

**AGREEMENT BETWEEN CORPUS CHRISTI B CORPORATION AND
CITY OF CORPUS CHRISTI FOR
INFILL AFFORDABLE HOUSING PROGRAM**

This Agreement for the Infill Affordable Housing Program (“Agreement”) is entered into between the Corpus Christi B Corporation (“Corporation”) and the City of Corpus Christi (“City”), a Texas home rule municipality.

WHEREAS, the Texas Legislature in Chapter 501 et seq. of the Local Government Code (Development Corporation Act of 1979) (the “Act”) empowered local communities with the ability to adopt an optional local sales and use tax as a means of improving the economic health and prosperity of their citizens;

WHEREAS, on November 8, 2016, residents of the City passed Proposition 1, Adopt Type B Sales Tax to Replace Expiring Portion of Type A Sales Tax, which authorized the adoption of a sales and use tax to be administered by a Type B Corporation at the rate of one-eighth of one percent to be imposed for 20 years with use of the proceeds for (1) 50% to the promotion and development of new and expanded enterprises to the full extent allowed by Texas law, (2) \$500,000 annually for affordable housing, and (3) the balance of the proceeds for the construction, maintenance and repair of arterial and collector streets and roads;

WHEREAS, the 1/8th cent sales tax authorized by passage of Proposition 1 was subsequently enacted by the City Council and filed with the State Comptroller of Texas, effective April 1, 2018, to be administered by the Corpus Christi B Corporation Board (the “Board”);

WHEREAS, Section 501.073 of the Act requires the City Council to approve all programs and expenditures of the Corporation;

WHEREAS, the Board wishes to fund affordable housing projects in an effective manner;

WHEREAS, the City through its Neighborhood Services Department (“Department”) manages several programs to assist eligible citizens with affordable housing;

WHEREAS, the City is willing to provide the services that the Board wishes to fund;

WHEREAS, the Board has determined that it is in the best interests of the residents of the City that the City be awarded affordable housing funds, by execution of this Agreement, to accomplish the affordable housing project described in Exhibit “A” of this Agreement (“Project”);

In consideration of the covenants, promises, and conditions stated in this Agreement, the Corporation and the City agree as follows:

1. Agreement to Provide Affordable Housing Services. This Agreement between the Corporation and the City is executed to implement the promotion and development of an affordable housing

project described in **Exhibit "A"** and incorporated in this Agreement by reference. The parties have approved this Agreement in an amount not to exceed \$1,250,000.00, which includes reimbursement to the City for staff time in implementing the Project. funds provided under this agreement may not be used for any other projects or to reimburse the City for any staff time which is unrelated to this Project. Any funds not used for the implementation of the Project will be returned to the Corporation.

2. Annual Updates. At the Board's meeting following the end of each fiscal year, the Director of the Department, or designee, will present an update on the Project to the Board.

3. Effective Date. The effective date of this Program Agreement is the date on which the Agreement is approved by both the City Council and the Board and executed by both parties.

4. Term. The term of this Agreement is two years beginning on the Effective Date, unless extended by the Parties in writing.

5. Termination. Either party may terminate this Agreement by giving at least 30 days' written notice to the other of its intent to terminate. In the event of such termination, the City will be entitled to reimbursement for any staff time spent implementing the Project prior to the effective date of the termination.

6. Amendments or Modifications. No amendments or modifications to this Agreement or to the Project may be made, nor any provision waived, unless the amendment or modification is made in writing and signed by persons duly authorized to sign agreements on behalf of all parties.

7. Notices.

a. Any required written notices shall be sent, certified mail, return receipt requested, addressed as follows:

If to Corporation:

Corpus Christi B Corporation
Attn: President
1201 Leopard Street
Corpus Christi, Texas 78401

If to City:

City of Corpus Christi
Attn.: Assistant Director Neighborhood Services
P.O. Box 9277
Corpus Christi, Texas 78469-9277

c. Notice is effective upon deposit in the United States mail in the manner provided above.

8. Relationship of Parties. In performing this Agreement, the Corporation and the City shall act in an individual capacity, and not as agents, representatives, employees, employers, partners, joint-

venturers, or associates of one another. The employees or agents of either party may not be, nor be construed to be, the employees or agents of the other party for any purpose.

CORPUS CHRISTI B CORPORATION

CITY OF CORPUS CHRISTI

Scott Harris
President

Neiman C. Young, Ph.D.
Assistant City Manager

Date: _____

Date: _____

ATTEST:

Rebecca Huerta
City Secretary

Date: _____

APPROVED AS TO FORM:

Aimee Alcorn-Reed
Assistant City Attorney

EXHIBIT A – PROJECT DESCRIPTION



**City of Corpus Christi
Infill Housing Incentive Program (IHIP)
Program Guidelines**

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City of Corpus Christi Infill Housing Incentive Program (IHIP) Guidelines

1. Purpose

The purpose of the Corpus Christi Infill Housing Incentive Program (IHIP) is to promote and encourage new home construction for sale to low-income homebuyers through reimbursement of fees and other limited construction costs. This program applies to targeted low- to moderate-income areas where existing street and utility infrastructure is available.

2. Benefits

- a. Increases homeownership opportunities for low-income buyers
- b. Revitalizes existing neighborhoods
- c. Adds to the assessed value rolls, increasing future City property tax revenue
- d. Improves maintenance of properties and potentially reduces crime
- e. Reduces Code Enforcement abatement expense

3. Definitions

"Infill lot" or "infill housing" is the insertion of additional housing units into an already approved subdivision or neighborhood. Specifically for this Infill Housing Incentive Program, this means the construction of new residential housing units built onsite on a vacant lot or built on two non-conforming lots by re-platting through an administrative plat to remove the lot line, in Community Development Block Grant (CDBG) designated areas within the City of Corpus Christi.

4. Eligibility Criteria

- a. Homes constructed must be within the City's CDBG designated areas.
- b. Must meet the definition of infill lots.
- c. Must be in one of the following single-family residential zones:
 - RS-15, RS-10, RS-6 and RS-4.5 (see Unified Development Code for definitions).
- d. Must not be in an airport overflight zone or the Navy's Air Installations Compatible Use Zones (AICUZ), which includes the Accident Potential Zones (APZ) and Clear Zones.
- e. Home construction must begin within 120 days of being notified that the funding reservation is granted.
- f. Home construction must be completed and receive Certificate of Occupancy within nine months of construction start date.
 - 1) Must meet all building standards and Unified Development Code requirements.
 - 2) Must result in a newly constructed, on-site, single family home with finished floor plan of 900 square feet minimum.
- g. No mobile homes, no prebuilt homes moved onto the site.
 - 1) Will be subject to all permit requirements.
 - 2) Sales price and finished home value of \$80,000 minimum not to exceed 80% of the area median sales price as determined by 42 U.S.C. Section 12745 adjusted annually.
- h. Home must be sold to a household with income at or below 80% of the area median.

5. Incentives

- a. After the sale of the property to the homebuyer, the builder may receive reimbursement of fees paid to the City and limited construction expenses, not to exceed \$25,000. Reimbursable fees and expenses may include those for building permits, platting, zoning, taps, demolition, water/wastewater infrastructure, and required alley or street improvements.
- b. Builders will be able to reserve funds by submitting their business information such as name and contact information, the lot address, ownership status, funding request projected completion schedule and projected sales price. To receive reimbursement after the home sells, the developer will submit proof that all permits have closed, the sales contract/closing documents showing that the sales price and completed value don't exceed the maximum limit and proof of eligible expenses. The Department will verify the buyer's income level and if all qualifications are met, the Department will then process the reimbursement.
- c. Commitments made to any one Builder will not exceed five homes at any one time.
- d. Commitments may be released if Builders do not meet the construction start and completion time requirements.

6. Sale of City Owned Lots by Bid

- a. Selected city owned infill lots will be advertised and sold for fair market value through a sealed bid process in accordance with V.T.C.A., Local Government Code § 272.001.
- b. Bids must confirm to the bid procedures and specifications set forth in the published notice of sale.
- c. Infill lots will be awarded to the highest bidder. However, the city reserves the right to accept a bid that is lower than the highest bid received if the highest bidder does not meet the criteria of subsection 20-5(b) and the city has determined that a lower bid provides the best benefit for the taxpayers of the city.
- d. If the city accepts a bid that is lower than the highest bid received, as described above, then such bid will be deemed the fair market value of the property.
- e. Bidder awarded the infill lot will comply with all requirements specified in the program guidelines.

7. Department Responsibilities

- a. Executive/Management will:
 - 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. Neighborhood Services Department will:
 - 1) Manage the overall program to meet housing needs of the community.
 - 2) Update website information about this program including the names of builders, the lots for which funds have been provided and reservations made, map of CDBG low-to moderate-income block groups, funds' reservation application and maximum sales price limit.
 - 3) Confirm Builders eligibility for program.
 - 3) Income certify homebuyers prior to sale.
 - 4) Educate realtors and lenders on program availability.
 - 5) Promote program to interested buyers.
 - 5) Enforce recapture provisions.
 - Homebuyers will be required to repay subsidy through net proceeds upon transfer of

the property to a subsequent owner or if the home ceases to be their primary residence.

- Transfer of the property through inheritance without repayment is allowable if the new homeowner is low-income and accepts full repayment terms upon subsequent transfer of ownership.

8. Other Conditions

- a. This program will be monitored and assessed for viability and may be discontinued at the discretion of the City of Corpus Christi.
- b. The City will comply with the Tax Code Sec 34.051 Resale by taxing unit for the purpose of urban development.