



AGENDA MEMORANDUM

Action Item for the City Council Meeting April 19, 2022

DATE: April 8, 2022

TO: Peter Zaroni, City Manager

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Special Board Meeting of the Corpus Christi Housing Finance Corporation

CAPTION:

Special Board Meeting of the Corpus Christi Housing Finance Corporation to consider a proposal to participate as General Partner in the Greenwood Manor, LP and as ground lessor, to consider accepting a total of \$1,352,431 from the Corpus Christi Business & Job Development Corporation (Type A) and Corpus Christi B Corporation (Type B), and to consider making a loan of \$481,483 from Corpus Christi Housing Finance Corporation funds and \$1,352,431 from the Corpus Christi Business & Job Development Corporation (Type A) and Corpus Christi B Corporation (Type B) to Greenwood Manor, LP. Greenwood Manor, LP will be the ownership entity 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.

SUMMARY:

The purpose is to hold a Special Board Meeting of the Corpus Christi Housing Finance Corporation to consider matters pertaining to Greenwood Manor, LP and it's project ALMA at Greenwood.

BACKGROUND AND FINDINGS:

Greenwood Manor, LP., a single asset entity, will be the owner of an affordable housing project, ALMA at Greenwood, being developed by Adelante Development, LLC. ALMA at Greenwood is a multifamily affordable rental housing project with 152 units located on 10.554 acres on the southeast corner of Greenwood Drive and Gollihar Road east of West Point Road. All units would serve households at or below 60 percent of the area median income.

The Corpus Christi Housing Finance Corporation (CCHF) approved an inducement resolution for multifamily revenue bonds for this project on January 25, 2022. Greenwood Manor, LP has received a \$15,000,000 multifamily revenue bonds reservation from the Texas Bond Review

Board. The inducement resolution and bond reservation allow Greenwood Manor, LP to include the preliminary costs and land acquisition in a future issuance of revenue bonds. The CCHFC has no legal obligation to issue any bonds at any time in the future, and any issuance of bonds will be subject to review and approval at a meeting of the Board in July or August 2022.

Any revenue bonds issued by the CCHFC solely are payable from the loan payments received from the project. They are not a general obligation of the CCHFC, and neither the City of Corpus Christi nor its credit are involved. The CCHFC has no taxing power.

On April 18, 2022, ALMA at Greenwood was presented to the Corpus Christi Business & Job Development Corporation (Type A) and the Corpus Christi B Corporation (Type B). The approval from the Corpus Christi Business & Job Development Corporation (Type A) was for \$160,560 and the approval from the Corpus Christi B Corporation (Type B) was for \$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 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 as ground lessor so that the property may qualify for property tax-exemption. As General Partner, the CCHFC would own the project's land, lease it to Greenwood Manor, LP, 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.

Corpus Christi Business & Job Development Corporation (Type A) and Corpus Christi B Corporation (Type B) affordable housing funds will be granted to the CCHFC 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 CCHFC may elect not to participate in the project.

FISCAL IMPACT:

CCHFC will fund \$481,483 from the available cash balance reserved for affordable housing.

Funding Detail:

Fund:

Organization/Activity:

Mission Element:

Project # **(CIP Only)**:

Account:

RECOMMENDATION:

Staff recommends the CCHFC approve the project's ownership structure, agree to lease the ground and make the necessary loans to the project.

LIST OF SUPPORTING DOCUMENTS:

Agenda for CCHFC Special Board Meeting
Unapproved January 25, 2022, Board Meeting Minutes
Financial Statements
Presentation – ALMA at Greenwood
Legal and Liability Analysis – ALMA at Greenwood
Agreement with Type A
Agreement with Type B