



AGENDA MEMORANDUM

Action Item for the City Council Meeting of June 29, 2021

DATE: June 18, 2021

TO: Peter Zaroni, City Manager

THRU: Neiman Young, PhD., Assistant City Manager
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Resolution Revising the Infill Housing Incentive Program Guidelines

CAPTION:

Resolution revising the Infill Housing Incentive Program Guidelines as authorized by Article II, Chapter 20 of the City of Corpus Christi Code of Ordinances; and authorizing a two-year agreement with the Corpus Christi B Corporation to provide Type B affordable housing funding in the amount of \$1,250,000 for costs related to the Infill Housing Incentive Program..

SUMMARY:

The resolution revises the Infill Housing Incentive Program (IHIP) guidelines. Changes to the guidelines include reimbursing eligible expenses for investors in affordable housing, revising the sales price criteria to reflect modern market prices for home sales, and defining income qualification requirements for homebuyers.

BACKGROUND AND FINDINGS:

On December 15, 2015, City Council approved Ordinance 030722 amending the Code of Ordinances to include 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.

The IHIP guidelines, as adopted in 2015, does not currently maintain adequate incentives for homebuilders to participate in the City's vision for more affordable housing. This is due to the fact that the current policy's restrictions on sales price has not kept up with increasing construction costs. Therefore, participating developers would be forced to sell the home at a loss.

As revised, the IHIP guidelines change the incentive from a department fee waiver to a reimbursement of up to \$25,000. The recommend revisions also expand eligible expenses to include permits, fees, demolition, water/wastewater infrastructure improvements, and infrastructure improvements to the sewer lines and streets. Also, the revision increases the length of time a builder has to complete the home from six to nine months, removes the maximum square footage requirement, increases the allowable sales price to 80% of the area median, restricts homebuyers to those households with incomes at or below 80% of the area median, and sets recapture requirements for the homebuyer.

Eligible reimbursements will be funded by the Corpus Christi B Corporation – Type B (Affordable Housing) funding pursuant to a two-year agreement with the Corpus Christi B Corporation.

ALTERNATIVES:

If the IHIP program guidelines are not revised, the program will continue to go unused.

FISCAL IMPACT:

None

Funding Detail:

Fund: NA
Organization/Activity: NA
Mission Element: NA
Project # (CIP Only): **NA**
Account: NA

RECOMMENDATION:

City staff recommends approval of the Resolution revising the Infill Housing Incentive Program Guidelines.

LIST OF SUPPORTING DOCUMENTS:

Resolution
Program Guidelines
Agreement
PowerPoint Presentation
Map of Community Development Block Grant block groups