



AGENDA MEMORANDUM

First Reading of the City Council Meeting of December 14, 2021
Second Reading for the City Council Meeting of January 11, 2021

DATE: November 30, 2021

TO: Peter Zaroni, City Manager

THRU: Andrea Gardner, Assistant City Manager
andreaga@cctexas.com
(361) 826-3506

FROM: Tracey K. Cantu, Interim Director Neighborhood Services Department
traceyc@cctexas.com
(361) 826-3021

Ordinance Revising the Infill Housing Incentive Program Guidelines to Remove Geographic Limitations, Authorizing the \$1,000,000 Agreement with Type B and Appropriating \$500,000 from Corpus Christi B Corporation into the FY 2022 Operating Budget

CAPTION:

Ordinance revising the Infill Housing Incentive Program Guidelines as authorized by Article II, Chapter 20 of the City of Corpus Christi Code of Ordinances; authorizing a two-year agreement with the Corpus Christi B Corporation to provide Type B affordable housing funding in the amount of \$1,000,000 for costs related to the Infill Housing Incentive Program; appropriating \$500,000 from The Type B Fund; and amending the operating budget.

SUMMARY:

The ordinance revises the Infill Housing Incentive Program (IHIP) guidelines removing the requirement that homes must be located in a Community Development Block Grant group area and appropriates \$500,000 into the FY 2022 operating budget with the additional \$500,000 to be appropriated in a future budget.

BACKGROUND AND FINDINGS:

On June 29, 2021, City Council approved a Resolution amending the Code of Ordinances Chapter 20, Housing, Article I In General and Article II Infill Housing Incentive Program. The amendment changed the program from a fee waiver program to a reimbursement program and expanded eligible expenses to include permits, fees, demolition, water/wastewater infrastructure improvements, and infrastructure improvements to the

sewer lines and streets. Also, the revision increased the length of time a builder has to complete the home from six to nine months, removed the maximum square footage requirement, increased the allowable sales price to 80% of the area median, restricted homebuyers to those households with incomes at or below 80% of the area median, and set recapture requirements for the homebuyer. Reimbursement up to \$25,000 is allowed.

The Corpus Christi B Corporation has authorized \$1,000,000 over two years for the program and adopted the City Council approved program guidelines without the requirement that homes must be located in a Community Development Block Grant block group area allowing homes to be built city-wide. This change requires approval from City Council.

The IHIP program will be marketed to homebuilders through the Coastal Bend Home Builders Association, Corpus Christi Hispanic Chamber of Commerce, Corpus Christi Black Chamber of Commerce and to builders pulling permits on infill lots. Outreach efforts are intended to help small homebuilders grow their businesses and increase interest in building affordable homes. City staff visited with a number of potential builders about the program with Garrett Dorsey of Blue Wave Construction and Brian Banks, a realtor working with builders, expressing enthusiasm about the program and a desire to be involved.

IHIP is a complementary program to the Housing Development Fee Waivers for Non-qualifying Homebuyers Program. Builders can choose to participate in one program or the other but can't receive the benefit of both programs. IHIP builders must sell the home to a qualifying homebuyer with income at or below 80% of the area median but there are no income requirements with the Housing Development Fee Waivers for Non-qualifying Homebuyers Program. IHIP is an up to \$25,000 reimbursement program while participants in the Housing Development Fee Waivers for Non-qualifying Homebuyers Program can receive up to \$7,000 in waived fees. The Housing Development Fee Waivers for Non-qualifying Homebuyers Program is limited to fees for building permits and plan review, municipal solid waste fees, and tap fees for water, wastewater, and gas. IHIP includes more eligible costs, such as demolition of existing structures, water/wastewater infrastructure and required street improvement costs.

ALTERNATIVES:

The alternative is to not revise the program guidelines and/or not appropriate funding for the program.

FISCAL IMPACT:

The funding source for program is Type B Housing Fund 1147 and not General Fund.

Funding Detail:

Fund: 1147
Organization/Activity: 15001
Mission Element: 132
Project # (CIP Only): NA
Account: 530000

RECOMMENDATION:

City staff recommends appropriating the funds and revising the program guidelines.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Program Guidelines
Type B Agreement
PowerPoint Presentation