



AGENDA MEMORANDUM

Action Item for the City Council Meeting April 19, 2022
Action Item for the City Council Meeting April 26, 2022

DATE: April 7, 2022

TO: Peter Zanoni, City Manager

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Ordinance authorizing \$1,352,431 in affordable housing agreements among the Corpus Christi Business & Job Development Corporation (Type A), the Corpus Christi B Corporation (Type B), and the Corpus Christi Housing Finance Corporation for the 152-unit ALMA at Greenwood affordable rental housing project located at Greenwood and Gollihar

CAPTION:

Ordinance authorizing an affordable housing agreement for \$160,560.00 between the Corpus Christi Business & Job Development Corporation (Type A) and the Corpus Christi Housing Finance Corporation and authorizing an affordable housing agreement for \$1,191,871.00 between the Corpus Christi B Corporation (Type B) and the Corpus Christi Housing Finance Corporation for the construction of ALMA at Greenwood a 152-unit affordable rental Housing project for households at or below 60 percent of the area median income located on 10.554 acres on the southeast corner of Greenwood Drive and Gollihar Road east of West Point Road; appropriating \$160,560.00 from unreserved fund balance of the Business and Job Development Fund and \$1,191,871.00 from the unreserved fund balance of the Type B Affordable Housing Fund; and amending the budget.

SUMMARY:

The ordinance authorizes two affordable housing agreements among the Corpus Christi Business & Job Development Corporation (Type A), the Corpus Christi B Corporation (Type B), and the Corpus Christi Housing Finance Corporation totaling \$1,352,431. Adelante Development, LLC is constructing ALMA at Greenwood, a 152-unit affordable rental housing project at the southeast corner of Greenwood Drive and Gollihar Road east of West Point Road. The project owner will be Greenwood Manor, LP. The \$30,803,558 project will be funded with multiple financing sources including \$3,000,000 from the City's federal U.S. Department of Housing and Urban Development allocation and other City related sources. To partially fill the gap, \$160,560 will be requested from the Corpus Christi Business & Job Development Corporation (Type A) and \$1,191,871 from the Corpus Christi B Corporation (Type B). The project will serve households with incomes at or below 60 percent of the area median income.

BACKGROUND AND FINDINGS:

On April 18, 2022, the ALMA at Greenwood multifamily affordable rental housing project was presented to the Corpus Christi Business & Job Development Corporation (Type A) and the Corpus Christi B Corporation (Type B). The project developer, Adelante Development, LLC, is proposing 152 units located on 10.554 acres on the southeast corner of Greenwood Drive and Gollihar Road east of West Point Road. The apartments will be owned by Greenwood Manor, LP. All units will serve households at or below 60 percent of the area median income. The request from the Corpus Christi Business & Job Development Corporation (Type A) is for \$160,560 and the request from the Corpus Christi B Corporation (Type B) is \$1,191,871. Together these agreements total \$1,352,431.

The development's \$30,803,558 proposal includes \$15,000,000 in private activity bonds issued by the Corpus Christi Housing Finance Corporation (CCHFC), \$9,607,293 in 4% Low-income Housing Tax Credit equity, \$1,986,065 in deferred developer fees, and \$225,000 in materials contributions from the General Contractor. The project also includes \$3,000,000 from the City's federal U.S. Department of Housing and Urban Development allocation and other City related sources. These sources are \$481,483 from the CCHFC, \$160,560 from Type A, \$1,191,871 from Type B, and \$1,166,086 from the HOME Investment Partnerships Program (HOME). HOME program sources are \$300,000 reprogrammed from the Community Development Corporation of Brownsville for homebuyer activities in the FY2019/PY2018 Consolidated Annual Action Plan, \$751,373 in program income from payments made from rental and homeowner repair loans, and \$114,713 from the future FY2023/PY2022 Consolidated Annual Action Plan.

The proposal includes a request that the CCHFC join the development partnership (Greenwood Manor, LP) as the General Partner and ground lessor so that the property may qualify for property tax-exemption. The General Partnership and the request for \$481,483 in CCHFC financing will be presented to the CCHFC Board of Directors at a special meeting of the CCHFC that will be conducted during the regularly scheduled meeting of the City Council on April 19, 2022. As General Partner, the CCHFC would own the project's land and earn 25 percent of the project's developer fee. The CCHFC portion of the developer fee to be paid during development is \$355,958 and \$496,516 will be deferred and paid from 2024 through 2034. The CCHFC has adopted the \$15,000,000 bond issuance resolution for the project under the development partnership of Greenwood Manor, LP.

Corpus Christi Business & Job Development Corporation (Type A) and Corpus Christi B Corporation (Type B) affordable housing funds will be granted to the Corpus Christi Housing Finance Corporation which will loan funds to the project. There will be two loans made to the project from all City related sources. The Type A funds, Type B funds and CCHFC funds will be one deferred loan totaling \$1,833,914 from the CCHFC to the project at 3 percent interest and amortized over 40 years with repayment beginning in 2037 (year 14). The HOME funds will be a \$1,166,086 deferred loan from the City to the project at 3 percent interest and amortized over 40 years with repayment beginning in 2037 (year 14) as well. The CCHFC loan will subordinate to the City HOME loan. Both loans are repayable through net cashflow and will be paid in full when the Limited Partner (tax credit equity investor) exits the deal through a sale in 2039 (year 16).

The project timeline includes the following briefings, presentations for approvals, closings, and construction dates:

City Council Briefing – April 12, 2022

Type A Board – April 18, 2022

Type B Board – April 18, 2022

CCHFC Board Meeting – April 19, 2022

City Council 1st Reading – April 19, 2022
City Council 2nd Reading – April 26, 2022
4% Low-income Housing Tax Credit Award – July 22, 2022
FY2023/PY2022 HUD HOME Allocation Council Meeting – August 2022
Bond Closing Date – August 23, 2022 (bond reservation expiration)
Construction Start – August 2022
Project Completion – December 2023

ALTERNATIVES:

The City may choose not to authorize the agreements making the project infeasible.

FINANCIAL IMPACT:

The funding sources for ALMA at Greenwood are Type A Housing Fund 1140 for \$160,560 from FY22 and Type B Housing Fund 1147 for \$1,191,871 from FY23.

Funding Detail Type A \$160,560:

Fund:	1140
Organization/Activity:	15000
Mission Element:	132
Project # (CIP Only):	N/A
Account:	530000

Funding Detail Type B \$1,191,871:

Fund:	1147
Organization/Activity:	15000
Mission Element:	132
Project # (CIP Only):	N/A
Account:	530000

RECOMMENDATION:

City staff recommends authorizing an affordable housing agreement for \$160,560 between the Corpus Christi Business & Job Development Corporation (Type A) and the Corpus Christi Housing Finance Corporation and authorizing an affordable housing agreement for \$1,191,871 between the Corpus Christi B Corporation (Type B) and the Corpus Christi Housing Finance Corporation for the construction of ALMA at Greenwood.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Presentation
Type A Agreement
Type B Agreement
Legal and Liability Analysis