



## **AGENDA MEMORANDUM**

Action Item for the City Council Meeting September 22, 2020

**DATE:** 8/25/2020

**TO:** Peter Zanoni, City Manager

**FROM:** Rudy Bentancourt, Housing and Community Development Director  
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Resolution amending the FY2018-2019 Consolidated Annual Action Plan

### **CAPTION:**

Resolution adopting a substantial amendment to the City of Corpus Christi's FY2018-2019 Consolidated Annual Action Plan (CAAP) by cancelling the Homebuyer Gap Financing Assistance Program in the amount of \$500,000 previously adopted by Ordinance No. 031483 for the HOME Investment Partnerships (HOME) Program funded by the United States Department of Housing and Urban Development (HUD); and authorizing the addition of \$500,000 to the FY 2020-2021 Village at McArdle Project.

### **SUMMARY:**

This item is amending the FY2018-2019 Consolidated Annual Action Plan to cancel the Homebuyer Gap Financing Assistance Program. The cancellation will release the funding back into the City's U.S. Treasury account. The released funds will then be available for affordable housing projects such as the Village at McArdle Project.

### **BACKGROUND AND FINDINGS:**

In accordance with HUD and the City of Corpus Christi's (City) 5-year Consolidated Annual Action Plan (CAAP), "Substantial Amendments" are required to amend the CAAP which in turn triggers a comment period (24 CFR 91.105). A "Substantial Change" is defined as: Any addition or deletion of the established priorities of activities described in the Consolidated Action Plan and/or Annual Action Plan.

In FY2018-2019 and during the adoption of the CAAP, the City of Corpus Christi's Housing and Community Development (HCD) Department awarded HOME Investment Partnerships Program (HOME) funds to the Housing and Community Development for a new program – Homebuyer Gap Financing Assistance Program in the amount of \$500,000. This program was created to provide assistance of up to \$20,000 to purchase a newly constructed home in an undeveloped area within the city limits of Corpus Christi. Attempts to identify a new neighborhood or subdivision to match the "affordable income limits" price points have failed.

In order to commit the funds to a HOME eligible project, the intent is to redirect the funding in the amount of \$500,000 to the Village at McArdle. The Village at McArdle affordable housing

project was approved for FY2020 Housing Tax Credits from the Texas Department of Housing and Urban Development. During the FY2020-2021 Consolidated Annual Action Plan, \$500,000 was allocated to Village at McArdle from the HOME Program. With the additional \$500,000, the total investment for this affordable housing project will be \$1,000,000.

The Village at McArdle, once constructed, will be an 82-unit multifamily project located at 5314 McArdle Rd., Corpus Christi, Texas 78411. Of the 82-units, 12 will be market-rate and 70 units will be affordable and will serve families at or below 60% of the Area Median Income.

**ALTERNATIVES:**

The funding is required to be used for an affordable housing project. This funding is currently tied up in the Homebuyer Gap Financing Assistance Program. There has been no partner identified for the use of the funding. This agenda action will free up the funds to be used in another affordable housing project.

**FISCAL IMPACT:**

Approving this item will result in \$500,000 in HOME Program funds to be transferred to FY2020-2021 affordable housing project Village at McArdle increasing the HOME Program investment to \$1,000,000.

**Funding Detail:**

Fund:	9045
Organization/Activity:	48004
Mission Element:	132
Project # (CIP Only):	N/A
Account:	570039

**RECOMMENDATION:**

Staff is recommending the approval of amending the FY2018-2019 Consolidated Annual Action Plan.

**LIST OF SUPPORTING DOCUMENTS:**

Resolution