



**midtown**  
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**MIDTOWN REDEVELOPMENT  
AUTHORITY/TIRZ #2  
BOARD OF DIRECTORS MEETING  
JUNE 18, 2026**



**MIDTOWN REDEVELOPMENT AUTHORITY  
and  
REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS  
(ALSO KNOWN AS THE MIDTOWN REINVESTMENT ZONE)**

**TO: THE BOARD OF DIRECTORS OF THE MIDTOWN REDEVELOPMENT AUTHORITY AND  
THE MIDTOWN REINVESTMENT ZONE AND TO ALL OTHER INTERESTED PERSONS:**

Notice is hereby given that the Board of Directors of the Midtown Redevelopment Authority (the "Authority") will hold a joint regular meeting, open to the public, with the Board of Directors of the Midtown Reinvestment Zone on Thursday, June 18, 2026, at 12:30 p.m. at 410 Pierce Street, 1<sup>st</sup> Floor Conference Room (enter at the Pierce St. and Brazos St. door), Houston, Texas 77002.

The meeting location will be open to the public during open portions of the meeting. Members of the public may attend and/or offer comments in person as provided on the agenda and as permitted by the presiding officer during the meeting, or may view the meeting through the following link:

<https://midtownhouston.com/event/mra-board-meeting-june-2026/>

Click big blue button "TEAMS Meeting Link"

**Meeting ID: 247 576 862 826**  
**Passcode: GddGFQ**  
**Or dial in by phone and enter the phone ID when prompted**  
**Phone: +1 872-256-8243**  
**Phone ID 355 736 852#**

The Board of Directors of each of the Authority and the Midtown Reinvestment Zone will (i) consider, present and discuss orders, resolutions or motions; (ii) adopt, approve and ratify such orders, resolutions or motions; and (iii) take other actions as may be necessary, convenient or desirable, with respect to the following matters:

**AGENDA**

1. Call to Order, Introduction of Guests and Board Comments
2. Public Comment
3. Consent Agenda for the Midtown Reinvestment Zone **(Board Action)**
  - a. Minutes for April 30, 2026
4. Consent Agenda for the Authority **(Board Action)**
  - a. Minutes for April 30, 2026
5. Monthly Financial Report for March 31, 2026 and April 30, 2026 **(Board Action)**
6. Financial Audit Fiscal Year 2026 Engagement Letter **(Board Action)**
7. Authorize Interlocal Agreement for County Participation in TIRZ#2 **(Board Action)**
  - a. Harris County Interlocal Participation Agreement
  - b. Harris County Interlocal Project Agreement

8. Authorize Amending Restrictive Covenants for Block 442 (**Board Action**)
  
9. Affordable Housing Program
  - a. City of Houston Housing and Community Development Department Report
    - i. Change Happens CDC Requests for Modification of Authorization of Two Grant Agreements (**Board Action**)
      1. Tract exchange requests for 6 tracts as specified in the staff report;
      2. Change in unit type from single family home to duplex for 4 tracts (3225 Tuam Street, 3223 Tuam Street, 3005 Anita Street, 3016 Anita Street);
      3. Maximum price changes for 17 tracts as documented in the Staff Report
    - ii. Affordable Housing Affordability Period (**Board Action**)
  
10. Public Safety
  - a. The Harris Center for Mental Health & IDD – Chronic Consumer Assistance Program (CCAP) (**Board Action**)
  
11. Discuss Summer Board Meeting Schedule
  
12. With respect to the foregoing agenda items, the Authority may conduct an executive session with regards to the following, as appropriate and necessary:
  - a. Consultation with attorney (Section 551.071, Texas Government Code);
  - b. The purchase, exchange, lease or value of real property (Section 551.072, Texas Government Code);
  - c. Personnel matters (Section 551.073, Texas Government Code);
  - d. Security personnel or devices (Section 551.074, Texas Government Code); and
  - e. Economic development negotiations (Sections 551.087, Texas Government Code).
  
13. Executive Session
  - a. Development Agreement with Pearl Residences at Midtown Owner, LLC (**Board Action**)

Upon entering into the executive session, the presiding officer shall announce which agenda items will be discussed.

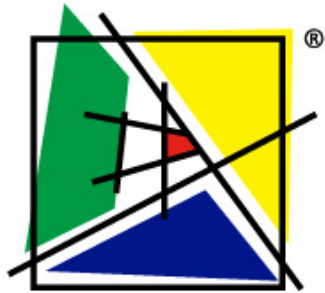
Adjournment.




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J. Allen Douglas

Chairman      AJD/ks



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# **ZONE CONSENT AGENDA**

**MINUTES OF THE BOARD OF DIRECTORS OF  
REINVESTMENT ZONE NUMBER TWO, CITY OF HOUSTON, TEXAS**

**April 30, 2026**

A regular meeting of the Board of Directors (the "Board") of Reinvestment Zone Number Two, City of Houston, Texas, was held at 410 Pierce Street, First Floor Conference Room, Houston, Texas 77002 and via video conference on Thursday, April 30, 2026, at 12:30 p.m. The meeting was open to the public. The roll was called of the duly appointed members of the Board, to-wit:

<u>Pos. #</u>	<u>Name</u>	<u>Pos. #</u>	<u>Name</u>
1	Camille Foster	6	Christopher M. Johnston
2	Terence Fontaine	7	Chris Williams
3	Michael Lewis	8	James Gilford
4	Tiffani Robinson	9	Zoe Middleton
5	Allen Douglas		

and all of the above were present in person at the meeting location except Directors Foster and Gilford who attended via video conference

In attendance were Authority staff members Ian Schramm, Marlon Marshall, Jeremy Rocha, David Thomas, Kayler Williams, Melissa Walker and Amaris Salinas; Cynthia Alvarado, Chandler Snipe, and Sharita Bohanna of the Midtown Management District; Rena Leddy and Steve Gibson of Urban Place Consulting Group, Inc.; Michael Lord of Bracewell LLP; Rachel Ray-Welsh of Walter P. Moore Engineers; Melissa Morton of The Morton Accounting Services; Alex Ramirez of Design Workshop; Amy Connolly and Tony Jin of the City of Houston Housing and Community Development; Jim Webb and Eddie Tang of The Goodman Corporation; Jay Hickman of the Amanda Hansen Group; Algenita Davis of the Affordable Housing Consultant Advisory Group; Carol Harrison of IDS Engineering; Allison Hay and Janel Young of Houston Habitat for Humanity, Inc; LaTisha Grant, Tiffany Bellis and Talisha Doss of the TAS Realty Group; Roberta Burroughs of Roberta F. Burroughs & Associates; Linda Ragland of Womack Development; Jennifer Gribble of Super Neighborhood #62; Pastor Linda Davis of Boynton Chapel Church; Zachery Martin of Martin Construction Management and Designs; Sharone Mayberry of Mayberry Homes, Inc.; Steven K. unidentified by last name.

In attendance via video conference were Authority staff members Sally Adame of Midtown Redevelopment Authority; Cynthia Alvarado and Chrystal Davis of the Midtown Management District; Katie Johnson of DCCM; Ashley Segura of Co-Crete Strategies; Tara Green and Samuel Heritage of OJB; Elizabeth Carlson of Tricon Energy; Rebecca Leonard of Lionheart Places; and Nathaniel Treadway.

Chairman Douglas called the meeting to order.

**MINUTES FOR MARCH 26, 2026**

Director Lewis made a motion to approve the minutes for March 26, 2026. The motion was seconded by Director Johnston and unanimously approved.

**EXECUTIVE SESSION**

The Board did not enter a closed executive session.

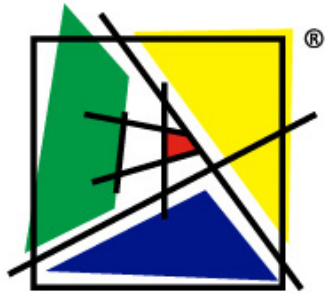
**ADJOURN**

There being no further business to come before the Board, the meeting was adjourned.

\_\_\_\_\_  
Christopher M. Johnston, Secretary

\_\_\_\_\_  
Date

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**AUTHORITY  
CONSENT AGENDA**

**MINUTES OF THE BOARD OF DIRECTORS OF  
THE MIDTOWN REDEVELOPMENT AUTHORITY**

**April 30, 2026**

A regular meeting of the Board of Directors (the "Board") of the Midtown Redevelopment Authority (the "Authority") was held at 410 Pierce Street, First Floor Conference Room, Houston, Texas 77002 and via video conference Thursday, April 30, 2026, at 12:30 p.m. The meeting agenda is attached hereto and incorporated herein. The meeting was open to the public. The roll was called of the duly appointed members of the Board, to-wit:

<u>Pos. #</u>	<u>Name</u>	<u>Pos. #</u>	<u>Name</u>
1	Camille Foster	6	Christopher M. Johnston
2	Terence Fontaine	7	Chris Williams
3	Michael Lewis	8	James Gilford
4	Tiffani Robinson	9	Zoe Middleton
5	Allen Douglas		

and all of the above were present in person at the meeting location except Directors Foster and Gilford who attended via video conference.

In attendance were Authority staff members Mandi Schramm, Marlon Marshall, Jeremy Rocha, David Thomas, Kayler Williams, Madison Walkes and Amaris Salinas; Cynthia Alvarado, Chandler Snipe, and Sharla Bohanna of the Midtown Management District; Rena Leddy and Steve Gibson of Green Place Consulting Group, Inc.; Clark Lord of Bracewell LLP; Rachel Ray-Weber of Walter P. Moore Engineers; Melissa Morton of The Morton Accounting Services; Alex Ramirez of Design Workshop; Amy Connolly and Tony Jin of the City of Houston Housing and Community Development; Jim Webb and Eagle Tang of The Goodman Corporation; Jay Hickman of the Amanda Hansen Group; Algenita Davis of the Affordable Housing Consultant Advisory Group; Carol Harrison of IDS Engineering; Allison Hay and Janel Young of Houston Habitat for Humanity, Inc; LaTisha Grant, Tiffany Tellis and Talisha Doss of the TAS Realty Group; Roberta Burroughs of Roberta F. Burroughs & Associates; Linda Ragland of Womack Development; Jennifer Gribble of Super Neighborhood #62; Pastor Linda Davis of Boynton Chapel Church; Zachery Martin of Martin Construction Management and Designs; Sharone Mayberry of Mayberry Homes, Inc.; Steven K. unidentified by last name.

In attendance via video conference were Authority staff members Sally Adame of Midtown Redevelopment Authority; Cynthia Alvarado and Chrystal Davis of the Midtown Management District; Katie Johnson of DCCM; Ashley Segura of Co-Create Strategies; Tara Green and Samuel Heritage of OJB; Elizabeth Carlson of Tricon Energy; Rebecca Leonard of Lionheart Places; and Nathaniel Treadway.

Chairman Douglas called the meeting to order.

## **PUBLIC COMMENT**

Allison Hay, Executive Director of Houston Habitat for Humanity provided an update of the number of affordable homes built and sold to date; 11 sold, 3 under contract and 5 available for purchase. Ms. Hays mentioned Houston Habitat for Humanity are modifying their marketing efforts to include the 3rd Ward community. She thanked the board for their continued support.

Steven K, Midtown resident, presented his concerns regarding the homeless population in Midtown and requested more medical outreach efforts to support those in need and ADA compliance.

## **CONSENT AGENDA FOR THE AUTHORITY**

### **MINUTES FOR MARCH 26, 2026**

### **NOTIFICATION OF PROCURED ITEMS AND CONTRACTS**

Chairman Douglas presented the Consent Agenda.

Director Lewis made a motion to approve the consent agenda as presented. The motion was seconded by Director Fournier and carried by unanimous vote.

## **MONTHLY FINANCIAL REPORT FOR MARCH 31, 2026**

Melissa Morton of The Morton Accounting Services provided the financial report for March 31, 2026. Total income equaled \$2,434,330 with expenses totaling \$12,356,728. Total Assets of \$205,449,613 include cash, savings and investment accounts (\$48,721,823) and fixed assets (\$156,727,790). Liabilities total \$101,413,684 represented mainly by long-term liabilities and the UN Garage liability (\$100,104,583).

After further discussion regarding forecasting for year-end and analysis request for fiscal years 2025 and 2026 Director Johnston made a motion to approve the Financial Report for March 31, 2026. The motion was seconded by Director Williams and carried by unanimous vote.

## **INVESTMENT REPORT FOR THE QUARTER ENDING MARCH 31, 2026**

Ms. Morton reported the quarterly investment report average yield rate on all investment accounts this quarter is 3.62% with the highest yield from the Logic accounts at 3.82% on average. The amount of interest earned from investment accounts for the quarter was \$397,771.

After further discussion regarding the Investment Report Director Fontaine made a motion to approve Investment Report for Quarter ending March 31, 2026. The motion was seconded by Director Williams and carried by unanimous vote.

## **AFFORDABLE HOUSING PROGRAM**

### **REQUEST FOR AMENDMENT OF GRANT AGREEMENTS AUTHORIZED BY MRA BOARD WITH BOYNTON HOUSTON COMMUNITY DEVELOPMENT CORPORATION (BOYNTON) FOR CONSTRUCTION RELATED TO THIRTEEN SINGLE FAMILY HOMES**

Algenita Davis of the Affordable Housing Consultant Group provided an overview and on behalf of Boynton-Houston CDC requested sales price increases for thirteen single family homes and determined them to be consistent with the HCD sales price limitation.

Following discussion regarding the affordability for first time homeowners, Director Middleton made a motion to approve the Request for Amendment of Grant Agreements Authorized by MRA Board with Boynton Houston Community Development Corporation (Boynton) For Construction related to Thirteen Single Family Homes as presented. The motion was seconded by Director Fontaine and carried by unanimous vote.

### **FIFTH WARD COMMUNITY DEVELOPMENT CORPORATION REQUEST FOR MODIFICATION OF AUTHORIZATION OF GRANT AGREEMENT FOR CONSTRUCTION OF HOMES ON FIVE LOTS**

Ms. Davis of the Affordable Housing Consultant Group provided an overview on behalf of Fifth Ward Community Development Corporation requested for consideration to the MRA Board is to authorize an amendment of the previously authorized grant agreement to allow construction of five 1700 square foot homes at sales price of \$247,000 per house, subject to approval by City of Houston Housing and Community Development.

Director Fontaine made a motion to approve the Fifth Ward Community Development Corporation Request for Modification of Authorization of Grant Agreement for Construction of Homes on Five Lots. The motion was seconded by Director Middleton and carried by unanimous vote.

### **REQUEST FOR AMENDMENT OF GRANT AGREEMENTS AUTHORIZED BY MRA BOARD WITH THE HERBERT STROMAN FOUNDATION (STROMAN) FOR CONSTRUCTION OF THE EIGHT HOMES**

Ms. Davis of the Affordable Housing Consultant Group provided an overview on behalf of The Herbert Stroman Foundation for Construction of eight homes sales price increases and determined them to be consistent with HCD sales price limitation with revised sales prices for Plan 1558 - \$249,900 and Plan 1600 - \$263,950, subject to approval of City Housing and Community Development.

Director Johnston made a motion to approve the Request for Amendment of Grant Agreements Authorized by MRA Board with The Herbert Stroman Foundation (Stroman) for Construction of the Eight Homes as presented. The motion was seconded by Director Robinson and carried by unanimous vote.

### **CHANGE HAPPENS REQUEST FOR MODIFICATION OF AUTHORIZATION OF GRANT AGREEMENT FOR CONSTRUCTION OF HOMES ON FIVE LOTS**

Roberta Burroughs of Roberta Burroughs & Associates gave an overview and recommended sales price increases, land exchange, and new unit types for four MRA tracts.

Board discussion followed and the MRA Board requested this item tabled for more discussion by the MRA Board Affordable Housing Committee.

### **AFFORDABLE HOUSING AFFORDABILITY PERIOD**

This item was tabled until the MRA Board's Affordable Housing Committee meets.

### **INTERAGENCY AGREEMENT WITH METRO FOR COMMUNITY FUNDING PROJECT GRANT**

Marlon Marshall, Sr. Director of Engineering/Strategic Development updated on the Interagency Agreement with METRO for Community Project Funding. MRA Staff requested authorization to execute Interagency Agreement with METRO for Community Project Funding grant through the U.S. Department of Housing and Urban Development for design and engineering costs for affordable housing development

METRO Board of Directors has authorized its Interim President & CEO to execute an interlocal agreement with MRA to split the grant funds equally (\$250,000). The funds awarded to MRA are intended to be used for planning and preliminary design of infrastructure for affordable housing development.

Director Robinson made a motion to approve the Interagency Agreement with METRO

for Community Funding Project Grant. The motion was seconded by Director Fontaine and carried by unanimous vote

### **GRANT PLANNING SERVICES WORK ORDER AMENDMENT – THE GOODMAN CORPORATION**

Mr. Marshall presented work order amendment as part of an existing professional services agreement with The Goodman Corporation (TGC) to provide grant planning services including identification and funding pursuit. MRA Staff requested authorization of \$161,000.00 for work order amendment for identification and pursuit of grant funding opportunities.

Director Middleton made a motion to approve the Grant Planning Services Work Order Amendment with The Goodman Corporation for an amount not to exceed \$161,000. The motion was seconded by Director Johnston and carried by unanimous vote

### **FIFA WORLD CUP 2026 MOU**

Mr. Marshall presented the Memorandum of Understanding (MOU) for partnership between the FIFA World Cup 2026 Houston Host Committee/Sports Authority Foundation and Midtown Redevelopment Authority to collaborate in support of the Green Corridor Project. The Green Corridor Initiative Center on enhancing visitors experience by connecting key World Cup 2026 venues and demonstrating Houston's resilience and innovation. MRA Staff requested authorization to execute MOU.

Director Johnston made a motion to approve the FIFA World Cup 2026 MOU. The motion was seconded by Director Middleton and carried by unanimous vote

### **FIFA WORLD CUP – COH MAIN STREET BLIGHT MITIGATION**

Mr. Marshall presented projects including the installation of murals and the demolition of buildings along Main Street to support the City of Houston (COH) Blight Mitigation Initiative for FIFA World Cup. MRA Staff requested authorization up to \$200,000.00 to enter into necessary agreements for implementation of COH Blight Mitigation Initiative projects along Main Street in Midtown.

Director Fontaine made a motion to approve the FIFA World Cup - COH Main Street Blight Mitigation agreements for authorization up to \$200,000.00. The motion was seconded by Directors Williams and Johnston and carried by unanimous vote

## **MIDTOWN PLANTING IMPROVEMENTS**

Mr. Marshall presented the Change Order to amend Midtown Planting Improvements construction contract. MRA Staff requested authorization of amount not-to-exceed \$160,000.00 for change order to amend construction contract for additional landscape improvements at Midtown Park.

Director Fontaine made a motion to approve the Midtown Planting Improvements – Change Order for an amount not-to-exceed \$160,000.00. The motion was seconded by Director Middleton and carried by unanimous vote

## **EXECUTIVE SESSION**

The Board entered a closed executive session for this meeting at 2:30 p.m. to confer with its attorney and discuss matters regarding agenda item 13. a - e pursuant to Sections 551.071 and 551.074, Texas government Code. The Board returned to open session at 4:35 pm, at which time acted on agenda items 13 a, b and e. Items c and d were tabled as noted herein.

## **CLOSED SESSION:**

### **CIVIC HEART TENANCY**

1. The board authorized the Authority staff to terminate existing lease at 3131 One Emancipation Ave., Suite 400 for Civic Heart Community Services.

Director Johnston made a motion to approve the Civic Heart Tenancy lease termination. The motion was seconded by Director Lewis and carried by 8 members and 1 abstention by Director Middleton.

2. The board authorized the Authority staff to begin negotiation on leasing contract with Civic Heart at 410 Pierce Street.

Director Johnston made a motion to begin negotiation on the lease agreement at 410 Pierce Street with Civic Heart. The motion was seconded by Director Fontaine and carried by 7 members and 1 abstention by Director Middleton and 1 unreadiness by Director Robinson.

**DEVELOPMENT AGREEMENT WITH PEARL RESIDENCES AT MIDTOWN OWNER, LLC (WHOLE FOODS)**

The Board authorized the Authority staff to begin conversations and negotiations regarding the Development Agreement with the Morgan Group for Pearl Residences dated January 11, 2017.

Director Lewis made a motion to begin discussions and negotiations regarding the Development Agreement with Pearl Residences at Midtown Owner, LLC (Whole Foods). Following these discussions, MRA Staff will bring a proposal to the Board for approval. The motion was seconded by Director Robinson and carried by 8 members and 1 abstention by Director Middleton.

**Interim Executive Director Update**

No action was taken on this item upon returning to Open Session.

**Legal Contracts (Board Action)**

No action was taken on this item upon returning to Open Session.

**CONSULTATION WITH COUNSEL OF THIRD-PARTY CONTRACT**

Members of the board discussed retaining Clark Lord as outside counsel in his capacity with new firm of Greenberg Traub.

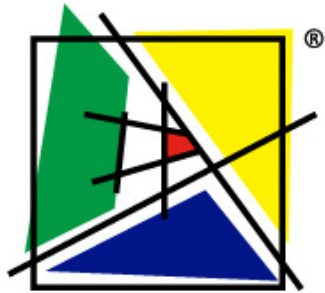
Director Fontaine made a motion to approve continuously using the current outside counsel, Clark Lord. The motion was seconded by Director Lewis and carried by unanimous vote.

**ADJOURN**

There being no further business to come before the Board, the meeting was adjourned.

\_\_\_\_\_  
Christopher M. Johnston, Secretary

\_\_\_\_\_  
Date



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**FINANCIALS**



**Midtown Redevelopment Authority Monthly Financial Report Summary**  
**June Board Meeting**  
**Thursday, June 18, 2026**

During the month of April, the Management Redevelopment Authority (Authority) received \$186,603 in revenue which 70% came from Interest Income (\$131,542) and 29% from Rental Income (Pearce St, Emancipation, etc) (\$54,378).

Expenses totaled \$1,211,344 for the month of April. These expenses are split between General Administrative Expenses (\$375,466) and Project Expenses (\$835,877).

General Administrative expenses are primarily comprised of Salaries (\$215,379) and Planning/Consultants (\$79,500). Planning/consultants derives from Hansen Group – \$17,000 and Urban Place – \$62,500.

Project expenses are mainly comprised of:

- Affordable Housing costs (\$469,916)
  - o Emancipation Costs - \$100,523
  - o CCPPI Close Costs - \$238,166
- T-0207 Operation of Zone Facilities (formerly MPC) (\$310,591)
  - o Street Planting \$132,564 (SMC and Landscape Art)
  - o Various work around district related to Lift stations work and electrical room repairs in Midtown Park by MLN (\$31,610)
  - o Seal Security (\$27,900)
  - o LOJ Electrical Work (\$21,810)

The Balance Sheet reflects Total Assets of \$204,589,005 with the majority of the balance in Checking and Savings Accounts (\$47,807,143) and Fixed Assets (\$156,693,886). The Total Liabilities balance is \$101,527,892 and of that balance (\$62,518,270) relates to Long Term Debt/Bonds and (\$37,586,313) relates to the ION Garage liability.

Midtown Redevelopment Authority

Profit & Loss

July 2025 through April 2026

	<u>Jul '25 - Apr 26</u>
Ordinary Income/Expense	
Income	
400000 · Revenue & Support	
400025 · Interest-Debt Service & Reserve	232,183.66
400026 · Interest-Other Bond Funds	174.09
400029 · Interest - Affordable Housing	432,671.15
400030 · Interest-Operating Funds	741,189.28
400031 · Interest Income	41,636.69
400040 · 3131 EMANCIPATION	305,822.01
400041 · Affordable Housing Apts Units	74,616.40
400042 · 402 & 410 Tenant Inome	180,227.25
	<hr/>
Total 400000 · Revenue & Support	2,008,520.53
40010 · Other Revenue	649,809.65
400441 · Bagby Park Kiosk Lease	85,869.12
451000 · Gain/Loss on Cancelled Leases	-123,265.80
	<hr/>
Total Income	2,620,933.50
Gross Profit	2,620,933.50
Expense	
510000 · INCREMENT PROJECTS/EXPENSE	
500007 · T-0234 Parks and Open Space	8,539.80
500015 · T-0222 Street Rehab	204,193.13
500021 · T-0203 Entry Portals	-20,000.00
500412 · T-0239 Brazos St Recon	39,796.30
510008 · T-0220 Afford Housing and Bnk	2,991,214.85
510019 · T-0214 Caroline St	153,838.77
510024 · T-0204 Infrastruc/Street Light	187,890.50
510040 · Development Courseme	274,524.85
510041 · CIP Program Expenses	37,899.00
510043 · T-0204 Parks & Open Space & Mob	106,490.18
510045 · T-0220 HTC - Bldg Maintenance	178,138.78
510046 · T-0221 Town Pk	16,278.07
510053 · T-0203 Midtown Garage	1,200.00
510053 · T-0203 Midtown Garage	6,388.75
510096 · T-0203 Opr of Zone Prj Faciliti	971,994.26
510102 · HMAAC Interest Expense	1,495.69
510100 · Kiosk at Bagby Park	35,279.96
510500 · T-0220 Mobility & Pedest Imprv	50,086.67
510536 · T-0203 Tuam Street	75.00
510700 · Municipal Services Costs	
510710 · Municipal Services Supplemental	112,386.46
510700 · Municipal Services Costs - Other	9,580.00
	<hr/>
Total 510700 · Municipal Services Costs	121,966.46
511001 · T-0232 Public & Cultural Fac	420,000.00
	<hr/>
Total 510000 · INCREMENT PROJECTS/EXPENSE	5,787,291.02
550000 · General & Admin. Expense	
550002 · Contract Labor	5,607.00
550003 · Rent Expense	9,000.00
550004 · Salaries	1,973,370.15
550006 · Advertising & Promotions	49,567.20
550007 · Courier Service	1,291.78
550008 · Office Supply & Expense	26,093.96
550010 · Telephone & Utilities	7,991.64

No assurance is provided on these financial statements

Midtown Redevelopment Authority  
**Profit & Loss**  
 July 2025 through April 2026

	Jul '25 - Apr 26
550012 · Postage	776.96
550022 · Bank Charges & Fees	27,536.00
550023 · Trust Expenses	9,398.00
550025 · Professional Services	49,508.75
550026 · Accounting Consultants	166,217.29
550027 · Financial Audit	45,000.00
550028 · Legal Consultants	370,582.18
550029 · Admin Insurance	1,635.80
550030 · Planning Consultants	325,462.07
550032 · Engineering Consultants	6,621.43
550033 · Professional Fees/Other Consult	90,181.50
550034 · Equip Rent & Lease Expense	9,309.84
550036 · Licenses & Fees	562.70
550037 · Workman's Comp Insurance	8,545.64
550038 · Insurance - All	510,613.71
550039 · Computers & Repairs & Maint	39,894.93
550040 · Repair & Maintenance	7,559.46
550045 · Payroll Fees	27,603.42
550046 · Reimb. Employee Office Exp.	586.98
550058 · Travel	3,463.33
550061 · Public Relations	231.82
550065 · Training and Conferences	3,388.81
<b>Total 550000 · General &amp; Admin. Expense</b>	<b>3,777,602.35</b>
550050 · Depreciation Expense	
550051 · Dep Exp - Midtown Park/Garage	346,573.35
550052 · Depre Expense-Midtown Park	477,363.84
550053 · Deprec Expense-Work of Art	33,210.81
550054A · Depre Expense Operat. Equip	468,451.62
55052A · Dep Exp Midtown Park Phase 2	137,655.06
550050 · Depreciation Expense - Other	1,164,185.49
<b>Total 550050 · Depreciation Expense</b>	<b>2,627,440.17</b>
600000 · Bond Related Expenses	
560041 · 2017 Bond Int Expense	830,687.50
560042 · 2020 Bond Int Exp	158,900.00
560043 · 2022 Bond Int Expense	336,226.78
<b>Total 600000 · Bond Related Expenses</b>	<b>1,325,814.28</b>
<b>Total Expense</b>	<b>13,518,147.82</b>
<b>Net Ordinary Income</b>	<b>-10,897,214.32</b>
Other Income/Expense	
Other Expense	
59000 · Other Expense	110,000.00
<b>Total Other Expense</b>	<b>110,000.00</b>
<b>Net Other Income</b>	<b>-110,000.00</b>
<b>Net Income</b>	<b>-11,007,214.32</b>

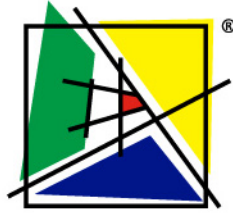
Midtown Redevelopment Authority  
**Balance Sheet**  
As of April 30, 2026

	Apr 30, 26
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
101001 · Wells Fargo Ope Acctg 64040	254,157.79
101002 · Infrastructure Projects 1731	177,604.18
101003 · Texas Capital Operating x 6020	24,191.73
101004 · Texas Capital MM x 6052	63,969.11
101010 · WF Surplus Acct 63943	1,337,288.65
101020 · WF FTA Enhanced Path 63919	62.04
101030 · Wells Fargo 1094	532,661.00
102200 · Logic Operating Account	21,707,194.84
103200 · TexStar Operating Acct 1111	8,245.94
103600 · Wells Fargo Oper Inves 63901	308.35
103700 · WF Operating Saving 3215777180	46,317.58
104000 · Affordable Housing Accounts	
104021 · WF Afford Hous 3927	630,459.40
104022 · WF Pilot Program 3935	355.43
104024 · Texas Capital AH Ops x 6028	15,885.35
104025 · Texas Capital AH MM x 6036	364,853.97
104116 · TexStar Aff. Hsng MM 1800	2,389.15
104200 · Logic Affordable Housing	12,804,285.71
1044000 · Wells Fargo NAI - 2259	67,462.82
104000 · Affordable Housing Accounts - Oth	8,231.63
Total 104000 · Affordable Housing Account	15,833,923.46
105000 · Trustee Investments	
105001 · Pledge Revenue Fund 422885	2,130,790.14
105002 · Debt Service Fund	451,799.93
105003 · Reserve Fund 422885	7,169,244.54
105009 · Austin Park Maint. Fund 42919	4,145.86
107000 · BOND FUNDS	5,237.53
Total 105000 · Trustee Investments	9,761,218.00
Total Checking/Savings	47,807,142.67
Accounts Receivable	
100000 · Accounts Receivable	81,836.52
Total Accounts Receivable	81,836.52
Total Current Assets	47,888,979.19
Fixed Assets	
150000 · Fixed Assets	156,693,885.76
Total Fixed Assets	156,693,885.76
Other Assets	
180500 · Leases	
180510 · Lease Receivable	1,280,251.45
180530 · Deferred Inflow	-1,274,111.70
Total 180500 · Leases	6,139.75
Total Other Assets	6,139.75
<b>TOTAL ASSETS</b>	<b>204,589,004.70</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
200000 · Accounts Payable	711,435.34
Total Accounts Payable	711,435.34
Credit Cards	2,015.77

No assurance is provided on these financial statements

Midtown Redevelopment Authority  
**Balance Sheet**  
As of April 30, 2026

	Apr 30, 26
Other Current Liabilities	
200001 · Current Liabilities	
200005 · Accrued Expenses	565,063.05
201001 · MIDCORP Kiosk	-25,776.98
202000 · Project Fund Liabilities	18,578.35
2021061 · Due from FWRA for AFLAC	-1,032.32
2022100 · Security Deposit - Office Rent	13,014.88
200001 · Current Liabilities - Other	13,800.00
Total 200001 · Current Liabilities	583,646.98
200006 · Property Tax Liability	125,410.82
203500 · Prepaid Rental Income Liab	800.00
Total Other Current Liabilities	709,857.80
Total Current Liabilities	1,423,308.91
Long Term Liabilities	
210000 · Long Term Liabilities	
210050 · Bond Payable Series 2017	32,625,000.00
210061 · Series 2017 Bond Premium	2,600,121.00
210063 · Series 2020 Bond Premium	256,000.00
210064 · Bonds Payable Series 2020	6,000,000.00
210065 · Bonds Payable Series 2022	19,500,000.00
210100 · Security Deposit LT	32,148.73
Total 210000 · Long Term Liabilities	62,518,269.73
210400 · ION Garage	
210401 · ION Deferred Tax Liabilities	1,725,631.00
210402 · ION Unearned Concession Fee	1,531,015.00
210403 · ION Garage - Reversal of Force	34,329,667.00
Total 210400 · ION Garage	37,586,313.00
Total Long Term Liabilities	100,104,582.73
Total Liabilities	101,527,891.64
Equity	
111 · Retained Earnings	114,068,327.38
Net Income	-11,007,214.32
Total Equity	103,061,113.06
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>204,589,004.70</b>



**midtown**  
HOUSTON

**AUDIT  
ENGAGEMENT  
LETTER**



To Management and Those Charged with Governance  
of Midtown Redevelopment Authority

This Engagement Letter and its attachments, if any, are governed by the Master Services Agreement 2.0 or 2.1 ("MSA") between Carr, Riggs & Ingram, L.L.C. ("CRI CPA", "we", "us", or "our") and the Client; the terms of which are hereby incorporated into this Engagement Letter by reference. By executing this Engagement Letter, the parties agree to and intend to be bound by the terms of the MSA.

"Carr, Riggs & Ingram" and "CRI" are the brand names under which CRI CPA and CRI Advisors, LLC ("CRI Advisors" or "Advisors") provide professional services. CRI CPA, CRI Advisors, Carr, Riggs & Ingram Capital, LLC and their respective subsidiaries operate as an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. CRI CPA is a licensed independent CPA firm that provides attest services, as well as additional ancillary services, to its clients. CRI Advisors provides tax and business consulting services to its clients. CRI Advisors and its subsidiaries are not licensed CPA firms and will not provide any attest services. The entities falling under the Carr, Riggs & Ingram or CRI brand are independently owned and are not responsible or liable for the services and/or products provided, or engaged to be provided, by any other entity under the Carr, Riggs & Ingram or CRI brand. Our use of the term "CRI," and terms of similar import, denote the alternative practice structure conducted by CRI CPA, CRI Advisors, their subsidiaries and affiliates, as appropriate.

This Engagement Letter confirms and specifies the terms of our engagement and clarifies the nature and extent of the services we will provide for Midtown Redevelopment Authority ("Client", "Entity", "you", or "your") as of and for the year ended June 30, 2026 (the "Selected Period(s)"). Except as otherwise expressly set forth herein, this Engagement Letter only governs attest services, provided to you by CRI CPA. Except as otherwise expressly set forth herein, any non-attest services, including any non-attest services provided by CRI Advisors or any other entities within the Carr, Riggs & Ingram alternative practice structure, will be governed by (a) separate Engagement Letter(s) between such entity and the Client.

In connection with the alternative practice structure, CRI Advisors maintains custody of client files for CRI CPA and CRI Advisors. By executing this engagement letter, you hereby consent to the transfer to CRI Advisors of all your client files, work papers and work product. Unless you indicate otherwise, your acceptance of the terms of this engagement shall be understood by us as your consent to transfer such files and records.

## A. SCOPE AND OBJECTIVES

We will audit the financial statements and the disclosures, which collectively comprise the basic financial statement(s) of the Entity for the Selected Period(s) ended for the following: governmental activities, each major fund and the related disclosures to the financial statements, otherwise known as the notes to the financial statements (collectively, the "Financial Statements").

The Financial Statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") (the "Selected Basis").

We will perform an audit engagement with respect to the Financial Statements of the Entity. As and if applicable and indicated in the following paragraphs, we will also perform the appropriate procedures related to either supplementary information ("Supplementary Information") and/or required supplementary information ("RSI").

The objectives of our audit are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion about whether your Financial Statements are fairly presented, in all material respects, in conformity with the Selected Basis and report on the fairness of the Supplementary Information referred to below when considered in relation to the Financial Statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America ("GAAS") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the Financial Statements.

The Selected Basis provides for certain RSI, such as management's discussion and analysis ("MD&A"), to supplement Entity's Financial Statements. Such information, although not a part of the Financial Statements, is required by the Government Accounting Standards Board ("GASB") who considers it to be an essential part of the financial reporting for placing the Financial Statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Entity's RSI in accordance with GAAS. These limited procedures will consist of inquires of management regarding methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the Financial Statements, and other knowledge we obtained during our audit of the Financial Statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. This RSI is required by the Selected Basis and will be subjected to certain limited procedures, but will not be audited: MD&A.

We have also been engaged to report on Supplementary Information other than RSI that accompanies the Entity's Financial Statements. We will subject the following Supplementary Information to the auditing procedures applied in our audit of the Financial Statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Financial Statements or to the Financial Statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the Financial Statements as a whole in a separate written report accompanying our auditor's report on the Financial Statements or in a report combined with our auditor's report on the Financial Statements, the

following: Budgetary Comparison Schedule - All Funds; Schedule of Operating and Capital Expenditures; Schedule of Estimated Project Costs to Actual Costs; Schedule of Properties Held - Land Held for Resale; and Schedule of Capital Assets.

## **B. OUR RESPONSIBILITIES**

We will conduct our audit in accordance with GAAS. We will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the Financial Statements and determine whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Entity or to acts by management or employees acting on behalf of the Entity.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the Financial Statements. However, we will inform the appropriate level of management of any material error, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will obtain an understanding of the Entity and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the Financial Statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.

An audit is not designed to provide assurance on internal control or to identify deficiencies internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

We have identified the following significant risks of material misstatement as part of our audit planning: management override of controls and improper revenue recognition due to fraud.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for a reasonable period of time.

### C. AUDIT PROCEDURES - COMPLIANCE

As part of obtaining reasonable assurance about whether the Financial Statements are free of material misstatement, we will perform tests of the Entity's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Our audit does not relieve you of your responsibilities.

### D. OTHER SERVICES

We will only perform the following non-attest services for the Entity based upon information provided by you and in accordance with professional standards:

- Assist management in preparing the Financial Statements
- Assist management in preparing the RSI
- Assist management in preparing the Supplementary Information (Budgetary Comparison Schedule - All Funds; Schedule of Operating and Capital Expenditures; Schedule of Properties Held - Land Held for Resale; and Schedule of Capital Assets)
- Assist management by preparing, proposing and/or recording the following **client-approved** activities and/or journal entries: GASB 34 full-annual journal entries

For any non-attest services provided by CRI, you agree to assume all management responsibilities for these non-attest services and any other non-attest services we provide; oversee the services by designating an individual with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

The non-attest services, if any, are limited to those previously defined in this letter, or as identified in a separate Engagement Letter. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### E. CLIENT RESPONSIBILITIES

In addition to your responsibilities identified in the MSA, our engagement will be conducted on the basis that you acknowledge and understand your responsibility for:

- designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error, and monitoring ongoing activities
- the selection and application of accounting principles; for the preparation and fair presentation of the Financial Statements and all accompanying information in conformity with the Selected Basis

- the preparation and fair presentation of the Financial Statements in conformity with the Selected Basis
- making drafts of Financial Statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers)
- evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern within one year after the date that the financial statements are available to be issued
- providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the Financial Statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the Entity from whom we determine it necessary to obtain audit evidence (4) if applicable, you will provide us with the final version of all documents comprising the annual report which includes other information, prior to the date of our auditor's report. If the final version of these documents are not available prior to the date of our auditor's report, they will be provided as soon as practical and the Entity will not issue the annual report prior to providing them to the auditor
- required written representations from you about the Financial Statements and related matters, at the conclusion of our audit
- required written representations that (1) you are responsible for presentation of the Supplementary Information in accordance with GAAP; (2) you believe the Supplementary Information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the Supplementary Information.
- adjusting the Financial Statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the Financial Statements taken as a whole
- the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the Financial Statements
- informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants

- preparation of the Supplementary Information, as applicable, in conformity with the Selected Basis. You agree to include our report on the Supplementary Information in any document that contains, and indicates that we have reported on, the Supplementary Information and to include the audited Financial Statements with any presentation of the Supplementary Information that includes our report thereon
- if publishing Financial Statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document
- disclosing the date through which subsequent events have been evaluated and whether that date is the date the Financial Statements were issued or were available to be issued
- informing, in writing, the engagement partner before entering into any substantive employment discussions with any CRI CPA or CRI Advisors personnel, to ensure our independence is not impaired under the AICPA Code of Professional Conduct
- informing us on a timely basis of the name of any single investor in you that owns 20% or more of your equity at any point in time
- informing us on a timely basis of any investments held by you which constitutes 20% or more of the equity/capital of the investee entity at any point in time

#### **F. ENGAGEMENT ADMINISTRATION**

We understand that your employees will prepare all confirmations and schedules we request and will locate any documents selected by us for testing. A request list of information we expect to need for our audit will be provided to you. Your prompt attention to and timely return of the requested items will significantly contribute to the efficiency of our audit process.

In accordance with certain regulations, we, as your auditors, are required to make the following commitments:

- The documentation for this engagement is the property of CRI and constitutes confidential information. However, we may be requested to make certain documentation available to regulators, federal or state agencies, governmental agencies, etc. ("regulators" or "agencies") pursuant to authority given to it by law or regulation. If requested, access to such documentation will be provided under the supervision of CRI CPA personnel. Furthermore, upon request, we may provide copies of selected documentation to these regulators or agencies. These regulators or agencies may intend, or decide, to distribute the copies or information contained therein to others.
- We will file a copy of our most recent peer review report with any applicable regulators or agencies.
- As appropriate, we may meet with those charged with governance before the audit report(s) are filed with any required regulators or agencies.

The information that we obtain in auditing is confidential, as required by the AICPA Code of Professional Conduct. Therefore, your acceptance of this Engagement Letter will serve as your advance consent to our compliance with above commitments.

## **G. REPORTING**

As part of our engagement, we will issue a written report upon completion of our audit of the Entity's Financial Statements. Our report will be addressed to management, those charged with governance, or both, as appropriate, of the Entity. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance.

## **H. TERMINATION**

If for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

We reserve the right and sole discretion to withdraw for any reason from this engagement immediately upon written notice to you. Our withdrawal will release us from any obligation to complete the services covered by this Engagement Letter and will constitute completion of this engagement.

Our engagement with you will terminate upon the earlier of our delivery of your report or withdrawal. In either case, you agree to compensate us for our services, fees, and costs to the date of withdrawal.

## **I. OUR FEES**

We estimate that our fees for these services will range from \$45,500 to \$48,500.

Our professional fees for the services described in this engagement letter will be based on the actual time incurred by our professionals at standard hourly rates plus out-of-pocket expenses, such as travel, meals, services from other professionals, and direct administrative costs (courier services, report preparation, copying), as well as an administrative fee of 7% to cover indirect administrative costs associated with the engagement. We may also charge a fee for applications, subscriptions, hosting, or technology we utilize in providing services to you.

The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances (such as, but not limited to, difficulty or delays in obtaining requisite responses to necessary or required procedures, significant changes to promulgated standards, time incurred for financial statement adjustment(s) and the related procedures required, or significant changes to your organization or its internal control structure) will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

**CLIENT ACKNOWLEDGEMENT(S)**

If you acknowledge and agree with the terms of our agreement as described in this Engagement Letter, please indicate by executing.

Very truly yours,

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, L.L.C.

**Signature**  
Rena Leddy

<signature>

<sign date>

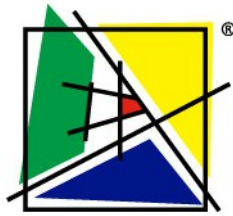
**Signature**  
Allen Douglas

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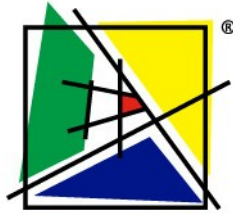
Authorized Signer(s)

DRAFT



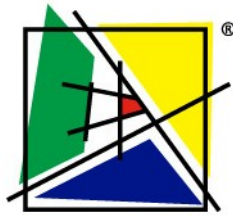
**midtown**  
HOUSTON

**AUTHORIZE  
INTERLOCAL  
AGREEMENT FOR  
COUNTY PARTICIPATION  
IN TIRZ #2**



**midtown**  
HOUSTON

**AUTHORIZE AMENDING  
RESTRICTIVE  
COVENANTS**



**midtown**  
HOUSTON

**AFFORDABLE HOUSING  
PROGRAM**

<b>PROJECT NAME</b>	Request for Consideration of Modification to the Grant Agreements for Change Happens Community Development Corporation (“Change Happens CDC”)
<b>REQUEST</b>	Change Happens CDC requests three changes from two grant agreements: <ul style="list-style-type: none"> <li>a. A tract exchange request for 6 tracts</li> <li>b. A change in unit type from single family home to duplex for 4 tracts</li> <li>c. A maximum price change for 17 tracts from original contract to new proposed prices based on unit type</li> </ul>
<b>DESCRIPTION</b>	<p>At the April 30, 2026, MRA Board meeting, the Board tabled the request from Change Happens Community Development Corporation (“Change Happens”) to modify their grant agreement until the next meeting pending more information. The MRA Affordable Housing Committee reviewed the proposed grant agreement amendments on May 29, 2026 and recommended approval.</p> <p>Midtown Redevelopment Authority has entered into <b>two grant agreements</b> with Change Happens. These grant agreements enable the conveyance of MRA land to Change Happens CDC in exchange for the provision of single family affordable housing.</p> <p>The <u>first grant agreement containing 12 tracts</u>, effective October 24, 2024, was finalized after a competitive RFP was issued and awarded. The <u>second grant agreement contains 10 tracts</u> effective October 25, 2024, was finalized after an open application process under the Southeast Houston Affordable Housing Initiative and tracts will be developed through the Affordable Home Development Program (AHDP). The lots were conveyed to Change Happens after the agreements were approved.</p> <p>Both the 10/24/2024 and 10/25/2024 grant agreements with MRA provides that MRA will sell vacant tracts to Change Happens for \$0 (a grant) for 12 tracts and \$0 (a grant) for 10 tracts. In exchange for the grants of land, Change Happens will provide affordable housing in the form of single family for-sale homes on the tracts at an agreed upon maximum sales price that is affordable to families at 80%AMI – 120% AMI</p>
<b>BUDGET</b>	MRA will expend legal fees to amend the agreements, but no budget impact to the lot exchanges, price increase, or change in unit types.
<b>ACTION ITEM</b>	<b>Authorize</b> approval for revisions to 10/24/2024 and the 10/25/2024 Change Happens grant agreements to allow the following changes:

	<ol style="list-style-type: none"> <li>1) Land exchanges involving six addresses specified in the staff report;</li> <li>2) Change of unit types, allowing duplexes, for four addresses, as specified in the staff report; and</li> <li>3) Increase in allowable sales prices for homes on 17 land tracts (4 tracts will contain duplexes) as specified in the staff report.</li> </ol>
<b>QUIRED</b>	<p>MRA: Rena Leddy, Midtown Interim Executive Director  MRA: Allen Douglas, Chair, MRA Board of Directors  MRA: Clark Lord, Outside Counsel</p>

DRAFT

**To:** Allen Douglas, Chair, MRA  
Midtown Redevelopment Authority  
Rena Leddy, Executive Director, MRA  
Steve Gibson, Executive Director, MRA  
Marlon Marshall, Director, Engineering & Construction, MRA

**cc:** Clark Lord, Greenberg Traurig  
Mary Buzak, Bracewell LLP  
Kandi Schramm, MRA

**From:** Amy Connolly & Tony Jin, City of Houston Housing & Community Development

**Date:** Prepared for MRA Board Meeting of June 18, 2026

**Subject:** Request for Consideration of Modification to the Grant Agreements  
**Change Happens Community Development Corporation**

## BACKGROUND

### Change Happens requests three changes from two grant agreements:

- a. A tract exchange request for 6 tracts
- b. A change in unit type from single family home to duplex for 4 tracts
- c. A maximum price change for 17 tracts from original contract to new proposed prices based on unit type

At the April 30, 2026, MRA Board meeting, the Board tabled the request from Change Happens Community Development Corporation (“Change Happens”) to modify their grant agreement until the May 28, 2026, meeting pending more information. This memo restates many of the information sets previously presented by CCPPI Algenita Scott Davis, and Roberta Burroughs for continuity and adds several information sets as requested by the MRA board.

Midtown Redevelopment Authority has entered into **two grant agreements** with Change Happens. These grant agreements enable the conveyance of MRA land to Change Happens CDC in exchange for the provision of single family affordable housing.

The first grant agreement containing 12 tracts, effective October 24, 2024, was finalized after a competitive RFP was issued and awarded. The second grant agreement contains 10 tracts effective October 25, 2024, was finalized after an open application process under the Southeast Houston Affordable Housing Initiative and tracts will be developed through the Affordable Home Development Program (AHDP). The lots were conveyed to Change Happened after the agreements were approved.

Both the 10/24/2024 and 10/25/2024 grant agreements with MRA provides that MRA will sell vacant tracts to Change Happens for \$0 (a grant) for 12 tracts and \$0 (a grant) for 10 tracts. In exchange for the grants of land, Change Happens will provide affordable housing in the form of single family for-

sale homes on the tracts at an agreed upon maximum sales price that is affordable to families at 80%AMI – 120% AMI.

### 1. LAND EXCHANGE REQUEST

Change Happens is asking to exchange three land tracts conveyed via the 10/25/2024 grant agreement (10 tracts) and three tracts conveyed in the 10/24/2025 (12 tract) grant agreement. The table below shows the addresses of the land tracts that were originally conveyed and the land tracts that are now being requested in an exchange, along with information that was used to help make decisions about the exchanges. A map of the original land exchange request lots is available in **Attachment A** to this memo.

**Table 1: Comparison of Original Tracts to Exchange Requested Tracts**

Change Happens CDC Grant Agreement Dated: 10/25/2024 (10 lot, AHDP)					
Tract Address	Tract Size	Tract Market Rate Value (HCAD)	Maximum Sales Price Original	Tract Distance to Sanitary Sewer (City) (Feet)	Closest Manhole Buried Depth (City) (Feet)
2810 Anita St.	5,000 s.f.	\$165,000	\$230,000	32.36	15.6
2418 Anita St.	5,100 s.f.	\$166,650	\$200,000	23.32	14.5
2520 Nagle St.	5,000 s.f.	\$165,000	\$230,000	111.55	5.6
<b>Total Original</b>	<b>15,100 s.f.</b>	<b>\$496,650</b>			
Tract Address	Tract Size	Tract Market Rate Value (HCAD)	Maximum Sales Price Proposed	Tract Distance to Sanitary Sewer (City) (Feet)	Closest Manhole Buried Depth (City) (Feet)
3225 Tuam St.	5,000 s.f.	No Value; Compare: 2811 Nettleton \$165,000; 5,000 s.f.	\$260,075x2 (\$520,150)	19.61	6.9
3223 Tuam St. (Aka 3221 Tuam)	5,000 s.f.	No Value; Compare: 3225 Tuam \$170,000; 5,000 s.f.	\$260,075x2 (\$520,150)	19.61	6.9
3005 Anita St.	5,000 s.f.	No Value; Compare: 3015 Anita St \$170,000; 5,000 s.f.	\$260,075x2 (\$520,150)	7.2	7.6
<b>Total Exchange</b>	<b>15,000 s.f.</b>	<b>Approx. \$510,000</b>			
Change Happens CDC Grant Agreement Dated: 10/24/2024 (12 lot, competitive RFP)					
Tract Address	Tract Size	Tract Market Rate Value (HCAD)	Maximum Sales Price Original	Tract Distance to Sanitary Sewer (City) (Feet)	Closest Manhole Buried Depth (City) (Feet)
0 Rosalie St.	5,000 s.f.	\$170,000	\$220,965	17.01	24.8
3220 Anita St.*	3,954 s.f.	\$163,200	\$220,965	98.22	2.6
3250 Francis St.*	4,320 s.f.	\$141,440	\$220,965	Aligned with parcel	17.5
<b>Total Original</b>	<b>13,320 s.f.</b>	<b>\$474,640</b>			
Tract Address	Tract Size	Tract Market Rate Value (HCAD)	Maximum Sales Price Proposed	Tract Distance to Sanitary Sewer (City) (Feet)	Closest Manhole Buried Depth (City) (Feet)
3312 Drew St.	5,000 s.f.	No Value; Compare: 3312 Drew St \$170,000; 5,000 s.f.	\$247,525	26.62	5.2
3221 Truxillo St.	5,500 s.f.	No Value; Compare: 3225 Truxillo \$188,892; 5,500 s.f.	\$247,525	11.20	5.2
3016 Anita St.	5,001 s.f.	No Value; Compare: 3028 Anita St. \$170,000; 5,000 s.f.	\$260,075x2 (\$520,150)	20	4.16
<b>Total Exchange</b>	<b>15,501 s.f.</b>	<b>Approx. \$528,892</b>			

Data source: City GIS and Harris County Appraisal District;

\*According to Change Happens, these tracts are also too small to develop as single family homes

According to Change Happens, the tract exchange request has several justifications:

**A. The tract distance and the depth to connect to sanitary sewer creates costs that are unreasonable for affordable housing pricing.**

1. One tract (3220 Anita Street) is significantly distant from a sanitary sewer connection at approximately 98 feet between the property edge and the next available connection.
2. Four tracts (2810 Anita, 2418 Anita, 0 Rosalie, and 3250 Francis Street) have a significant depth to connect to a sewer (14 feet or more).
3. The expense of making extended sanitary sewer connections or connecting to a significantly lower depth sanitary sewer is not a feasible additional cost for each of these three lots.
  - a. Change Happens estimates that the cost of either the extra sewer line extension or the cost to connect to a deep sanitary sewer add between \$30,000 and \$65,000 to the total cost of lot development.
  - b. See **Attachment D** for a description of these additional costs and plumbing estimates.
4. The prices of these homes are priced capped because of the grant agreements to ensure that the resulting homes are affordable.
5. The increased costs cannot be borne by Change Happens, who operates with slim margins as a community development corporation.
6. MRA is not responsible, according to the grant agreements, for any of these excessive development costs.

**B. Two tracts (3250 Francis Street and 3220 Anita Street ) are too small to develop as a single family home.**

3250 Francis Street is approximately 3,320 s.f. and 3220 Anita street is approximately 3,954 s.f. To achieve any of the single family home floorplans that were approved, Change Happens believes a 5,000 s.f. lot is necessary.

## REQUEST FOR CHANGE IN UNIT TYPES

Change Happens is asking for permission to construct **duplexes on four tracts** instead of the grant agreement-specified one-story single family detached units. The tract addresses are listed in Table 2, below.

The rationale for this change is that these vacant tracts are adjacent to existing three-story town homes and duplexes. To keep the neighborhood character and building heights consistent with adjacent development types, Change Happens is asking MRA to allow a change in the unit types allowed within the grant agreement.

**Table 2: Surrounding Character of Requested Unit Type Change Tracts**

Tract Address	Neighboring Tract North	Neighboring Tract South	Neighboring Tract East	Neighboring Tract West	Tract Size	Duplex Allowed?
3225 Tuam St.	Vacant	Park	Multi-story Townhome	Vacant (3223)	5,000 sf	Yes
3223 Tuam St.	Multi-story Townhome	Vacant	Vacant (3225)	Vacant	5,000 sf	Yes
3005 Anita St.	Vacant	SF 1-story home	Sf 1-story home	Multi-story townhome	5,000 sf	Yes
3016 Anita St.	Vacant	Vacant	Vacant	Multistory townhome	5,001 sf	Yes

Data source: City GIS aerial photography and windshield survey

Floor plans for the duplexes proposed are displayed as **Attachment B** of this memo. Previously, the Affordable Housing Consultants Advisory Group (AHCAG) reviewed the floor plans and found them to be acceptable. City HCD staff have reviewed and found that the proposed duplex unit plans are consistent with the City's minimum construction standards.

Please see the aerial photography below, from the City of Houston, with the four subject tracts shown with neighborhood context. All four tracts are positioned for immediate use of the two-story duplex approach given the block being developed with multi-story townhomes directly adjacent to the subject lots.



Change Happens conducted a market analysis of the Third Ward area in March 2026 and made the following determinations based upon HAR and Redfin data to help justify a shift to a duplex unit type:

1. **Market Shift:** The Greater Third Ward area is shifting toward taller housing products based on current new-construction inventory, and buyers appear to be favoring multi-story homes over single-story homes.  
On HAR's current 77004 new-construction pages, there are 24 active two-story homes compared to 10 active single-story homes. HAR also shows 29 three-story and 11 four-story new-construction listings, which indicates that the area is increasingly being built as a denser, more vertical market.
2. **Buyer Interest:** Buyers also appear to show stronger interest in two-story homes.

For example, 3415 Hadley, a 2025 one-story new-construction home, showed 73 views and 5 favorites on Redfin. By comparison, 2505 Anita, a 2025 two-story new-construction home, showed 291 views and 14 favorites on Redfin. This suggests that the two-story product generated stronger buyer attention and engagement.

Public HAR sold-listing data for the period from March 2025 through March 2026 in ZIP code 77004 also supports this trend. The data shows that two-story homes accounted for 80% of the verified new-construction homes sold during that 12-month period and 100% of the verified homes sold from January through March 2026. In addition to views and saved listings, the number of closed sales further reflects buyer preference.

3. **Verified Sales:** In 77004, verified recent sales and year-to-date closings support the position that multi-level homes are performing more strongly than one-story new construction and remain the more market-aligned product type.

#### **Verified New-Construction Sales in the Past 12 Months (March 19, 2025, through March 19, 2026)**

1-story new construction sold: 2

- 3316 Arbor — sold June 24, 2025
- 3458 Simmons St — sold November 13, 2025

2-story new construction sold: 8

- 3006 Beulah St — sold July 8, 2025
- 3312 Bremond St — sold August 15, 2025
- 3004 Beulah St — sold September 3, 2025
- 3310 Bremond St — sold October 3, 2025
- 3105 Rosalie St — sold October 10, 2025
- 3120 Wentworth St — sold November 21, 2025
- 3107 Rosalie St — sold January 5, 2026
- 3428 Anita St — sold March 17, 2026

#### **Verified New-Construction Sales from January 1, 2026, through March 19, 2026**

1-story new construction sold: 0

2-story new construction sold: 2

- 3107 Rosalie St — sold January 5, 2026
- 3428 Anita St — sold March 17, 2026

## REQUEST FOR SALES PRICE INCREASE

Due to increases in construction costs since the original sales prices were set, Change Happens is asking for sales price increases for 17 tracts out of the total 22 tracts between the two grant agreements. **Table 3, below** shows the original sales prices and the proposed sales prices.

According to Change Happens, these increases are due to the increased cost of building materials and construction.

**Sales price worksheets are displayed in Attachment C.** The Affordable Housing Consultant Advisory Group (AHCAG) previously confirmed the sales price target of \$165 per livable square foot established by City HCD. City also reviewed the sales price worksheet and included our analysis of per square foot costs for construction in the exhibits.

**Table 3: Sales Price Increase Request List**

	Tract Address	Date of MRA Grant or Proposed Exchange	Tract Market Value (HCAD)	Approved or Proposed Unit "type"	Total S.F. Proposed	Gross Livable Area Proposed	Bedroom/Bathroom/Storage	Floor Plan	Original Maximum Sales Price	Proposed Maximum Sale Price
1	2715 Nagle	10/25/2024	\$165,000	Single Family	2085	1500	3/2/1	B	\$230,000	\$247,500
2	2811 Nagle	10/25/2024	\$165,000	Single Family	2085	1500	3/2/2	B	\$230,000	\$247,500
3	2620 Nagle	10/25/2024	\$92,813	Single Family	1952	1355	3/2/1	E	\$218,000	\$258,225
4	2804 Drew	10/25/2024	\$165,000	Single Family	2085	1500	3/2/2	B	\$230,000	\$247,525
5	2717 Nagle	10/25/2024	\$175,000	Single Family	2085	1500	3/2/2	B	\$230,000	\$247,500
6	2614 Nagle	10/25/2024	\$175,000	Single Family	2085	1500	3/2/2	B	\$230,000	\$247,500
7	2610 Drew	10/25/2024	\$175,000	Single Family	2085	1500	3/2/2	B	\$230,000	\$247,500
8	3225 Tuam - A	Swap/exchange 10/25/2024	No value	Duplex	1917	1565	3/2/1	A	Exchange	\$261,525
	3225 Tuam - B	Swap/exchange 10/25/2024	No value	Duplex	1917	1565	3/2/1	A	Exchange	\$261,525
9	3223 Tuam - A	Swap/exchange 10/25/2024	No value	Duplex	1917	1565	3/2/1	A	Exchange	\$261,525
	3223 Tuam - B	Swap/exchange 10/25/2024	No value	Duplex	1917	1565	3/2/1	A	Exchange	\$261,525
10	3413 Beulah	10/24/2024	\$170,000	Single Family	2085	1500	3/2/2	B	\$220,965	\$247,500
11	3247 Francis	10/24/2024	\$153,000	Single Family	2085	1500	3/2/2	B	\$220,965	\$247,500
12	3312 Drew	Swap/exchange 10/24/2024	No value	Single Family	2085	1500	3/2/2	B	Exchange	\$247,500
13	3221 Truxillo	Swap/exchange 10/24/2024	No value	Single Family	2085	1500	3/2/2	B	Exchange	\$247,500
14	3317 Beulah	10/24/2024	\$453,100	Single Family (completed)	2,121	1,386	3/2/2	D	\$220,965	\$228,690
15	3325 Beulah	10/24/2024	No value	Single Family (completed)	2,121	1,386	3/2/2	D	\$220,965	\$228,690
16	3005 Anita - A	Swap/exchange 10/25/2024	No value	Duplex	1917	1565	3/2/1	A	Exchange	\$261,525
	3005 Anita - B	Swap/exchange 10/25/2024	No value	Duplex	1917	1565	3/2/1	A	Exchange	\$261,525
17	3016 Anita - A	Swap/exchange 10/24/2024	No value	Duplex	1917	1565	3/2/1	A	Exchange	\$261,525
	3016 Anita - B	Swap/exchange 10/24/2024	No value	Duplex	1917	1565	3/2/1	A	Exchange	\$261,525

Note that 2620 Nagle Street has a slightly higher maximum sales price because it is a corner lot that must provide twice the public realm infrastructure (sidewalks and drainage) along two public streets.

The following table shows that not all the Change Happens CDC granted lots have sale price changes.

**Table 4: Change Happens Tracts with No Change in Sales Price List**

	<b>Tract Address</b>	<b>Date of MRA Grant or Proposed Exchange</b>	<b>Tract Market Value (HCAD)</b>	<b>Approved or Proposed Unit "type"</b>	<b>Total S.F. Proposed</b>	<b>Gross Living Area Proposed</b>	<b>Bedroom/ Bathroom/ Garage Size</b>	<b>Maximum Sales Price</b>
1	3218 Tuam	10/24/2024	\$170,000	Single Family	1,479	1,059	3/2.5/2	\$220,965
2	3425 Drew	10/24/2024	No Value	Single Family	1,479	1,059	3/2.5/2	\$220,965
3	3427 Drew	10/24/2024	\$170,000	Single Family	1,479	1,059	3/2.5/2	\$220,965
4	3309 Drew	10/24/2024	\$170,000	Single Family	1,479	1,059	3/2.5/2	\$220,965
5	3205 Anita	10/24/2024	\$170,000	Single Family	1,479	1,059	3/2.5/2	\$220,965

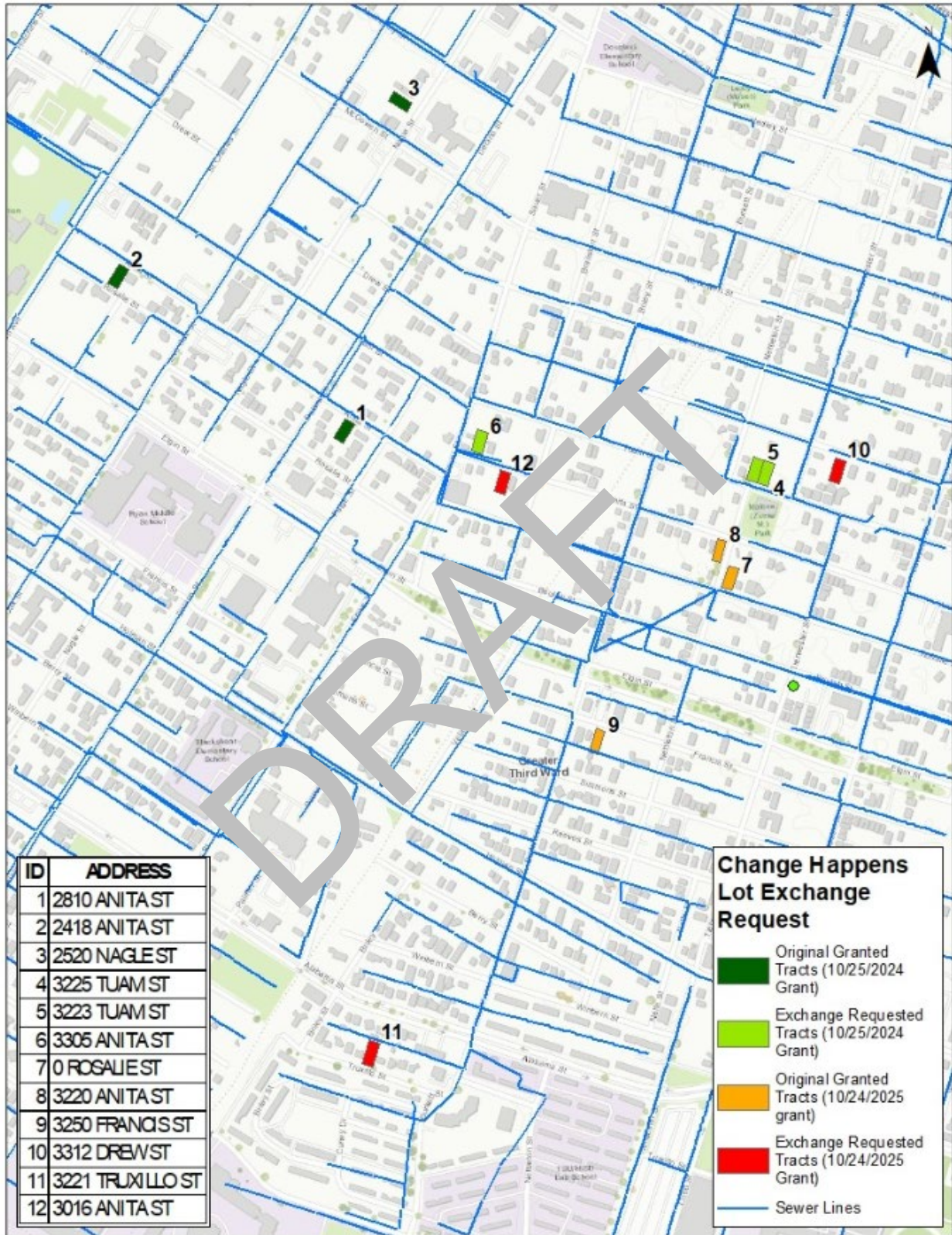
**REQUEST FOR MRA BOARD CONSIDERATION**

HCD staff requests that the MRA Board consider the facts outlined in this memo and consider providing approval for revisions to 10/24/2024 and the 10/25/2024 Change Happens grant agreements to allow the following changes:

- 1) Land exchanges involving six addresses specified in this memo;
- 2) Change of unit types, allowing duplexes, for four addresses, as specified in this memo; and
- 3) Increase in allowable sales prices for homes on 17 land tracts (4 tracts will contain duplexes) as specified in this memo.

DRAFT

**Attachment A: Map of Proposed Lot/Tract Exchanges**



# Attachment B: Floor plans for Duplex Units (Floor Plan E)

## Duplex Floor Plan



DRAFT



Attachment D: Estimate of Additional Costs and Explanation from Change Happens

**Roy's Utilities Down Under Construction**



7105 DARIEN ST HOUSTON, TEXAS 77028 | PHONE: 281.543.0975

January 28, 2026

Attn: Benjamin Smith  
 Change Happens Community Development Corporation  
 Email: Bsmith@changehappenscdc.org

Project: Water & Sewer Services for City of Houston Housing.

We are pleased to offer you the following quote.

**A. WATER & SEWER TAPS**

**Installation for:**

1. 2418 Anita	
a. Water	1,595.00
b. Sewer	25,000.00
2. 2810 Anita	
a. Water	1,595.00
b. Sewer	43,000.00
3. 3220 Anita	
a. Water	1,595.00
b. Sewer	45,000.00
4. 3220 Anita	
a. Water	1,595.00
b. Sewer	40,000.00
5. 2520 Nagle	
a. Water	1,595.00
b. Sewer	60,000.00

**Total \$ 220,975.00**

**B. CUT & PLUG/ABANDON**

**Install:**

a. 2620 & 2614 Nagle	\$ 1,100.00
<b>Total \$</b>	<b>1,100.00</b>

**Grand Total \$ 222,075.00**

*\*Note: If Plan & Profile is needed, the customer to supply*

Please call should you have any questions, and we look forward to working with you.

Regards,

*Roy H. Beck, Jr.*

\_\_\_\_\_  
Roy H. Beck, Jr

Please sign the following for acceptance of the above proposal and email to:  
[utilitiesdownunder@yahoo.com](mailto:utilitiesdownunder@yahoo.com)

All companies and/or individuals will be required to make payment arrangements prior to the start of the job.

**Payment Terms:**

We require a 1/3 down payment, and 1/3 upon completion

**Agreement:**

The above price, specifications, and conditions are satisfactory, and we hereby accept. Your authorization permits the work specified.

**Owner and/or General Contractor's Name, Address, and Signature must be provided before work can begin.**

**Owner of Property**

**General Contractor**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Accepted: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

<b>PROJECT NAME</b>	Affordable Housing Affordability Period
<b>REQUEST</b>	<p><b>Authorize</b> the creation of new policies that apply to homebuyers in the Midtown Affordable Housing program, including:</p> <ol style="list-style-type: none"> <li>1. Changing the MRA affordability period to a maximum of 10 years (or a maximum of 15 years if the homeowner receives federal HOME funds exceeding \$50,000);</li> <li>2. Allow affordability period liens to “burn-off” or prorate over the affordability period;</li> <li>3. Apply the new policies to tracts that are subject to open development agreements as of June 2026 that have not yet been sold to a qualified homeowner; and</li> <li>4. Allow MRA staff, MRA legal counsel, and HCD staff to work out policy details and implementation of the policy changes.</li> </ol>
<b>DESCRIPTION</b>	<ul style="list-style-type: none"> <li>• The MRA Affordable Housing Committee met on May 29, 2026 and formally recommended that the MRA Board adopt changes to MRA’s Affordability Period and related policy changes.</li> <li>• There is no formal, written Affordability Policy of the MRA Board of Directors because Affordability Policy exists in implementation instruments, such as agreements with developers.</li> <li>• A change to the affordability period that applies to single family homebuyers is recommended to change from 20 years to 10 years.</li> <li>• It is also recommended that MRA allow a proration or “burn-off” of affordability period liens.</li> <li>• The application of the new policies should apply to tracts that are encumbered under development or grant agreements but have not yet been sold to a qualified homebuyer.</li> <li>• HCD Staff, MRA staff, MRA legal counsel requests the ability to carry out the direction of the MRA board through implementation of these policy changes.</li> </ul>
<b>BUDGET</b>	No budget impact to creation of these policies.

<b>ACTION ITEM</b>	<p><b>Authorize</b> the creation of new policies that apply to homebuyers in the Midtown Affordable Housing program, including:</p> <ul style="list-style-type: none"> <li>a. Changing the MRA affordability period to a maximum of 10 years (or a maximum of 15 years if the homeowner receives federal HOME funds exceeding \$50,000);</li> <li>b. Allow affordability period liens to “burn-off” or prorate over the affordability period;</li> <li>c. Apply the new policies to tracts that are subject to open development agreements as of June 2026 that have not yet been sold to a qualified homeowner; and</li> <li>d. Allow MRA staff, MRA legal counsel, and HCD staff to work out policy details and implementation of the policy changes.</li> </ul>
<b>Quired</b>	<p>MRA: Rena Leddy, Midtown Interim Executive Director  MRA: Allen Douglas, Chair, MRA Board of Directors  MRA: Clark Lord, Outside Counsel</p>

DRAFT

**To:** Allen Douglas, Chair, MRA  
Midtown Redevelopment Authority  
Rena Leddy, Executive Director, MRA  
Steve Gibson, Executive Director, MRA  
Marlon Marshall, Director, Engineering & Construction, MRA

**cc:** Clark Lord, Greenberg Traurig  
Mary Buzak, Bracewell LLP  
Kandi Schramm, MRA

**From:** Amy Connolly, City of Houston Housing & Community Development

**Date:** Prepared for MRA Board Meeting, June 2026

**Subject:** MRA Affordability Period for Single Family Development Discussion

## Background

- There is no formal, written Affordability Policy of the MRA Board of Directors
- Affordability Policy exists in **implementable instruments**, such as agreements with developers:

**Special Warranty Deed Language** (transfers ownership and responsibilities to homeowner)

Twenty (20) years commencing on the first date that the Qualified Homebuyer occupies the Affordable Housing Unit as his/her/their principal residence, provided, however, that if the Qualified Homebuyer receives federal Home Program assistance in an amount over \$40,000, then the affordability period shall be twenty-five years unless the Zone is no longer in existence, in which case, the period shall end the first day that the Zone is no longer in existence.

### **Exhibit “E” to Grant Agreement Homebuyer Eligibility Guidelines**

Homebuyer(s) must agree to maintain the home as their principal place of residence for the full affordability period of 20 years (25 years if Homebuyer(s) receives more than \$40,000 of federal HOME Program assistance). If the affordability period is not satisfied, the full amount of the Midtown Homebuyer assistance must be repaid to MRA.

**Affordability Period Recommendations:**

Amend the documents within Special Warranty Deeds and Exhibit E to Grant Agreement Homebuyer Eligibility Guidelines (and any others as directed by MRA legal counsel) to indicate that MRA policy is:

**1. Affordability Period is 10 years**

An Affordability Period is a legally binding, minimum period during which a Qualified Homebuyer must own and occupy a particular home built on an MRA tract (“Affordable Housing Unit”) as his/her/their principal residence, which period should be:

- i. ~~Twenty (20) years~~ **Ten (10) years** commencing on the first date that the Qualified Homebuyer occupies the Affordable Housing Unit as his/her/their principal residence, provided, however, that if the Qualified Homebuyer receives federal Home Program assistance in an amount over ~~\$40,000~~ **\$50,000** then the affordability period shall be ~~twenty-five years~~ **fifteen (15) years** unless the Zone is no longer in existence, in which case, the period shall end the first day that the Zone is no longer in existence.

**Note: Home Program 2025 Final Rules changed the HUD Affordability Periods to a maximum of 15 years if more than \$50,000 of HOME assistance is provided.**

**Table I. Minimum Affordability Periods for HOME-Assisted Rental Rehabilitation, Rental Acquisition, and Homeownership Assistance**

Amount of Per-Unit HOME Assistance	Affordability Period in 2013 Regulation	Affordability Period After 2025 Final Rule
Less than \$15,000	5 years	5 years
\$15,000 to \$25,000	10 years	5 years
\$25,001 to \$40,000	10 years	10 years
\$40,001 to \$50,000	15 years	10 years
Greater than \$50,000	15 years	15 years

**Source:** Comparison by CRS of 24 C.F.R. §92.252 and 24 C.F.R. §92.254 before and after revisions made in 90 Federal Register 874 and 90 Federal Register 882.

- ii. Single-family residences developed on the MRA tracts shall qualify as **Affordable Housing** at all times for a term of not less than the Affordability Period.

## 2. Subsidy and Lien Requirements Subject to Affordability Periods should “Burn-Off” or be Prorated Over Time

Most MRA tracts that are sold for the purpose of affordable housing have a lien on the property to recoup or recapture the value of the MRA lot at the time of sale back to MRA. The reason for the lien is to ensure that the house is not flipped or rented out and that the qualified homeowner maintains affordability within the neighborhood for a reasonable period. The lien is the compliance “stick” to the affordable home price and MRA subsidy “carrot(s).”

MRA does not currently have a policy that allows a lien to burn off or prorate over time. For example, if a MRA homebuyer sells their home in year nineteen of a twenty-year affordability period, the homebuyer would be responsible for repaying for full lien amount and none of the lien is forgiven. In practice, there have been instances where homebuyers have sold their homes in the program and MRA has agreed to some forgiveness, but the practice hasn't been formalized in policy.

HCD recommends, like other affordable housing programs in the City or Harris County, if a homeowner has a lien on the property, the lien could be prorated or “burn-off” in increments over the Affordability Period. This helps maintain affordability but offers flexibility to homeowners with more forgiveness granted the longer the homebuyers stays in their home.

For example, if there is a lien of \$50,000 and an affordability period of 10 years, then each year of the affordability period, there would be \$5,000 forgiven or “burned off”. If a homeowner sells the home in year 8, then \$40,000 of the lien would be forgiven and a resulting \$10,000 (2 years x \$5,000/year) would remain to be repaid to MRA at the time of sale. For ease of calculation, we recommend using full years instead of months to calculate.

### **The Formula for Repayment Amount would be:**

$(\text{Total Lien Amount} / \text{Total Years of Affordability Period}) \times \text{Years Remaining in Affordability Period}$

Example:  $(\$50,000 \text{ lien} / 10 \text{ years}) = \$5,000/\text{year} \times 2 = \$10,000$ .

### **The Formula for Prorated or “Burn-off” Amount would be:**

$(\text{Total Lien Amount} / \text{Total Year of Affordability Period}) \times \text{Years as Qualified Homeowner in Affordability Period}$

Example:  $(\$50,000 \text{ lien} / 10 \text{ years}) = \$5,000/\text{year} \times 8 = \$40,000$

### 3. Application of Affordability Period

HCD staff recommends that the universe of tracts where the new affordability period applies should be approximately **199 tracts** subject to currently open development agreements as of June 2026 *that have not yet been sold to a qualified homeowner.*

If MRA limits the affordability period to only the current, open development and grant agreements, MRA is then free to create different affordability periods or refine the policies when new development and grant agreements are developed. For example, if MRA decides that displacement and gentrification is a priority issue and wishes to create a longer affordability period for certain lots/homes in a program, there will be the ability to change the policy to apply to particularly lots/homes in the future.

#### Lots/Tracts that are encumbered with open grant and development agreements:

##### Estimates as of 6/10/2026:

- 23 tracts held by MRA and not yet transferred to developer
- 130 tracts held by developer/construction pending
- 14 tracts currently under construction
- 32 tracts construction completed and sale pending

As proposed, the affordability period would NOT apply to the approximately 226 tracts/homes (23 within open agreements and 203 in closed agreements) in the MRA program that are already completed and sold to qualified homeowners. These homeowners already have a 2-year affordability period in place through various subordinate deeds and documents. Additionally, this new policy would not automatically apply to the approximately 246 MRA lots available for purchase which are not yet encumbered with a grant or development agreement.

#### Current MRA Open Development Agreements

AGREEMENT NAME	Agreement Year	Total # of Tracts or Lots	# Tracts or Lots Held by MRA	# Tracts or Lots Held by Developer Construction Pending	# Tracts of Lots Under Construction	# Tracts of Lots Construction Completed and Pending Sale	# Tracts or Lots Completed and Sold
<b>TOTAL</b>		<b>222</b>	<b>23</b>	<b>130</b>	<b>14</b>	<b>32</b>	<b>23</b>
Houston Business Development Inc., Palmetto Place 100 Homes Initiative, July 25, 2019	2019	43	0	43	0	0	0
Daggett Development LLC - Modern Palms, Development and Purchase Agreement, February 10, 2023	2022	34	0	34	0	0	0
CR Design Build LLC - Development and Purchase Agreement, January 27, 2022	2022	3	0	2	1	0	0
Mayberry Homes Inc - Southern Palms, Development and Purchase Agreement, October 27, 2022	2022	40	0	13	6	11	10
Houston Habitat for Humanity - Grant Agreement, February 24, 2023	2023	4	0	0	0	3	1
Heart of Houston Community Development Corporation - 2023	2023	22	11	0	0	0	11
Boynton-Houston Community Development Corporation - September 1, 2024	2024	13	0	12	1	0	0
Change Happens Community Development Corporation - Grant Agreement - October 25, 2024	2024	10	0	8	0	2	0
Change Happens Community Development Corporation - Grant Agreement - October 24, 2024	2024	12	0	12	0	0	0
Epic Homes LLC - Development and Purchase Agreement, May 22, 2024	2024	5	1	1	3	0	0
Herbert Stroman Foundation - Grant Agreement - December 30, 2024	2024	8	0	5	3	0	0
Titanium Builders L.L.C. - Development and Purchase Agreement, March 14, 2024	2024	6	6	0	0	0	0
Houston Habitat for Humanity - Grant Agreement, April 8, 2024	2024	17	0	0	0	16	1
Fifth Ward Community Redevelopment - Unimproved Property Contract, May 28, 2024	2025	5	5	0	0	0	0

## Policy Comparison

The City's Affordability Policy relating to the Affordable Home Development Program (Downpayment Assistance) has the following provisions:

- Households up to 120% Area Median Income Qualify
- 8 hours of Homebuyer Education required
- Up to \$50,000 Down Payment Assistance (amount depends on need)
- Underwriting Requirements and Internal Subsidy Layering Analysis
- Subsidy allocated in this order:
  - Subsidize interest rate by at least 2-3 points
  - Provide half of required down payment
  - Principal mortgage reduction at closing
  - Reasonable closing costs
- Front end ratio: 33% (mortgage payment/gross monthly HH income)
- Back end ratio: 45% (regular reoccurring expense/mortgage payment/gross months HH income)
- Lien/LURA is 5 years, must agree to annual monitoring
- Forgiveness is prorated over the affordability period with 100% forgiven after **5 years**
- No interest charged unless there is a default
- Must have home insurance & flood insurance if in a flood plane

## REQUEST FOR MRA BOARD CONSIDERATION

HCD Staff requests that the MRA Board consider the recommendations outlined in this memo and consider providing approval to create new policies that apply to homebuyers in the Midtown Affordable Housing program, including:

1. Changing the MRA affordability period to a maximum of 10 years (or a maximum of 15 years if the homeowner receives federal HOME funds exceeding \$50,000);
2. Allow affordability period liens to "burn-off" or prorate over the affordability period;
3. Apply the new policies to tracts that are subject to open development agreements as of June 2026 *that have not yet been sold to a qualified homeowner; and*
4. Allow MRA staff, MRA legal counsel, and HCD staff to work out policy details and implementation of the policy changes.

**Midtown Redevelopment Authority**

# **Affordable Housing Program Monthly Report**

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<b>Prepared by:</b>	City of Houston Housing and Community Development Department
<b>Reporting period:</b>	April 1, 2026 through May 31, 2026
<b>Submitted to:</b>	Midtown Redevelopment Authority Board of Directors
<b>Submission date:</b>	June 10, 2026

# 1. Open Development & Grant Agreements

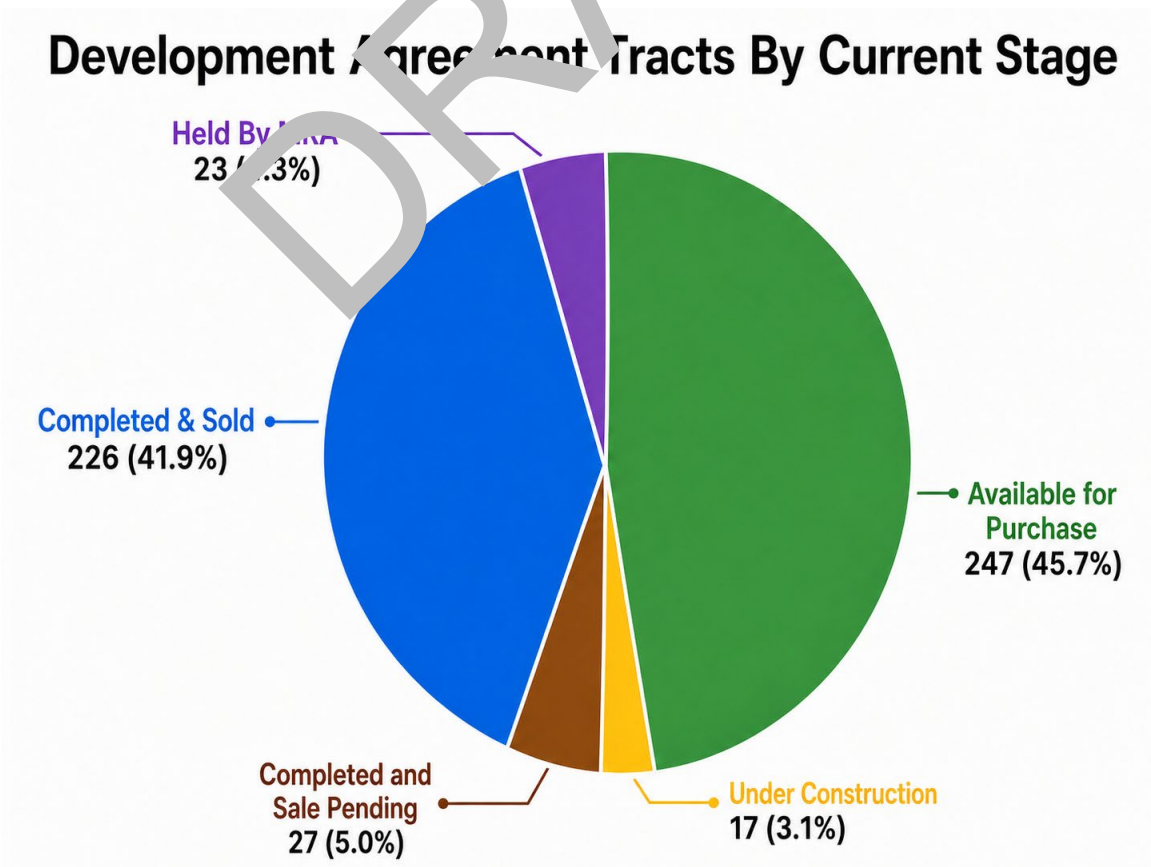
This summary table is based on the current working database of MRA lots and will continue to be refined as HCD, MRA, and development partners verify parcel development status.

Agreement Name	Year	Total Lots	Held by MRA	Held by Developer Construction Pending	Under Construction	Home Complete Pending Sale	Completed & Sold
<b>TOTALS</b>		<b>222</b>	<b>23</b>	<b>130</b>	<b>14</b>	<b>32</b>	<b>23</b>
Houston Business Development Inc., Palmetto Place 100 Homes Initiative, July 25, 2019	2019	43	0	43	0	0	0
Daggett Development LLC - Modern Palms, Development and Purchase Agreement, February 10, 2023	2022	34	0	34	0	0	0
CR Design Build LLC - Development and Purchase Agreement, January 27, 2022	2022	3	0	2	1	0	0
Mayberry Homes Inc - Southern Palms, Development and Purchase Agreement, October 27, 2022	2022	40	0	13	6	11	10
Houston Habitat for Humanity - Grant Agreement, February 24, 2023	2023	0	0	0	0	3	1
Heart of Houston Community Development Corporation - 2023	2023	22	1	0	0	0	11
Boynton-Houston Community Development Corporation - September 1, 2024	2024	13	0	12	1	0	0
Change Happens Community Development Corporation - Grant Agreement - October 25, 2024	2024	10	0	8	0	2	0
Change Happens Community Development Corporation - Grant Agreement - October 4, 2024	2024	12	0	12	0	0	0
Epic Homes LLC - Development and Purchase Agreement, May 22, 2024	2024	5	1	1	3	0	0
Herbert Stroman Foundation - Grant Agreement - December 30, 2024	2024	8	0	5	3	0	0
Titanium Builders L.L.C. - Development and Purchase Agreement, March 14, 2024	2024	6	6	0	0	0	0
Houston Habitat for Humanity - Grant Agreement, April 8, 2024	2024	17	0	0	0	16	1
Fifth Ward Community Redevelopment - Unimproved Property Contract, May 28, 2024	2025	5	5	0	0	0	0

## 2. Summary of Tract Status

This summary table is a concise, tract-based overview of MRA’s affordable housing property portfolio. This update uses the MRA working database as the base dataset for current reporting.

Status Description	# of Lots
<b>Total Single-Family Tracts in Working Database</b>	<b>675</b>
<b>1. Tracts Available for Purchase</b>	<b>247</b>
<b>2. Tracts Encumbered by Affordable Housing Development Agreement</b>	<b>222</b>
2.1 Held by MRA – Not Under Construction	23
2.2 Held by Developer – Not Under Construction	130
2.3 Under Construction	14
2.4 Construction Completed & Sale Pending	32
2.5 Construction Completed & Sold	23
<b>3. Historical Completed and Sold Tracts</b>	<b>203</b>



### 3. Scope of HCD Work Progress

In addition to tract-level monitoring, HCD is continuing to build the program administration tools needed for durable oversight. This includes the development of the MRA property database, mapping dashboard, developer status tracking, and reporting workflows.

Scope Item	Current Status	This Month's Progress	Next Step
MRA Property Database	Completed and Continually Updated	The working database was completed as of May 14, 2026, and is being used as the base file for agreement-level and tract-level reporting.	Continue reconciling records with MRA and enhance with a monthly developer reporting application and monthly inspection process.
GIS maps and dashboard	In Development	HCD GIS has prepared the web map foundation and is building a tract status dashboard for status summaries, charts, tables, and parcel review. This dashboard is intended for internal MRA use but could eventually be structured for public web-based reporting.	Show the first mapping dashboard with the MRA in the next month for review and refinement.
Development Agreement Tracking	Updated	A new summary table has been created to show agreements by year, lot count, MRA-held lots, developer-held lots, construction stage, and agreement status.	Use this summary as the primary monthly board reporting table for the MRA board and staff and update it as agreement records are verified.
MRA Mowing and Lot Maintenance Inspection Application	In Development	1 <sup>st</sup> draft of Mowing and Lot Maintenance Inspection Application was created in May 2026 to facilitate inspection of lots, collect observations, and store data in an online platform. 2 <sup>nd</sup> draft will be presented to MRA on 6/17/2026	Continue testing the Inspection App by MRA to find out ways to improve it. Use the MRA feedback to customize and finalize the app.
COH Inspection Application	In Development	Create an app that will facilitate inspection of encumbered lots, collect observations, store data in an online platform, and generate reports. Deliver for July MRA board meeting.	Test the inspection application and configure the platform to create a final version of the app.
Legal Log	Completed and Continually Updated	Created a log of all outstanding legal items related to affordable housing development and transmitted to MRA legal counsel; updating daily.	Continue to update and hold regular meetings with legal counsel to ensure affordable housing work is completed.
Central Point of Contact & Website Development	In Development	Handling communications and serving as a central point of contact for affordable housing issues/items for MRA; building out new A/H web page on MRA website for potential homebuyers and developers.	Phone log created and can be accessed by both HCD and MRA; answering and documenting contacts; continuing to refine website contacts

## 4. Board Actions Requested

The items below require board action, direction, acknowledgement, or policy discussion during the current reporting period. HCD has separated these items from general reporting updates so the Board can clearly identify matters requiring immediate attention or formal action.

Item No.	Action Requested	Reason	Recommendation	Target Board Date
1	Amend two grant agreements with Change Happens CDC	Request: A.) 6 tract exchanges because of size and utility issues; B.) Change in unit type for 4 tracts; C.) Maximum Price changes	Review and grant all requested changes	June 2026
2	Policy on Affordability Periods	Change the official MRA policy to allow a maximum 10-year affordability period (excepting homes assisted with Federal HOME dollars in 5 years) and allow proration of “burn-off” of repayment over the affordability period	Review and adopt new policy, allowing staff and legal counsel to implement	June 2026

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## 5. Status Changes This Month

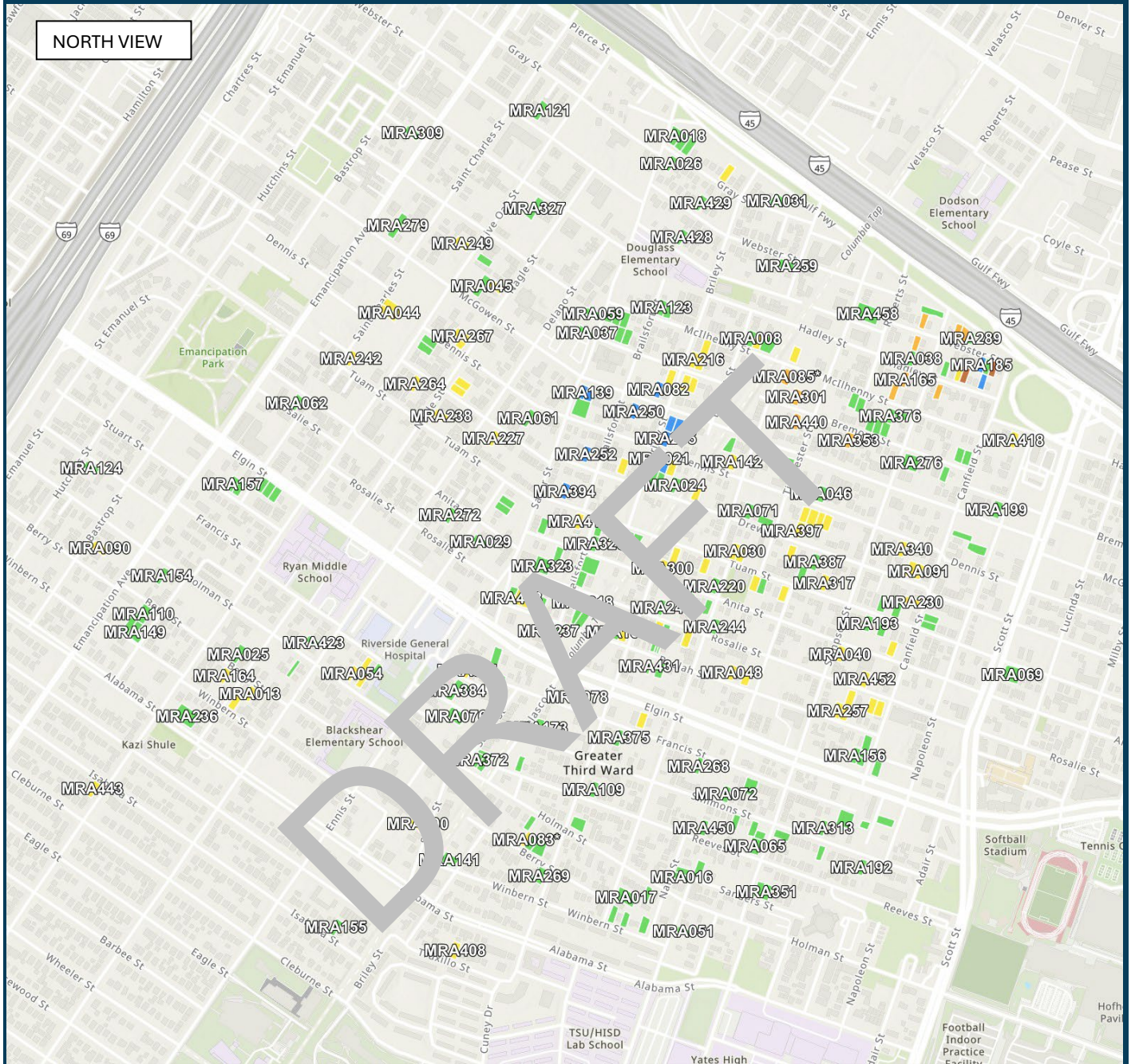
*This section identifies Lots and projects that experienced a material change in status during the reporting period. The purpose of this section is to help the Board focus on actual movement in the portfolio, rather than requiring a full review of every parcel each month.*

Address	Portfolio Type	Developer	Prior Status	Current Status	Status Change Date	Notes
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**No Status Changes this month**

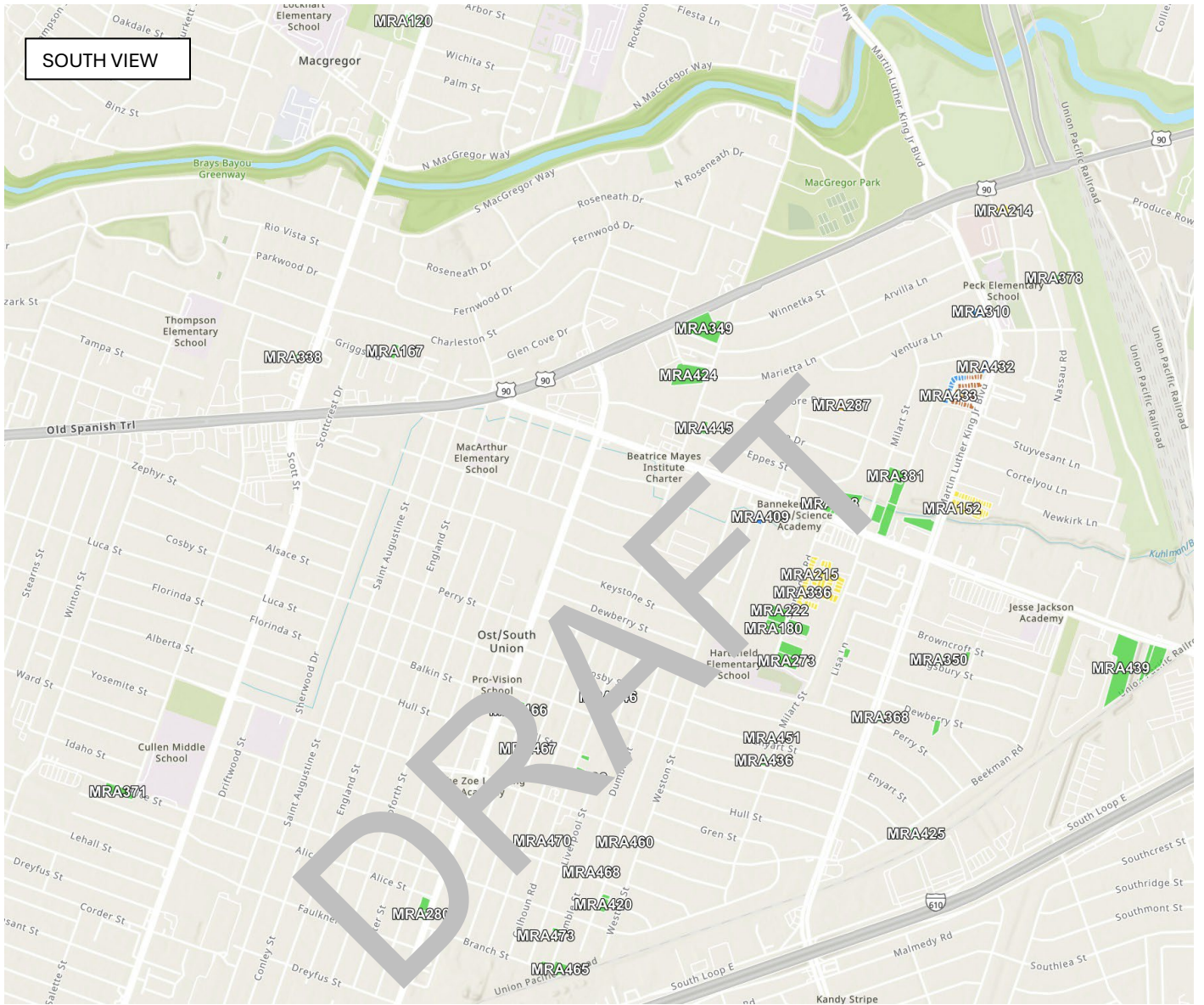
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## 6. GIS Mapping



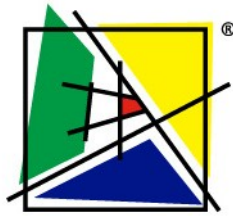
### MRA Owned Lots

- Available for Purchase
- Encumbered with Development Agreement - Under Construction
- Encumbered with Development Agreement - Construction Completed & Sale Pending
- Encumbered with Development Agreement - Not Under Construction
- Construction Completed and Sold



**MRA Owned Lots**

- Available for Purchase
- Encumbered with Development Agreement - Under Construction
- Encumbered with Development Agreement - Construction Completed & Sale Pending
- Encumbered with Development Agreement - Not Under Construction
- Construction Completed and Sold



**midtown**  
HOUSTON

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**PUBLIC SAFETY**

<b>PROJECT NAME</b>	Chronic Consumer Assistance Program Midtown Harris Center For Mental Health and IDD
<b>REQUEST</b>	Funding for extension of the current program.
<b>DESCRIPTION</b>	The program deploys a multidisciplinary team consisting of a Harris Center Clinician (MLC), a Care Coordinator, and a Harris County Precinct 7 Deputy. This team works in tandem to identify, engage, and support unsheltered individuals with unmet behavioral health needs, with the goals of initiating mental health services, transitioning them into stable housing by referring them to SEARCH Homeless Services and connecting them to ongoing healthcare services.
<b>BUDGET</b>	\$210,630.66 for 2026-2027 year
<b>ACTION ITEM</b>	Board Approval required
<b>Quired</b>	MRA: Rena Leddy, Midtown Interim Executive Director MRA: Allen Douglas, Chair, Board of Directors MRA: Clark I. ... Chair, Outside Counsel

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## **Chronic Consumer Assistance Program – Midtown (CCAP-MIDTOWN)**

### **Program Overview**

CCAP-MIDTOWN is a pilot initiative launched in July 2025 to address the behavioral health needs of individuals experiencing chronic homelessness in the Midtown District of Houston. The pilot is currently funded by the Midtown Redevelopment District and is a collaborative effort between:

- The Harris Center for Mental Health and IDD
- The Midtown Management District
- Harris County Constable Precinct 7 (HCCO)

The program deploys a multidisciplinary team consisting of a Harris Center Clinician (MLC), a Care Coordinator, and a Deputy Constable. This team works in tandem to identify, engage, and support unsheltered individuals with urgent behavioral health needs, with the goals of initiating mental health services, transitioning them into stable housing by referring them to SEARCH Homeless Services and connecting them to ongoing healthcare services.

### **Program Objectives**

- Identify and engage individuals experiencing chronic homelessness and mental illness.
- Provide intensive behavioral health interventions and wraparound services.
- Facilitate access to housing and ensure continuity of care.
- Promote long-term stability through mental wellness and housing retention.

### **Core Services and Strategies**

- **Street-Based Outreach & Engagement:** Daily outreach by the clinician and deputy constable to build rapport and assess needs.
- **Behavioral Health Assessment:** Comprehensive evaluations including suicide risk, substance use, and mental health assessments using validated tools.
- **Crisis Intervention:** Suicide-specific strategies and safety planning to mitigate risk in the least restrictive environment.

- Care Coordination: The Care Coordinator provides case management, connects individuals to services, and supports treatment compliance.
- Housing Navigation: Collaboration with housing partners through SEARCH Homeless Services to help secure and maintain stable housing.
- Continuity of Care: Ongoing monitoring and follow-up to ensure successful transitions into long-term services.

## Goals

- Engagement: Build trust and rapport with individuals who have historically been disconnected from services.
- Stabilization: Address acute behavioral health needs and provide crisis intervention services as necessary.
- Housing: Transition individuals into safe, stable housing environments.
- Retention: A critical component of CCAP-MIDTOWN is ensuring that individuals not only transition successfully into housing but also maintain stability through ongoing behavioral health support. Once housed, program participants receive consistent follow-up and care coordination to promote treatment adherence and housing retention.
- Sustained Support: To strengthen this continuum of care, the CCAP-MIDTOWN program has the capacity to activate additional behavioral health teams as needed. These teams provide enhanced support during the transition period, ensuring that individuals remain engaged in services and are equipped with the tools necessary for long-term success.

- **Key Performance Indicators**

- A total of 25 individuals will be formally admitted into the CCAP-MIDTOWN program and will remain in service for a minimum of 6 months.
- Clients admitted to the program will be offered the opportunity to complete Client Satisfaction Surveys after each visit using Visit Satisfaction Survey (VSS-2). The target
- A total of 75 unique individuals will be served through outreach, engagement, and support services.

- 100% of individuals not currently connected to housing services will be referred to SEARCH Homeless Services for housing navigation and support.
- A minimum of 12 local businesses and/or churches will complete satisfaction community satisfaction surveys in relation to the visibility of supportive services available for the unhoused community. Survey results will be analyzed to demonstrate improvement in satisfaction scores over a 6-month period with a target satisfaction score of 90%.
- Quality of life will be assessed using a validated measurement tool at both admission and discharge. Data will reflect positive changes in individual well-being and stability over the course of program engagement.

### **Innovative Features**

- **Integrated Law Enforcement Partnership:** Unique collaboration with HCCO to ensure safety and support without criminalization.
- **Community-Based Model:** Services are delivered directly in the streets, meeting individuals where they are.
- **Suicide Prevention Protocols:** Universal screening and intervention strategies embedded in all assessments.
- **Wraparound Support:** Holistic care that includes peer support, psychoeducation, harm reduction, and crisis planning.

**INTERLOCAL AGREEMENT  
BETWEEN  
MIDTOWN REDEVELOPMENT AUTHORITY AND  
THE HARRIS CENTER OF MENTAL HEALTH AND IDD**

This Interlocal Agreement (this “Agreement”) is made and entered into and effective as of June 27, 2025 (the “Effective Date”), by and between the **MIDTOWN REDEVELOPMENT AUTHORITY (“MRA”)**, a Texas nonprofit local government corporation created and organized under the provisions of Chapter 431 of the Texas Transportation Code, as amended, with offices at 410 Pierce Street, Suite 355, Houston, Texas 77002, and **THE HARRIS CENTER FOR MENTAL HEALTH AND IDD** (the “Provider” or “The Harris Center”), a community center and agency of the State of Texas created and organized under the provisions of Chapter 534 of the Texas Health and Safety Code, as amended, with offices at 9401 Southwest Freeway, Houston, Texas 77074. The Harris Center and MRA may each be referred to individually as a “Party” or collectively as the “Parties.”

**RECITALS**

**WHEREAS**, Chapter 791 of the Texas Government Code, as amended, the Interlocal Cooperation Act, authorizes governmental entities to contract with one another for the performance of governmental functions and services; and

**WHEREAS**, The Harris Center is a Community Provider as defined in Chapter 534 of the Texas Health and Safety Code, a designated Local Mental Health Authority and the Local Intellectual and Development Disability Authority for Harris County, Texas, and a Certified Community Behavioral Health Clinic by the State of Texas Health and Human Services Commission; and

**WHEREAS**, by Resolution No. 9-96, adopted by the City Council of the City of Houston, Texas (the “City”), on June 28, 1996, the City authorized the creation of MRA to aid, assist and act on behalf of the City in the performance of the City’s governmental and proprietary functions with respect to the common good and general welfare of Reinvestment Zone Number Two, City of Houston, Texas (the “Zone”); and

**WHEREAS**, MRA is responsible for implementation of the project plan and reinvestment zone for the Zone (as same may be amended from time to time, the “Project Plan”), which focuses, *inter alia*, on creating pedestrian-oriented and walkable complete streets; utilities and infrastructure; parks and plaza spaces; and overall safety and comfort in the public domain to assist in making the Zone a destination for development; and

**WHEREAS**, the Project Plan provides for the maintenance and operation of projects undertaken by MRA within the Zone, including parks and public spaces; and

**WHEREAS**, MRA recognizes the importance of ensuring that the public infrastructure and facilities developed within the Zone are safe and accessible to all residents of and visitors to the Zone; and

**WHEREAS**, The Harris Center will implement a twelve (12) month pilot program to deliver behavioral health support, clinical engagement, case management, and care coordination services to unhoused individuals within the Zone for the purpose of connecting participants to essential healthcare and housing services, supporting long-term stability and recovery through the Chronic Consumer Assistance Program – Midtown (“CCAP – Midtown”), a targeted initiative designed to identify and support unhoused individuals within the Zone who have unmet behavioral health and/or substance use needs, in collaboration with MRA, Harris County Constable’s Office Precinct 7 (“Precinct 7”), and SEARCH Homeless Services (“SEARCH”) and supported by a team consisting of personnel from The Harris Center and Precinct 7; and

**WHEREAS**, MRA desires to participate in the funding of the CCAP-Midtown, which will facilitate the provision of essential services to unhoused individuals and enhance public safety, thereby providing a benefit to the Zone;

**NOW THEREFORE**, for and in consideration of the premises and mutual covenants and agreements herein contained, the Parties agree as follows.

### **SECTION 1: OBLIGATIONS OF THE PARTIES AND PAYMENT TERMS**

**1.1 PROVIDER OBLIGATIONS:** The Provider agrees to provide the services described in the scope of work attached hereto as Exhibit A (the “Scope of Work”).

**1.2 MRA OBLIGATIONS:** MRA will pay the Harris Center an amount not to exceed **Two Hundred Thirteen Thousand Thirty-Seven Dollars and 60/100 (\$213,037.60)** for the services described in the Scope of Work.

**1.3 INVOICES AND PAYMENT:** The Provider shall submit an invoice to MRA on a monthly basis for services pursuant to the Scope of Work rendered each month. All invoices must be sent to MRA at its address for notices specified hereunder and received on or before the fifth (5th) day of the month. MRA will remit payment to The Harris Center within thirty (30) days of receipt of an acceptable and properly documented invoice.

### **SECTION 2 - TERM OF AGREEMENT**

**2.1 TERM:** This Agreement shall remain in effect until July 31, 2026, unless earlier terminated by either Party pursuant to the applicable provisions of Section 3.

### **SECTION 3 - TERMINATION OF AGREEMENT**

**3.1 TERMINATION BY MRA:** This Agreement may be terminated by MRA without cause upon thirty (30) days written notice to Provider. This Agreement may be terminated by MRA with

cause if, within thirty (30) days' written notice to Provider specifying a failure of Provider to substantially perform in accordance with the terms of this Agreement, Provider does not cure such failure, by providing a notice of termination to The Harris Center specifying the effective date of such termination, which shall be not less than thirty (30) days from the date of the notice of termination.

**3.2 TERMINATION BY PROVIDER:** Provider may terminate this Agreement with cause if, within thirty (30) days written notice to MRA specifying a failure of MRA to substantially perform in accordance with the terms of this Agreement, MRA does not cure such failure, by providing a notice of termination to MRA specifying the effective date of such termination, which shall be not less than thirty (30) days from the date of the notice of termination.

**3.3 TERMINATION PROCESS:** Upon receipt of a notice of termination and prior to the effective date of the termination, the Provider shall, unless the notice otherwise directs, immediately begin to phase out and discontinue all services in connection with the performance of this Agreement and shall proceed to promptly cancel all existing orders and contracts funded pursuant to this Agreement.

**3.4 TERMINATION BY NON-APPROPRIATION:** The Harris Center is an agency of the State of Texas and is dependent on annual appropriations for the continuation of services. The Harris Center may terminate this Agreement in the event that public funds are not appropriated by the legislative body on behalf of local governments, or by the Texas legislature on behalf of state agencies for the then-current fiscal year. In the event of such non-appropriation, The Harris Center shall provide a thirty (30) days written notice of intent to terminate the Agreement.

**3.5 FINAL PAYMENT:** Within thirty (30) days after the termination or expiration date of this Agreement, the Provider shall submit to MRA a final invoice for services performed under this Agreement prior to the termination or expiration date, which MRA shall pay within thirty (30) days of receipt. **The foregoing provision shall survive expiration or termination of this Agreement.**

**SECTION 4 - INSURANCE**

**4.1 INSURANCE:** The Provider shall maintain in effect certain insurance coverage and shall furnish certificates of insurance, in duplicate form, before beginning its performance under this Agreement. All policies except Worker's Compensation and Professional Liability Insurance must name MRA, the City and the Zone (and their respective directors, officers, employees and agents) as additional insureds. All liability policies must be issued by a Company with a certificate of authority from the Texas Department of Insurance to conduct insurance business in Texas. The Provider shall maintain the following insurance coverages in the following amounts:

1. Commercial General Liability insurance including Contractual Liability insurance:
  - i. \$1,000,000 per occurrence; \$2,000,000 aggregate
2. Workers' Compensation including Broad Form All States endorsement:

- i. Statutory amount
- 3. Employer's Liability coverage with a limit of not less than \$500,000 per employee for Occupational Disease; \$500,000 policy limit for Occupational Disease; and Employer's Liability of \$500,000 per accident.
- 4. Automobile Liability insurance:
  - i. \$1,000,000 combined single limit per occurrence
- 5. Professional Liability insurance.
  - i. \$1,000,000 each claim/annual aggregate

Aggregate limits are per twelve (12) month policy period unless otherwise indicated.

4.2 **WAIVER OF SUBROGATION:** Except for Workers Compensation and Professional Liability coverage, all insurance policies must require on their face or by endorsement, that the insurance carrier waives any rights of subrogation against MRA, the City and the Zone and that it shall give prior written notice to MRA before they may be canceled, materially changed, or non-renewed per standard ISO Acord form wording and the policy provisions. Within the 30-day period, the Provider shall provide other suitable policies in lieu of those about to be canceled, materially changed, or non-renewed so as to maintain in effect the required coverage. If the Provider does not comply with this requirement, MRA, at its own sole discretion, may:

- (1) immediately suspend the Provider from any further performance under this Agreement and begin procedures to terminate for default, or
- (2) purchase the required insurance with its own funds and deduct the cost of the premiums from amounts due to the Provider under this Agreement.

#### **SECTION 5 - INDEMNIFICATION**

**TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY HEREBY AGREE TO INDEMNIFY AND HOLD HARMLESS THE OTHER PARTY AND ALL OF ITS DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS FROM ALL SUITS, ACTIONS, CLAIMS OR COST OF ANY CHARACTER, TYPE OR DESCRIPTION BROUGHT OR MADE ON ACCOUNT OF ANY INJURIES, DEATH OR DAMAGE RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, INCLUDING BUT NOT LIMITED TO CLIENTS, ARISING OUT OF OR OCCASIONED BY ANY ACTS OR NEGLIGENCE OF THE OTHER PARTY OR THE OTHER PARTY'S EMPLOYEES, AGENTS OR CONTRACTORS WHETHER OCCURRING DURING THE PERFORMANCE OF THE SERVICES HEREUNDER OR IN THE EXECUTION OF THE PERFORMANCE OF ANY OF ITS DUTIES PURSUANT TO THIS AGREEMENT.**

#### **SECTION 6 - MISCELLANEOUS**

**6.1 GOVERNING LAW:** This Agreement shall be construed, performed and enforced in accordance with the laws of the State of Texas without regard to otherwise applicable choice-of-law rules or principles. The Provider and MRA hereby submit to the jurisdiction of the state and federal courts in the State of Texas and to venue in such courts sitting in Harris County, Texas, and Provider hereby designates the Secretary of State for the State of Texas as an authorized agent to accept service of any and all process on behalf of Provider in the State of Texas and in connection with this Agreement. Notwithstanding the foregoing sentence, the Parties agree that service of process for Provider shall first be attempted by serving its registered agent of record, and secondly by serving Provider as its duly authorized corporate representative. This Agreement is to be performed in Harris County, Texas.

**6.2 APPLICABLE LAW:** In performing its obligations under this Agreement, the Provider at all times shall observe and comply with all applicable federal and state laws, local laws, ordinances, orders, and regulations of the federal, state, county, and city governments. The federal, state, and local laws, ordinances, and regulations which affect those engaged or employed in providing such services, or the equipment used in the providing of such services, or which in any way affects the conduct of such services, shall be at all times in effect, and no pleas of misunderstanding will be considered on account of ignorance thereof. The Provider shall likewise impose the same obligations contained in this Article upon all of its subcontractors and agents.

**6.3 NOTICES:** All notices, demands, or requests from one Party to another shall be in writing and shall be personally delivered, sent by mail, certified registered, express or overnight, postage prepaid, to the addresses stated in this Section, or to such other address as the Party may request in writing, and are deemed to have been given at the time of delivery:

If to The Harris Center:  
Chief Executive Officer  
The Harris Center for MH and IDD  
9401 Southwest Freeway  
Houston, Texas 77074

With a copy to:  
Assistant General Counsel, Contract Services  
The Harris Center for MH and IDD  
9401 Southwest Freeway  
Houston, Texas 77074

If to MRA:  
Executive Director  
Midtown Redevelopment Authority  
410 Pierce Street, Suite 355  
Houston, Texas 77002

With a copy to:  
Barron F. Wallace  
Bracewell LLP  
711 Louisiana Street, Suite 2300  
Houston, Texas 77002

**6.4 NONDISCRIMINATION:** Each Party to this Agreement agrees that no person, on the basis of race, color, national origin, religion, sex, age, handicap, or political affiliation, will be excluded from participation, be denied the benefits of, or be subject to discrimination in the provision of any services hereunder. The Parties hereto agree to comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Age Discrimination Act of 1975, Title IX of the Education Amendments of 1972, the Americans with Disabilities Act of 1990 and the Civil

Rights Act of 1991 and all amendments to each and all requirements imposed by the regulations issued pursuant to these acts.

**6.5 REMEDIES:** All rights, powers, and remedies granted either Party by any particular term of this Agreement are in addition to, and not in limitation of, any rights, powers, or remedies which it has under any other term of this Agreement, at common law, in equity, by statute, or otherwise, and all such rights, powers, and remedies may be exercised separately or concurrently, in such order and as often as may be deemed expedient by either Party. No delay or omission by either Party to exercise any right, power, or remedy shall impair such right, power, or remedy or be construed to be a waiver of any breach or default or an acquiescence therein. A waiver by either Party of any breach or default thereunder shall not constitute a waiver of any subsequent breach or default.

**6.6 AMENDMENTS AND WAIVERS:** Any provision of this Agreement may be amended or waived if such amendment or waiver is in writing and is signed by MRA and The Harris Center.

**6.7 SEVERABILITY:** The invalidity or unenforceability of any term or provision hereof shall not affect the validity or enforceability of any other term(s) or provision(s).

**6.8 DISPUTE RESOLUTION:** In the event a dispute arises between the Parties involving the provisions or interpretation of any term or condition of this Agreement, and if both Parties desire to attempt to resolve the dispute prior to termination or expiration of the Agreement, or withholding payments, then the Parties may refer the issue to a mutually agreeable dispute resolution process in accordance with Texas Government Code Section 2260.004, as amended.

**6.9 FORCE MAJEURE:** Neither Party shall be liable nor deemed to be in default for any delay or failure in performance under this Agreement or other interruption of service deemed resulting, directly or indirectly, from acts of God, epidemic, pandemic, governmental authority, order, requisition or necessity of the government, or specific cause beyond the reasonable control and not attributable to the Party's neglect or nonfeasance, acts of public enemy, war, accidents, fires, explosions, hurricanes, floods, failure of transportation, strikes, or other work interruptions by either Party's employees or any similar cause beyond the reasonable control of either Party.

**6.10 SUCCESSORS AND ASSIGNS:** MRA and the Provider, respectively, bind themselves, their partners, successors, assigns and legal representatives to the other Party to this Agreement and to the partners, successors, assigns and legal representatives of such other Party with respect to all covenants of this Agreement. Neither Party may assign or transfer this Agreement to a third party without the prior written consent of the other Party.

**6.11 EXHIBITS:** All Exhibits attached hereto are incorporated herein by reference as if fully set out.

**6.12 ELECTRONIC SIGNATURES AND DUPLICATE ORIGINALS:** This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original. Each Party may sign and deliver this Agreement electronically or by electronic means and an electronic transmittal

of a signature, including but not limited to, a scanned signature page, will be as good, binding, and effective as an original signature.

**6.13 ENTIRE AGREEMENT:** This Agreement constitutes the sole and only agreement of the Parties hereto and supersedes any prior understandings, written or oral agreements between the Parties respecting the subject matter herein.

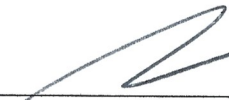
*[execution page follows]*


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EACH PARTY WARRANTS AND ASSURES THE OTHER PARTY THAT IT POSSESSES ADEQUATE LEGAL AUTHORITY TO ENTER INTO THIS AGREEMENT. EACH PARTY'S GOVERNING BODY, WHERE APPLICABLE, HAS AUTHORIZED THE SIGNATORY OFFICIAL(S) TO ENTER INTO THIS AGREEMENT AND BIND THAT PARTY TO THE TERMS OF THIS AGREEMENT AND ANY SUBSEQUENT AMENDMENTS HERETO.

**MIDTOWN REDEVELOPMENT  
AUTHORITY**

**THE HARRIS CENTER FOR MENTAL  
HEALTH AND IDD**


  
\_\_\_\_\_  
Matt Thibodeaux  
Executive Director

  
\_\_\_\_\_  
Wayne Young, MBA, LPC, FACHE  
Chief Executive Officer

Date: June 27, 2025

Date: 7/14/25

APPROVED BY FORM:

  
\_\_\_\_\_  
Kendra Thomas, JD, LPC  
General Counsel

Date: 7.9.2025

**DRAFT**



## Exhibit A

### Scope of Work<sup>1</sup>

#### A. Scope of Work

The Harris Center and MRA will collaborate in a process to identify and engage adults with a mental illness who are experiencing homelessness, in behavioral health supportive services through the provision of intensive crisis intervention and clinical and care coordination services. This partnership includes the implementation and management of a Master Level Clinician (“MLC”) who will provide intensive home and community-based clinical and care coordination services to adults with a mental illness. The MLC will utilize a wraparound model to engage individuals to assist with identification of mental health symptoms, treatment compliance and human services delivery. The wraparound model will assist the individual with reintegration into the community, with particular attention on mental wellness and the acquisition of housing.

Additional objectives of this service include, but are not limited to:

- Connecting consumers to outpatient behavioral health services
- Continued attempts at engagement
- Assisting consumers with obtaining valid ID
- Assisting consumers with obtaining and maintaining housing by working collectively with SEARCH
- Transporting and accompanying clients to healthcare and social service-related appointments
- Assisting consumers with accessing community resources such as SNAP, food pantries, Social Security, etc.
- Connecting consumers to primary healthcare, substance abuse treatment, and specialty care as needed.

#### B. Target Population, Referral Process & Eligibility Criteria

The target population for this initiative includes adults experiencing homelessness who also have a mental illness and/or substance use disorder. Individuals are identified and referred to The Harris Center by MRA and/or Precinct 7, based on the frequency and duration of their homelessness and an apparent need for behavioral health services.

In addition to referrals, Harris Center staff will actively identify and engage individuals in the community, initiating support and outreach at the point of contact to begin building trust and connecting them to appropriate services.

#### C. Staffing and Caseloads

The program will consist of one full-time MLC who can maintain a case load of twenty (20) consumers with the assistance of a full time Care Coordinator.

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<sup>1</sup> Capitalized terms used in this Exhibit A shall have the meanings provided for in the Agreement.

**D. Supervision**

Clinical supervision and direction will be provided by The Harris Center’s Comprehensive Psychiatric Emergency Program Division. A clinical team leader, a licensed clinician in the State of Texas, will oversee supervision. Program oversight will be managed by a program director.

**E. Documentation and Data**

Medical documentation will be maintained in The Harris Center’s electronic health records.

**F. Reporting**

The Harris Center will generate a monthly report to include number of referrals, total number of people served, number of services provided, number of people referred to SEARCH for housing services, and number of people connected to outpatient mental health services.

**G. Delivery**

All services will be delivered in the community and may include co-response with other agencies Monday through Friday, from 8 a.m. to 4 p.m.

Additional Harris Center Crisis Services, including but not limited to Mobile Crisis Outreach Team, Rapid Response, and Crisis Intervention Response Team services, are available 24/7, 365 days a year. These services can be accessed by calling the Crisis Line at 713-970-7000 or by calling 911.

**H. Outcome Measures and Key Point Indicators (KPIs)**

Program outcomes will be measured utilizing the following data:

Number of Successful Admissions: The program will successfully admit twenty-five (25) consumers during the term of the Agreement. (Admission to the program requires the person to voluntarily sign consent to services.)

Number Served: The program will serve seventy-five (75) unduplicated people during the term of the Agreement.

Housing Referrals: 100% of consumers admitted to the program will be referred to SEARCH for housing assessment if they are not already connected to housing.

Business and Community Engagement: The CCAP-Midtown team will engage with a minimum of 12 local businesses, agencies and/or churches within the Zone during the term of the Agreement to provide education and support.

The following scores will be used to measure the success of the program:

The Activities of Daily Living (DLA-20) score will improve at 6 months post program admission and again at discharge.

Client Retention Rates: Clients will remain in service for at least 6 months.

Client Satisfaction: Visit Satisfaction Surveys (VSS-2) will be offered to consumers at each encounter.

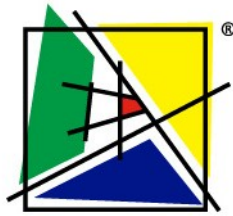
A minimum of 20 surveys will be completed each month and scores will remain above 90% satisfactory.

Community Satisfaction: A satisfaction survey will be collaboratively developed by MRA, The Harris Center, and Precinct 7. The survey will be distributed to local businesses, organizations, and/or churches that have been engaged by the program team. Its purpose is to measure community satisfaction with the program's impact and engagement efforts. The survey will be administered at the end of the term of the Agreement, with a target satisfaction score of at least 90%.

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<b>Summary report:</b>	
<b>Litera Compare for Word 11.10.1.2 Document comparison done on 6/11/2025 6:20:38 AM</b>	
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<b>Intelligent Table Comparison:</b> Active	
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<u>Table moves from</u>	0
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Embedded Excel	0
Format changes	0
<b>Total Changes:</b>	<b>304</b>

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**DEVELOPMENT  
AGREEMENT WITH  
PEARL RESIDENCES AT  
MIDTOWN OWNER, LLC**