits for Corpus Christi Lofts

#### **CAPTION:**

Resolution in support of the proposed 9% Low-income Housing Tax Credits for a projected 74-unit affordable housing project known as Corpus Christi Lofts at 6502 Holly Road to be developed by Structure Development and MRE Capital, LLC.

#### **SUMMARY:**

Resolution of Support for the 74-unit development Corpus Christi Lofts 9% Low-income Housing Tax Credits development at 6502 Holly Road.

#### **BACKGROUND AND FINDINGS:**

Applications from developers for 9% Low-income Housing Tax Credits (LIHTC) are due to the Texas Department of Housing and Community Affairs (TDHCA) on March 1, 2023. LIHTCs are administered by the Internal Revenue Service and allocated to states. They are a critical funding tool for multi-family low-income housing projects. Region 10/Urban, which includes Nueces, Aransas, San Patricio, and Victoria counties, is generally awarded one LIHTC project annually. The 9% LIHTC application process is highly competitive. TDHCA awards LIHTC applications 17 points to projects that receive a Resolution of Support from the local municipal government entity. The Resolution of Support is necessary for the project to be competitive in the application process. The City does not determine application scores or the results of any tiebreakers. TDHCA will make the scoring determinations.

Corpus Christi Lofts is projected to be a 74-unit multifamily development with units for renters with

incomes at or below 60% of the area median income. The proposed development is located at 6502 Holly Road. The developers submitting the project are Structure Development and MRE Capital, LLC.

A Resolution of Support does not guarantee that Corpus Christi Lofts will be awarded LIHTCs. There were four competitive 9% LIHTC pre-applications submitted to TDHCA for Region 10/Urban. There is also an application for supplemental credits for a previous project that is not part of the competitive round. The pre-applications included two in Corpus Christi, one in Victoria and one in Kingsville. Each pre-application is required to include a self-score. Using the self-scores, Corpus Christi Lofts has one more point than the other applications. The other Corpus Christi application is Weber Lofts. Weber Lofts is a proposed 58-unit development located at Weber Road and Capitol Drive. Weber Lofts is also being recommended for a Resolution of Support.

### **ALTERNATIVES:**

The alternative is to not approve a Resolution of Support, which would reduce or eliminate the chance that the project will be determined by TDHCA to be competitive and thereby jeopardize the potential for the project to receive Low-income Housing Tax Credits.

### **FISCAL IMPACT:**

The City will provide a \$500 building permit fee waiver if the project is awarded the LIHTC and the development moves forward.

### **FUNDING DETAIL:**

Fund: 1020  
Organization/Activity: 11451  
Mission Element: 132  
Project # **(CIP Only)**: NA  
Account: 530500

### **RECOMMENDATION:**

City staff recommends approval of the Resolution of Support.

### **LIST OF SUPPORTING DOCUMENTS:**

Resolution  
PowerPoint Presentation