

# Affordable Housing Policy for Homeownership



City Council  
April 13, 2021



# Homeownership Affordability

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- Housing is affordable for homeownership if
    - It has an initial purchase price that does not exceed 95% of the median purchase price for the area
    - It is the principal residence of an owner whose family qualifies as a low-income family
    - It is subject to recapture or resale restrictions
    - If newly constructed and meets the energy efficiency standards determined by the Secretary of the U.S. Department of Housing and Urban Development
  - This federal definition of affordable housing also applies to Type A and Type B affordable housing funds
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# Affordability Qualifiers

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- 95% of the median purchase in Corpus Christi
  - \$173,000 for existing homes
  - \$238,000 for new construction
- Low-income is 80% of the area median income
  - For a family of four, the limit is \$55,450
- Households shouldn't spend more than 30% of their income on housing costs



# What Tools Do We Have

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- Preservation of units
  - Minor Home Repair Program
  - Emergency Plumbing Repair Program
  - Single Family Rehabilitation Program
  - Demolition/Reconstruction Program
- New affordable units
  - Homebuyer Downpayment Assistance Program
  - New construction development subsidy
  - Infill Housing Incentive Program (IHIP)
    - Being referred to as “the affordable housing policy”



# IHIP

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- Adopted in 2015 to create new homes in Community Development Block Grant (CDBG) designated low to moderate income (LMI) areas
  - Increase new construction on vacant infill lots that are privately owned or City owned
  - Builders qualify for incentives
    - Waiver of building permits, platting fees, and zoning fees
    - Waiver of water tap fees
    - 2 roll-off containers provided at City expense
  - Program is extremely difficult to use because of the IHIP's requirement that the sales price of finished home be limited to \$100,000
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# Thanksgiving Homes

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- Thanksgiving Homes was created through the Corpus Christi Housing Authority
- Have developed over 40 homes with more under construction
- Homes are 1,288 sq. ft. with 3 bedrooms and 2 baths that have sold for \$159,000 - \$169,000
- Building in CDBG LMI areas
- There aren't any income or sales price restrictions
- Thanksgiving Homes is ready to use IHIP if the flaws are corrected



# Where Do We Need To Go

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- Adopt a comprehensive policy that creates and preserves affordable housing
    - Continues preservation programs
    - Provides access to City owned land for affordable housing development
    - Encourages more developers to build affordable housing
    - Promotes economic diversity in CDBG LMI areas
    - Promotes low-income households living in higher income areas
    - Prevents unintended consequences that cause displacement such as increasing property taxes that make housing less affordable for low-income households
    - Considers the impact of incentives, such as fee waivers, on City operations
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