



AGENDA MEMORANDUM

Action Item for the City Council Meeting of February 13, 2024

DATE: February 9, 2024

TO: Peter Zaroni, City Manager

THRU: Steve Viera, Assistant City Manager
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Resolution of Support for 9% Low-income Housing Tax Credits for Palms at Williams

CAPTION:

Resolution in support of the proposed 9% Low-income Housing Tax Credits for an up to 81-unit affordable housing project known as Palms at Williams at 7031 Williams Drive to be developed by TG 110 Palms at Williams, LP.

SUMMARY:

Resolution of Support for an up to 81-unit development known as Palms at Williams 9% Low-income Housing Tax Credits development at 7031 Williams Drive. The development will house Seniors 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 March 1, 2024. 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, Palms at Williams is projected to be 64 units with 7 units for renters with incomes at or below 30 percent AMI, 14 units for renters with incomes at or below 50 percent AMI, and 43 units for renters with incomes at or below 60 percent AMI. The proposed development is located at 7031 Williams Drive. The developer intends to request a \$1 million HOME Investment Partnerships Program loan. The organizations submitting the project are TG 110, Inc and Prospera Housing Community Service.

A Resolution of Support does not guarantee that Palms at Williams will be awarded LIHTCs. There were three competitive 9% LIHTC pre-applications submitted to TDHCA for Region 10/Urban. The three TDHCA pre-applications were each in Corpus Christi. Two of the three submitted requests to the City for Resolutions of Support. The second project to request a Resolution of Support, Palms at Morris, is also being recommended for support. The developer of the third project, Millpond at Corpus Christi, is not moving forward with the project this year.

TDHCA Pre-Applications in Region 10/Urban

Development	Address	Units	Population	Developer	Self Score
Palms at Morris	2212 Morris St	Up to 81	Elderly	Prospera	132
Palms at Williams	7031 Williams Dr	Up to 81	Elderly	Prospera	132*
Millpond at Corpus Christi**	605 Furman Ave	Up to 82	General	FishPond	131

*Since the TDHCA pre-application self-score, this application has had changes that will result in a one-point deduction and is no longer projected to be tied with Palms at Morris.

**This project did not request a Resolution of Support from the City.

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