

FishPond Living Development (Phase 1)

1002 6th Street



City Council Presentation
December 9, 2019



Project Description



- Purchase of Sea Gulf Villa – 111 unit apartments for low-income elderly
 - Property is under Housing Assistance Payments (HAP) with HUD
 - Upon HUD approval, relocate all units to a new 111 unit community at 1002 Sixth Street
 - Type A Board Approved \$500,000 award on 12/09/2019
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Sea Gulf Villa – current location

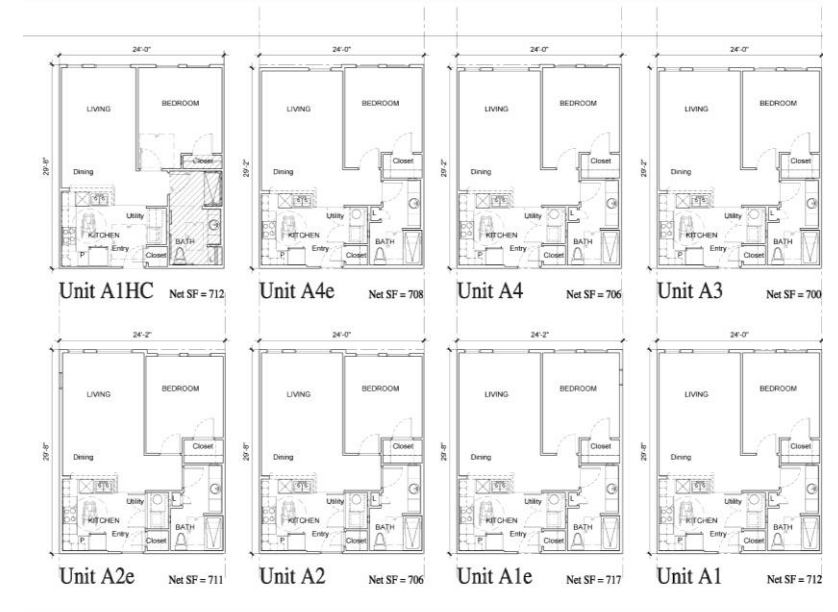




1002 Sixth Street



- Purchased the ROW that divides the property and will relocate utilities
- The new community will consist of:
 - 4 story & elevator serviced
 - 111 units on 1.48 acres (inclusive of ROW)
 - All 1 bedroom units are approximately 700 SF (Current sizes are between 575 – 595 SF)
 - Community spaces & On-site management
 - 60-70 Surface parking spaces (Currently 30)



FishPond Living





Why Relocate?



Source: Caller-Times
Images of interior of Sea
Gulf Villa



- Existing building is functionally obsolete for current residency
- Developer has been active in Corpus Christi and knows that Sea Gulf will be an impact development



Fish Pond ReCap

- A. Approximately \$18M project to replace the existing affordable housing units at Sea Gulf Villa. Funding includes:
 - 1. \$5M loan from private bank,
 - 2. \$4M TDHCA loan (requires local match)
 - 3. \$6.2M Tax Credit Equity
 - 4. \$300,000 in HOME funds from the City
 - B. Will replace 111 existing, older units for new construction units on Sixth Street and Buford and move the existing tenants to new location
 - C. Developer, at a minimum, needs \$200,000 for the \$4M TDHCA loan, which requires a 5% local match
 - D. Developer has requested \$500K, which is approximately \$4,505 per unit
 - E. Even if Developer is awarded \$500K today, there will still be a \$340K gap
 - F. HCD is taking Resolution of support to City Council in favor of the FishPond Project in an amount of \$300,000
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Fish Pond at CC – Gap Analysis

Uses of Funds	
Description	Estimate
Acquisition (Real Estate)	\$226,000
Site Work	\$351,840
Construction	\$11,109,198
Professional Fees/Soft Costs	\$1,200,000
Financing Costs	\$2,115,000
Developer's Fee (13%)	\$2,105,000
Contingency (7%)	\$675,000
Total Costs	\$17,782,038

Sources of Funds	
Description	Total
Real Estate (Secured)	\$226,000
Conventional Loan (Secured)	\$5,000,000
Tax Credit Equity (Pending)	\$6,216,220
TDHCA Loan (Local matching funds required) (Pending)	\$4,000,000
Type A Funds (Pending)	\$500,000
Deferred Developer's Fee (Secured)	\$1,000,000
HOME Fund Grant (Pending)	\$300,000
Total Funds	\$17,442,220

Financing Gap even after Type A award	\$339,818
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Approximate Development Timeline

Revised Timeline for Sea Gulf Redevelopment (as of 12/9/2019)

HUD Timeline

<i>Sea Gulf Apartments closed on</i>	<i>7/2/2019</i>
Application to Move HAP submitted	9/6/2019
Approval for HAP Move estimated by	12/31/2019

Planning and Zoning Timeline

<i>Sixth Street Site closed on</i>	<i>8/28/2019</i>
<i>Street Closure/PUD Application Submitted(1)</i>	<i>8/5/2019</i>
PUD/Street closure/Plat Approval expected	12/10/2020

TDHCA Bond and Tax Credit Timeline

<i>TDHCA Pre Application Submitted</i>	<i>5/23/2019</i>
<i>Bond Reservation received (See Note 2)</i>	<i>1/15/2020</i>
Tax Credit / Direct Loan Application	8/30/2019
TDHCA Board Meeting	2/20/2020
Closing (NLT 150 days from Reservation)	3/31/2020

Development Timeline

Commence Construction	4/1/2020
Complete Construction	2/28/2021
Relocate Residents by	3/5/2021



Other Considerations

- For several years, there has been a struggle to find legitimate projects for the affordable housing funds.
 - If the Board awards \$500,000 to this project, the remaining balance in the fund for Affordable Housing will be approximately \$150,000
 - Type B has an FY2020 fund balance of \$1,250,000
 - Agreement has a trigger requiring all necessary approvals to allow the transfer of the Section 8 Housing Assistance Payment (HAP) contract for the current Sea Gulf Villa apartments in downtown Corpus Christi to the new site
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Questions

