



AGENDA MEMORANDUM

Future Item for the City Council Meeting of January 20, 2015
Action Item for the City Council Meeting of January 27, 2015

DATE: January 8, 2015

TO: Ronald L. Olson, City Manager

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Annual Board Meeting of the Corpus Christi Housing Finance Corporation

CAPTION:

Annual Board Meeting of the Corpus Christi Housing Finance Corporation

PURPOSE:

The purpose is to hold the Annual Board Meeting of the Corpus Christi Housing Finance Corporation in order to elect officers and consider the adoption of a resolution pertaining to a loan to be made in connection with the Lexington Manor Apartments, an affordable housing project.

BACKGROUND AND FINDINGS:

Election of Officers

After each City Council election and the appointment of new board members, the CCHFC must elect new officers. The Bylaws provide for the following: President, Vice President, Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, General Manager and Assistant General Manager. Typically, the President and Vice President have been elected from the Board of Directors and previously were David Loeb and Priscilla Leal, respectively.

The Bylaws provide that all officers do not have to be Board members, and the remaining positions have been held by the persons on City staff holding the functional equivalent positions. The recommendation for these positions is as follows:

Secretary
Assistant Secretary

Rebecca Huerta
Paul Pierce

Treasurer
Assistant Treasurer
General Manager
Assistant General Manager

Margie C. Rose
Constance Sanchez
Ronald L. Olson
Susan K. Thorpe

Lexington Manor Apartments Project

TG 110 Lexington, LP is the owner of the Lexington Manor Apartments and was awarded low-income housing tax credits from the Texas Department of Housing and Community Affairs (TDHCA) from the statewide at-risk pool. This project also was awarded local HOME funds from the Corpus Christi Community Improvement Corporation, but its eligibility for the tax credits is conditioned upon the receipt of an additional interim loan from a local housing entity. The project is coordinated by Housing & Community Services, Inc. of San Antonio (HCS).

Lexington Manor is an existing 153-unit multi-family housing development at 3126 Ray Ellison Drive in Corpus Christi. The closing of the tax credit transaction will result in the complete redevelopment of that project.

On February 25, 2014, the CCHFC Board approved the issuance of a loan commitment to provide an interim loan in an amount up to the difference between the minimum amount required under TDHCA rules for the local points award (estimated at \$2,295,000) and the actual amount of HOME funds allocated to the project. After completion of the scoring by TDHCA and the HOME funds allocation by the Corpus Christi Community Improvement Corporation, the resulting interim loan requirement is \$1,400,000. As required by the conditions of the loan commitment made by the CCHFC, HCS has made arrangements with its lender for the project, Wells Fargo Bank, National Association, to loan the \$1,400,000 to the CCHFC, which will re-loan the funds to TG 110 Lexington, LP, the owner of the project. The loan from Wells Fargo Bank will be a special obligation of the CCHFC repayable solely from the proceeds that it receives from its loan to TG 110 Lexington, LP.

Approval of the attached Resolution authorizing the \$1,400,000 loan from Wells Fargo Bank and the lending of said \$1,400,000 loan proceeds to TG Lexington, LP is required for the project to close.

The CCHFC Bylaws have previously been amended to hold the annual meeting in February. However, the annual meeting will be held in January in order to officiate the time sensitive resolution request and avoid loss of project funding.

ALTERNATIVES:

N/A. The City has already committed its HOME Program funds for the project. The remaining funding amount must be made from the loan structure proposed.

OTHER CONSIDERATIONS:

Not Applicable

CONFORMITY TO CITY POLICY:

The action conforms to all applicable City and CCHFC policies.

EMERGENCY / NON-EMERGENCY:

Non-Emergency. This item requires only one meeting of the CCHFC Board.

DEPARTMENTAL CLEARANCES:

FINANCIAL IMPACT:

Operating Revenue Capital X Not applicable

Fiscal Year: 2014-2015	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget				
Encumbered / Expended Amount				
This item				
BALANCE				

Fund(s):

Comments: N/A

RECOMMENDATION:

Staff recommends the approval of the loan to TG 110 Lexington, LP.

LIST OF SUPPORTING DOCUMENTS:

Agenda for CCHFC Board Meeting
Unapproved April 29, 2014 Board Meeting Minutes
Treasurers Report
Resolution