



AGENDA MEMORANDUM

Action Item for the City Council Meeting of December 14, 2021

DATE: December 1, 2021

TO: Peter Zaroni, City Manager

THRU: Andrea Gardner, Assistant City Manager
andreaga@cctexas.com
(361) 826-3506

FROM: Tracey K. Cantu, Interim Director Neighborhood Services Department
traceyc@cctexas.com
(361) 826-3021

Resolution Adopting the Housing Development Fee Waivers for Non-qualifying Homebuyers Program Guidelines

CAPTION:

Resolution adopting the Housing Development Fee Waivers for Non-qualifying Homebuyers Program Guidelines as authorized by the City of Corpus Christi Fiscal Year 2021-2022 Operating Budget.

SUMMARY:

The resolution adopts the program guidelines for the Housing Development Fee Waivers for Non-qualifying Homebuyers. The program will encourage developers to build residential homes for sale on infill lots.

BACKGROUND AND FINDINGS:

On September 7, 2021, City Council approved \$100,000 in the Fiscal Year 2021-2022 Operating Budget to provide developers fee waivers if they would build residential for sale home on infill lots. The program will increase the availability of homes for sale at an affordable price.

Waivable fees in the program guidelines include building permit and plan review fees, municipal solid waste fees, and tap fees for water, wastewater, and gas. Reinspection fees are not included. Waived fees are not to exceed \$7,000 per home.

Homes are to be built on infill lots and the sales price and finished value can't exceed 80% of the area median sales price as determined by the U.S. Department of Housing and Urban Development adjusted annually. Last adjusted in June 2021, that value limit is \$204,800. Homes can be built in any area of the city. Builders have 120 days from the date the fee waivers are provided to begin home construction and a lien for the amount of the fee waivers will be placed on the lot until the builder sells the home at a price within the limit.

To receive the fee waivers, a builder will provide their name and contact information, the lot address, lot ownership status, the amount of waived fees anticipated, projected completion schedule and the projected sales price to the Neighborhood Services Department. The Neighborhood Services Department will notify the Development Services Department of eligibility and will reimburse the Development Services Department for the approved waived fees.

The Housing Development Fee Waivers for Non-qualifying Homebuyers Program is a complementary program to the Infill Housing Incentive Program (IHIP). Builders can choose to participate in one program or the other but can't receive the benefit of both programs. IHIP builders must sell the home to a qualifying homebuyer with income at or below 80% of the area median but there are no income requirements with the Housing Development Fee Waivers for Non-qualifying Homebuyers Program. IHIP is an up to \$25,000 reimbursement program while participants in the Housing Development Fee Waivers for Non-qualifying Homebuyers Program can receive up to \$7,000 in waived fees. The Housing Development Fee Waivers for Non-qualifying Homebuyers Program is limited to fees for building permits and plan review, municipal solid waste fees, and tap fees for water, wastewater, and gas. IHIP includes more eligible costs, such as demolition of existing structures, water/wastewater infrastructure and required street improvement costs.

ALTERNATIVES:

The alternative is to not adopt these program guidelines and develop other guidelines.

FISCAL IMPACT:

City Council approved \$100,000 for the program as part of the Fiscal Year 2021-2022 Operating Budget.

Funding Detail:

Fund: 1020 General Fund
Organization/Activity: 11451 Housing Services
Mission Element: 007 Nondiscrimination Program
Project # (CIP Only): NA
Account: 530206 Rebate Incentive Programs

RECOMMENDATION:

City staff recommends approval program guidelines.

LIST OF SUPPORTING DOCUMENTS:

Resolution
Program Guidelines
PowerPoint Presentation