

To create affordable housing,  
you must create affordable houses

Taubman – Type A Board Proposal

Corpus Christi plan to:  
house the poor,  
revitalize neighborhoods,  
and unleash infill development

# Traditional site built home

- Let's assume we want to build a 1,100 sq.ft. home
  - At \$90 per sq.ft. cost is \$99,000
  - At \$100 per sq.ft. cost is \$110,000
  - True cost adds land value
- Non-economic to build
  - Neighborhood home sales are \$70,000 to \$90,000
  - If it costs \$100,000 to buy, someone is taking a \$10,000 to \$30,000 loss
  - The building may not appraise at full value

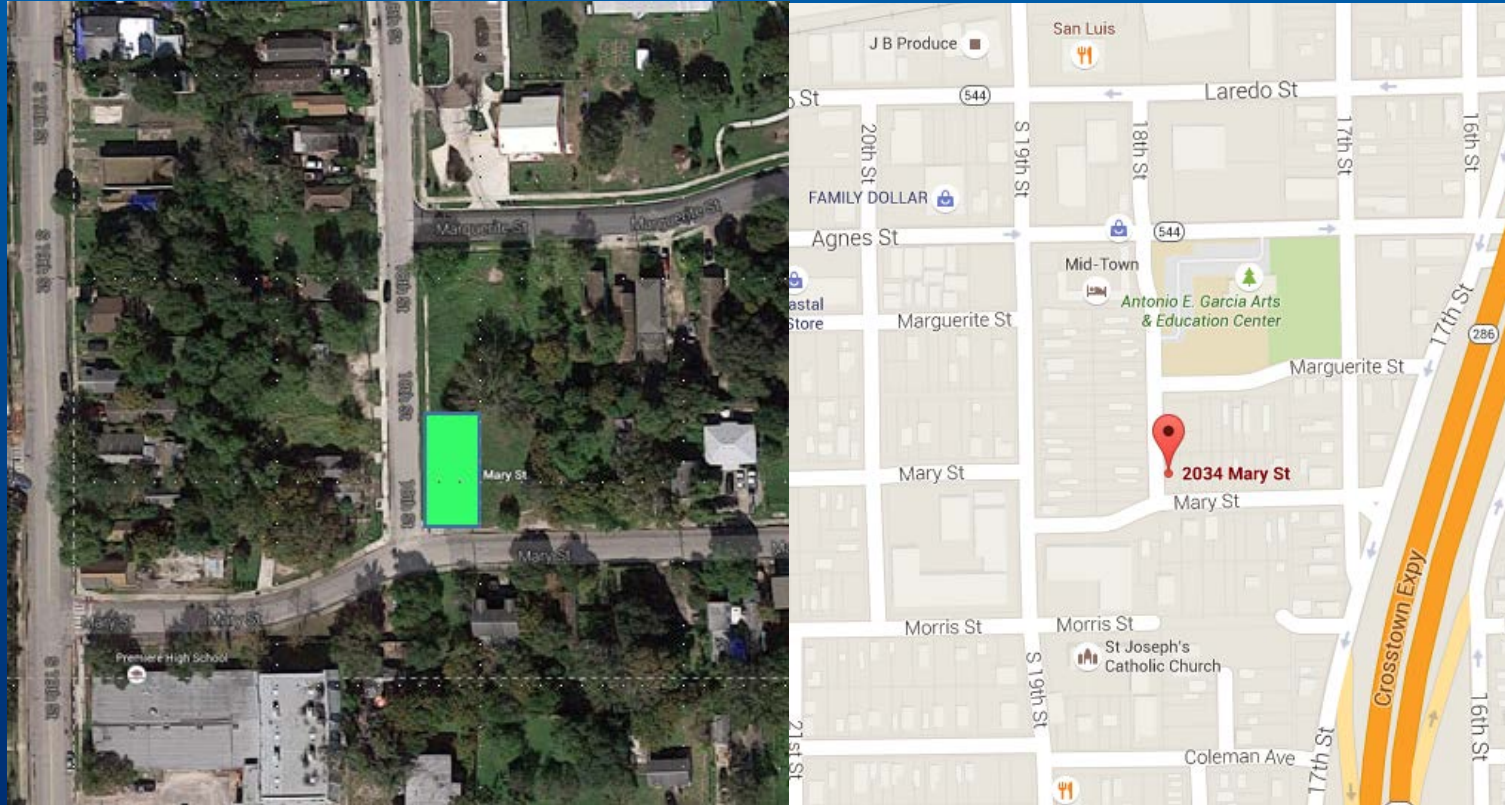
Proof of being 100% correct: empty lots and boarded-up houses.

# Development Plan

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- Taubman develops three houses:
  - 2034 Mary Street – City owned lot, Type A Board financed, for sale
  - 2516 Lynch Street – Taubman owned lot, Taubman financed, for rent
  - 1221 Central Street – Taubman owned lot, Taubman financed , for rent
- Each are Affordable Cottage Houses
- Taubman will build two demonstration houses before City has to commit to Mary Street

# 2034 Mary Street, a typical lot



Empty and unproductive



# The Mary Street Neighborhood

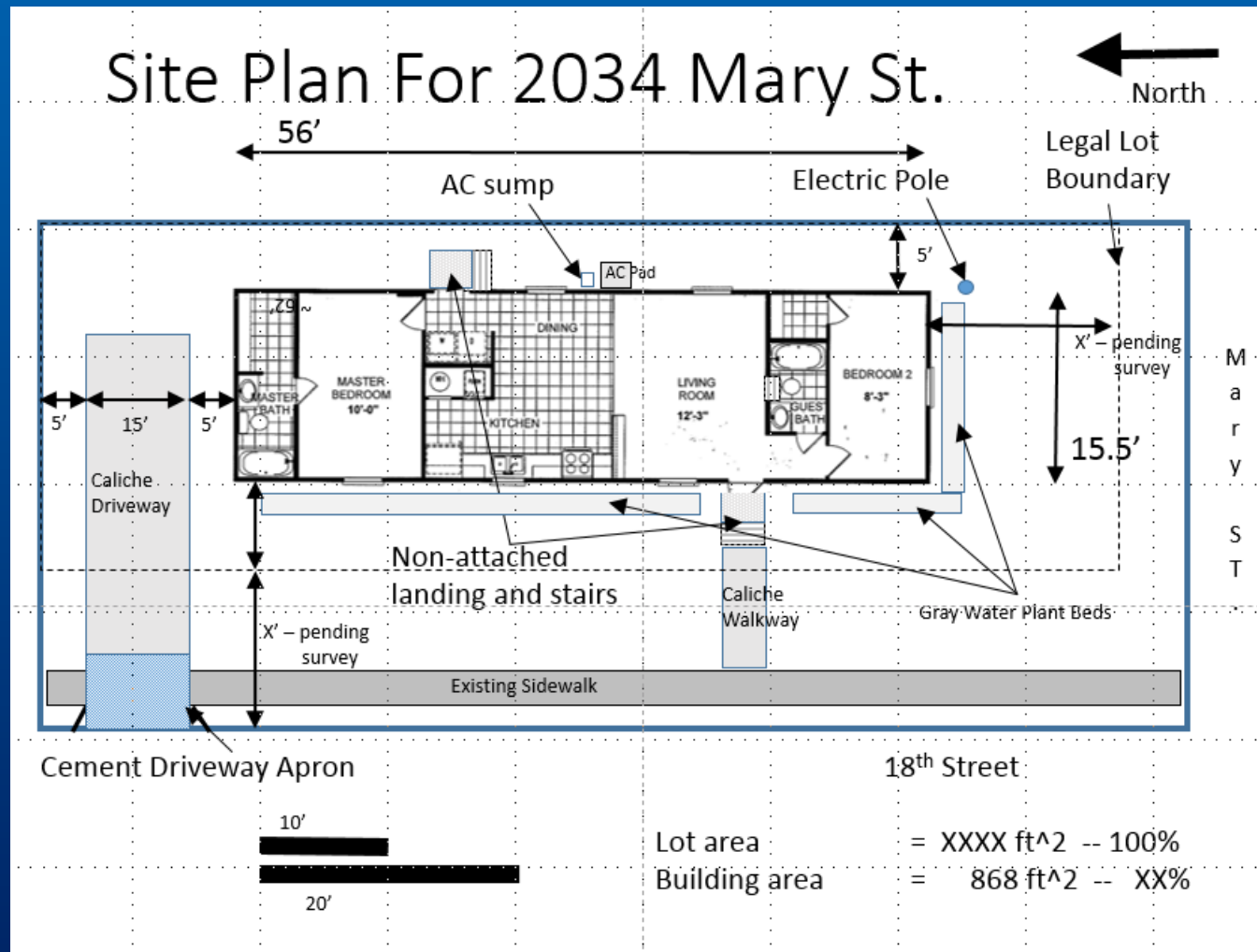


# Infill lots can have a home



- Safe
- Clean
- Efficient
- Attractive
- New
- Affordable
- Comfortable
- Fresh
- Economical
- Green
- Nice
- Worthy

# Mary Street can have a new 2/2 home



# Low cost, new home approach

## 2 Bedroom / 2 Bathroom

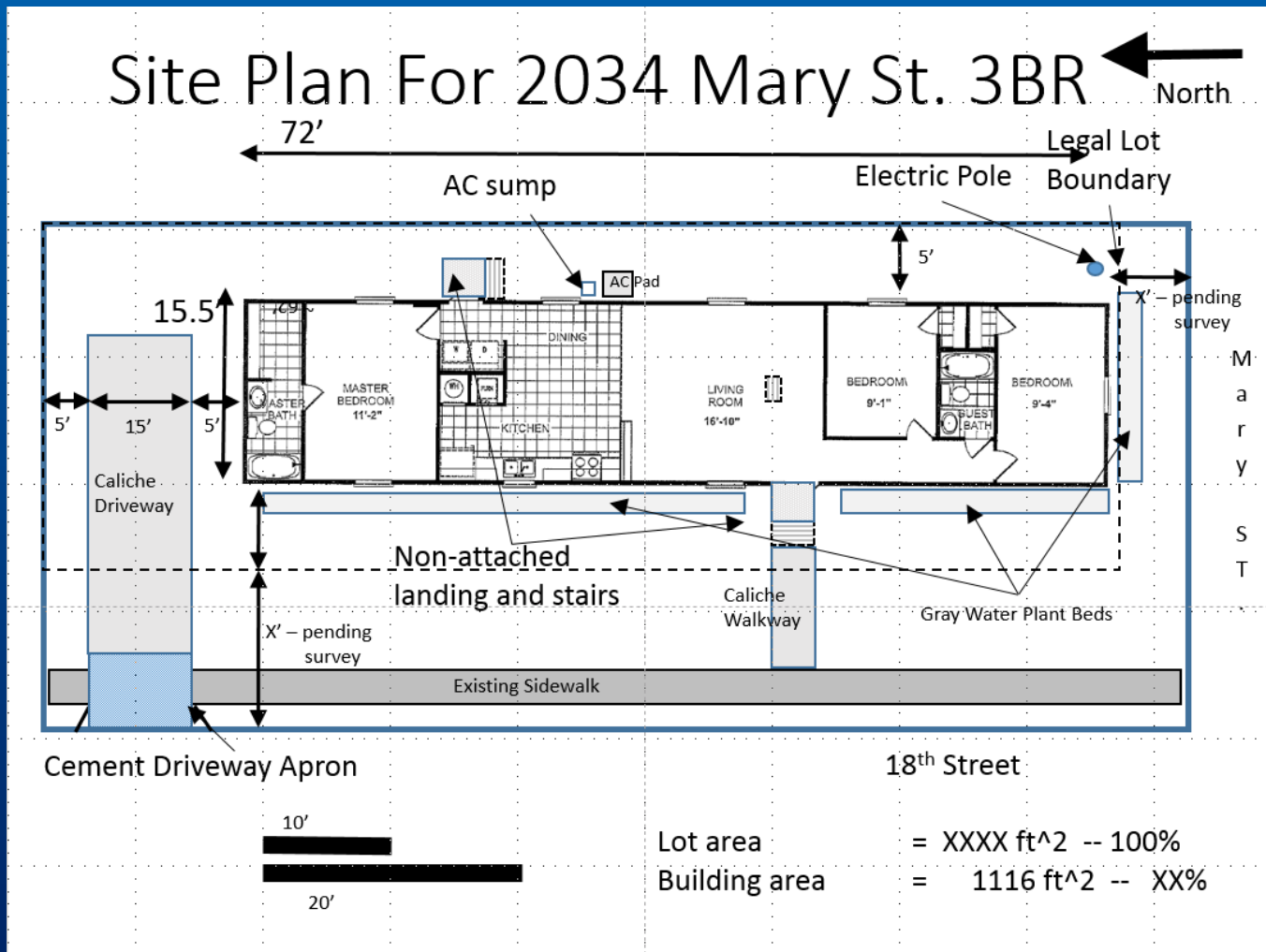
- Budget for Mary Street:

– Home	\$40,000
– Foundation	\$ 6,500
– Landings/stairs	\$ 2,000
– Skirting	\$ 2,100
– Electrical	\$ 2,500
– Plumbing / gray water	\$ 4,500
– Driveway / walkway / AC pad	\$ 2,800
– Miscellaneous	\$ 1,000
– Contingency / buyer choice	\$ 2,000
– <u>Developer profit</u>	<u>\$10,000</u>
– Total cost to buyer	\$73,400
- Economic to build -- move in ready in twelve weeks

We can offer a “not to exceed” firm price



# Mary Street can have a new 3/2 home



# Low cost, new home approach

## 3 Bedroom / 2 Bathroom

- Budget for Mary Street:

– Home	\$44,000
– Foundation	\$ 6,500
– Landings/stairs	\$ 2,000
– Skirting	\$ 2,100
– Electrical	\$ 2,500
– Plumbing / gray water	\$ 4,500
– Driveway / walkway / AC pad	\$ 2,800
– Miscellaneous	\$ 1,000
– Contingency / buyer choice	\$ 2,000
– <u>Developer profit</u>	<u>\$10,000</u>
– Total cost to buyer	\$77,400

- Economic to build -- move in ready in twelve weeks

We can offer a “not to exceed” firm price

# How can the cost be so low

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- Factory built, off-site
  - Super efficient materials purchasing and handling
  - Assembly-line type savings due to efficiency
  - No labor scheduling issues
  - Experienced sub-trades
  - Lower cost labor pool as compared with Corpus Christi
  - No weather delays
  - Focused design
  - Fixed costs spread over large number of units
  - Conforms to national building standards so cost of local customization is eliminated
- Safe
  - Conforms to County, State and Federal codes, not necessarily to local code
  - Inspected at factory by State regulators
  - Meets all coastal windstorm standards

Looks like a regular home and is high quality

# Quality of life considerations

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- This does not change the character of these neighborhoods. It largely replicates the “shotgun home” development of these same areas.
- Original neighborhood development did not have modern code restrictions.
- Substantial affordable housing is created.
- Mitigates neighborhood blight.
- Improves health and safety for poor families.
- Revitalization of neighborhood spirit.
- Substantial number of new homes in short time period.

Everyone wins.

# Safety issues for Affordable Cottage Housing

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- Engineered and inspected to meet coastal windstorm standards.
- Meets national code for structure, fire, plumbing, electrical, and all systems, and incorporates governmental inspections during construction.
- Legal today without further action in parts of Corpus Christi as well as the unincorporated areas of Nueces County.
- Substantially safer than much of Corpus Christi's current stock of housing built more than fifty years ago.
- Substantial protection from grade-level flooding as compared with slab built homes.
- Central heat and air is an important health and safety issue in this climate.

These structures are absolutely safe.



# Aesthetic issues for Affordable Cottage Housing

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- Many construction characteristics same as site built home:
  - + Pitched roofs with shingles.
  - + LP Smart Side Panel (or the equivalent) with regular house paint.
  - + Pier and beam type foundation which is common for area.
  - + Traditional door and window emplacements.
- Finishing touches to ensure neighborhood compatibility:
  - + Permanent skirting to grade level, using same material as siding.
  - + Placement of hedges to break-up visual lines of structure.
  - + Planting of shade trees to help energy efficiency of home.
  - + Permanent stairs, railings and landings for main doorway.

Looks approximately the same as modular housing which is allowed under existing code and regulation.

# City can control distribution of Affordable Cottage Housing with map overlays.

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- Neighborhood characteristics for overlay areas:
  - + Substantial fraction of existing homes are > 50 years old.
  - + Substantial fraction of existing homes are pier and beam construction.
  - + Large number of undeveloped, infill lots.
  - + Existing city infrastructure to serve new home without incremental City investment.
  - + Large number of substandard housing.
  - + Boarded-up homes.
- Define appropriate City requirements to shape results and ensure compatibility with neighborhoods.
  - + Landscaping
  - + Finish and materials standards
  - + Maintaining existing densities of current structures already on lot.

# Good Public Policy results

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- Individual lot redevelopment keeps neighborhood affordable as compared with large-scale demolition and replacement. Large scale development is often gentrification which makes the affordable housing problem worse.
- Leading edge public policy that unites issues of low-income housing, growth from reduced regulation, neighborhood revitalization, urban core renewal.
- Does not favor developers, the politically connected, or the wealthy over regular neighborhood land owners.
- Does not require coercive land acquisition methods such as condemnation.
- Leverages and maximizes existing City infrastructure
- Improves tax base.
- Not dependent on slow or limited government funding.

Give some code variances, get a lot in return

# Making Government Money Efficient

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- Type-A Board funds one home
- Corpus Christi gets three infill homes built
- Government money is returned in 12 weeks

The only Affordable Housing solution with enough scale to matter

# Timeline and responsibilities

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- Taubman submits building plans and site plans to development services
- Proceed on Lynch Street home, expected completion in twelve weeks.
- Proceed on Central Street home, expected completion in twelve weeks.
- Proposed Mary Street stakeholders evaluate:
  - Type A Board
  - City leaders
  - Prospective purchasers
  - Permanent financing provider
- Upon approval by stakeholders, Taubman delivers Mary home, expected completion in twelve weeks.

Everybody gives, everybody gets.



# Considering government regulation



Visible issues:

Off foundation, boarded-up windows, sagging roof,  
siding failure, failed porch supports

- If this house is condemned, will the tenant be homeless?
- Is this house energy efficient as per code?
- Do building codes make this house windstorm safe?
- Do electrical codes make this house fire safe?
- Do setback regulations help this house or neighborhood?
- Is street or yard parking a driver of neighborhood values?

Regulation is all cost and no benefit for some folks.

# If we do nothing to fix the problem...

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- Growth escapes Corpus Christi to greener pastures
- Remote, new housing and low cost mortgages cause productive people to leave poor neighborhoods
- In poor areas, each year the paint and structure are one year older
- Neighborhoods spiral-down and are lost for 50 years or more
- Tax base shrinks over time
- City sprawl occurs
- Far-flung infrastructure capex is required by City
- Available affordable housing is rapidly shrinking in Corpus Christi while the demand increases at the same time.

The time is now and we are the team to fix this.