



**AGENDA MEMORANDUM**  
Corpus Christi B Corporation Meeting  
July 19, 2021

**DATE:** July 13, 2021

**TO:** President and Honorable Board Members,  
Corpus Christi B Corporation

**THROUGH:** Peter Zanoni, City Manager

**FROM:** Tracey K. Cantu, Interim Director of Neighborhood Services  
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**Two-year agreement for costs related to the Infill Housing Incentive Program (IHIP)**

**CAPTION:**

Motion authorizing a two-year agreement with the City of Corpus Christi to provide Type B affordable housing funding in the amount of \$1,250,000 for costs related to the Infill Housing Incentive Program.

**SUMMARY:**

This motion approves an agreement between the Corpus Christi B Corporation (Type B) and the City for an affordable housing infill program.

**BACKGROUND AND FINDINGS:**

This two-year agreement will be paid in FY2021 an amount of \$250,000 and in FY2022 an amount of \$1,000,000. The total amount will be \$1,250,000, specifically for Marketing, Infrastructure improvements, Lot buydown/discount, Department Fee Reimbursements, and Staff time.

On June 29, 2021, City Council adopted revisions to the Infill Housing Incentive Program (IHIP) amending the Code of Ordinances, Chapter 20, Housing, Article I In General and Article II Infill Housing Incentive Program. The articles are intended to assist in the development of abandoned and/or nonconforming vacant lots where street and utility infrastructure already exists in the city; to expand the local tax base; to increase the City's inventory of affordable housing; and to revitalize existing neighborhoods. Also, the City Council approved the "Agreement Between Corpus Christi B Corporation and City of Corpus Christi for Infill Affordable Housing Program".

The IHIP guidelines, as previously adopted in 2015, did not maintain adequate incentives for homebuilders to participate in the City's vision for more affordable housing. This is due to the

policy's restrictions on sales price has not kept up with increasing construction costs or values. Therefore, participating developers would be forced to sell the home at a loss.

As revised, the IHIP guidelines changed the incentive from a department fee waiver to a reimbursement of up to \$25,000. Also, the recommend revisions expanded eligible expenses to include permits, fees, demolition, water/wastewater infrastructure improvements, and infrastructure improvements to the sewer lines and streets. Additionally, the revisions increase the length of time a builder has to complete the home from six to nine months, remove the maximum square footage requirement, increase the allowable sales price to 80% of the area median, restrict homebuyers to those households with incomes at or below 80% of the area median, and set recapture requirements for the homebuyer. The revisions, and the City of Corpus Christi's adopted energy conservation code, follow the homebuyer's provisions of 42 U.S.C Section 12745 as required by law to qualify for the Corpus Christi B Corporation Affordable Housing Fund.

**ALTERNATIVES:**

The Type B Board could choose not to approve the amount, but the program would continue to go unused.

**FINANCIAL IMPACT:**

The funding source for IHIP is Type B Housing Fund 1147 for \$1,250,000.

**Funding Detail:**

Fund:	1147
Organization/Activity:	15000
Mission Element:	132
Project # (CIP Only):	N/A
Account:	530000

**RECOMMENDATION:**

City staff recommends approval of the cost related to the Infill Housing Incentive Program.

**LIST OF SUPPORTING DOCUMENTS:**

Motion  
CCBC Agreement  
CCBC Exhibit A  
CDBG Map