



## **AGENDA MEMORANDUM**

Action Item for the City Council Meeting June 24, 2025

**DATE:** June 20, 2025

**TO:** Peter Zaroni, City Manager

**FROM:** Heather Hurlbert  
heatherh3@cctexas.com  
826-3506

Finding the recent acquisition of Apartment Complexes by Corpus Christi Housing Authority void and illegal.

### **CAPTION:**

Resolution finding the authorization and purchase of the properties by the Corpus Christi Housing Authority related to the apartment complexes of Armon Bay, Azure, Churchill Square, Ocean Palms Apartments, Sandcastle, Sawgrass, South Lake Ranch, Stoneleigh Apartment, The Icon, The Summit, The Veranda, Tuscany Bay South, Villas of Ocean Drive, Arts at Ocean Drive, Caspian Apartments, Gulf Breeze, Shadow Bend, Bay Vista, Bay Vista Point, Baypoint, and Solana Vista void by operation of law; and finding the related memorandum of understandings, ground leases, and operating agreements illegal; requesting the Corpus Christi Housing Authority to acknowledge the findings herein and to immediately terminate the void/illegal land acquisitions, related contracts, and actions.

### **SUMMARY:**

This resolution identifies the illegalities of the recent acquisition of Apartment Complexes by the Corpus Christi Housing Authority and requests that the CCHA immediately act to terminate the agreements and return the land to the prior owners.

### **BACKGROUND AND FINDINGS:**

The Corpus Christi Housing Authority is a public body corporate and politic, operating independently from the city but governed by a board of commissioners. The Corpus Christi Housing Authority was created to address the shortage of housing for persons of low income. It is the policy of the state that a housing authority manages and operates its housing projects in an efficient manner to enable it to set rentals at the lowest possible rates consistent with providing decent, safe, and sanitary housing.

The Corpus Christi Housing Authority has recently deviated from this policy to partner with private apartment complex owners to secure property tax exemptions for the privately operated apartment complexes, to the detriment of the citizens of Corpus Christi, including low-income residents. These partnerships with privately operated apartment complexes do not provide any additional housing to the City, while also depriving the respective taxing entities of revenue to provide services to the residents of these apartment complexes. The affected taxing entities include the City of Corpus Christi, Nueces County, Nueces County Hospital District, Del Mar

College, Calallen ISD, and Corpus Christi ISD.

On May 13, 2025, the City Council passed a resolution authorizing active opposition to improper and/or illegal use of property tax exemptions by the Corpus Christi Housing Authority, affiliates, and entities connected thereto.

On May 28, 2025, the CCHA Commission, by unanimous vote of 5, ordered a pause on all real estate transactions related to the Workforce Housing Opportunity, WHO, including all pending closures and any new MOUs. The pause prevented the closing of the following apartment complexes: Arts at Ocean Drive, Caspian Apartments, Gulf Breeze, Shadow Bend, Bay Vista, Bay Vista Point, Baypoint, and Solana Vista. The combined taxable value of these Apartment Complexes is \$213,650,416.

The board further tabled the proposed agreements with Cameron County Housing Finance Corporation to continue a similar tax scheme to acquire the apartment complexes of Island Villa, Encore Crossing, and The Retreat. The combined appraisal value of these properties is \$208,557,706. Due to the passage of HB21 in the 89<sup>th</sup> Legislature, these properties will likely return to the tax rolls in 2027.

Prior to the CCHA Commission's order, the potential estimated loss of tax revenue to the City is \$3,371,354.00, and a total loss of \$12,241,356.00 to all taxing entities for tax year 2025.

The CCHA took the first step in remedying this situation by putting a pause on any new closings or agreements.

This resolution is requesting the CCHA to take a final step to terminate and rescind the land purchases and agreements associated with the recent illegal Apartment Complex acquisitions.

**ALTERNATIVES:**

Take no action

**FISCAL IMPACT:**

**Funding Detail:**

Fund:

Organization/Activity:

Department:

Project # (CIP Only):

Account:

**RECOMMENDATION:**

Approval

**LIST OF SUPPORTING DOCUMENTS:**