



AGENDA MEMORANDUM

Action Item for the City Council Meeting September 6, 2019

DATE: August 2, 2019
TO: Peter Zanoni, City Manager
FROM: Rudy Bentancourt, Housing and Community Development Director
RudyB@cctexas.com
361-826-3021

Annual Board of Directors Meeting of the Corpus Christi Community Improvement Corporation

CAPTION:

Annual Board of Directors Meeting of the Corpus Christi Community Improvement Corporation.

SUMMARY:

This annual board meeting will appoint new City Council members to the Corpus Christi Community Improvement Corporation (CCCIC), elect officers, and to provide one (1) loan commitment for the Casa de Manana Apartment project from FY2019 HOME funding.

BACKGROUND AND FINDINGS:

The Corpus Christi Housing Improvement Corporation (CCHIC) is a Non-Profit Corporation originally incorporated in 1976 (under the name Corpus Christi Home Improvement Corporation "CCHIC") for the purpose of providing financing for the rehabilitation of residential real property in the City and improving housing quality within the City of Corpus Christi by any lawful means, including, but not limited to: owning, selling, renting or leasing real property in the City or acting as a nonprofit sponsor of apartment or other housing projects in the City and to generally improve the housing and dwelling environment for the citizens of Corpus Christi, Texas. On March 16, 1993, the CCHIC filed and approved Amended Articles of Incorporation to change the name of the CCHIC to the Corpus Christi Community Improvement Corporation ("CCCIC") and to clarify that CCCIC was authorized to participate in Federal and State Housing Programs, such as the Federal Community Development Block Grant Program, HOME Program and the Texas Community Development Act Program on behalf of the City of Corpus Christi.

The CCCIC is a separate legal entity from the City of Corpus Christi. As a separate legal entity, the CCCIC handles all federal and state funds received for affordable housing programs. The CCCIC Board also created all the policies, programs and procedures for loaning Federal and State affordable housing money to individuals and other legal entities to invest in residential affordable housing projects in Corpus Christi, Texas. The CCCIC's Board Members are City Council Members, who are members of governing body.

Board Agenda Item #'s 3 and 4: Since the CCCIC is incorporated under the Texas Non-Profit Corporation Act, the board appoints its own membership. With the election of new City Council members Everett Roy, Roland Barrera, and Gil Hernandez, it is necessary for the Board to appoint them to the CCCIC Board and reappoint the remaining Council members. The CCCIC is also required to select a President and Vice President during the Annual Board of Directors Meeting. The recommendation is to select a President and Vice President to serve on the CCCIC board.

The Bylaws of the CCCIC provide for the following officers: President, Vice President, Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, and General Manager. The Bylaws provide that officers do not have to be Board members, and the remaining positions have been held by persons on City staff holding the function equivalent positions.

The recommendation are as follows:

Secretary	Rebecca Huerta
Assistant Secretary	Paul Pierce
Treasurer	Constance P. Sanchez
Assistant Treasurer	Alma Casas
General Manager	Peter Zanoni

Board Agenda #8: On February 12, 2019, the Corpus Christi City Council passed a Resolution in support of the proposed affordable housing project known as Casa de Manana Apartments. On July 23, 2019, the City Council approved to set aside HOME FY2019 funding requested for Casa de Manana Apartments in the amount of \$350,000. On July 25, 2019, the Texas Department of Housing and Community Affairs approved to provide the Casa de Manana Apartments project with Housing Tax Credits (HTC's). The motion will be to approve the loan commitment terms for the project subject to the execution of the funding agreements. To secure the HTC's, the project must receive a firm commitment from the local government of the project location. A firm commitment is defined as an executed agreement.

The Casa de Manana Apartments, located at 4702 Old Brownsville Rd., Corpus Christi, TX 78405, will involve the complete reconstruction of 99 apartments serving senior citizens, low-income families and individuals. Improvements to the entire complex will include: energy efficient apartments and appliances, ceiling fans, low-E vinyl windows, central heat and air, a new common area building with community center and kitchen, business center/computer lab and laundry facility. The development will be financed primarily through Housing Tax Credits, private debt, and HOME funds through the City of Corpus Christi at 1% for a 40-year term with payments amortized over 40 years paid from available net cash flow.

The City's contribution to this project is \$350,000 in U.S. Department of Housing and Urban Development HOME funds which were set aside during the July 16, 2019 City Council meeting regarding the FY2019/2020 Consolidated Annual Action Plan. During the meeting, staff indicated that once the Texas Department of Housing and Community Affairs (TDHCA) awards housing tax credits to Casa de Manana Apartments, the item would return to CCCIC. This project will be complimented with approximately \$21,451,967 in housing tax credits from TDHCA. No match is required.

In the next few months, staff will be working with the Legal department on dissolving the corporation. This dissolution will also result in the dissolution of the Loan Review Committee.

ALTERNATIVES:

An alternative for not selecting Council members to the vacant seats is not having a quorum to conduct the corporation meeting.

An alternative for not awarding HOME funding to the Casa de Manana Apartments project is a potential loss of housing tax credits from TDHCA and the project will not be demolished and reconstructed.

FINANCIAL IMPACT:

The proposed FY2019/2020 HOME Program funds have been budgeted for this project in the amount of \$350,000. In order to receive the housing tax credits from TDHCA, the overall project funding was structured to include HOME funds as a 1% interest loan for a 40-year term with payments amortized over 40 years paid from available net cash flow. This will be a one-time expenditure and will be paid out at 20%, 40%, 60%, 80% and 100% of construction completion of the project.

Funding Detail:

Fund: 9045-CCCIC HOME

Organization/Activity: 48004 CCCIC HOME/ (activity will be assigned when project is set-up)

Mission Element: 132 Revitalize & Stabilize Neighborhoods

Project: Non-CIP Project

Account: 570040 Other Entity Grants

RECOMMENDATION:

Staff recommends the following actions to be taken during the CCCIC board meeting:

- Appoint a new President and Vice President to the Corporation
- Appoint new Officers to the Corporation
- Approve a loan commitment for Casa de Manana in the amount of \$350,000 of HUD HOME funds from FY2019-2020

LIST OF SUPPORTING DOCUMENTS:

Agenda for CCCIC Board Meeting

Unapproved September 12, 2017 Board Meeting Minutes

Treasurers Report