



AGENDA MEMORANDUM

Action Item for the City Council Meeting of March 21, 2023

DATE: 3/21/2023

TO: Peter Zaroni, City Manager

THRU: Constance Sanchez, Chief Financial Officer
constancep@cctexas.com
(361) 826-3189

FROM: Linda Stewart, Director Neighborhood Services Department
lindas2@cctexas.com
(361) 826-3862

Resolution Amending the Infill Housing Incentive Program (IHIP) and Housing Development Fee Waivers for Non-Qualifying Homebuyers Program Guidelines to Include Additional Lots, Increase the Home Sale Price Limit for IHIP, Eliminate the Home Sale Price Limit for the Housing Development Fee Waivers for Non-Qualifying Homebuyers Program, and Changing the Names of the Programs to Better Define Their Purpose and Intent

CAPTION:

Resolution amending the City's Infill Housing Incentive Program (IHIP) Guidelines for Type B Subsidies to Developers selling property to Qualifying Low-Income Homebuyers and amending the City's Program Guidelines for Housing Development Fee Waivers for property sold to Non-Qualifying Homebuyers to expand eligibility of the types of zoning; remove the home sale price limit in the Housing Development Fee Waivers for Non-Qualifying Homebuyers program; increase the home sale price limit for IHIP; change the names of the programs; and further authorizing an amendment to the City's agreement with the Corpus Christi Type B Corporation funding the IHIP to effectuate said amendment.

SUMMARY:

The Resolution revises the program guidelines for the Infill Housing Fee Waiver Program and Affordable Housing Fee Reimbursement Program to include all lot zoning that allows single-family dwellings, eliminates the home sales price requirement for the Infill Housing Fee Waiver Program, increases the home sale price limit for the Affordable Housing Fee Reimbursement Program.

The Resolution proposes changes to the program names to more clearly define the two separate programs and align with their purpose and intent. The Resolution changes the name of the Infill Housing Incentive Program to the "Affordable Housing Fee

Reimbursement Program” and changes the name of the Housing Development Fee Waivers for Non-Qualifying Homebuyers program to the “Infill Housing Fee Waiver Program.”

BACKGROUND AND FINDINGS:

The City administers two separate but complementary programs that provide development cost reimbursements and development fee waivers. To increase the availability of infill lots and achieve the program goals, proposed revised program guidelines for both programs include additional zoning designations. The current program guidelines for both programs limit zoning to RS-15, RS-10, RS-6 and RS-4.5. The revised program guidelines presented in this Resolution for both programs provide an opportunity for development of an appropriate lot without the added cost of rezoning while still qualifying under these programs. In other words, all lots where the type of home being built is allowed by the zoning will be allowed under the programs if the Resolution is approved.

The current program guidelines for both programs limit the home sale price to 80% of the area median home sale price (\$211,200). The revised Affordable Housing Fee Reimbursement Program guidelines *increase* the home sale price limit to 95% of the area median home sale price (\$251,000) as determined annually by the U.S. Department of Housing and Urban Development. The Type B funding for the program limits the home sale price and home value to 95% of the area median home sale price. Last adjusted in June 2022, that value limit is \$251,000.

The revised Infill Housing Fee Waiver Program guidelines *remove* the home sale price limit. The Infill Housing Fee Waiver Program is funded with General Fund and there is no requirement for home sale price or home value limitation.

Affordable Housing Fee Reimbursement Program

The Affordable Housing Reimbursement Program is a reimbursement program with eligible expenses that include permits, fees, demolition, water/wastewater infrastructure improvements, and infrastructure improvements to the sewer lines and streets. The Affordable Housing Fee Reimbursement Program is funded through an agreement with the Corpus Christi Type B Corporation for \$1,000,000 which remains available. The corporation approved an amendment revising the guidelines with the changes proposed in this Resolution on March 20, 2023.

Reimbursement may be up to \$25,000 per home. The homes must be sold to an income qualified homebuyer with a household income at or below 80% of the area median income (AMI). Last adjusted in 2022, that income limit for a family of four is \$62,000. The homebuyer is subject to a recapture period.

Infill Housing Fee Waiver Program

The Infill Housing Fee Waiver Program is a fee waiver program with eligible expenses that 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. This program was funded with \$100,000 General Fund in FY2022 and \$100,000 General Fund in FY2023. There is \$180,502 available.

ALTERNATIVES:

The alternative is to not adopt the revised program guidelines or to direct staff to develop different guidelines. The recommended revisions in the Resolution support developer feedback that both programs are not providing enough incentive to develop affordable housing using these programs.

FISCAL IMPACT:

To fund the Infill Housing Fee Waiver Program the City Council approved \$100,000 for the program as part of the Fiscal Year 2021-2022 Operating Budget and \$100,000 is in the proposed Fiscal Year 2022-2023 budget as a recurring program. The funding source for the Affordable Housing Fee Reimbursement Program is Corpus Christi Type B Housing Fund 1147 and not General Fund.

Funding Detail:

Fund: 1020 General Fund
Organization/Activity: 11451 Housing Services
Mission Element: 132 Neighborhood Revitalization
Project # **(CIP Only): NA**
Account: 530206 Rebate Incentive Programs

Fund: 1147 Type B Housing Fund
Organization/Activity: 15001
Mission Element: 132 Neighborhood Revitalization
Project # **(CIP Only): NA**
Account: 530000 Professional Services

RECOMMENDATION:

City staff recommends approval of the proposed program guideline and name changes.

LIST OF SUPPORTING DOCUMENTS:

Resolution
Redlined Infill Housing Fee Waiver Program Guidelines
Revised Infill Housing Fee Waiver Program Guidelines
Amendment No 1 to Infill Housing Program Agreement between Type B and City
PowerPoint Presentation