

Palo Verde Senior Apartments

Approval of Type B Affordable Housing Funding



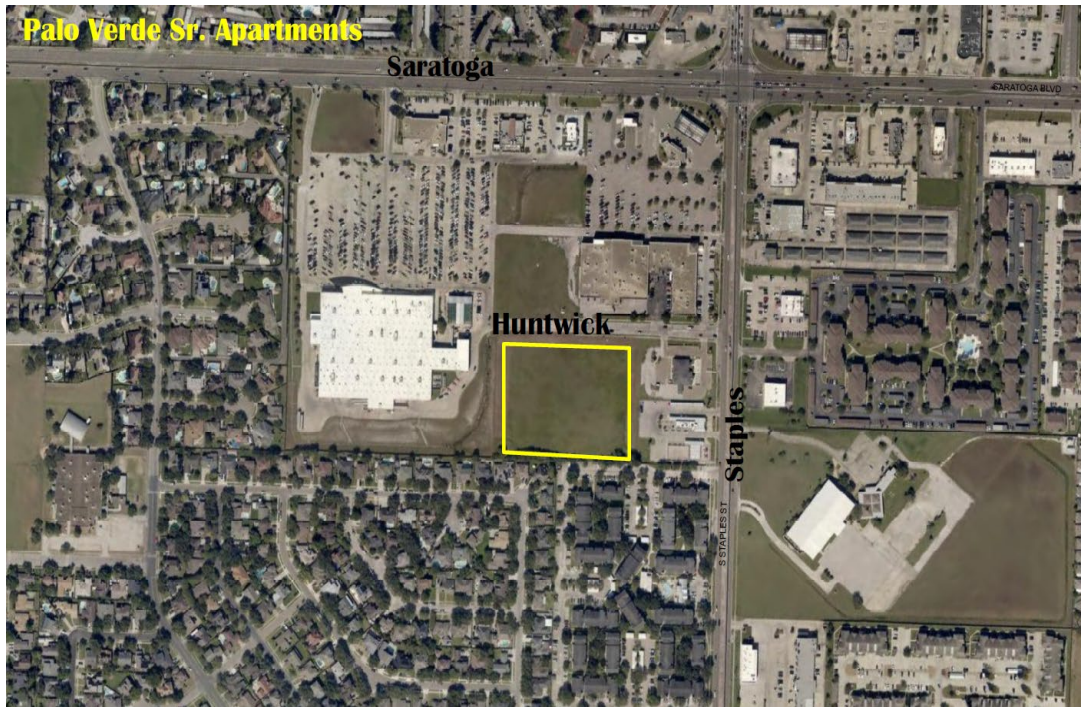
CITY OF
**CORPUS
CHRISTI**

City Council
January 13, 2026



Palo Verde Senior Apartments

- Danco Communities LLC.
- 5501 Huntwick Ave – D5
- 3 acres (CG-2)
- ADP states Mixed Use
- 80 Units (75 LI/5 Market)
- \$23,941,964 development cost
- Costs have increased and LIHTC equity pricing has decreased causing a gap
- \$1m HOME awarded in August 2025
- Requesting \$1m from Type B

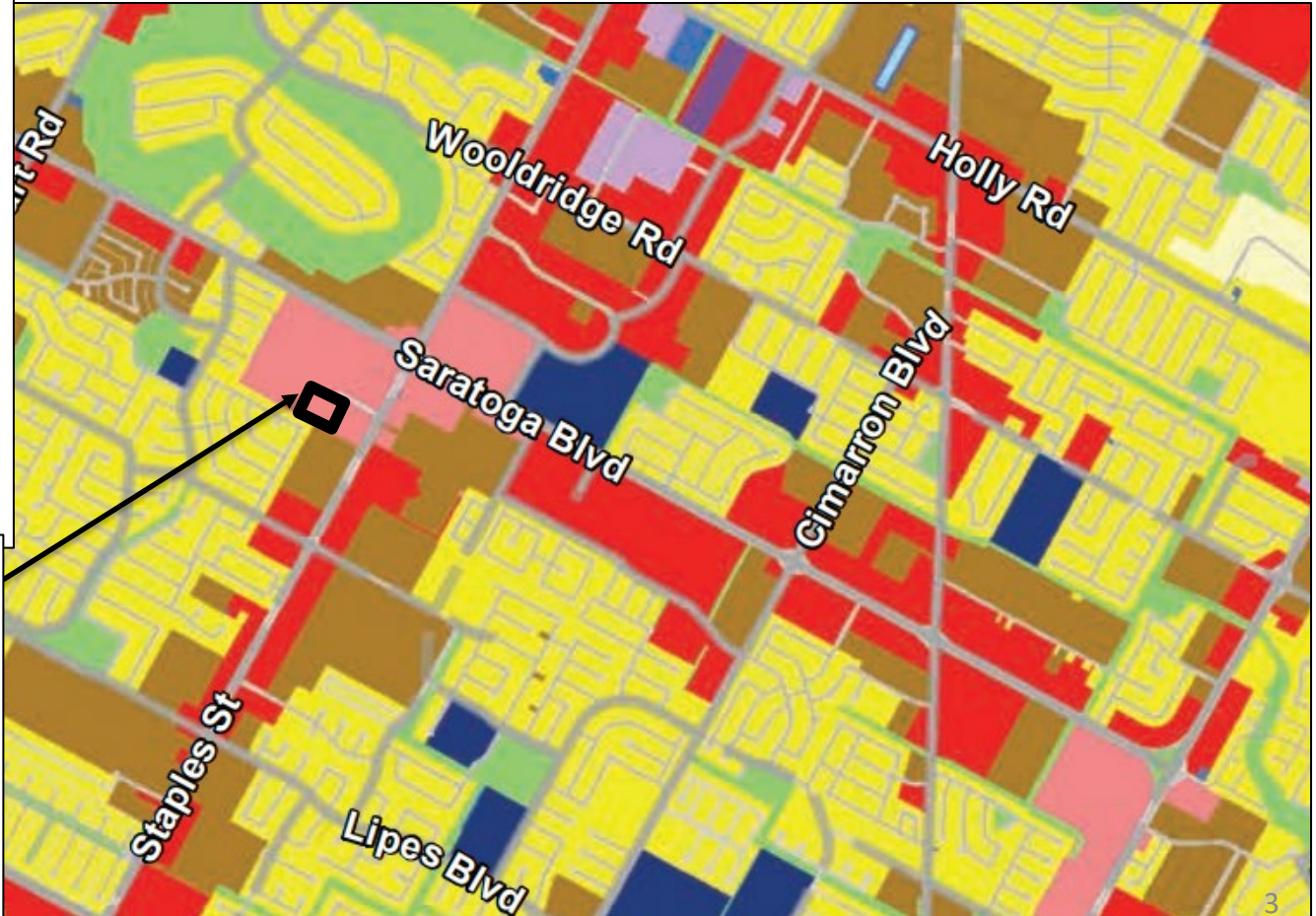


Southside Future Land Use



MIXED-USE AREAS

Mixed-use centers include residential, retail, hotel, and office uses. Mixed-use centers are pedestrian-friendly with buildings oriented towards the street. Residential uses are generally of a higher density, including apartments, condominiums, townhomes, cottage housing, and small-lot single-family residential. The mixture can be vertical, with different uses on different floors of a building, and horizontal, with different uses side by side. Churches, schools and public uses are included in mixed-use areas.





Palo Verde Senior Apartments

Unit Configuration

41 - One bedroom – 600 sq ft

39 - Two bedroom – 850 sq ft

Unit Type	Baths	Affordable Units	Total Units
1br	1	38	41
2br	1	37	39
Total		75	80

Affordable Units Income Mix

Unit Type	30% AMI Units	50% AMI Units	60% AMI Units	Total Affordable Units
1br	4	7	27	38
2br	4	8	25	37
Total	8	15	52	75



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Income Limits

Income	1-Person	2-Person
30% AMI	\$ 17,370	\$ 19,860
50% AMI	\$ 28,950	\$ 33,100
60% AMI	\$ 34,740	\$ 39,720

Rent Limits

Rent	1-BR	2-BR
30% AMI	\$ 465	\$ 558
50% AMI	\$ 775	\$ 931
60% AMI	\$ 930	\$ 1,117



The site plan for 5501 Huntwick Ave shows a 3-story building with 80 units (1 bedroom, 2 bedroom). The building is centrally located. To the north of the building is a parking area with 70 spaces, divided into two sections of 35 spaces each. A circular drop-off zone is situated between the parking sections. To the south of the building is a walk path and park area featuring a bocce ball court, a fire pit, and a dog park. The property is bordered by a property line to the north and fire lanes to the west and east. The plan also includes a north arrow and a scale bar.

Palo Verde Senior Apartments

5501 HUNTWICK AVE
CORPUS CHRISTI, TEXAS 78413

1 SITE PLAN
N.T.S.

DATE:
12/05/2025
PROJECT NUMBER:
2024-2008
SHEET TITLE:
SITE PLAN
SHEET:

A.00

Palo Verde Sources and Uses

Development Costs					
	March 2025	October 2025	December 2025	Change From March	%
Land	\$2,500,000	\$2,500,000	\$2,500,000	\$0	0%
Hard Costs	\$12,833,259	\$15,709,834	\$15,295,287	\$2,462,028	19%
Soft	\$2,209,070	\$2,208,453	\$1,930,318	(\$278,752)	-13%
Financing	\$1,530,992	\$1,609,674	\$1,609,674	\$78,682	5%
Developer Fees	\$2,409,353	\$2,409,353	\$2,409,353	\$0	0%
Reserves	\$190,146	\$197,332	\$197,332	\$7,186	4%
Total	\$21,672,820	\$24,634,646	\$23,941,964	\$2,269,144	10%

Sources					
	March 2025	October 2025	December 2025	Change from March	%
Citi Bank	\$4,100,000	\$6,300,090	\$6,300,090	\$2,200,090	54%
City of Corpus Christi	\$500	\$0	\$0	(\$500)	-100%
HOME Loan	\$1,000,000	\$1,000,000	\$1,000,000	\$0	0%
Type B Affordable Housing	\$-	\$1,000,000	\$1,000,000	\$1,000,000	100%
Boston Financial (LIHTC)	\$15,972,905	\$15,193,740	\$14,609,360	(\$1,363,545)	-9%
Deferred Developer Fees	\$599,415	\$1,140,816	\$1,032,514	\$433,099	72%
Total	\$21,672,820	\$24,634,646	\$23,941,964	\$2,269,144	10%

Construction Costs: From Estimates to Real Pricing

Initial Budget: Based on historical data from late 2024 and early 2025 market conditions

Post-Award Reality: After engaging contractor and advancing design, receiving real subcontractor bids and current market pricing

Market Timing: Construction costs continue rising due to tariffs, labor markets, and material volatility

Design Efficiency: Working closely with design team and contractor—this is the most cost-effective design achievable

Current Numbers: Real pricing reflects today's construction market, not historical estimates

Tax Credit Equity Pricing Impact

Total Tax Credit Award from TDHCA	\$19,481,100
Percentage of Ownership	99.99%
Original Budgeted Pricing For Credits	0.82
Total Federal Equity	\$15,972,905
0.79	\$15,388,530
0.78	\$15,193,738
0.77	\$14,998,947
0.76	\$14,804,155
0.75	\$14,609,364
0.74	\$14,414,572
0.73	\$14,219,781

Current market pricing (0.75) vs. original budget (0.82) reduces equity proceeds by \$1,363,541

Actions Taken to Bridge the Gap

Developer Fee Contribution: Deferring additional developer fees

Value Engineering: Comprehensive cost review with design team and contractor to maximize efficiency

Unit Mix Optimization: Added market-rate units (approved by TDHCA) to increase available debt capacity

Parking Variance: Requested reduced parking requirements to lower site development costs

Common Area Efficiency: Streamlined common areas to focus resources on resident units

Remaining Gap: Despite these substantial efforts, project requires \$1,000,000 to achieve financial close