

CITY OF CORPUS CHRISTI

# Corpus Christi Business and Job Development Corporation

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**Affordable Housing - New Construction Program Guidelines for the Program and  
Criteria for Application**

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(Revised July 7, 2014)



# Corpus Christi Business and Job Development Corporation Affordable Housing - New Construction Program

## Guidelines for the Program and Criteria for Application

### I. Purpose

The purpose of the program is to expand affordable housing opportunities for low income homebuyers by providing a deferred forgivable loan to buy down the final purchase price of a home.

### II. General Program Description:

The funding is available to qualified builders for the purpose of buying down the final purchase price of the affordable home.

The intent is to provide general terms/guidelines as not to limit builders on the specific use of the funds, but rather accomplish the buy down of the final purchase price to make the home affordable for households with incomes in the 80% of median income ranges (see Attachment A, 80% of Median Income Chart).

The funding will be in the form of a deferred forgivable loan up to \$20,000 per home.

The term of affordability will be 10 years.

The loan will be amortized over the specified affordability period commencing on the closure date. Recapture provisions require repayment of the total loan amount on a prorated basis. If the buyer sells the property within the affordability period, the balance of the amortized loan shall be due and payable. Any funds repaid by the homebuyer as a result of sale of the property will be used to assist other homebuyers.

The funding will be available on a first come, first serve basis and as funds are available.

Builders can participate in only one of the two 4A Affordable Housing programs or any other Affordable Housing program administered by the City of Corpus Christi per fiscal year.

### III. Builder Eligibility:

The City of Corpus Christi will review the federal "Debarred" list of contractors and subcontractors for clearance to proceed as assurance we are working with creditable contractors. The City will also check the status of the builder with the Texas Residential Construction Commission's website, which will provide the builder's registration status as of August 31, 2009. This information will be used to determine if further inquiry is needed to determine whether the builder is capable of meeting the program's expectations.

### IV. Construction Standards:

The work will be performed in accordance with the most current applicable City Technical Construction Codes, including the Energy Code.

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.

The house must be constructed for wheel chair accessibility. (Door widths, blocking for grab bars, no step entrance.)

**V. Homebuyer Eligibility:**

Prospective homebuyers shall attend a HUD approved Homebuyer Education Class.

The household size will be determined by the Housing and Community Development Department.

Homebuyer's cash on hand cannot exceed program limits.

Housing and Community Development will make a determination of eligibility at the time the mortgage lender submits the required documents.

The homebuyer will be issued a Commitment Letter after the review of all submitted documents. The Commitment Letter will expire 60 days from the date of issuance. A 30 day extension may be given at the sole discretion of the Housing and Community Development Department.

The homebuyer cannot have ownership in any real estate property or ownership in any house.

**VI. Lender Requirements:**

The Lender will be required to submit the following:

- Copy of escrowed earnest money contract;
- Final certified HUD 1003 application with signatures;
- Six most recent bank statements;
- Lender's employment verification;
- Paycheck stubs for past 6 months;
- Current federal/state issued picture identification for all purchasing members;
- Proof of U.S. citizenship or if a resident alien, must provide both a Social Security card and Green card;
- Social Security cards for all purchasing members;
- Proof of all assets;
- Certified appraisal
- Mortgage Credit Analysis Worksheet; and
- Homebuyer class certificate issued by a HUD approved agency.

**VII. Title Company Requirements:**

The Title Company will be responsible for ensuring that all documents are complete and correct.

At closing, the Title Company will provide Housing and Community Development Department, the following:

- An itemization of the closing costs (Settlement Statement);
- Deed of Trust and Promissory Note; and
- Warranty Deed.

The Title Company will execute the City of Corpus Christi's Deed of Trust and Promissory Note and forward original's to the City. The Title Company will file one original Deed of Trust and one original Promissory Note with the Nueces County Courthouse file of records.

Neighborhood Services Department will give the Title Company approval for closing and will process check to be issued to the Title Company. The processing of the check takes five working days, from the date and time approval is given to close.

Title Company will ensure there are no existing liens, judgments, etc. against the property being purchased by the homebuyer.

**VIII. Application Criteria and Process:**

Builders will be required to submit an application requesting the use of funds based on the following:

- Narrative of the Proposed Project(s)
- Qualifications and Experience Information
- Financial Capabilities
- Disclosure of Interest Form
- Conflict of Interest Questionnaire Form

# ATTACHMENT A

## INCOME LIMITS (80% of MEDIAN INCOME)

Family Size	1	2	3	4	5	6	7	8
Annual Income	29,500	33,700	37,900	42,100	45,500	48,850	52,250	55,600

**Revised 01/2014: Income limits are established by HUD and are subject to change without notice.**

The United States Department of Housing and Urban Affairs (HUD) released the Median Purchase Price of a home for the Corpus Christi Metropolitan Area. The Housing and Community Development Department is currently utilizing the following maximum price limits;

- Newly Constructed Home (\$151,905.00)
- Existing Inventory Home (\$134,000.00)

CITY OF CORPUS CHRISTI  
DISCLOSURE OF INTERESTS

City of Corpus Christi Ordinance 17112, as amended, requires all persons or firms seeking to do business with the City to provide the following information. Every question must be answered. If the question is not applicable, answer with NA.

**FIRM NAME:** .....

**STREET:**..... **CITY:**..... **ZIP:**.....

**FIRM is:** 1. Corporation       2. Partnership       3. Sole Owner       4. Association   
5. Other  .....

**DISCLOSURE QUESTIONS**

If additional space is necessary, please use the reverse side of this page or attach separate sheet.

1. State the names of each "employee" of the City of Corpus Christi having an "ownership interest" constituting 3% or more of the ownership in the above named "firm".

Name	Job Title and City Department (if known)
.....	.....
.....	.....

2. State the names of each "official" of the City of Corpus Christi having an "ownership interest" constituting 3% or more of the ownership in the above named "firm".

Name	Title
.....	.....
.....	.....

3. State the names of each "board member" of the City of Corpus Christi having an "ownership interest" constituting 3% or more of the ownership in the above named "firm".

Name	Board, Commission or Committee
.....	.....
.....	.....

4. State the names of each employee or officer of a "consultant" for the City of Corpus Christi who worked on any matter related to the subject of this contract and has an "ownership interest" constituting 3% or more of the ownership in the above named "firm".

Name	Consultant
.....	.....
.....	.....

**CERTIFICATE**

I certify that all information provided is true and correct as of the date of this statement, that I have not knowingly withheld disclosure of any information requested; and that supplemental statements will be promptly submitted to the City of Corpus Christi, Texas as changes occur.

**Certifying Person:** ..... **Title:** .....  
(Type or Print)

**Signature of Certifying Person:**..... **Date:** .....

## DEFINITIONS

- a. "Board Member". A member of any board, commission or committee appointed by the City Council of the City of Corpus Christi, Texas.
- b. "Employee". Any person employed by the City of Corpus Christi, Texas, either on a full or part time basis, but not as an independent contractor.
- c. "Firm". Any entity operated for economic gain, whether professional, industrial or commercial and whether established to produce or deal with a product or service, including but not limited to, entities operated in the form of sole proprietorship, as self-employed person, partnership, corporation, joint stock company, joint venture, receivership or trust and entities which, for purposes of taxation, are treated as non-profit organizations.
- d. "Official". The Mayor, members of the City Council, City Manager, Deputy City Manager, Assistant City Managers, Department and Division Heads and Municipal Court Judges of the City of Corpus Christi, Texas.
- e. "Ownership Interest". Legal or equitable interest, whether actually or constructively held, in a firm, including when such interest is held through an agent, trust, estate or holding entity. "Constructively held" refers to holding or control established through voting trusts, proxies or special terms of venture or partnership agreements.
- f. "Consultant". Any person or firm, such as engineers and architects, hired by the City of Corpus Christi for the purpose of professional consultation and recommendation.