



AGENDA MEMORANDUM

Future Item for the City Council Meeting of January 27, 2015
Action Item for City Council Meeting February 10, 2015

DATE: 1/14/2015

TO: Ronald L. Olson, City Manager

THRU: Susan Thorpe, Assistant City Manager
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FROM: Eddie Ortega, Director of Housing and Community Development
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**Approving grant funds for the rehabilitation of the La Armada II
Public Housing Complex.**

CAPTION:

Motion approving grant funds for the rehabilitation of the La Armada II Public Housing Complex, and authorizing the City Manager or his designee to execute an affordable housing agreement with the Corpus Christi Housing Authority.

PURPOSE:

The Corpus Christi Housing Authority will rehabilitate 93 the La Armada II Public Housing Complex, which will bring 93 previously unused units back into service. The executed grant will authorize the Corpus Christi Housing Authority to carry out this scope of work.

BACKGROUND AND FINDINGS:

La Armada was built in 1939 and 1940 as military housing. Since completing its military service, La Armada II has served citizens of Corpus Christi as Public Housing. However, after 70 years of use, the property is in desperate need of revitalization. Currently 93 of the 400 units have been removed from service due to physical deterioration.

By utilizing this funding request as leverage to assist the CCHA, the CCHA plans to utilize its HUD Operating Financing Program and Capital Fund Program as their funding sources. Construction will be completed over a two year period with an estimated cost of \$5.3 million. The request for \$500,000 represents an approximate 10% match toward the project which will be received over two fiscal years from the Type A Board.

On January 19, 2015, the Type A Board approved a funding grant request from the Corpus Christi Housing Authority for the amount of \$500,000 for the rehabilitation of the La Armada II Complex. Of the \$500,000 that is to be awarded, \$350,000 will be funded from FY2014-2015 and the remaining balance of \$150,000 will be funded from FY2015-2016 Type A Affordable Housing funds.

On January 20, 2015, the Corpus Christi City Council approved the 2014 revisions of the Corpus Christi Business and Job Development Corporation Affordable Housing Goals and Strategies which was to acknowledge and allow for the support of rental housing projects as an Affordable Housing strategy for the citizens of Corpus Christi.

The execution of this funding agreement will allow the revitalization of La Armada II Public Housing Complex to move forward to bring 93 vacant units back online and the remaining 307 units are being rehabilitated, improved and modernized.

Within the Type A funding allocation, \$300,000 remain for Homebuyer Assistance funding for the remainder of the fiscal year as well as \$150,000 remains available for other affordable housing projects.

ALTERNATIVES: N/A

OTHER CONSIDERATIONS: N/A

CONFORMITY TO CITY POLICY:

This project is consistent with the Type A Board's Affordable Housing Goals and Strategies. This grant will be used for the support of affordable rental housing for the very low-income citizens of Corpus Christi.

EMERGENCY / NON-EMERGENCY:

Immediate action is necessary for the efficient and effective administration of the City's affairs. This is a routine, non-controversial item.

DEPARTMENTAL CLEARANCES:

Housing and Community Development staff, along with the Legal Department staff have reviewed and cleared the proposed amendment.

FINANCIAL IMPACT: Operating Expense

Fiscal Year: 2014-2015	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$350,000		\$350,000
Encumbered / Expended Amount				
This item		\$350,000		\$350,000
BALANCE				

Fund(s):

Comments: N/A

RECOMMENDATION:

Housing and Community Development staff recommends the approval grant funds for the rehabilitation of La Armada II Housing Complex and to authorize the City Manager or his designee to execute an Affordable Housing Agreement with the Corpus Christi Housing Authority.

LIST OF SUPPORTING DOCUMENTS:

Interlocal Agreement with CCHA