



AGENDA MEMORANDUM

Action Item for the City Council Meeting of February 11, 2025

DATE: January 27, 2025

TO: Peter Zaroni, City Manager

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Resolution of Support for 9% Low-income Housing Tax Credits for Palo Verde Senior Apartments

CAPTION:

Resolution in support of the proposed 9% Low-income Housing Tax Credits for an up to 75-unit affordable housing project known as Palo Verde Senior Apartments at 5501 Huntwick Ave. to be developed by Danco Communities LLC.

SUMMARY:

Resolution of support for an up to 75-unit development known as Palo Verde Senior Apartments 9% Low-income Housing Tax Credits development at 5501 Huntwick. The development will house Senior population with incomes at or below 60 percent of the area median income (AMI).

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 February 28, 2025. 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. Each TDHCA pre-application is required to include a self-score.

At the date of this memo Palo Verde Senior Apartments is projected to be 75 units with 8 units for renters with incomes at or below 30 percent AMI, 16 units for renters with incomes at or below 50 percent AMI, and 51 for renters with incomes at or below 60 percent AMI. The proposed development is located at 5501 Huntwick on 3 acres. The organization submitting the project is Danco Communities LLC.

A Resolution of Support does not guarantee that Palo Verde Senior Apartments will be awarded LIHTCs. There were three competitive 9% LIHTC pre-applications submitted to TDHCA for Region 10/Urban. Two applications were submitted in Corpus Christi and one in Victoria.

TDHCA Pre-Application in Region 10/Urban

Development	Address	Units	Population	Developer	Self-Score
Palo Verde Senior Apartments	5501 Huntwick Ave.	75	Elderly	Danco	139
Bayside Apartments	5409 Lipes	75	General	Madhouse	135

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 or other equivalent dollar value participation if the project is awarded the LIHTC and the development moves forward.

Funding Detail:

Fund:

Organization/Activity:

Department:

Project # **(CIP Only)**:

Account:

RECOMMENDATION:

City staff recommends approval of the Resolution of Support.

LIST OF SUPPORTING DOCUMENTS:

Resolution

PowerPoint Presentation