



AGENDA MEMORANDUM
CORPUS CHRISTI BUSINESS AND JOB DEVELOPMENT CORPORATION
Meeting April 20, 2020

DATE: March 18, 2020

TO: President and Honorable Board Members,
Corpus Christi Business and Job Development Corporation

THROUGH: Peter Zanoni, City Manager

FROM: Keith Selman, Assistant City Manager
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Agreement with the Community Development Corporation of Brownsville, dba come dream. come build.
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CAPTION:

Motion approving an incentive agreement in the amount of \$154,227.00 between the Corpus Christi Business and Job Development Corporation and the Community Development Corporation of Brownsville, dba come dream. come build., regarding a potential affordable housing project at 4017 Capitol Drive.

SUMMARY:

The purpose of this item is to approve an agreement between the Type A Corporation and the Community Development Corporation of Brownsville, dba come dream. come build. for the development of an affordable housing project at 4017 Capitol Drive. The agreement will detail the scope of work for the project which includes: to provide a detailed project concept and specific scope for the project, including a project schedule to the Corporation within 60 days within two years. Also, committing \$154,227 in Type A Affordable Housing funding for the development of the land to assist in the costs of the project.

BACKGROUND AND FINDINGS:

On March 16, 2020, City staff presented to the Corpus Christi Business and Job Development Corporation (Type A Board) a proposed project which would develop homeownership affordable housing on a City-owned property for potential homeowners at or below 80% area median income. The Type A Board requested an agreement to be brought back to the Board in April 2020.

On January 2015, the Corpus Christi Business and Job Development Corporation (Type A Board) approved Goals and Strategies for the Affordable Housing Program. On March 31, 2015 the Corpus Christi City Council also approved the Goals and Strategies for the Affordable Housing Program. The desired results for affordable housing were to increase affordable housing opportunities for stable families to live in quality housing on a long-term basis with a first priority on home ownership and secondary priority on home rental. The Type A Board listed Goal #1 – To increase the availability of affordable, accessible, and fair housing by sponsoring

and supporting relevant legislature, regulation, and policy that would provide a direct benefit to a homebuyer.

On December 13, 2018, a presentation titled “Modeling Housing Affordability in Corpus Christi, Texas” was made for City stakeholders from the Texas A&M University Real Estate Center. Data from the presentation indicated that of the 89,658 owner-occupied units in Corpus Christi, 13.7% were occupied by low- to moderate-income (below 80% AMI) households with an annual income range of \$31,051 to \$40,700. In Corpus Christi, the gap continues to widen between the median home price and median family income for affordable homeowners. In Corpus Christi, there is a decline in sales of lowest priced homes (\$0-\$149,000). However, there continues to be a rise in sales of homes priced \$150,000+ which strains housing affordability for lower- to moderate-income households. The decline in the supply of new homes in the lowest price ranges diminishes affordable owner-occupied housing in Corpus Christi.

On October 7, 2019, a Request for Proposal (RFP) was released by the Contracts and Procurement Department seeking a developer of affordable housing. The Community Development Corporation of Brownsville (CDCB) was the sole respondent of the RFP and submitted a proposed concept of the development.

This agreement will detail the scope of work for the project which includes: to provide a detailed project concept and specific scope for the project, including a project schedule to the Corporation within 60 days following the effective date and complete the construction of the project within two years following the approval and recordation of the plat.

Following the approval of the project concept, specific scope, and design, the Corporation will pay the developer \$154,227.00. The total amount will be split into five payments made upon notice from the Developer and showing that the Developer has completed 20%, 40%, 60%, 80%, and 100% of the required work to complete the project. The agreement includes a claw-back provision that requires the Developer to refund the City if the project is not completed within the required time period.

The City has also identified additional funding sources to support this new affordable housing development. Along with the Type A request of \$154,227, additional funding includes: Corpus Christi Community Improvement Corporation funding of \$150,000 and Corpus Christi Housing Finance Corporation funding of \$474,909. It is unlikely all funding will be utilized after a final project concept and scope have been completed.

ALTERNATIVES:

The Board could choose not to approve the agreement or to ask staff to negotiate different terms with the Developer.

FISCAL IMPACT:

Currently, there is \$154,227 available in Type A funding for Affordable Housing. This request will earmark this funding for this project. The funding is available in fund balance. A budget amendment is required.

Funding Detail:

Fund:	1140 – Economic Development
Organization/Activity:	15000 – Affordable Housing
Mission Element:	132 – Revitalize and Stabilize Neighborhoods
Project # (CIP Only):	N/A
Account:	530000 – Professional Services

RECOMMENDATION:

It is the recommendation of staff to approve the agreement

LIST OF SUPPORTING DOCUMENTS:

Agreement
Presentation