

City of Corpus Christi Infill Housing Incentive Program (IHIP)

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City of Corpus Christi
Infill Housing Incentive Program (IHIP)

1. Purpose

To develop an incentive program that promotes and encourages new home construction in existing CDBG neighborhoods through the use of City owned vacant properties and tax foreclosed vacant properties acquired by the City. This program identifies targeted areas where the existing street and utility infrastructure can be leveraged to promote the development of single-family residential units.

This would include:

- Infill lots within CDBG boundaries
- Provides incentives and fee waivers
- Sale of City-owned lots and tax foreclosed lots once City can take possession

2. Benefits

- Utilizes abandoned and/or nonconforming vacant property
- Once established, properties are completely self-sufficient
- Helps fulfill housing needs, home ownership
- Revitalizes existing neighborhoods
- Adds to the assessed value rolls, increasing future City property tax revenue
- Improves maintenance of properties and potentially reduces crime
- Reduces Code Enforcement abatement expense

3. General Guidelines

- Vacant properties must be within the City's CDBG boundaries.
- Properties will be made available to builders through a competitive bid process with a defined minimum bid.
- Minimum building specifications to be included.
- Must be single family home with finished floor plan of 900 to 1300 square feet.
- Home construction must begin within 120 days of sale.
- Home construction must be completed within 6 months.
- Subject to all permit requirements
- Sales price \$90,000 - \$150,000
- Finished home must be owner occupied.
- Builder must demonstrate experience to complete the project in a professional manner and to a standard appropriate for the community.
- Builder must demonstrate financial capability.
- Builder must enter into an agreement with City accepting all program requirements and City rules and regulations.

- Build according to City of Corpus Christi UDC requirements
- Offer a limited builder's warranty to the homeowner acceptable to the City of Corpus Christi and compliant with State and Federal regulations.

4. Incentives

- Waiver or reimbursement of fees which include building permit, platting and inspection fees.
- Waiver or reimbursement of Water, Wastewater and Gas tap fees.
- Rebate of City sales taxes paid on construction materials not to exceed \$500
- Provide up to two roll-off containers at City's actual cost during construction

5. Scope

- a. This Program outlines procedures for acquisition and sale of City owned parcels for construction of single-family residential homes within the Community Development Block Grant (CDBG) boundaries of the city.
- b. This Program lists City incentives for development within the targeted areas.
- c. This Program will be managed by the Housing and Community Development Department with assistance from the Real Estate Division of Engineering and Development Services Department.

6. References

- a. Tax Code Sec 34.051 Resale by taxing unit for the purpose of urban development.
- b. Local Government Code 272.001 Notice of sale or exchange of land by political subdivision.

7. Definitions

Term: Infill Lots

Definition: Residential lots within the inner city owned by the City and acquired through foreclosure or donation.

Term: Housing

Definition: Housing costs that fall for income and persons residing with the home. Subject to those properties that fall within the CDBG boundaries as part of Appendix C and part of this policy.

Term: Corpus Christi Community Improvement Corporation. (CCCIC).

Definition: A nonprofit corporation organized on behalf of the City that is responsible for community development through federal and state funding.

Term: Nueces County Trust

Definition: Properties not sold through Sheriff's sale are transferred to the Nueces County Trust. These properties are eligible for transfer to any of the taxing agencies by request.

8. Department Responsibilities

a. Executive/Management is responsible to:

- 1) Establish program objectives and develop implementation procedures.
- 2) Report to City Council the results of the program on at least an annual basis.

b. Housing and Community Development (HCD) Department Director is responsible to:

- 1) Manage the overall program to meet housing needs of the community.
- 2) Manage and update the Infill Housing Incentive Program policies and procedures, and present a briefing to the City Council at least annually.
- 3) Coordinate with the legal firm managing foreclosed properties. Department makes critical determination if the City should purchase a particular lot at foreclosure auction or wait to see if the property has a no bid.
- 4) Process applications under the affordable housing guidelines.
- 5) Accept land with clear title donated to the City and prepare documentation for the transfer of land.
- 6) Reimburse Development Services for permitting, platting, zoning, etc from the proceeds of sale.
- 7) Update website information to include CDBG boundaries.
- 8) Ensure waiver of all permit fees to include platting, building, and zoning.
- 9) Ensure waiver of all water, wastewater, and gas tap fees. All utilities will be installed at City expense.
- 10) Ensure waiver of all inspection fees shall.
- 11) Department will establish a general fund account with approximately \$20,000 with which to pay Development Services the amount of waived permits and fees.
- 12) Require contractors to apply for all related permits and inspections.
- 13) Ensure Development Services stamps the permit "Infill Housing" and expedites review and issuance of the permits.
- 14) Ensure the Gas department provides gas indoor plumbing incentive on case-by-case basis where gas service is available.

c. City Legal Department is responsible to:

- 1) Prepare and review all documents to ensure compliance with Local Government Code, City ordinances, and the City Charter.

- 2) Review title commitments before accepting properties from the Nueces County Trust.
- 3) Review title commitments of all donated land before it is accepted into the Infill Housing Incentive Program (IHIP).
- 4) Make recommendations to the Real Estate Division and HCD for acquisition or transfer of properties.

d. Real Estate Division of Engineering (Capital Programs) is responsible to:

- 1) Coordinate with outside attorney (Linebarger, Groggan, Blair & Sampson, LLP) managing Nueces County Trust tax foreclosures for the transfer of properties to the City.
- 2) Coordinate with Legal to review commitments on lots before acceptance.
- 3) Coordinate with HCD to clear liens and seek City Council approval for sale under the IHIP.
- 4) Prepare subdivision plat if needed for a minimum of 4,500 square foot lots.
- 5) Acquire adjacent lot(s) if needed or appropriate to complete a replat.
- 6) Prepare bid for the sale of lots individually or in packages, as appropriate. Multiple lots may be packaged based on appraised value and location.
- 7) Receive and open bids at a specified time and place.
- 8) Award bid based on best value and notify responsive bidders.
- 9) Prepare a subordination agreement for the lot to the builder for closing.
- 10) Set the minimum price of the lot in the bid.

e. Engineering (also called Capital Programs) is responsible to:

- 1) Prepare plats for HCD for submittal to the Development Services Department.

9. Procedures

Each month, Nueces County conducts a Sheriff's sale of tax-foreclosed property on the steps of the county courthouse. Parcels that do not sell are transferred to the Nueces County trust. Parcels in the trust can be requested by any taxing agency, however they must satisfy all liens

- a. The HCD Director will periodically contact the outside attorney (Linebarger, Groggan Blair & Sampson, LLP) managing the Nueces County Trust to determine which parcels and lots are available for transfer to the City of Corpus Christi . Before acquisition, lots that meet the criteria for development will be screened for title commitment to ensure they can receive clear title and there are no commitments. Considerations for lot acceptance shall include size, zoning changes needed, location, platting requirements, utility availability, tax lien

amounts, etc. For small lots, consideration may be given to acquire adjacent lot(s) and replat.

- b. HCD Property Advisors will make a physical inspection of the property and makes a recommendation for acquisition and acceptance.
- c. If HCD and Executive Management believe the lot is acceptable for construction under the Infill Housing Incentive Program, the Director will request in writing to the Nueces County Land Trust for the lots to be transferred to the City.
- d. Parcels acquired in this Program will be maintained by HCD.
- e. Real Estate Division will petition the other taxing agencies in accordance with tax code 35.051.
- f. HCD will prepare a resolution declaring surplus properties for Council action. Action shall include the waiving all liens assessed by the City.
- g. Real Estate Division will advertise the sale through a bid process.
- h. The land will be transferred through subordination agreement at closing and monies due the City will be deposited into department fund _____.
- i. Proceeds from the sale of lots can be used to reimburse Development Services for development fees, permits and property maintenance.

10. Applicability of Sale by Bid

- a. The selected lots will be advertised and sold through a bid process with a minimum bid value.
- b. Bidders will be required to submit a \$100 option contract for each lot for an option period not to exceed 120 days from the date of sale.
- c. Bidders may bid on one or more lots.
- d. Monies collected through the sale will be deposited in Fund _____ to be used by the HCD department to pay Development Services permitting fees and lot maintenance prior to sale.
- e. Buyers will be required to start the construction on one lot before the end of the option period or the lot(s) will revert to the City for resale or for sale to the second highest bidder.
- f. Buyers can extend the option period with approval of the City Manager or his designee.
- g. City will convey the lot through a subordination agreement.

11. Private Lot Eligibility

- a. Any privately owned platted lots that are developed for single-family housing would be eligible for development fee waivers as outlined in paragraph ____.
- b. Lots must be within CDBG boundaries. Application fee for the Infill Housing Incentive Program shall be \$100.00

12. Infill Housing Incentive Program Resolution

- a. Staff may recommend a repeal of the Infill Housing Incentive Program by Resolution when the goals for infill have been met, or for any other reason. Any changes to the Resolution and Program are subject to City Council approval.