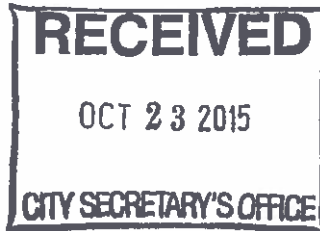




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**ADMITTED IN TEXAS, NEW YORK & NEW JERSEY

OF COUNSEL:
DOUGLAS E. BIRCHER
MARVIN J. WANNER
BOARD CERTIFIED ESTATE PLANNING & PROBATE
TEXAS BOARD OF LEGAL SPECIALIZATION
TIMOTHY P. DOWLING
BOARD CERTIFIED BUSINESS BANKRUPTCY LAW
TEXAS BOARD OF LEGAL SPECIALIZATION
DIRECT FAX (361) 884-1286
EMAIL: tdowling@albmlaw.com

October 23, 2015

By hand delivery

Rebecca Huerta
City Secretary
1201 Leopard Street
Corpus Christi, Texas 78401

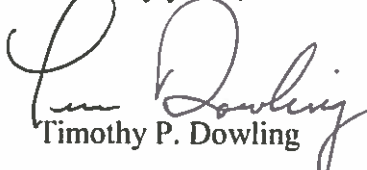
Re: Appeal of Building Standards Board's order dated
September 24, 2015 in Case No. 15-568

Dear Ms. Huerta:

Enclosed is a Notice of Appeal regarding a final Order of the Building Standards Board in the above case. The owner of the property in question, Corpus Christi Note Acquisitions, LLC, by this Notice of Appeal hereby appeals the final order of the Building Standards Board in the above case.

I would appreciate it if you would please within the next few days give me a call to discuss scheduling the hearing regarding this appeal, and the appeal procedure before the City Council. Thank you.

Sincerely yours,


Timothy P. Dowling

By hand delivery to

Yvette Aguilar
Assistant City Attorney (5th floor)
1201 Leopard Street
Corpus Christi, Texas
(copy of Notice of Appeal enclosed)

Diane Garza
Building Standards Board Liaison
Code Enforcement Division (2nd floor)
1201 Leopard Street
Corpus Christi, Texas
(copy of Notice of Appeal enclosed)

TPD/ap
Enclosure

Corpus note 1/letters/October 2015 letter to City's secretary re Gordon appeal

In re appeal of Building Standards
Board's ruling regarding apartments
at 625 Gordon, Corpus Christi,
Texas

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BUILDING STANDARDS BOARD

CASE NO.15-568

Notice of Appeal of Final Order of Building Standards Board

Corpus Note Acquisitions, LLC ("Owner"), the owner of the 42 unit Gordon Apartments ("Apartments") property located at 625 Gordon St., Corpus Christi (the "Property") addressed by the Final Order of the City of Corpus Christi's Building Standards Board ("Board") in this case (Case No. 15-568), which final order is attached hereto as Exhibit 1 ("Order") and is incorporated here in my reference, hereby files this Notice of Appeal of the Order. The Property is located two blocks northwest of the corner of Alameda and Texan Trail. The City Council of Corpus Christi ("Council") should reverse the Board's Order for the reasons explained below.

I. Affirming the Order is contrary to the public interest and would be manifestly unjust.

1. This City very badly needs of many more units of affordable housing. Two recent articles from the *Corpus Christi Caller-Times* regarding this "crisis" are attached hereto as Exhibits 2 and 3. The Owner will seek in November 2015 a substantial grant from the Texas Department of Housing and Community Affairs to assist in the rehabilitation of the Apartments to enable them to once again serve as low income housing (but this time, in marked contrast to their condition when they were owned by another party prior to August 5, 2014, in a much improved condition). The Owner expects to have a decision about whether this grant request will

be approved in approximately two to three months. As Exhibit 3 indicates, the Texas Department of Housing and Community Affairs recently approved two apartment projects in Corpus Christi. Until it is known whether this grant application is approved or not, it clearly would be premature for the Council to require the demolition of the Apartments.

2. The highest and best use of the Property is as low income housing. Rehabilitation of the Apartments for that purpose would not only serve the interests of the City by increasing the number of badly needed low income housing units, but this would also be in effect new units of low income housing in a very well-established area of the City (in short, new housing in an old area of the City).

3. Having the Property once again serve this purpose would also be very beneficial to the City because this will consist of “in-fill” redevelopment that would not require the extension of new infrastructure to previously undeveloped areas of the City. Allowing the Property to be rehabilitated for the purpose of low income housing would be a “double win” for Corpus Christi: there would be an increase in the number of low income housing units, and this would occur in an area where the City would not have to spend “new money” for infrastructure.

4. The Council should also not approve the Board’s Order requiring demolition of the Apartments, because the Board either did not consider at all, or did not adequately consider, the engineering report regarding the condition of the Apartments that is attached hereto as Exhibit 4 (“Engineer’s Report”; the resume of the engineer (Jennifer Scheffler, P.E.) who prepared the Engineer’s Report is attached hereto as Exhibit 5). The Engineer’s Report indicates that there are conditions at the Apartments that need correction, but that the “building structural framing and foundation systems appear to be in good general condition... with the exception of a few isolated

areas” (emphasis added) noted in this report. Structures in “good general condition” should not be demolished. Furthermore, the interior of the apartments units are typically in substantially better condition than one might expect given the cosmetic or other detractions to their exterior appearance.

5. Requiring the demolition of the Apartments, rather than letting the existing structures be rehabilitated, would require a much larger expenditure to rebuild from the foundation up, compared to rehabbing the Apartments with the existing structures. The demolition the Order requires would make it much more unlikely that there will be any rehabilitation of the Property at all (or much, much later) since the cost to do so would be radically increased.

6. The person who is the sole owner of the Owner, Mr. Gen Shibayama, has been involved in many apartment projects locally for several years. Many Corpus Christi apartment units have been substantially improved because of his work. Mr. Shibayama’s resume showing his involvement with many multi-family housing units in Texas, with a great many of them in Corpus Christi, is attached hereto as Exhibit 6. Mr. Shibayama’s resume shows his involvement with fifteen different real estate transactions in Corpus Christi in the last 22 months, thirteen of them involving apartments (totaling 318 units)(not counting the Property). He also has extensive real estate experience in other parts of Texas. Mr. Shibayama has the ability, the desire, and the experience to rehabilitate the Apartments. The Apartments should not be demolished, especially in light of the fact that there soon will be a grant application pending to assist in their rehabilitation as very desirable low income housing in the center of the City.

7. At substantial expense the Owner placed a six foot high chain link fence around the Property to secure it. This has surely reduced the need for police involvement with the Property.

There is no need to rush to demolish the Apartments when the upside of the Property is so substantial if it is rehabilitated for low income housing.

8. Section 13 – 24(b) of the City’s Municipal Code dealing with appeals from rulings by the Board states in relevant part that “The city council, on appeal, may vary the application of any provision of this Code to any particular case when the enforcement thereof [1] would do manifest injustice and would be contrary to the spirit and purpose of this Code, the Corpus Christi Property Maintenance Code or [2] public interest or when, in its opinion, the decision of the board should be modified or reversed” (emphasis added). Clearly the “public interest” would be best served by not requiring demolition of the Apartments. Requiring their demolition now would be “manifestly unjust.”

II. Ordering the demolition of the Apartments would impose an undue hardship on the Owner.

9. Sections 13-23 and 13-24 of the City’s Municipal Code both provide that the Council can reverse a decision of the Board if the Board’s ruling would cause “undue hardship” for the property owner. Demolition of the Apartments would cause such hardship to the Owner for the reasons explained below.

10. The Property was formerly owned by Gordon Street Apartments, LLC, an entity unrelated to the Owner or Mr. Shibayama. PlainsCapital Bank held a first lien on the Property. The Owner purchased the indebtedness on the Property from the Bank, along with the indebtedness related to three other local properties, for a large seven-figure sum in late March 2014. Gordon St. Apartments, LLC then filed Chapter 11 bankruptcy on March 31, 2014 to prevent foreclosure of the Property the next day. The Owner then had to engage in expensive litigation on a very accelerated schedule in the Bankruptcy Court. The net result of this litigation

was that the Owner was allowed to foreclose on the Property. That occurred on August 5, 2014. Corpus Note Acquisitions, LLC on that date became the owner of the Property. Prior to August 5, 2014 the Apartments had been generating substantial revenue for Gordon Street Apartments, LLC although they were in poor condition.

11. Promptly after obtaining control of the Property after foreclosure, the Owner removed all of the then current tenants (and squatters) from the Property at substance expense with the intention of rehabilitating the Property. The Owner has not received a single cent of income from the Property since he became its owner on August 5, 2014.

12. After obtaining control of the Property after August 5, 2014, the Owner learned that the Property was in substantially worse condition than it believed. This means that the Owner has been faced with the prospect of having to spend much more money to rehabilitate the Property than expected. The cost to rehabilitate the property is expected to be well in excess of \$1 million if the Apartments are not demolished. The Owner has been attempting diligently over many months to obtain necessary financing to rehabilitate of the Property or to locate a buyer at a fair price for the Property. These efforts will include in November the Owner's attempt to obtain a low income housing grant to assist in the rehabilitation of the Property. It is expected that a decision regarding this grant will be made in early 2016.

13. The nineteen unit Reid Apartments also come under the Owner's ownership and management by the same process described in paragraphs 10 and 11 above. The Reid apartments were in much worse condition than the Apartments. The Owner had them demolished at a cost in excess of \$85,000. Just as with the Apartments, the Owner has received absolutely no income from the Reid apartments.

14. The owner's acquisition of the debt related to the Property, the expensive litigation that followed in the Bankruptcy Court to obtain control of the Property, and the subsequent lack of any income from the Property, has meant that the Property has been an unexpectedly large financial drain on the Owner's resources. To now require the Apartments to be demolished, thereby dramatically reducing their value, particularly in light of the Owner's substantial expense of securing the Property by fencing, would impose an unjust and undue hardship on the Owner. This would be particularly unjust and inappropriate given Mr. Shibayama's success in redeveloping other apartment properties in Corpus Christi that were badly in need of it. Accordingly, even if allowing the Owner to rehabilitate the Apartments was not in the "public interest" as it is (see pages 1-5 above), the Order should be reversed because of the "undue hardship" that would be imposed the Owner by failing to do so.

III. Action that the Owner requests that the Council take

15. The Owner requests that it be granted sufficient time to present this appeal to the Council, which it estimates to be 30-45 minutes, not counting time for questions by members of the Council and replies to the same (and also not including comments by staff of the City of Corpus Christi and replies to the same). Failure to give the Owner sufficient time to present this appeal to the Council will deprive the owner of the due process of law it is entitled to under the Texas and United States Constitutions. Owner therefore objects to any procedure before the Council that does not proceed it sufficient time to present its case regarding why the Order should be reversed.

16. For the reasons explained above Corpus Note Acquisitions, L.L.C., requests that the Council reverse the Order, or alternatively do so subject to just and appropriate conditions that

would enable the Owner to have adequate time to rehabilitate the Apartments on appropriate economic terms. The Owner also requests that the Council grant it such further additional relief as is just and appropriate.

Respectfully submitted,



Timothy P. Dowling
State Bar No. 06083900
Anderson, Lehrman, Barre & Maraist, LLP
Legal counsel for the Owner
1001 Third St., Suite 1
Corpus Christi, Texas 78404
Telephone: (361) 884-4981
FAX: (361) 884-1286
Email: tdowling@albmlaw.com

VERIFICATION

STATE OF TEXAS

§

§

COUNTY OF TRAVIS

§

The undersigned, Gen Shibayama, being the sole member of Corpus Note Acquisitions, LLC, hereby swears or affirms that the statements contained in paragraphs 1-16 above are within his personal knowledge and are true and correct. This document was sworn to before me on

October 23, 2015, by Gen Shibayama, the sole member of Corpus Note Acquisitions, LLC, a Texas limited liability company, on behalf of said limited liability company.


GEN SHIBAYAMA

SUBSCRIBED AND SWORN TO BEFORE ME by GEN SCHIBAYAMA on October 23, 2015.




NOTARY PUBLIC, STATE OF TEXAS

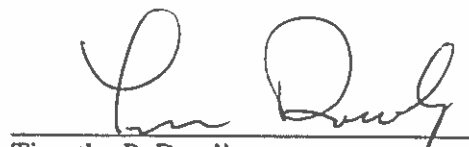
CERTIFICATE OF SERVICE

The undersigned attorney hereby certifies that on October 23, 2015 a true and correct copy of this Notice of Appeal was filed with the City Secretary of Corpus Christi and was also served by hand delivery on the persons named below:

By hand delivery

Diana T. Garza
Building Standards Board Liaison
Code Enforcement Division (2nd floor)
1201 Leopard Street
Corpus Christi, Texas 78401

Yvette Aguilar
Assistant City Attorney
City of Corpus Christi (5th floor)
1201 Leopard Street
Corpus Christi, Texas 78401


Timothy P. Dowling

Exhibits to this Notice of Appeal

Exhibit 1: Final Order of the Board

Exhibit 2: *Corpus Christi Caller-Times* 8/2/2015 article about the great need for affordable housing in Corpus Christi

Exhibit 3: *Corpus Christi Caller-Times* 8/5/2015 article about tax credits for affordable housing (refers to the City's "struggles with a housing crisis")

Exhibit 4: Professional engineer's report regarding the condition of the Apartments

Exhibit 5: Resume of Jennifer Scheffler, P.E.

Exhibit 6: Resume of Gen Shibayama



**FINAL ORDER OF THE
BUILDING STANDARDS BOARD
Case No. 15-568**



Property Owner(s)
OWNER : *Corpus Note Acquisitons LLC*
c/o Tim Dowling
ADDRESS : *1001 Third Street*
CITY STATE ZIP: *Corpus Christi, Texas 78404*

RE: 625 Gordon
LOT: W 24.4' Lt 9 all Lts 10 thru 12 W 64.48 Lt 13
BLOCK: 40
ADD' N: Lindale Park 4

This final order is issued pursuant to the authority granted to the Building Standards Board ("Board") of the City of Corpus Christi, ("City"), Nueces County, Texas in accordance with the Charter of the City, Chapter 13 of the City's Code of Ordinances ("Code") and the Texas Local Government Code.

On **September 24, 2015**, the City of Corpus Christi Building and Standards Board held a public hearing and made the following findings regarding the building located at the above referenced property:

1. Pursuant to the provisions of Chapter 13 of the Code, on **April 9, 2015** an inspection for substandard conditions was made of the building(s) or structure(s) located within the City at the above referenced property;
2. On **June 1, 2015** a notice of violation(s) and request to correct the violation(s) was sent to the owner and all known interested parties. Additionally, on **August 10, 2015** and **August 11, 2015** notice of violation(s) was posted in the Corpus Christi Caller Times;
3. Thirty days elapsed since the notice of violation(s) was provided and such violation(s) were not cured;
4. Code Official, Diana T. Garza, filed a complaint with the Chairman regarding the above listed property on **September 9, 2015**, and the public hearing was held not less than ten days and not more than 45 days after the complaint was filed;
5. Notice of the public hearing was sent to the owner and all known interested parties on **September 10, 2015**, which was at least ten day prior to the public hearing. Additionally, on **September 10, 2015** and **September 11, 2015** notice of the public hearing was posted in the Corpus Christi Caller Times;
6. After considering the testimony and reviewing the documentation and information submitted by City Staff and after affording the owner and/or other interested parties the opportunity to address the Board and present testimony, documentation and information the Board finds the building located at the above referenced property is substandard and/or constitutes a nuisance.
7. The City of Corpus Christi will vacate, secure, remove, or demolish the building or relocate the occupants of the building if the action ordered below is not taken within the allotted time.

The Board further finds:

— The substandard building shall be ordered secured by the owner, lien holder or mortgagee from unauthorized entry within 30 days.

OR

— The substandard building or structure can reasonably be repaired by the owner, lien holder or mortgagee, so as to be in compliance with this code, therefore it shall be ordered repaired within thirty (30) days. Repairs must be in compliance with City Ordinance Section 13-22 (G).

EXHIBIT

1

- The substandard building or structure can reasonably be repaired by the owner, lien holder or mortgagee, so as to be in compliance with this code, therefore it shall be ordered repaired within ____ (31 days to 90 days) days. Repairs must be in compliance with City Ordinance Section 13-22 (G). Further, the owner, lien holder or mortgagee shall secure the property in a reasonable manner from unauthorized entry while the work is being performed and work shall be commenced and performed in accordance with the time schedules established by the Board, to wit:
- The substandard building or structure is so damaged, decayed, dilapidated, unsanitary, unsafe, or vermin-infested that it creates a serious hazard to the health or safety of the occupants or the public, therefore it shall be ordered to be vacated within ____ days. The building or structure shall be placarded to prevent occupancy until the building or structure is brought up to all minimum standards of this code within thirty (30) days.
- The substandard building or structure is so damaged, decayed, dilapidated, unsanitary, unsafe, or vermin-infested that it creates a serious hazard to the health or safety of the occupants or the public, therefore it shall be ordered to be vacated within ____ days. The building or structure shall be placarded to prevent occupancy until the building or structure is brought up to all minimum standards of this code within ____ days. Work shall be commenced and performed in accordance with the time schedules established by the Board, to wit:
- X The structure or premises cannot be repaired because of the refusal of owner or its intrinsic state of disrepair or both and is dilapidated or substandard, therefore, it shall be ordered removed or demolished by the owner, lien holder or mortgagee, within thirty (30) days.
- The structure or premises cannot be repaired because of the refusal of owner or its intrinsic state of disrepair or both and is dilapidated or substandard, therefore, it shall be ordered removed or demolished by the owner, lien holder or mortgagee, within ____ (31 days to 90 days) days.

OR

The Board finds that the owner, lien holder or mortgagee has submitted a detailed plan and time schedule for the work and the owner, lien holder or mortgagee has established that the work cannot reasonably be completed within 90 days because of the scope and complexity of the work; therefore:

- The owner, lien holder or mortgagee is required to regularly submit progress reports to the Board to demonstrate compliance with the time schedules established for commencement and performance of the work, to wit:
- The owner, lien holder or mortgagee shall report monthly to the code enforcement office with progress reports.
- The above listed property, including structures or improvements on the property, exceeds \$100,000, in total value the owner, lien holder or mortgagee shall post a cash or surety bond in an amount adequate to cover the cost of repairing, removing or demolishing the building or structure not later than the 30th day from the date of this order.

Clarissa Beltran *FOR*
Lee R. Hassman *FOR*
Matthew Ezell *FOR*

Tim Honea *FOR*
Craig S. Loving *FOR*
Shane Torno *FOR*

Ordered this *24th* day of *September*, 2015.



Signed under authority of the Board:
Chairperson



Signed under the authority of the Board:
Vice-Chairperson

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Caller Times

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SUBSCRIPTION

Voucher applications skew high, but give
window into affordable housing need

Thursday



Kirsten Crow/Caller-Times Corpus Christi Housing Authority

By Kirsten Crow of the Caller Times

Posted: Aug. 01, 2015

SHARE



0

If the numbers are true, Corpus Christi is not just in an affordable housing crisis — it's a catastrophe.

More than 47,000 applications for subsidized housing were reportedly filed with the Corpus Christi Housing Authority through its online system. There are about 58,252 renter households in the city, according to a 2015 report by the National Low Income Housing Coalition. If the applications were representative of households, it would amount to more than 80 percent of renting households in the city.

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TOP

Several experts and officials have expressed doubts there are 47,817 households that applied for Section 8 housing vouchers. But if even 10 percent of the applications aren't duplications, it would represent a significant increase — and, if accurate, perhaps the first quantifiable snapshot of Corpus Christi's soaring rents and housing crunch.

When voucher lists are opened, it's common for urban areas to see a flood of applications in the tens of thousands, said John Henneberger, co-director of the Texas Low Income Housing Information Service. Having 47,000 applications in an area with about 58,000 renter households would be unusual, he added, calling 47,000 "gargantuan." Even 8,000 to 10,000 for an area like Corpus Christi would be very high, Henneberger said. Still, it's indicative of a problem.

"If there were 47,000 applications, there are a lot of people desperate for housing in Corpus Christi," he said. "Nobody fills out an application for fun. People do it because they need (it)."

Housing authority CEO and president Gary Allsup reported to the City Council about two weeks ago that residents submitted more than 46,000 applications for Section 8 housing vouchers — a sum that was followed by an audible gasp in City Hall chambers.

About 1,200 applied when the waiting list was last opened in 2010, Allsup said. This year, the agency expected 2,000 applications.

It is a sure thing that the 47,000 figure includes duplicated and incomplete applications, but staff has just begun the process of weeding those out, Allsup said.

The number was shocking, he told the council.

"I think there's been a lot of discussion about the affordable housing crisis that Corpus Christi is experiencing," Allsup said.

"I think this is great, point-on evidence that there is a crisis amongst us."

HOUSING CHOICE

The Section 8 choice housing vouchers are highly prized. They

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give recipients who make less than 50 percent of the area median income the opportunity to secure subsidized private-market rental housing. The program requires households to provide 30 percent of their income for rent, with the U.S. Department of Housing and Urban Development covering the remainder. Only 1,000 will make the local list — but even then, many will wait years before receiving a voucher.

The housing authority previously accepted applications through call-ins and hard copy on a first-come, first-serve basis. When the waiting list opened five years ago, the line wrapped around the building.

Allsup said in the past, the housing authority could see as many as 100 applications within the first 20 minutes of opening the list for applications.

"Essentially the difference between 9 and 9:15 (a.m.) could have been a difference in the waiting list of two years," he said.

This year, the applications were only accepted online and instead of accepting the applications on a first-come, first-serve basis, the housing authority kept the list open for a month. The applications will be selected through an online lottery in an effort to keep the selection as fair as possible, officials said.

It's thought that the new process could be a factor in a higher number of applications. Providing applications online and keeping the list open for several weeks increased accessibility and availability.

Most people who applied will likely be families who already have some kind of housing, Allsup said.

"They're struggling, or they lost jobs, or they have been cut from full-time to part-time (work)," he said. "There are a thousand different possibilities of how someone might wind up in need of assistance with housing."

Some of those who applied are likely living with friends or family, said Eddie Ortega, director of the city's Housing and Community Development division.

"A lot of families live together. ... I'm sure there's a lot of folks

out there looking for their own place," he said.

Others are disabled or elderly, and some are single mothers who may not receive child support or have difficulty securing child care, Henneberger said.

After the list is filled with 1,000 randomly selected applications, it will be some time before it is known whether those who made it are eligible.

Eligibility is determined at the time applicants are to receive the voucher because circumstances can change after a resident has applied, officials said. For example, if a resident applies while within the income threshold but later attains a high-paying job, they would be excluded. HUD considers a single-person household making no more than \$19,500 as eligible, for example.

The housing authority can supply an average of about 25 to 30 vouchers per month, Allsup said

AFFORDABILITY

What's considered affordable by experts is fluid, but it is typically defined as housing costs that do not exceed more than 30 percent of an individual's monthly income. Affordable rent for someone who makes \$2,400 per month would be no more than \$720 per month. Someone who makes \$1,900 per month would spend no more than \$570.

Hard numbers on affordability, income and average rental prices show a distinct gap.

In the report by the National Low Income Housing Coalition, affordable housing for a 40-hour-per-week minimum wage worker in Corpus Christi would be \$377 per month. For a modest one-bedroom apartment, a minimum wage worker would have to work 74 hours per week, states the report.

The price of an average one-bedroom apartment without a den costs \$774 per month in rent, according to a recent ALN report by Apartment Data Inc.

"We often find it's typical that a household with two minimum-

wage workers can't afford the rent on a modest-amenity apartment," Henneberger said. "A housing voucher is extremely important to working-class families to make ends meet."

Paying more than 30 percent of income on housing means foregoing other essentials, such as utilities and transportation, he added.

In an email to the Caller-Times, chief economist at Texas A&M University-Corpus Christi Jim Lee wrote that the state has seen a squeeze on the housing market, but the Eagle Ford Shale's effect has made the situation particularly acute in this area. Statistics indicate there has been a 30 percent decline in home affordability in less than three years, he added.

"For the past two years, my biggest concern has been not so much how fast our economy is growing in terms of job and income growth, but instead how we can catch up with the rising cost of living relative to the rest of the nation," he wrote. "The housing expense, of course, is a major part of this picture. Rapid regional economic growth in recent years has benefitted little the very low-income residents who tend to be unskilled and rely on minimum wage jobs."

Although the housing authority has not yet had time for a full vetting process, the 47,000 reported applications "makes it even more pronounced for me (that) this is an issue for our community," said City Councilwoman Lillian Riojas.

It's an opportunity, too, for various organizations — including realtors, a city board that oversees sales taxes and the housing authority — to partner and discuss more about what can be done to address affordable housing, she added.

It's a significant problem that communities are not always aware, Henneberger said.

"What you see in these numbers is the housing crisis that most people who don't live it never see," he said.

Twitter: @CallerCrow

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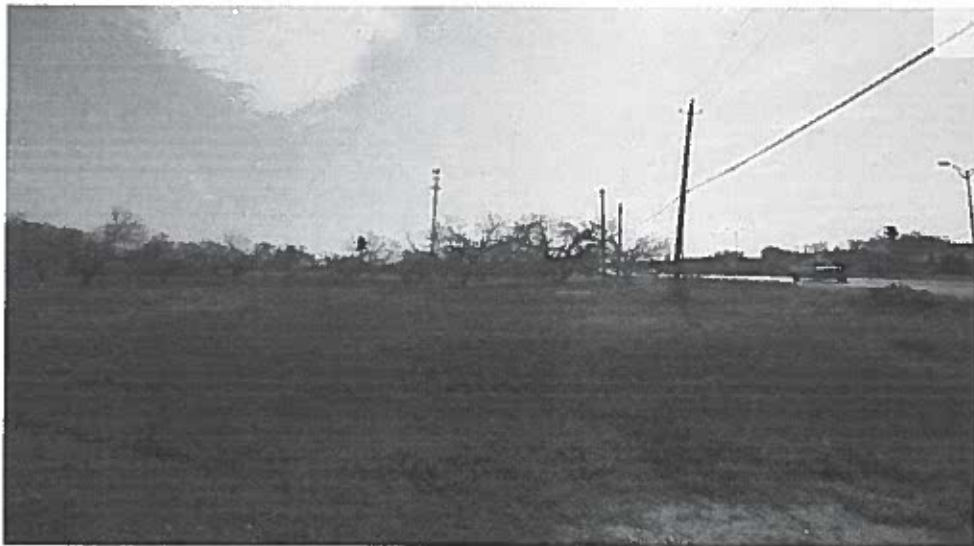
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Tax credits to go to 2 affordable housing developments



Credit: Rachel Denny Clow

Rachel Denny Clow/Caller-Times file The proposed River View at Calallen Apartments would be built at this location in the 12000 block of Leopard Street.

By Kirsten Crow of the Caller Times

Posted: Aug. 05, 2015

SHARE



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TOP



Credit: Rachel Denny Clow

Rachel Denny Clow/Caller-Times file The proposed River View at Calallen Apartments would be built at this location in the 12000 block of Leopard Street.



Credit: Rachel Denny Clow

Rachel Denny Clow/Caller-Times file Open windows vent the laundry room at the Glenoak Apartments in Flour Bluff. There are plans to demolish and rebuild the apartment complex.

A state award of tax credits is expected to boost affordable apartment options as the city struggles with a housing crisis.

Late last week, the Texas Department of Housing and Community Affairs awarded tax credits to two proposed developments in the city, said Eddie Ortega, director of the city's Housing and Community Development department. One would demolish and rebuild an existing apartment complex in Flour Bluff, and the other would construct a new apartment complex in the Calallen area.

The tax credit awards are good news, not only in helping to address the housing situation, but also in offering opportunities to children of families who will live in

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Throwback Thursday

MICHAEL Michael Kors
Selma Large East West

\$267.99

EXHIBIT

3

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NOW TRENDING

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Investigators seek cause of Annville fire, which killed two

Committee seeks improvement ideas for 78415 area

Get ready Coastal Bend, rain is here to stay

those locations, said Mayor Nelda Martinez.

"These are two excellent school districts where (the) children will have a great opportunity to get a quality education, no matter the socioeconomic background they come from," she said.

One development receiving tax credits would tear down an existing complex at 711 Glenoak Drive and replace the 40-year-old structure with a \$13.8 million development that would include new amenities, such as after-school programs and tutoring, city documents state. According to a council presentation, the households that would be served make less than 50 percent of the area's median income. Average median income in Corpus Christi is \$47,481.

Demolition of Glenoak could begin as early as May, said Raymond Lucas, an independent assessment manager with Housing and Community Services, a developer of the project.

City Councilwoman Colleen McIntyre, who represents the area, said Tuesday that work on the 40-year-old apartments is greatly needed. Coupled with additional updates such as masonry exteriors and computer labs, the demolition and rebuild will create a better environment for residents who live in the complex and also enhance the surrounding community, she said.

The second tax credit award would help push forward the construction of a complex called River View at Calallen in the 12000 block of Leopard Street. City documents show plans for 120 new units that would serve households bringing in less than 60 percent of the area median income. A presentation shown to the council lists Madhouse Development Services as the developer of the property. Representatives could not immediately be reached for comment this week.

New apartment complexes, particularly those intended to be affordable, frequently see controversy. Common arguments against the construction of apartment complexes include concerns ranging from increased traffic, noise and crime to drops in property value.

Proponents generally dispute those fears, frequently citing a "NIMBY" sentiment: "Not In My Backyard." Advocates also emphasize that the new affordable housing complexes don't look as they did in the 1960s and 1970s, but are now designed as attractive top-market apartments.

The City Council in February approved without dissent resolutions of support for five developments. The city was eligible for the award of tax credits for two developments this year.

The resolutions matter because the state weighs community support heavily when considering tax credit awards.

Last year, resolutions of support for three proposed developments in the Calallen area failed in a 4-4 vote by the council after concerns were raised

Are you FlatsWorthy?

Odem, Taft rivalry heats up as both teams are undefeated

Corpus Christi native plays lead role in Chicago play



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10/22/2015

Tax credits to go to 2 affordable housing developments

about overcrowding in the school district.

City Councilwoman Carolyn Vaughn, who has represented the Calallen area since January, said Tuesday she hoped residents would respond favorably to the proposed complex at the corner of Leopard Street and Callicoatte Road.

"Everyone has to have a place to live," she said.

Twitter: @CallerCrow



About Kirsten Crow

Kirsten Crow is an enterprise reporter for the Caller-Times and covering city government.

f @CallerCrow ✉ kirsten.crow@caller.com ☎ 361-886-4316



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Solutions Today with a
Vision for Tomorrow

September 23, 2015

GPM Engineering

5440 Old Brownsville Road
Corpus Christi, TX 78415

Attn: Mr. James Ward, P.E.
Project Manager

**RE: GORDON STREET APARTMENT COMPLEX BUILDING
CURSORY STRUCTURAL WALK-THROUGH ASSESSMENT**

Ladies/Gentlemen:

As requested, LNV performed the cursory structural walk-through of the Gordon Street Apartment Complex, located at 625 Gordon Street, Corpus Christi, TX. This walk-through was requested to provide an opinion of the current condition of the building structure, based on available visual observation only. Geotechnical data and construction plans were not reviewed or provided for review for this limited assessment.

Findings:

The apartment complex was built in the early 1960's according to the Nueces County Appraisal District. Most of the units were boarded up at the time of our visit on September 4, 2015; however, we were able to enter three units in three different structures, including a second floor unit, and observed the exterior of all structures in order to note similarities in condition and form a general opinion of the integrity of the main structural framing elements. A list of findings based on the units that were accessed, framing members that were visible and exterior observations is as follows:

- Differential foundation movement evident by cracking in the exterior brick veneer.
- Site drainage appears to be directed toward the building foundations at several structures.
- Minimal cracking was present in the drywall on the interior walls and ceilings of the units that were observed.
- "Soft" feel in isolated areas of floor while walking through second floor unit.
- Broken window glass at windows not covered with plywood.
- First floor unit in northernmost structure had previously sustained fire damage
 - Fire damage appeared to be somewhat contained and limited to the finishes on the interior of the unit rather than the framing system.
 - Exterior walkway framing above this unit was severely damaged, requiring replacement.
 - Possible water damage to adjacent units from firefighting efforts.
- Apparent fire damage outside first floor unit of southeastern most structure.
- Exterior stairs accessing the second floor units are in poor condition.
- Handrails on the exterior second floor walkway are in poor condition.
- Detached/deteriorated fascia board in isolated areas at exterior second floor walkway.
 - Exposed exterior walkway framing ends have water damage.



Professional Opinion:

Overall, the building structural framing and foundation systems appear to be in good general condition, based on our visual cursory walkthrough, with the exception of a few isolated areas previously noted. Differential foundation movement is a common occurrence in this area due to the native highly expansive clay soils. Proper site drainage improvements and positive drainage away from foundations will minimize further or future differential movement in the foundation systems.

General Comments:

My professional services have been rendered with care and diligence and in a manner customary for professionals involved with structural assessments.

I hereby certify that I have no interest, present or contemplated, in this property or its improvements; that my visual observation was made with reasonable care; and that the information contained in this report is based on my best professional judgment. This letter report is not a guarantee and carries no warranty, expressed or implied.

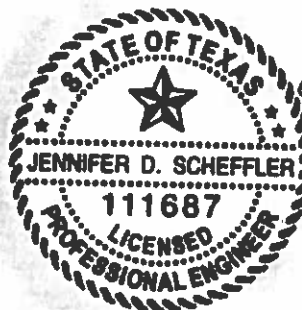
We appreciate the opportunity to assist you with this cursory walk-through. If you have any questions regarding the content of this letter report please call me at 361-883-1984 or email me at jscheffler@lrvinc.com.

Sincerely,

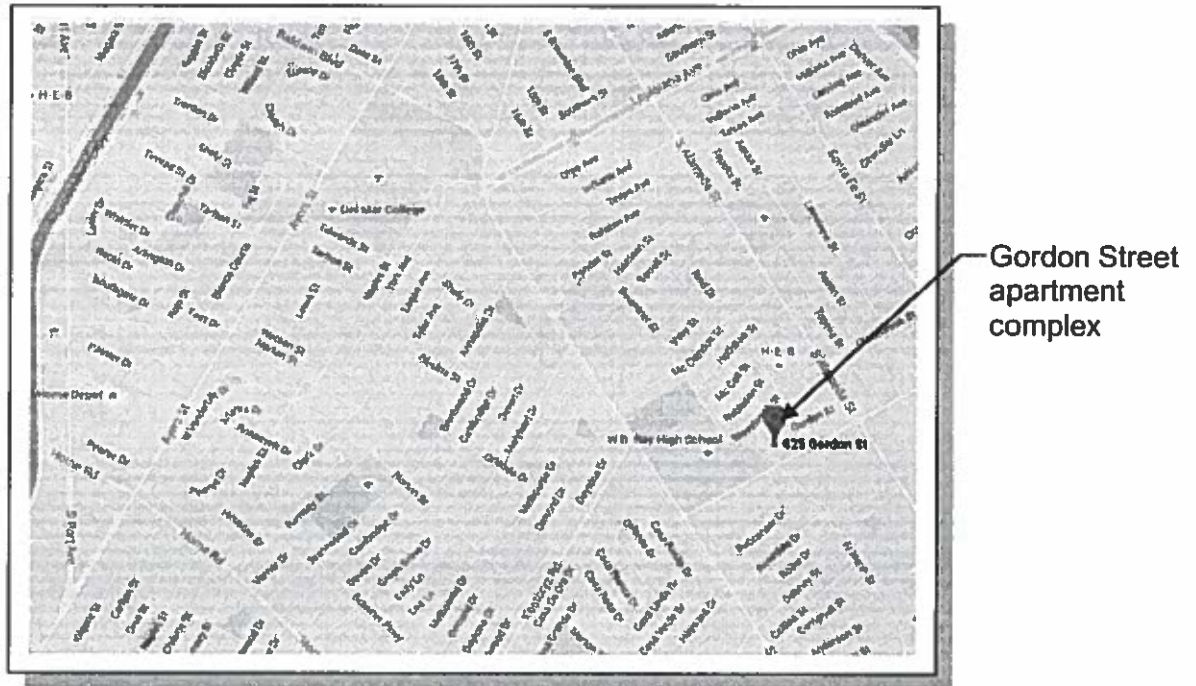
L N V

engineers | architects | contractors
TBPE Firm No. F-368

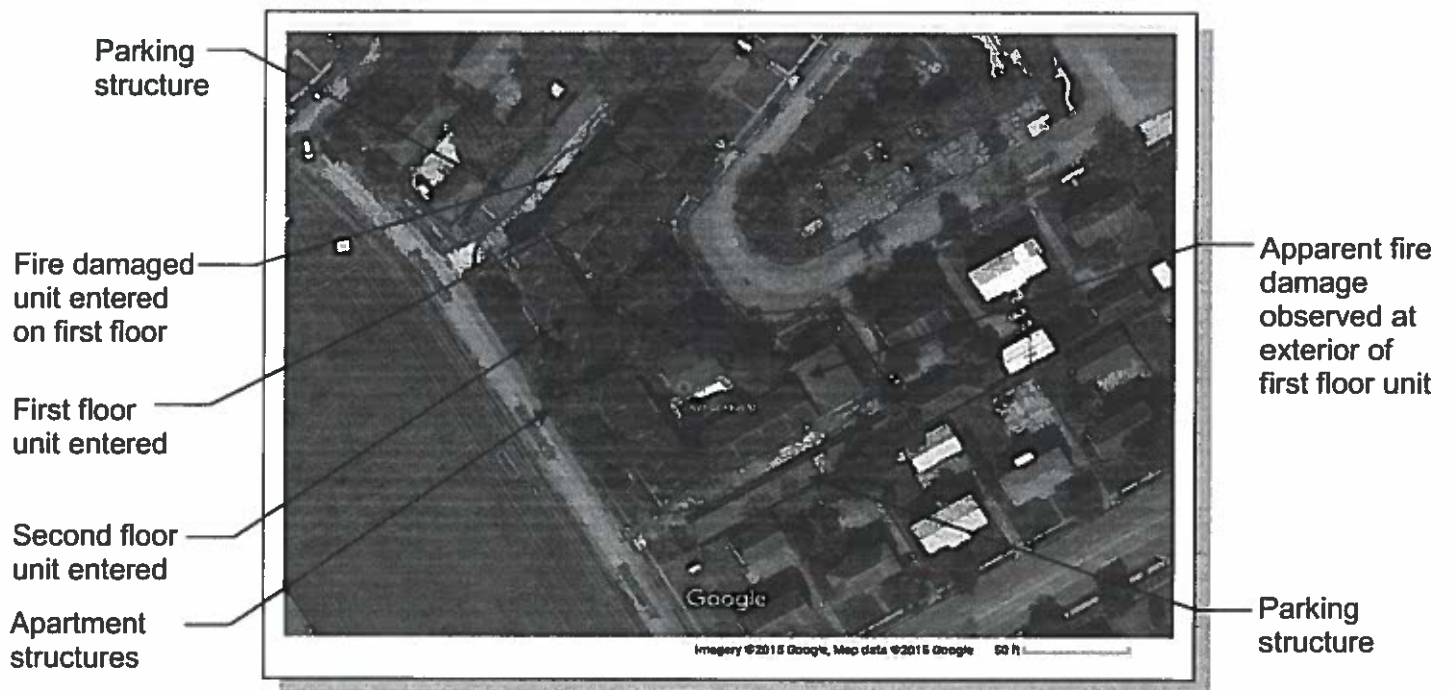

Jennifer D. Scheffler, P.E.
Project Engineer



09-23-15

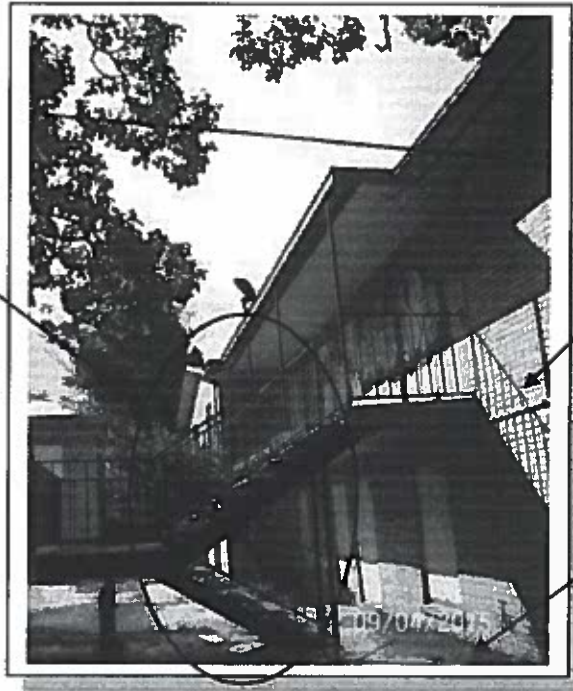


Photograph No. 1 – Google Map of Project Location



Photograph No. 2 – Google Map Satellite View of Project Location

Original stair
treads no
longer present.
Replaced with
wood
members.

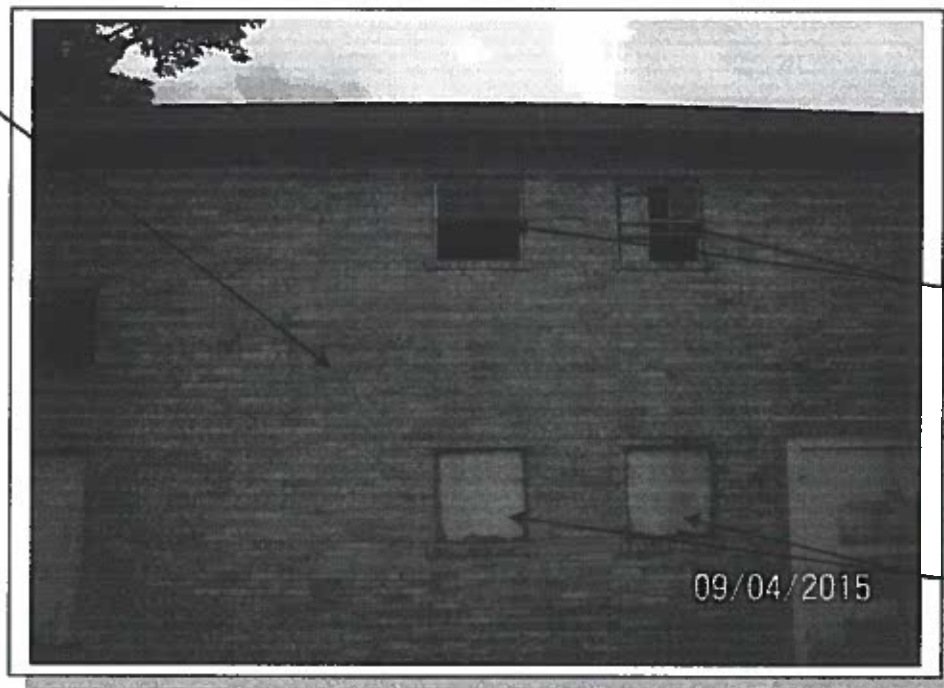


Building
structure in
good general
condition

Dirt and debris
indicate site
drainage toward
building
foundation

Photograph No. 3 – Front Face of Building, Exterior Walkway and Stairs

Building
structure in
good general
condition

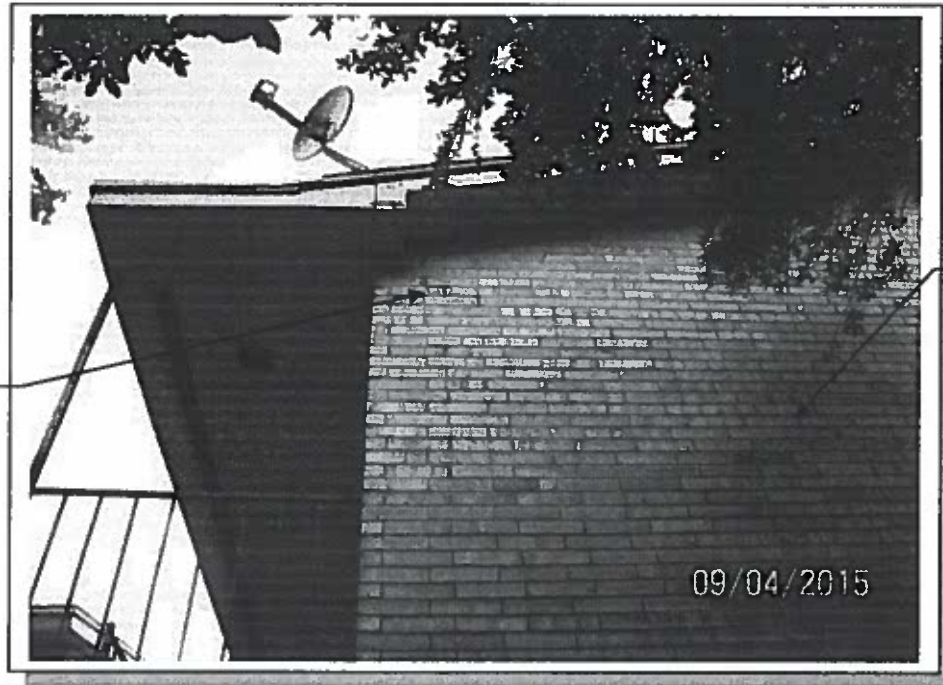


Open and
broken window
glass

Covered
openings

Photograph No. 4 – Rear Face of Building

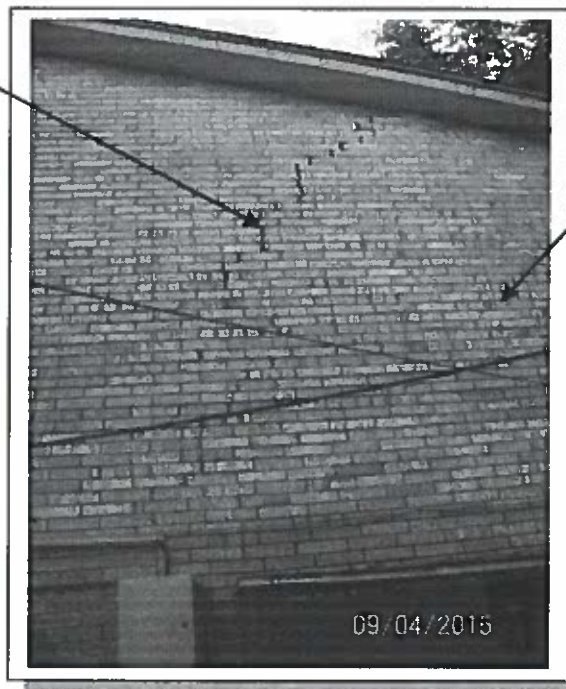
Crack in brick veneer indicating differential movement of the foundation system



Building end wall

Photograph No. 5 – Typical Cracking Seen in Brick Veneer

Crack in brick veneer indicating differential movement of the foundation system



Building end wall

Photograph No. 6 – Cracking in Brick Veneer

Ceiling/second
floor framing
system with
minimal
discoloration
and no fire
damage



Fire damaged
drywall/gypsum
board

Photograph No. 7 – Fire Damaged Apartment Unit

Fire damaged
exterior walkway
framing
members



Damaged exterior
walkway handrail
system

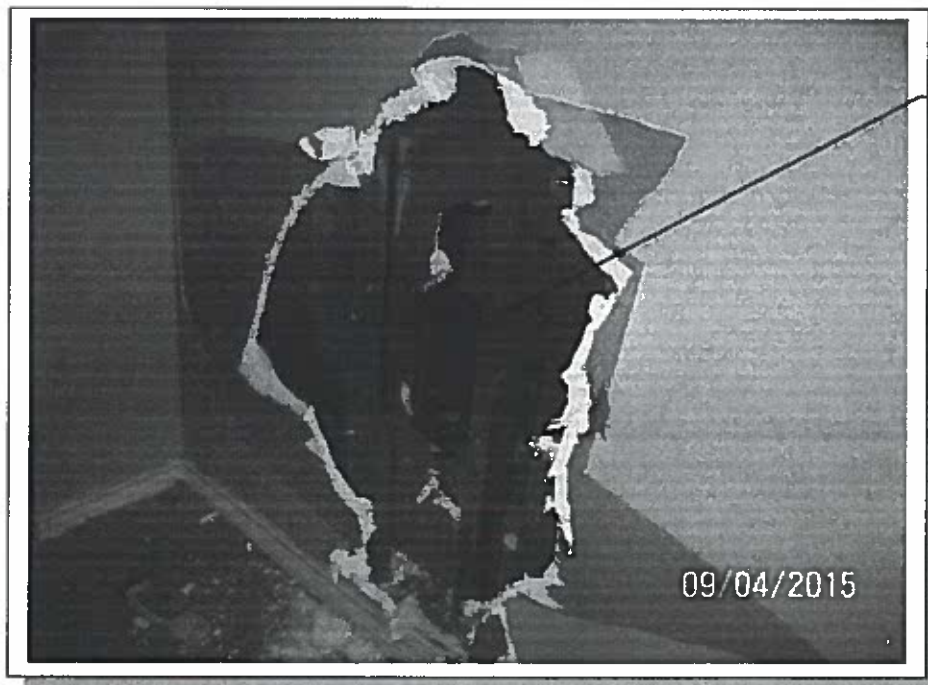
Photograph No. 8 – Fire Damage at Exterior Walkway

Deterioration
present at edge
of walkway



Missing
handrail at
edge of
walkway

Photograph No. 9 – Exterior Walkway



Interior
framing
between units
in good
general
condition

Photograph No. 10 – Typical Interior Framing

JENNIFER D. SCHEFFLER, PE
PROJECT ENGINEER



EDUCATION: Bachelor of Science, Civil Engineering, 2006
Texas A&M University-Kingsville

Ms. Scheffler has more than eight years of structural engineering experience on a wide variety of projects. She focuses on the design and analysis of municipal, commercial, residential and industrial structures, as well as projects for the U.S. Army Corps of Engineers. Her diverse client base includes municipalities, architects, various naval facilities, port authorities, energy companies and contractors (through the design-build delivery method). Ms. Scheffler is well-versed in the latest 3D finite element modeling software for detailed structural analysis and design, and she specializes in structures comprised of steel, reinforced concrete and timber materials. She is also a windstorm inspector certified by the Texas Department of Insurance.

OLD NUECES COUNTY COURTHOUSE ASSESSMENT, CORPUS CHRISTI, TEXAS

Ms. Scheffler served as structural project engineer, which comprised providing professional services to perform a structural assessment of the old Nueces County courthouse and provide a report with findings, opinions, and recommendations. LNV prepared and submitted the Phase I report to include results of the assessment and recommendations for further study and investigation as necessary to determine a restoration design of the building. As part of this assessment, LNV presented the findings in an open forum to Nueces County during a regular county court session. In addition, a presentation was made to the Texas Historical Commission in Austin, Texas.

SIDBURY HOUSE STRUCTURAL ASSESSMENT, CORPUS CHRISTI, TEXAS

Ms. Scheffler served as structural project engineer, which comprised the detailed structural assessment of the structures first and second floor systems of an existing Heritage Style Home located in Corpus Christi to become an office to hold one of the smaller departments for the City of Corpus Christi. The existing structure is completely wood framed with both floor levels consisting of wood joists spanning between wooden girders with wood flooring. A check of the mechanical and electrical systems was also performed.

LA MIRAGE CONDOMINIUMS PHASE II AND PHASE III, CORPUS CHRISTI, TEXAS

Ms. Scheffler served as structural project engineer, which comprised designing repairs for an existing concrete condominium structure back to original condition. The existing structure had numerous large areas of corrosion and deterioration such as spalled concrete, corroding steel rebar, large cracks in the concrete columns and beams, and cracks in the floor slabs. LNV prepared all necessary drawings and specifications showing all construction details for the necessary repairs and provided inspections during the construction phase.

SEAGULL CONDOMINIUMS - BRICK VENEER REPAIRS, CORPUS CHRISTI, TEXAS

Ms. Scheffler served as structural project engineer, which comprised engineering design services for the Seagull Condominiums in Corpus Christi, Texas. The scope included the assessment and repair of the brick veneer at the condos elevator tower.

Bio of Gen Shibayama/Oyster Real Estate Investments Inc.

Tokai University, Kanagawa, Japan 1990, B.A. in Economics.

Founder/Principal of Oyster Real Estate Investments, Inc., San Francisco-based real estate investment consulting company, serving clients in Japan/Asia and California and New York states.

- Currently focusing on clients' real estate investments in Austin, San Antonio, and Corpus Christi, Texas.
- Have managed 250+ property transactions/consultations mostly in Texas.
- Experienced in finding and managing value-added and creative financing properties.

Prior to founding Oyster Real Estate Investments, Inc., Gen Shibayama held senior management positions in various multinational corporations:

- McCann-Erickson Tokyo/San Francisco / Account Supervisor: April 1990 to January 1997
- Levi Strauss & Co / Asia-Pacific Consumer Marketing Manager: January 1997 to August 1999
- Yahoo! Inc. / Senior Director of International Sales and Marketing: November 1999 to January 2004

Gen Shibayama or Oyster REI throughout various entities own and manage approximately 300 apartment units in Texas.

\$40 million+ in transactions have been completed over the last 21 months.

- Dec 2013 – Acquired 1801 and 1802 Staples Corpus Christi, TX 78404 (20,000 SQF office bldg. x 2 in Corpus Christi)
- March 2014 - Acquired 1525 Ocean Dr., Corpus Christi, TX 78404 (6 units apartment in Corpus Christi)
- April 2014 - Acquired 3816 Speedway, Austin, TX 78705 (38 units apartment in UT area in Austin)
- July 2014 - Acquired 210 Lake Drive, Taylor, TX (Austin Suburb 19 unit condominium)
- July 2014 - Acquired 619 Tanchua and 800-802 & 806 Hancock, Corpus Christi, TX 78401 (47 units)
- July 2014 – Sold 2118 Edgehill Drive, San Antonio, TX (21 unit apartment complex in Alamo Heights)
- Aug 2014 - Acquired 4000 Wildcat Dr., Portland, TX (40 units – foreclosed as lender)
- Aug 2014 - Acquired 3241 Reid Dr., Corpus Christi, TX (19 units – foreclosed as lender)
- Aug 2014 - Acquired 319 N. Mesquite St., Corpus Christi, TX (Loft, Office and retail mix use building in downtown Corpus Christi – foreclosed as lender)
- Sept 2014 - Acquired 3120 Santa Fe St., Corpus Christi, TX (29 unit apartment complex)
- Sept 2014 – Acquired 3535 Cottonwood St., Corpus Christi, TX (72 unit apartment complex)
- Sept 2014 – Acquired 302 and 240 Indiana St., Corpus Christi, TX (8 unit apartment complex)
- Sept 2014 – Acquired 4712 Depew St., Austin TX (12 unit apartment complex in UT area)
- Sept 2014 – Acquired 14334 Cruiser St., Corpus Christi, TX (11 unit luxury townhome in North Padre Island)
- October 2014 – Sold 4000 Wildcat Dr., Portland, TX (40 unit apartment complex)
- December 2014 - Acquired 425 Schatzell Street, Corpus Christi, TX 78401 (Loft/Commercial Bldg. in downtown Corpus Christi)
- December 2014 - Acquired 1517 Ocean Drive, Corpus Christi, TX 78401 (6 plex)
- December 2014 - Acquired 1519 Ocean Drive, Corpus Christi, TX 78401 (6 plex)
- January 2015 – Acquired 2704 French Place, Austin, TX 78722 (21 units near UT)
- January 2015 – Acquired 3237 S. Staples St, Corpus Christi, TX 78411 (48 units) Casa Linda
- January 2015 – Acquired 453 Eldon Drive, Corpus Christi, TX 78412 (42 units)
- March 2015 – Acquired 201 S Chaparral St, Corpus Christi, TX 78401 (29 units)
- April 2015 – Acquired 4325 NW Loop 410 , 205, San Antonio, TX 78229 (33 units)
- May 2015 – Acquired 121 Woodward St Austin Tx 78704 (52 units)
- June 2015 – Acquired 700 Nelray Dr Austin Tx 78705 (12 units)
- June 2015 – Acquired 1601 Ocean Dr Corpus Christi Tx 78404 (6 units)
- September 2015 – Acquired Hickory Park Townhomes in College Station Tx (34 units)

EXHIBIT

6

ANDERSON, LEHRMAN, BARRE & MARAIST, L.L.P.**ERRAND REQUEST, RECEIPT AND REPORT**

DATE:

10/23/15

TIME:

11:35 AM

INSTRUCTIONS:

ITEM(S) TO BE:

☒ DELIVERED:☐ PICKED UP: _____

DESCRIPTION AND CONTENTS

DELIVER TO

INDIVIDUAL'S NAME:

Rebecca Huerta

OR

PICK UP FROM: COMPANY OR FIRM NAME:

1201 Leonard

City hall

STREET ADDRESS: _____

CITY AND ZIP CODE: _____

☐ DELIVER TO INDIVIDUAL NAMED ONLY☐ RECEIPT REQUIRED☐ RECEIPT NOT REQUIRED☐ SPECIAL INSTRUCTIONS: _____**TYPE OF ERRAND:**☐ REGULAR - TO BE RUN AT NEXT REGULARLY SCHEDULED ERRAND RUN☐ EMERGENCY - TO BE RUN AS SOON AS MESSENGER CAN BE DISPATCHED☐ NO HURRY - TO BE RUN WITHIN 24 HOURS**RECEIVED**

OCT 23 2015

CITY SECRETARY'S OFFICE

AUTHORIZATION:

Charge to:

Client No. _____

File No. _____

Client Name _____

Re: _____

Authorizing Atty _____

PLEASE PRINT

Approved By _____

ATTORNEY

OTHER

ACCOUNTING / MESSENGER USE ONLY:

MILES _____ HOURS _____ AMOUNT \$ _____

MESSENGER: _____ POSTED BY: _____

DATE DELIVERED: _____ TIME DELIVERED: _____

FURTHER DETAILS: _____

RECEIPT: THE UNDERSIGNED ACKNOWLEDGES RECEIPT OF THE ITEMS DESCRIBED ABOVE.

RECEIVED BY: _____

DATE: _____

TIME: _____