



**CITY OF
CORPUS CHRISTI**

AGENDA MEMORANDUM

First Reading for the City Council Meeting of January 13, 2026
Second Reading for the City Council Meeting of January 27, 2026

DATE: January 13, 2026

TO: Peter Zanoni, City Manager

FROM: Daniel McGinn, AICP, Interim Assistant City Manager
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**Corpus Christi Huntwick Avenue LP request for Type B Funding
of \$1 million**

CAPTION:

Ordinance authorizing an amended Affordable Housing Project Loan Agreement between the Corpus Christi B Corporation and Corpus Christi Huntwick Avenue LP, commonly known as Palo Verde Senior Apartments, in the amount of \$1,000,000 for the development of 75 affordable senior rental housing units located at 5501 Huntwick Avenue; appropriating \$1,000,000 from the Type B Affordable Housing Fund; and amending the FY 2026 Operating Budget.

SUMMARY:

Danco Communities LLC, has secured a Low-income Housing Tax Credit (LIHTC) commitment of \$1,948,110 from the Texas Department of Housing and Community Affairs (TDHCA) and a City of Corpus Christi HOME Investment Partnership (HOME) loan of \$1 million to build 80 senior apartments, 75 of which will be affordable to households at or below 60 percent of the Area Median Income (AMI). From the time of LIHTC and HOME award, project costs have increased and LIHTC equity pricing has decreased, creating a gap of \$2.96 million. The project partnership is requesting \$1 million from the Type B Corporation affordable housing funds to assist in filling the gap. The Type B investment would be four percent of the total project costs of \$23,941,964.

BACKGROUND AND FINDINGS:

Palo Verde Senior Apartments (5501 Huntwick Avenue) will be an 80-unit multi-family, senior affordable housing development. With 75 units affordable to senior

households at or below 60 percent AMI, the project is eligible under Texas Local Government Code Sec. 505.153 governing Type B Board affordable housing projects.

Palo Verde Senior Apartments Income Restrictions

Type	# of Units	% of total 80 Units
60% Area Median Income or Below	52	65%
50% Area Median Income or Below	15	19%
30% Area Median Income or Below	8	10%
Market Rate	5	6%

The project will consist of 41 one-bedroom units (51 percent) and 39 two-bedroom units (49 percent).

Palo Verde Senior Apartments incorporates many desirable elements for a senior affordable housing project: (1) providing high quality housing for residents at affordable prices to ensure stability of the low income community, (2) eight units are being rented to residents whose incomes are at or below 30% of the area median income which are providing housing for Corpus Christi residents who are earning at or below the poverty level, (3) the property will be connecting residents to community resources and services. Palo Verde Senior Apartments will also be accessible to nearby amenities such public transportation and a grocery store with a pharmacy within less than half a mile.

The Type B Corporation approved the project on December 8, 2025, and approved an amended agreement for administrative changes on January 12, 2026.

Project Costs and Funding Sources

The request for \$1 million from the City of Corpus Christi's Type B Affordable Housing Fund covers a funding gap representing four percent of the total project cost of approximately \$23.9 million. This funding gap is due to the increase in construction costs and the reduction in LIHTC equity pricing.

The Type B Corporation contribution will be secured with a loan agreement structured as a 40-year note with an interest rate of three percent, non-compounding. The loan is subordinate debt and paid by cash flow remaining after payment of primary loans and the deferred developer fee. Remaining balance is repaid at the time of sale or refinance.

Development Costs					
	Mar-25	Oct-25	Dec-25	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					
	Mar-25	Oct-25	Dec-25	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%

ALTERNATIVES:

The City Council could choose not to approve or decrease the amount of this agreement and Corpus Christi Huntwick Avenue LP would need to seek alternative funding sources or abandon the project.

FISCAL IMPACT:

The allocation of \$1,000,000 would come from the unreserved fund balance in the Type B Affordable Housing Fund. The loan will subordinate and repaid with available project cash flow after primary loans and deferred developer fees are paid.

Funding Detail:

Fund: Type B Housing Fund 1147

Organization/Activity: 15000- Affordable Housing

Department: 57 Economic Development

Project # **(CIP Only):** N/A

Account: 530000

RECOMMENDATION:

Staff recommends approval of \$1,000,000 of Type B Affordable Housing funds disbursed to Corpus Christi Huntwick Avenue LP for the construction of 75 affordable senior housing apartment units.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Presentation
Agreement