



AGENDA MEMORANDUM

Action Item for the City Council Meeting June 23, 2020

DATE: June 1, 2020

TO: Peter Zaroni, City Manager

FROM: Rudy Bentancourt, Director of Housing and Community Development
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| Special Board Meeting of the Corpus Christi Community Improvement Corporation |
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CAPTION:

Special Board Meeting of the Corpus Christi Community Improvement Corporation regarding a potential owner occupancy affordable housing project at 4017 Capitol Drive.

SUMMARY:

To provide a Special Board Meeting to approve an agreement between the Corpus Christi Community Improvement Corporation (CCCIC) 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 and complete construction within two years following the approval and recordation of the plat. Also, committing \$150,000 in CCCIC 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 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. On October 12, 2019, a Pre-Proposal Conference was held and four (4) interested parties attended. On November 11, 2019, the proposals were due to the Contract and Procurement Department. 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 \$150,000. 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 CCCIC request of \$154,227, additional funding includes: Corpus Christi Business and Job Development Corporation (Type A) funding of \$154,227 and Corpus Christi Housing Finance Corporation funding of \$470,000. It is unlikely all funding will be utilized after a final project concept and scope have been completed.

ALTERNATIVES:

The Corporation could choose not to approve the agreement.

FISCAL IMPACT:

Currently, there is \$150,000 available in the CCCIC Special Fund Account. This request will earmark this funding for this project.

Funding Detail:

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| Fund: | 1059 |
| Organization/Activity: | N/A |
| 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:

Agenda for CCCIC Board Meeting
Unapproved September 6, 2019, Board Meeting Minutes
Treasurer's Report
Agreement with Community Development Corporation of Brownsville for the Project