

City of Corpus Christi Housing Workshop #4

Council Presentation, November 10, 2015

Susan K. Thorpe, Assistant City Manager

Gustavo Gonzalez P.E., Assistant City Manager

Eddie Ortega, Housing & Community Development Director





Policy Framework

Council Workshops:

- ✓ 1. Federal and Local Resources for Housing
 - ✓ 2. Affordable Housing – Where are We?
 - ✓ 3. Discussion about Current Housing Policy and Use of Federal and Local Funds
 - **4. Proposal for New Infill Housing Program, Council Discussion and Direction**

 - 5. Council Action:** Adoption of Policy and Program
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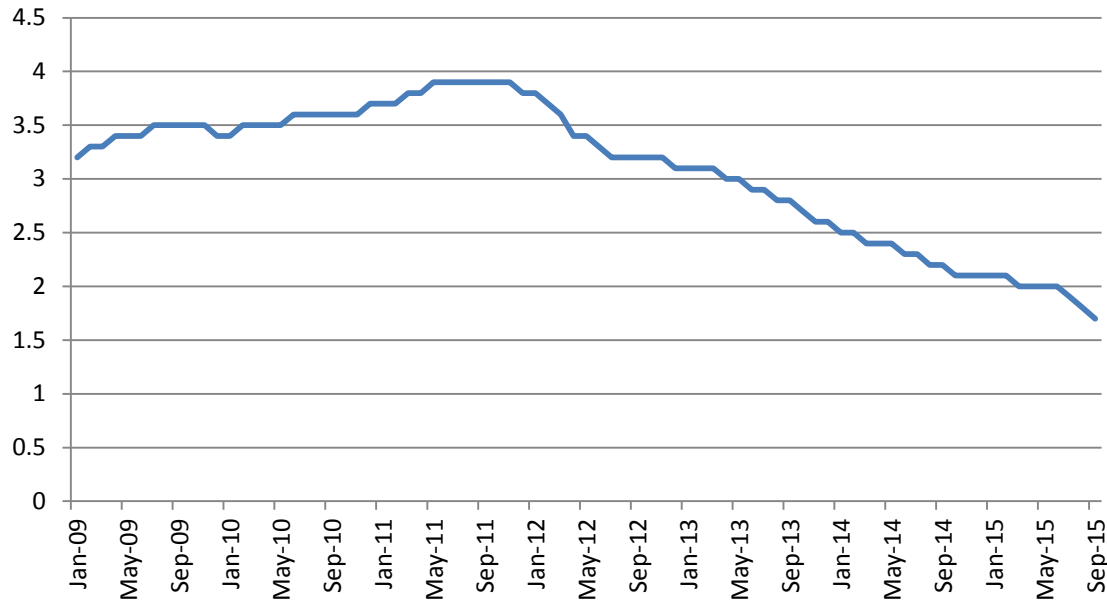
Housing Workshop #4 – Today’s Agenda

1. Brief Recap of Previous Workshops
 2. City Tools and Policy Options to Influence Housing
 3. Proposed Infill Housing Incentive Program
 4. Council Discussion and Direction
 5. Next Steps
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1. Recap of Previous Workshops

Months Supply of Housing, Below \$100,000 - 2009 thru 2015



Sept 2015
1.7 Months

Source:
Corpus
Christi
Association
of Realtors



1. Recap of Previous Workshops

Focus Areas Based on Council Discussion:

- Vacant
 - Substandard
 - Infill/Revitalization of Existing, Older Neighborhoods
 - Downtown
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2. City Tools to Influence Housing

City Tools – Including Council Ideas and Discussion:

- Waive or Reimburse Development Fees
 - Tax Increment Reinvestment Zones (TIRZs), Tax Abatement
 - Type A Grant for Market Rate Housing with Certain # of Affordable Units
 - Sale of City Owned and/or Tax Foreclosed Vacant Lots
 - City Provide Infill Infrastructure
 - Historical Landmark Tax Abatements
 - Set Aside Funds (not Type A/HUD Restricted) For These Purposes
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2. Policy Options to Influence Housing

Short Term:

- Adopt a City Housing Policy
 - Identify Target Area(s)
 - Develop Incentive and Fee Waiver Program
 - Identify and Market any City-Owned Lots
 - Refocus Type A Funds to Redevelop City-Owned Lots With Community Partners
 - Identify “Seed Money” Not Tied to Federal Restrictions to Incentivize Housing that is Affordable
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2. Policy Options to Influence Housing

Longer Term:

- Partner with Housing Authority to Rehabilitate and/or Build Affordable Housing, Workforce Housing and Reasonably Priced Rental Units
 - Housing Authority to Own and Manage
 - Improve Public Infrastructure in Target Areas, by Aligning Capital Improvement Program
 - Facilitate Creation of Community Development Corporations
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3. Current & Proposed Housing Programs

Current Housing Programs (must meet HUD guidelines)



Housing & Community

Development (HCD)

Loans Programs

- Rehabilitation Loan Program
- Demolition and Reconstruction Loan Program

Grants Programs

- Minor Home Repair Grants

Homebuyer Programs

- \$5,000 Home Down Payment Program

TYPE A

Loans Program

- Home Buyer Assistance up to \$10,000

**** New Pilot Program ****

- Home Construction Pilot Project \$100,000
- **Similar to Existing Demolition/Reconstruction Program in HCD**



3. Current & Proposed Housing Programs

Proposed Corpus Christi Housing Infill Program

Flexibility

- Less External Regulation, Quicker Turnaround
- Tailored to Our Community

Value

- Add to Affordable Housing Stock
- Demonstrate Market Viability
- Mitigate Risk





3. Proposed Housing Pilot – Type A

Type A Pilot Program

- The Type A Board Approved the HCD Request for Funding to Construct a Small Home within CDBG Boundaries
 - Construction Contract Would be Advertised for Bid
 - Sold to Buyer Who Qualifies Under HUD Guidelines
 - Sale Price Would Include the Bid Price Plus Nominal Costs for Land and Fees
 - Potential for Homebuyer Assistance



3. Proposed City Infill Housing Incentive Program

Purpose:

To Develop an Incentive Program that Promotes and Encourages New Home Construction in Existing CDBG Neighborhoods Through The Use of City and or Privately Owned Vacant Properties.



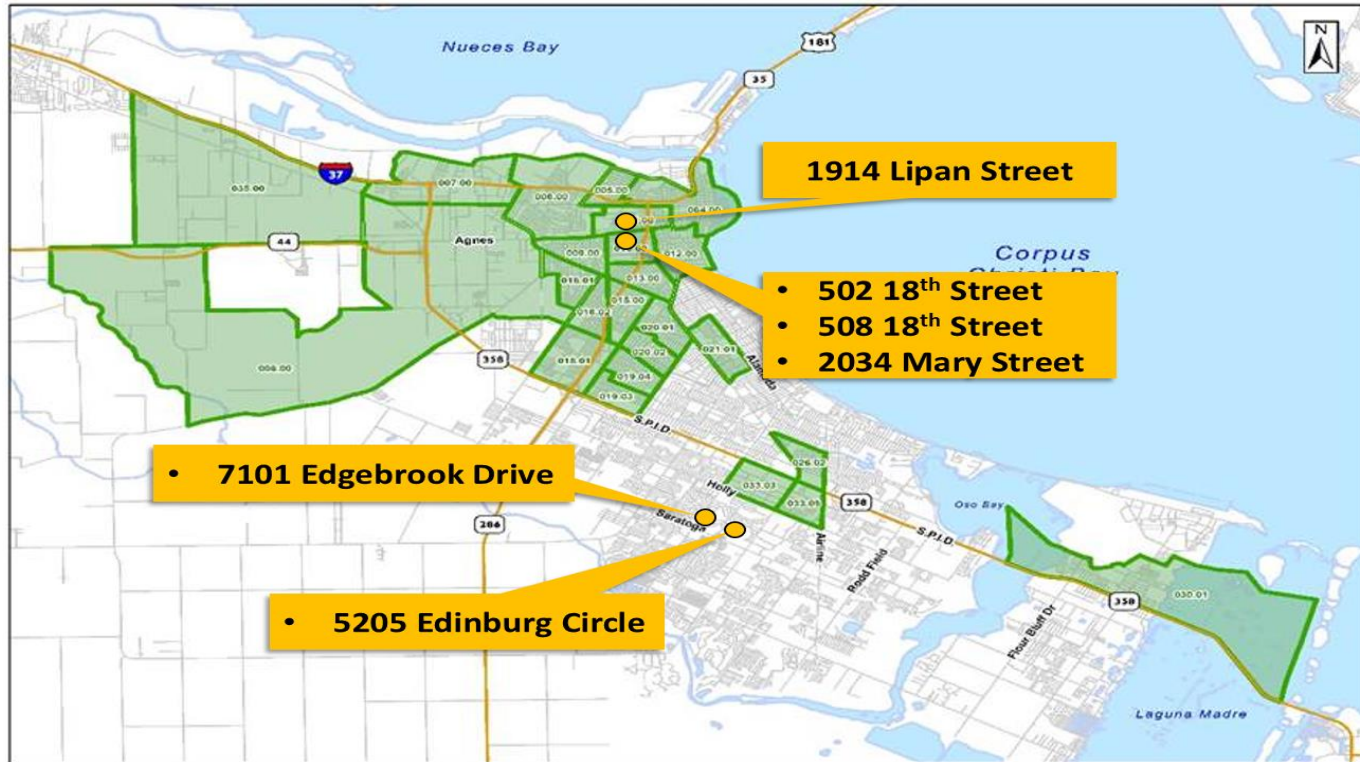
3. Proposed City Infill Housing Incentive Program

Overview

- Applies to All Single Family Infill Lots Within CDBG Boundaries
- Provides Incentives and Fee Waivers to All Owners.
- Sale of City-Owned Lots Through a Bid Process



3. Map of City owned Vacant Lots for Proposed Infill Housing Incentive Program





3. Proposed City Infill Housing Incentive Program

Benefits:

- Utilizes Abandoned, and/or Nonconforming Vacant Property
 - Helps Fulfill Housing Needs
 - Revitalizes Neighborhoods
 - Increases Future City Property Tax Revenue
 - Reduces Code Enforcement Abatement Expense
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3. Proposed City Infill Housing Incentive Program

Program Guidelines:

- Vacant Properties Within The City's CDBG Boundaries (Beginning With City Owned Lots)
 - Competitive Bid Process; Meet Minimum Building Specifications
 - Builder Experience and Financial Capability
 - Build According to City of Corpus Christi Unified Development Code
 - Single Family Home – 900 to 1300 Square Feet
 - Construction Must Begin Within 120 Days of Sale; Completed Within 6 Months
 - Sales Price Subject to Market Rates (Estimate of \$80,000 - \$100,000)
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3. Proposed City Infill Housing Incentive Program

Program Incentives:

- Waiver or Reimbursement of Development Fees
 - Waiver or Reimbursement of Water, Wastewater and Gas Tap Fees
 - Rebate City Sales Taxes Paid on Construction Materials.
 - City Provide Up to Two Roll-Off Containers at Actual Cost During Construction
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4. Council Discussion and Direction

- Proposed City Infill Housing Incentive Program (IHIP)

- Proposed Type A Pilot Program (HUD Restrictions)



5. Next Steps

1. Bring Forward to City Council for Discussion and Adoption:
 - City Infill Housing Incentive Program (IHIP)
 - Type A Pilot Program
 2. Implement Both Infill Housing Incentive Program and Type A Pilot Program:
 - Prepare Bid Documents Within Program Guidelines and List of Available City-Owned Lots, With Minimum Bid
 - Evaluate Bids and Award Each Lot Separately.
 3. Provide Periodic Progress Reports to City Council With Results and Recommendations
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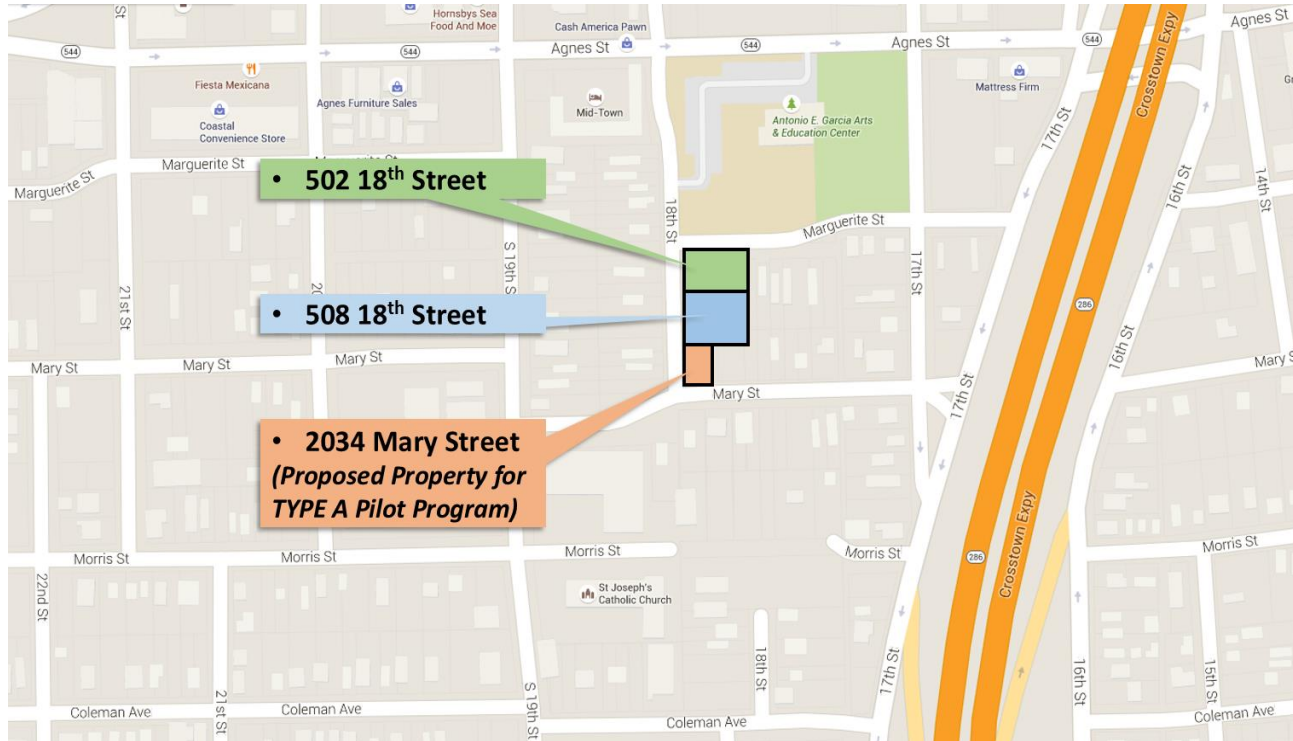


Housing Workshop #4

Thank You



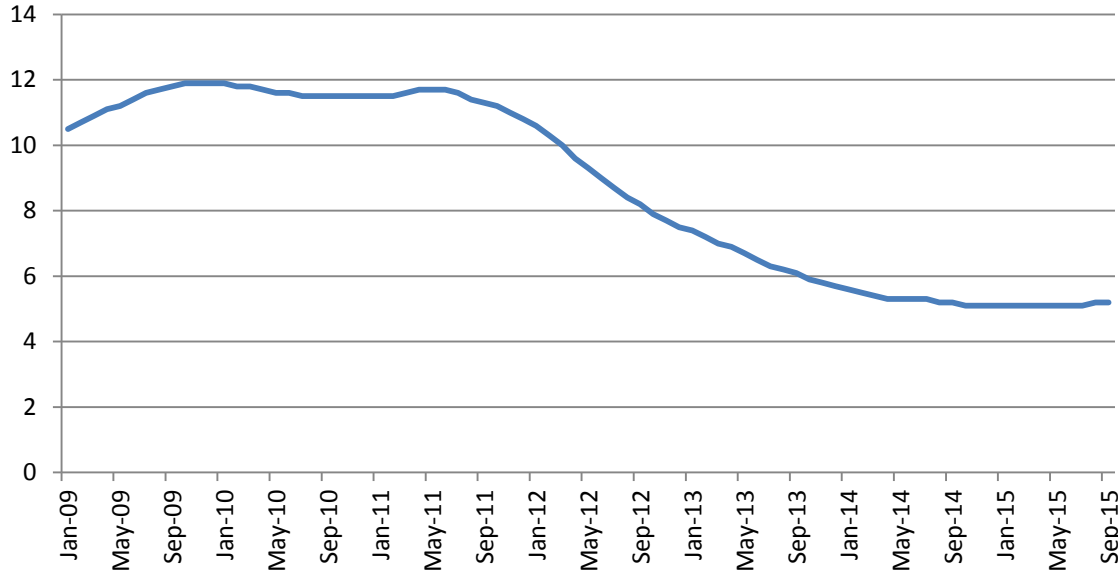
Extra: City owned Lot for Type A Proposed Pilot Program – Mary Street (orange)





Extra: 1. Recap of Previous Workshops

Updated - # Months Supply of Housing, All Prices - 2009 thru 2015



Sept 2015
5.2 Months

Source:
Corpus
Christi
Association
of Realtors



Extra: 1. Recap of Previous Workshops

Findings:

- Shortage as of September 2015 in Housing Supply at \$150,000 or less - 1.4 months supply
 - Multi Family Property Occupancies > 95%
 - Demand for Housing of All Types Continues to Increase, Due to Several Factors
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Extra: 3. Proposed City Infill Housing Incentive Program - Alignment with other Policies

- **Plan CC 2035 Element 4** – Housing and Neighborhoods: High-quality, safe, connected and diverse neighborhoods provide a variety of living choices.
 - **City Council 3rd Priority** - Downtown Revitalization, Including Well Designed, Tailored Incentives, Homeless & Housing Policies, Incentive Options for Mixed Use Development Such as TIF Gap Financing, & Improved Lighting & Safety
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Extra: Infill Housing Incentives

Value of Waiving or Reimbursing Fees:

Single Family Infill/Redevelopment (Building Permit Fees, Plan review, pro-rata and taps)

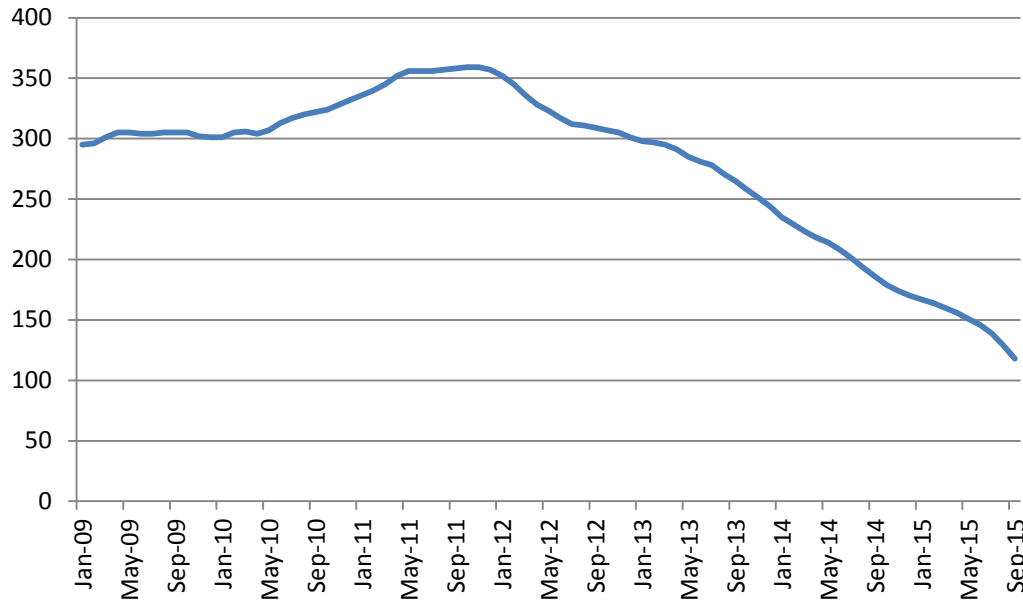
Total Fees for \$80,000 home	\$1,552
Total Fees for \$100,000 home	\$1,682

Excludes public infrastructure, excludes plat or change in zoning if needed



Extra: Inventory – Below \$100,000

Inventory of Homes, Below \$100,000 - 2009 thru 2015



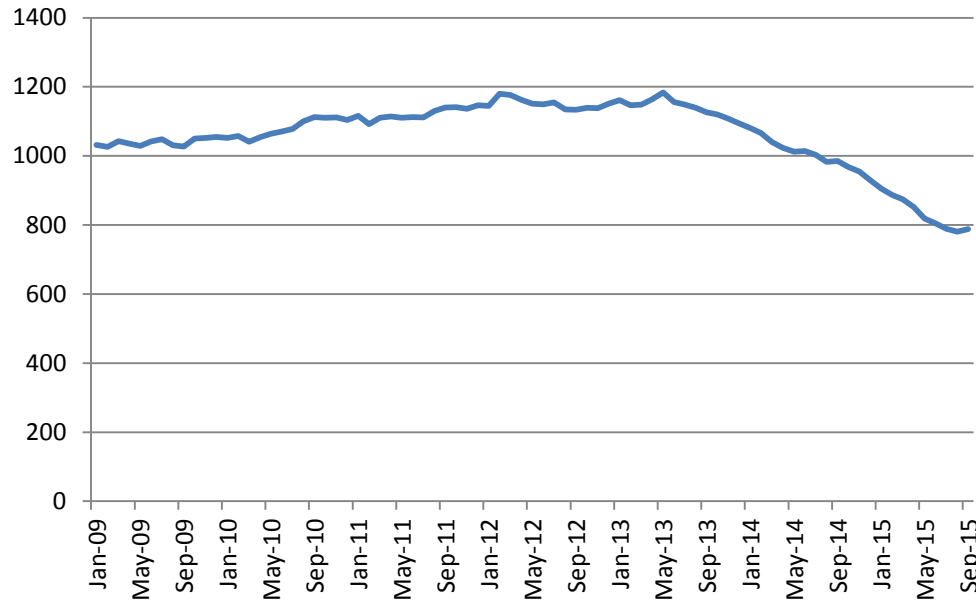
Sept 2015
118 homes

Source:
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Extra: Closed Sales – Below \$100,000

Closed Sales, Below \$100,000 - 2009 thru 2015



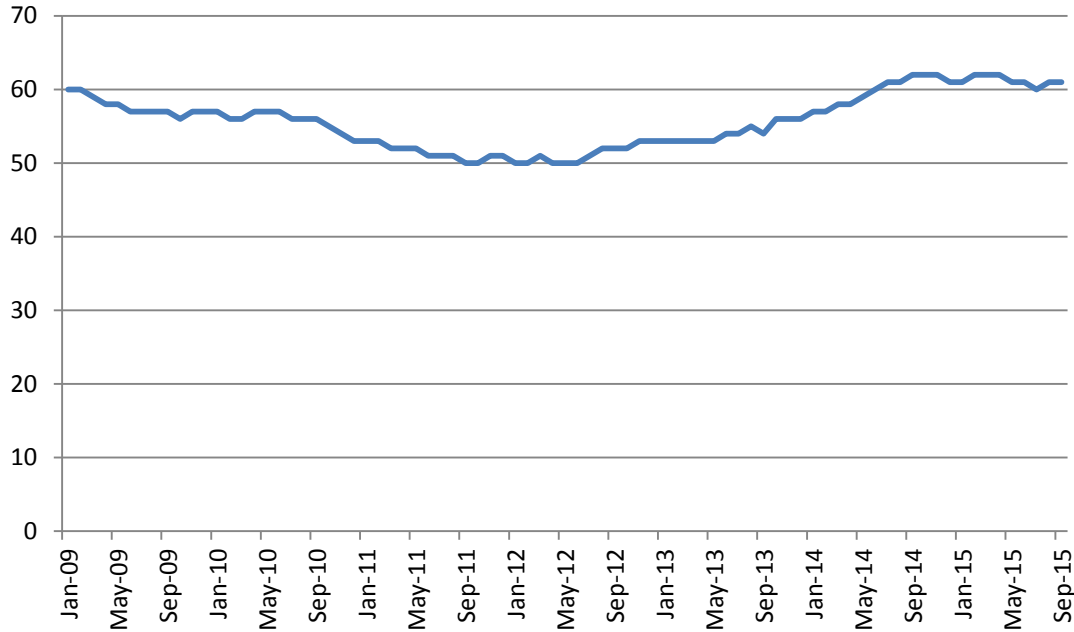
Sept 2015
788 closed
sales

Source:
Corpus
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Extra: Price per sq ft – Below \$100,000

Price per Square Foot, Below \$100,000 - 2009 thru 2015



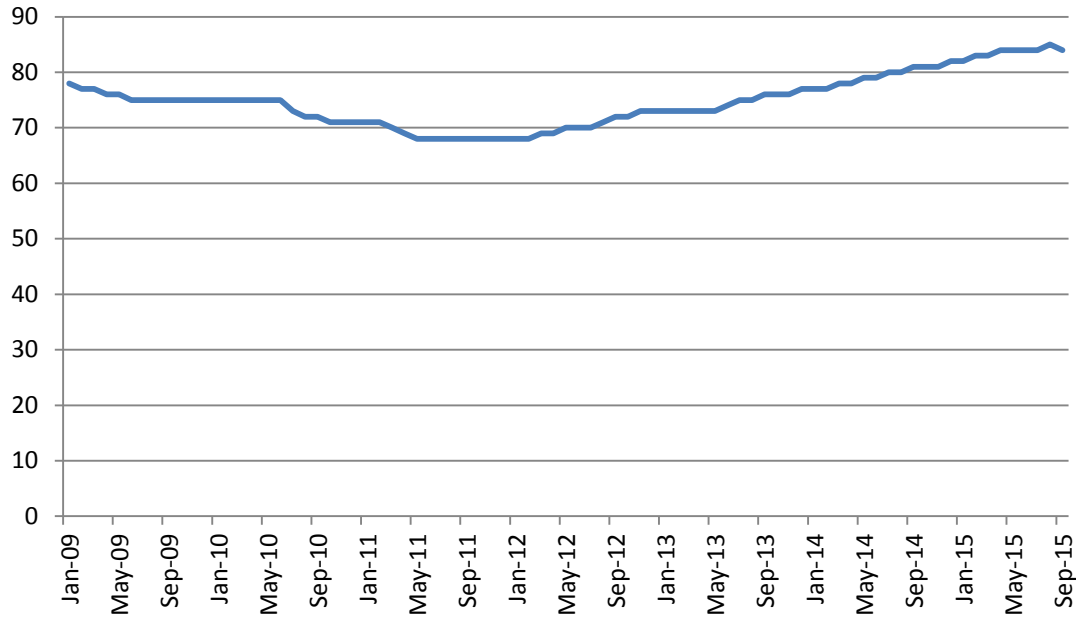
Sept 2015
\$61 per
square foot

Source:
Corpus
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Extra: Price per sq ft – Below \$150,000

Price per Square Foot, Below \$150,000 - 2009 thru 2015



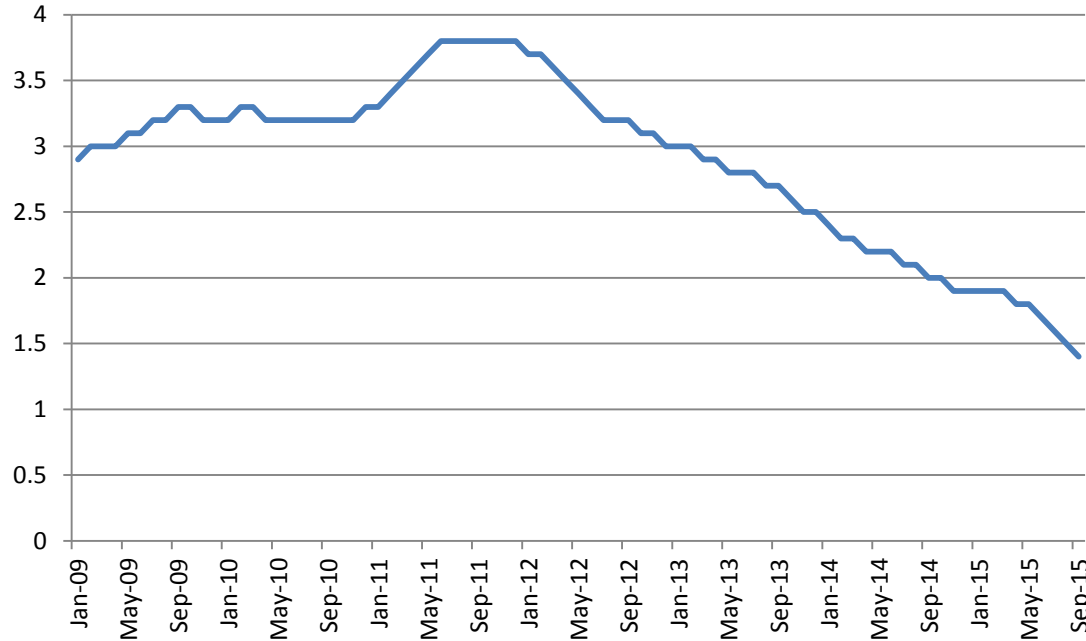
Sept 2015
\$84 per
square foot

Source:
Corpus
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Extra: Months Supply of Housing \$150,000 and Below

Updated - # Months Supply of Housing \$0 - \$150,000 Price - 2009 thru 2015



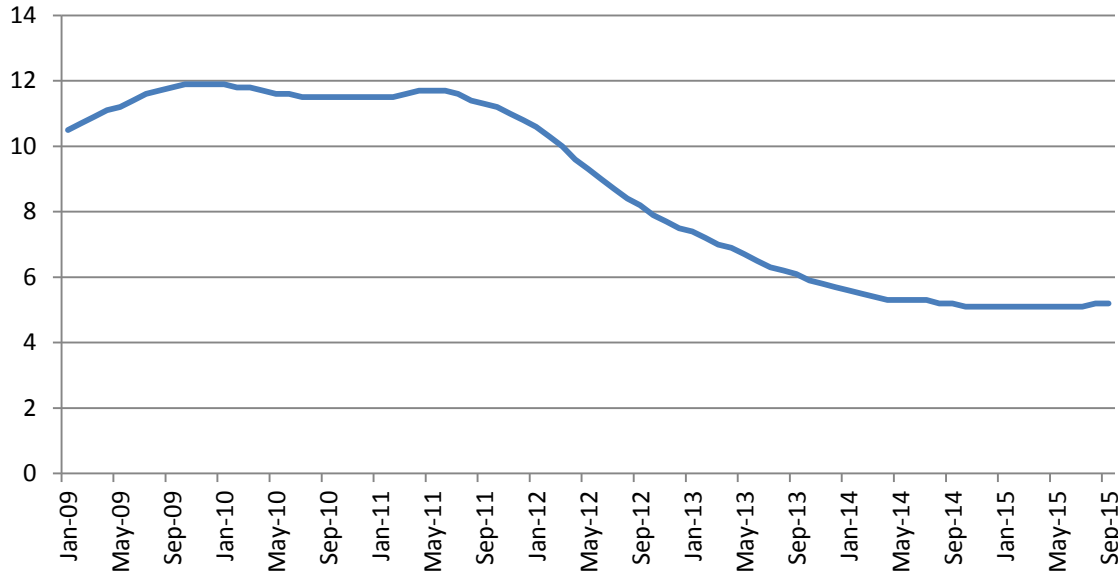
Sept 2015
1.4 Months

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Extra: Months Supply of Housing - All Prices

Updated - # Months Supply of Housing, All Prices - 2009 thru 2015



Sept 2015
5.2 Months

Source:
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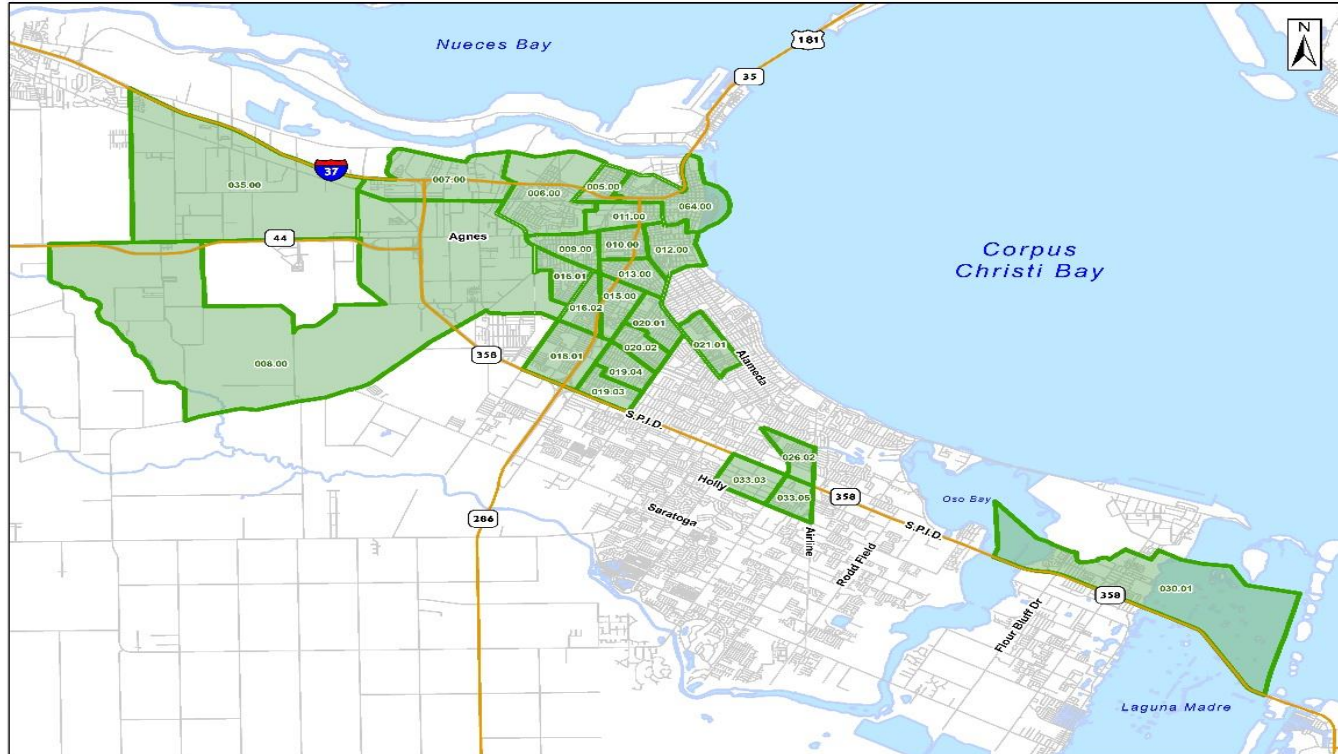


Extra: Development Costs

	\$80,000 Home	\$100,000 Home
Fees		
Plan Review Fee	\$ 104	\$ 130
Permit Fee	\$ 416	\$ 520
Water Tap (Pre Tapped or Existing Tap)	\$ 444	\$ 444
Waste Water Tap (Pre Tapped or Existing Tap)	\$ 388	\$ 388
Gas Tap, if Required	\$ 200	\$ 200
Total	\$ 1,552	\$ 1,682



Extra: Proposed City Infill Housing Incentive Program – CDBG Boundaries





Extra: Tax Increment Reinvestment Zone #3 Boundaries





Extra: TIRZ #3 Incentives

Two of Four Incentive Programs are for Downtown Housing:

Downtown Living Initiative

- \$10,000 Rebate per Multi-family Unit
- At Least 10 Unit Development
- Available for 100 Units, Annually

Project Specific Development Agreement

- 75% of 10 Year Tax Reimbursement Grant
 - Residential Developments over 100 Units (\$10,000 per Unit)
 - Availability Based on Project Cost
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