



AGENDA MEMORANDUM

Future Item for the City Council Meeting of December 8, 2015
Action Item for City Council Meeting January 12, 2015

DATE: 12/22/2015

TO: Ronald L. Olson, City Manager

FROM: Susan Thorpe, Assistant City Manager
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Resolution to approve the Affordable Housing – Type A Pilot Program.

CAPTION:

Resolution Approving the Affordable Housing - Type A Pilot Program (revised from Dec. 8) which uses Type A funds for an interim construction loan for up to \$100,000 at 0% interest for 24 months, for a qualified builder to construct a new affordable home for an income-qualified homebuyer.

PURPOSE:

The purpose of the resolution is to request approval from City Council for the updated proposed Affordable Housing – Type A Pilot Program.

BACKGROUND AND FINDINGS:

On September 21, 2015 the Corpus Christi Business and Job Development Corporation (Type A) passed a motion to allocate \$100,000 of funds from the Available for Projects line item into an the Type A Pilot Program. On November 10, 2015, City staff made a presentation to City Council on a proposed Type A Pilot Program. City staff have met with local builders to receive input in regards to the structure and overall ability of the program to be a success. The attached guidelines serve as the City's effort to promote and encourage the building of homes on vacant lots within the Community Development Block Grant (CDBG) boundaries, which will serve as an opportunity to revitalize neighborhoods where infrastructure already exists.

On December 8 the City Council discussed the Type A Pilot Program and asked for adjustments to be made. On December 15 the City Council determined that other changes were needed, and the item was tabled until the January 12 Council meeting.

The updated, revised Type A Pilot Program was reviewed with homebuilders on December 30, and their comments and suggestions were incorporated into the final document. The program guidelines ensure that the City is not in the homebuilding business, and that the Type A funds provide an interim

construction loan, which will be paid back through mortgage financing or by the builder at the end of 24 months if no buyer is secured.

ALTERNATIVES:

Allow the lender to provide the interim financing.

OTHER CONSIDERATIONS:

The intent is to develop comparable market analysis for homes within the CDBG boundaries. There have been very few sales in the last few years. The city will provide a subordination agreement to transfer the city owned lot at title closing.

CONFORMITY TO CITY POLICY:

The proposed guidelines are in conformance with Type A Board policies and procedures.

EMERGENCY / NON-EMERGENCY:

This item is non-emergency.

DEPARTMENTAL CLEARANCES:

Housing and Community Development, Development Services and Legal

FINANCIAL IMPACT:

x Operating Revenue Capital Not applicable

Fiscal Year: 2015-2016	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget				
Encumbered / Expended Amount				
This item				
BALANCE				

Fund(s):

Comments: Funding will be reimbursed to the Type A at Title closing.

RECOMMENDATION:

Staff recommends the approval of the Affordable Housing – Type A Pilot Program.

LIST OF SUPPORTING DOCUMENTS:

Type A Pilot Program - updated Resolution