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CITY OF CORPUS CHRISTI

Corpus Christi Business and Job Development Corporation

Affordable Housing – Type A Pilot Program



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Program Guidelines

I. Purpose

The purpose of the Type A Pilot Program is to promote and encourage local homebuilders to build new homes on vacant lots in within the boundaries of the City of Corpus Christi. This program will demonstrate the viability of building affordable homes within the Community Development Block Grant (CDBG) boundaries of the City, where existing street and utility infrastructure are available to promote the development of single-family residential homes.

Type A funding requires that home affordability and homebuyer income eligibility meet HUD regulations.

The City has engaged the Nueces County Community Action Agency to assist with identifying income eligible home buyers and getting them pre-qualified for the first home in the Pilot Program.

II. Program Description:

- A. The Type A Pilot Program (Program) funding is available to qualified builders for building an affordable home for an income-qualified homebuyer. The Program will provide an interim construction loan for up to \$100,000 at 0% interest for 24 months, to a qualified builder for construction of a site-built single-family residential home on a vacant lot provided by the City.
- B. For the first lot under this program, the City has available building plans and specifications for a three-bedroom home to be built on the lot at 2034 Mary Street. Qualified builders will submit a proposal to construct a 3 bedroom, 2 bath home, through a Request for Proposal process, using City provided plans or the City plan with modifications. The City will evaluate proposals and award on best value.
- C. Notice to Proceed will not be issued until the buyer has been qualified for HUD eligibility through the Nueces County Community Action Agency and has been pre-qualified and approved for permanent financing through a local lender. A back up pre-qualified buyer will also be identified. Once the notice to proceed is issued, the builder must begin construction within 120 days.
- D. The maximum amount available for a new construction single-family residential home is \$100,000 for a three-bedroom dwelling.
- E. This program can be combined other available City programs offered through Housing and Community Development. The homebuyer can apply for the City's existing Type A Homebuyer Assistance Program for up to \$10,000 for

down payment and buy down costs, and can apply for the HOME Assistance Program for up to \$5,000 in closing costs.

- F. The sale price of the home will be the construction cost plus \$1,500 for the land. Proceeds from the sale will be used to reimburse the waived fees to make the General Fund whole, with the remaining funds being redeposited in the Type A Fund.

III. Builder Eligibility through Request for Proposal (RFP) Process:

- 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.

IV. Construction Standards:

- The work will be performed in accordance with the most current applicable City Technical Construction Codes, including the Energy Code. This includes the requirement for a driveway.
- The house must comply with the State Board of Insurance Windstorm Codes.
- The house must meet FHA and VA requirements.
- The house cannot be located in a 100-year flood plain.

V. Program Incentives:

- City-owned vacant lot provided for construction
 - Lot will be conveyed to homebuyer through a subordination agreement at closing
- Type A funding as interim construction loan to builder for up to \$100,000 at 0% interest for 24 months
- Waiver of fees, which include building permit, inspection fees, water, sewer and gas taps