



AGENDA MEMORANDUM
Corpus Christi B Corporation Meeting
September 20, 2021

DATE: September 10, 2021

TO: President and Honorable Board Members,
Corpus Christi B Corporation

THROUGH: Peter Zanoni, City Manager

FROM: Tracey K. Cantu, Interim Director of Neighborhood Services
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Two-year agreement for costs related to the Infill Housing Incentive Program (IHIP)

CAPTION:

Motion authorizing a two-year agreement with the City of Corpus Christi to provide Corpus Christi B Corporation affordable housing funding in an amount up to \$1,000,000 for costs related to the Infill Housing Incentive Program.

SUMMARY:

This motion approves an agreement between the Corpus Christi B Corporation (Type B) and the City for an affordable infill housing program; \$500,000 for FY22 & \$500,000 for FY23 for a total amount up to \$1,000,000.

BACKGROUND AND FINDINGS:

On December 15, 2015, City Council approved Ordinance 030722 amending the Code of Ordinances to include Chapter 20, Housing, Article I In General and Article II Infill Housing Incentive Program. The articles were intended to assist in the development of abandoned and/or nonconforming vacant lots where street and utility infrastructure already exists in the city; to expand the local tax base; to increase the City's inventory of affordable housing; and to revitalize existing neighborhoods.

The IHIP guidelines, as adopted in 2015, did not maintain adequate incentives for homebuilders to participate in the City's infill program. This is because the policy's restrictions on sales price had not kept up with increasing construction costs. Therefore, participating developers would be forced to sell the home at a loss.

On June 29, 2021, City Council revised the IHIP guidelines to change the incentive from a department fee waiver to a reimbursement of up to \$25,000. The revisions also expanded eligible

expenses to include permits, fees, demolition, water/wastewater infrastructure improvements, and infrastructure improvements to the sewer lines and streets. Also, the revision increased the length of time a builder has to complete the home from six to nine months, removed the maximum square footage requirement, increased the allowable sales price to 80% of the area median, restricted homebuyers to those households with incomes at or below 80% of the area median, and set recapture requirements for the homebuyer.

Eligible reimbursements will be funded by the Corpus Christi B Corporation – Type B (Affordable Housing) funding pursuant to a two-year agreement with the Corpus Christi B Corporation for one million dollars.

ALTERNATIVES:

The Type B Board could choose not to approve the amount, but the program would continue to go unused.

FINANCIAL IMPACT:

The funding source for IHIP is Type B Housing Fund 1147 for \$1,000,000; \$500,000 for FY22 and \$500,000 for FY23.

Funding Detail:

Fund:	1147
Organization/Activity:	15000
Mission Element:	132
Project # (CIP Only):	N/A
Account:	530000

RECOMMENDATION:

City staff recommends approval of the cost related to the Infill Housing Incentive Program.

LIST OF SUPPORTING DOCUMENTS:

Motion
CCBC Agreement
CCBC Exhibit A
CDBG Map
PowerPoint – Infill Housing Presentation