



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

## Program Guidelines

### Table of Contents

Table of Contents.....	1
1. Purpose .....	2
2. Benefits .....	2
3. Definitions.....	2
4. Eligibility Criteria.....	2
5. Incentives.....	3
6. Sale of City Owned Lots by Bid .....	3
7. Department Responsibilities.....	3
8. Other Conditions.....	4

# 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.