



**MIDTOWN REDEVELOPMENT AUTHORITY/
TIRZ#2
BOARD OF DIRECTORS MEETING
DECEMBER 8, 2022**



**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 special** meeting, open to the public, with the Board of Directors of the Midtown Reinvestment Zone on **Thursday, December 8, 2022, at 12:30 P.M. at 410 Pierce Street, 1st 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. The public will be permitted to offer comments as provided on the agenda and as permitted by the presiding officer during the meeting.

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 and Introduction of Guests.
2. Public Comment.
3. Agenda for the Midtown Reinvestment Zone:
 - a. Minutes for October 27, 2022.
4. Consent Agenda for the Authority:
 - a. Minutes for October 27, 2022;
 - b. Monthly financial reports for October 2022;

- c. Invoices from Trustee and Operating Accounts for November 2022;
 - d. Funding to Ladder Capital Finance LLC, as Assignee of Caydon Houston Property LP, pursuant to Development Agreement.
 - e. Annual renewal of Professional Services Agreement with OJB Landscape Architecture
 - f. Annual renewal of Professional Services Agreement with Design Workshop
 - g. Ratification and Acknowledgment of Sale of the Following Properties:
 - i. 3035 Francis Street, Houston, TX 77004;
 - ii. 6053 Bellfort, Houston, TX 77033; 2808 St. Charles and adjoining property known as 0 St. Charles, Houston, Texas 77004; 3592 Palmer and adjoining property known as 0 Palmer, Houston, Texas 77004; and 6912 Calhoun, Houston, Texas 77021;
 - iii. 3316 Anita Street, Houston TX 77004; and
 - iv. 2702 Holman and adjoining property known as 0 Holman, Houston, TX 77004.
5. Investment Report for Quarter Ending September 30, 2022.
6. Midtown Affordable Housing Program:
- a. Affordable Housing Operations Campus;
 - i. Change Orders;
 - ii. Partners Financial Report 2022 & Annual 2023 Budget.
 - b. Recommendation to reduce the affordability period and adopt a deferred payment loan forgiveness schedule for the Authority's Single-Family Affordable Home Projects.
 - c. Amend the Development and Purchase Agreement with Mayberry Homes, Inc., dated as of October 27, 2022 to increase the sales price of single-family homes in the Southern Palms development project.
 - d. Affordable Housing Report.
7. Midtown Capital Improvements Program:
- a. Caroline Street Reconstruction – ESPA Corp/KCI
 - i. Change Orders
 - b. Midtown Park – Front 90 Improvements - Walter P Moore / Design Workshop
 - i. Change Orders
 - c. Brazos Street Reconstruction – Walter P Moore
 - i. Design Services Work Order
8. 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 551.074, Texas Government Code);
 - d. Security personnel or devices (Section 551.076, Texas Government Code); and
 - e. Economic development negotiations (Sections 551.087, Texas Government Code).

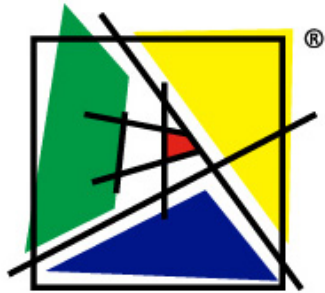
Upon entering into the executive session, the presiding officer shall announce which agenda items will be discussed.

9. Adjourn.


Matt Thibodeaux

Executive Director MT/ks

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**ZONE
CONSENT AGENDA**

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

OCTOBER 27, 2022

A regular meeting of the Board of Directors (the "Board") of Reinvestment Zone Number Two, City of Houston, Texas, was held in person at 410 Pierce Street, First Floor Conference Room, Houston, Texas 77002, on Thursday, October 27, 2022, 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	Abe Goren
2	Donald Bond	7	Caton M. Fenz
3	Vacant	8	John Thomas
4	Michael F. Murphy	9	Zoe Middleton
5	Al Odom		

and all the above were present except Directors Foster and Thomas.

In attendance were Midtown Redevelopment Authority staff members: Vernon Williams, Kandi Schramm, Todd Edwards, David Thomas, Theresa Gilmore, Marlon Marshall, Sally Adame, and Jalisa Hurst; Peggy Foreman of Burney & Foreman; Barron F. Wallace and Mary Buzak of Bracewell LLP; Melissa Morgan of Morgan CPA; Alex Ramirez of Design Workshop; Alex Ramirez of Design Workshop; Algenita Davis, Sean Haley, Linda Mitchell and Bob Bradford of CCPPI; Roberta Burroughs of Roberta F. Burroughs & Associates; Theola Petteway of OST/Alameda Redevelopment Authority; John Ivery of Walter P. Moore Engineering; Carol Harrison of Walter P. Moore, Katherine Williford of One World, Zack Martin of MCMD and Malinda Sims of Mors Development.

Chairman Odom called the meeting to order.

MINUTES FOR SEPTEMBER 29, 2022.

Director Goren made a motion to approve the minutes of September 29, 2022. The motion was seconded by Director Murphy and carried by unanimous vote.

EXECUTIVE SESSION

The Board did not enter a closed executive session.

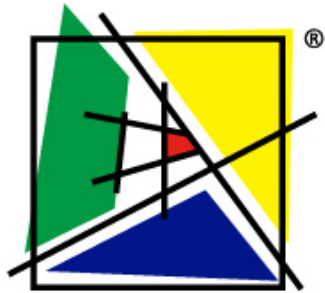
ADJOURN

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

Caton Fenz, Secretary

Date

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**AUTHORITY
CONSENT AGENDA**

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

October 27, 2022

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, on Thursday, October 27, 2022, 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	Abe Goren
2	Donald Bond	7	Caton M. Fenz
3	Vacant	8	John Thomas
4	Michael F. Murphy	9	Zoe Middleton
5	Al Odom		

and all the above were present except Directors Foster and Thomas.

In attendance were Authority staff members: Vernon Williams, Kandi Schramm, Todd Edwards, David Thomas, Theresa Gilmore, Marlon Marshall, Sally Adame, and Jalisa Hurst; Peggy Foreman of Burney & Foreman; Barron F. Wallace and Mary Buzak of Bracewell LLP; Melissa Morgan of Morgan CPA; Alex Ramirez of Design Workshop; Alex Ramirez of Design Workshop; Algenita Davis, Sean Haley, Linda Mitchell and Bob Bradford of CCPPI; Roberta Burroughs of Roberta F. Burroughs & Associates; Theola Petteway of OST/Alameda Redevelopment Authority; John Ivery of Walter P. Moore Engineering; Carol Harrison of Walter P. Moore, Katherine Williford of One World, Zack Martin of MCMD and Malinda Sims of Mors Development.

Chairman Odom called the meeting to order.

PUBLIC COMMENTS

There were no public comments.

Matt Thibodeaux and Kandi Schramm acknowledged the retirement of Theresa Gilmore, Financial Manager, and presented her with a plaque in appreciation of her 17 years of dedicated service to the Authority.

CONSENT AGENDA FOR THE AUTHORITY

MINUTES FOR SEPTEMBER 29, 2022;
MONTHLY FINANCIAL REPORTS FOR SEPTEMBER 2022;

**INVOICES FROM TRUSTEE AND OPERATING ACCOUNTS FOR OCTOBER, 2022;
FUNDING TO RICE UNIVERSITY, ACTING BY AND THROUGH RICE
MANAGEMENT COMPANY PURSUANT TO DEVELOPER AGREEMENT;
FUNDING TO PEARL RESIDENCES AT MIDTOWN OWNER PURSUANT TO
DEVELOPMENT AGREEMENT.**

Director Murphy made a motion to approve the consent agenda. The motion was seconded by Director Goren and carried by unanimous vote.

MIDTOWN AFFORDABLE HOUSING PROGRAM.

AFFORDABLE HOUSING OPERATIONS CAMPUS;

CHANGE ORDERS;

Marlon Marshall reported that there were no changes orders to be presented at this meeting.

TENANT IMPROVEMENTS (LEVEL 4) - CONSTRUCTION CONTRACT.

Mr. Marshall reported that a request for bids for tenant improvements for Level 4 of the AHOC building was published on October 4, 2022, and were bids received on October 18, 2022. After evaluation of all bids received, the evaluation team recommended awarding the project to David E. Harvey Builders, Inc. for tenant improvements on Level 4. Director Fenz made a motion to approve the recommendation of David E. Harvey Builders, Inc. for tenant improvements on Level 4. The motion was seconded by Director Goren and carried unanimous vote.

**NAI'S AFFORDABLE HOUSING OFFICE BUILDING OPERATION BUDGET FOR
YEAR 2022.**

Todd Edwards reported that this item would be tabled until the next meeting.

SALE OF AHOC PARKING GARAGE.

Peggy Foreman of Burney & Foreman presented a Resolution Affirming the Sale and Leaseback of Certain Personal and Real Property (Together With The Improvements Thereon) To The Old Spanish Trail/Alameda Corridors Redevelopment Authority And Authorizing The Midtown Redevelopment Authority Or Its Agents To Take All Necessary Actions Related Thereto. Ms. Foreman reported that the sale of the Affordable Housing Operations Center Parking Garage to the Old Spanish Trail/Alameda Corridors Redevelopment Authority (OST) will close on October 28, 2022, for a total sale amount of Six Million Dollars (\$6,000,000.00). OST will lease the garage back to the Authority, and WinPark Management, LLC, will manage the parking garage. Director Fenz made a motion to approve the Resolution Affirming the Sale and Leaseback of Certain Personal and Real Property (Together

with The Improvements Thereon) To the Old Spanish Trail/Almeda Corridors Redevelopment Authority And Authorizing the Midtown Redevelopment Authority Or Its Agents To Take All Necessary Actions Related Thereto. The motion was seconded by Director Murphy. Director Goren abstained. Following all discussion, the motion carried by majority vote: Yes “5”; No “0” and Abstain “1”.

COMPREHENSIVE REVIEW PROJECT (CRP) TEAM AFFORDABLE HOUSING RECOMMENDATIONS:

RESOLUTION AUTHORIZING OPTION AGREEMENTS AND/OR DEVELOPMENT AGREEMENTS WITH VARIOUS DEVELOPERS IN CONNECTION WITH THE SUBMISSION OF REQUESTS TO THE CITY OF HOUSTON AFFORDABLE HOMES DEVELOPMENT PROGRAM (AHDP) TO DEVELOP APPROXIMATELY 184 AFFORDABLE SINGLE-FAMILY HOMES FOR SALE TO QUALIFIED HOMEBUYERS.

Ms. Foreman reported that the Executive Director Matt Thibodeaux, and Real Estate Manager Todd Edwards, along with members of the Comprehensive Review Project (CRP) team, have been in discussions with the Mayor’s Office, the director of the Houston Housing and Community Development Department (HHCDD), and other HHCDD staff regarding the City providing additional infrastructure support for the development of homes that are affordable for low-moderate income households, defined as households with incomes below 120% of the Area Median Income. The focus of these discussions was the need for support for infrastructure and other development costs to reduce home sales prices. The Authority has asked that the City of Houston (City) provide this infrastructure support in the amount of \$52,000 per unit for homes to be built in intact subdivisions and \$15,000 per unit for homes to be built on scattered sites. HHCDD anticipates handling this request via a second Affordable Home Development Program (AHDP–Phase II) application process. In 2021, the City introduced the AHDP. The purpose of the program is to support and incentivize the development of for-sale homes in low-moderate income neighborhoods. CCPPI is recommending that the Board authorize the Executive Director and/or Board officers to proceed with all necessary actions to facilitate the construction of approximately 184 units of affordable for-sale single-family homes under the AHDP–Phase II. Director Murphy made a motion to approve the Resolution Authorizing the Midtown Redevelopment Authority Or Its Agents To Enter Into Option Agreements, Grant Agreements And Development And Purchase Agreements With Various For-Profit And Not-For-Profit Developers And Providing For The Conveyance And Development Of Certain Properties As Affordable Housing In Accordance With The Terms Of Such Agreements; And Authorizing All Necessary Actions Related Thereto. The motion was seconded by Director Goren and carried by unanimous vote.

RESOLUTION AUTHORIZING A DEVELOPMENT AGREEMENT WITH MAYBERRY HOMES INC. FOR DEVELOPMENT OF SINGLE-FAMILY HOMES FOR SALE TO QUALIFIED HOMEBUYERS PURSUANT THE TERMS OF THE CITY OF HOUSTON AFFORDABLE HOMES DEVELOPMENT PROGRAM (AHDP)

Algenita Davis of CCPPI provided an overview of the Southern Palms Project which was selected by the City for participation in the AHDP – Phase I. Peggy Foreman presented the Resolution Authorizing the Midtown Redevelopment Authority (The "Authority") or Its Agent to Enter Into A Development And Purchase Agreement With Mayberry Homes, Inc. and Providing for the Conveyance And Development Of Certain Properties In Accordance With the Terms Of Such Agreement; and Authorizing the Authority Or Its Agent To Take All Necessary Actions Regarding Same. Ms. Foreman reported that it is anticipated that Mayberry Homes Inc. will construct 40 to 41 single family homes with a sale price of \$250,000.00 per home. Mayberry Homes, Inc. is anticipated to receive a \$2,000,000 forgivable loan from the City to pay for certain infrastructure costs associated with the Southern Palms Project. Director Fenz made a motion to approve the Resolution as presented. Following all discussion, the motion was seconded by Director Goren and carried unanimously vote.

RESOLUTION AUTHORIZING A GRANT AGREEMENT WITH AGAPE HOMES CDC FOR DEVELOPMENT OF SINGLE-FAMILY HOMES FOR SALE TO QUALIFIED HOMEBUYERS IN CONNECTION WITH THE CITY OF HOUSTON AFFORDABLE HOMES DEVELOPMENT PROGRAM (AHDP)

Ms. Foreman presented the Resolution Authorizing the Midtown Redevelopment Authority (The "Authority") Or Its Agent to Enter Into A Grant Agreement With Agape Homes CDC Providing For The Conveyance And Development Of Certain Properties In Accordance With The Terms Of Such Agreement; And Authorizing The Authority Or Its Agent To Take All Necessary Actions Regarding Same. She reported that Agape Home CDC is being granted 4 tracts of land on which 7 to 8 units (depending upon City approvals for permitting), are to be constructed. Director Fenz made a motion to approve the Resolution as presented. The motion was seconded by Director Murphy. Director Goren abstained. Following all discussion, the motion carried by majority vote: Yes "4"; No "1" and Abstain "1".

PROPOSAL FROM DAGGETT DEVELOPMENT LLC. DBA DAGGETT JONES.

Ms. Davis presented a proposal from Daggett Development LLC DBA Daggett Jones to construct 33 single-family homes on the vacant property located at 5635 Martin Luther King, Jr. Boulevard, Houston, TX 77021. Daggett Development LLC represented that it has obtained commitments for private funding for the project and has opted not to participate in the City's AHDP–Phase II to assist with infrastructure costs. Director Fenz made a motion to authorize negotiations of a Development and Purchase Agreement with Daggett Development LLC to

construct 33 single-family affordable homes on the property located at 5635 Martin Luther King, Jr. Boulevard, Houston, TX 77021. The motion was seconded by Director Goren and carried by unanimous vote.

AFFORDABLE HOUSING REPORT

Mr. Edwards reported that the Authority received a Letter of Intent from MRH Properties to purchase certain tracts of Authority property.

MIDTOWN CAPITAL IMPROVEMENTS PROGRAM

BALDWIN PARK - WALTER P MOORE / DESIGN WORKSHOP

Marlon Marshall, Director, Engineering and Construction, reported that the Baldwin Park Improvements project has been completed and is in the close out phase.

CHANGE ORDERS

Mr. Marshall reported that there are no change orders to present at this meeting.

CAROLINE STREET RECONSTRUCTION – ESPA CORP/KCI

Mr. Marshall reported that the final pavement markings are being installed. The team is addressing the deficiency items in the TDLR inspection report.

CHANGE ORDERS

Mr. Marshall reported that there are no change orders to present at this meeting.

MIDTOWN PARK – FRONT 90 IMPROVEMENTS - WALTER P MOORE / DESIGN WORKSHOP

Mr. Marshall reported that the Midtown Park Front 90 Plaza Improvements Project contractor was completing the installation of a water hydrant with hose bib, concrete staining at stair landing, and landscaping and would wrap up in approximately 30 days. Mr. Marshall announced that Midtown Park won the American Landscape Award.

CHANGE ORDERS

Mr. Marshall reported that there are no change orders to present at this meeting.

BRAZOS STREET RECONSTRUCTION – WALTER P MOORE

DESIGN SERVICES WORK ORDER

Mr. Marshall reported the Design Services work order as well as a drainage mobility report will be presented at the next Board meeting.

EXECUTIVE SESSION

The Board did not enter into a closed executive session.

ADJOURN

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

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Caton Fenz, Secretary

Date

Midtown Redevelopment Authority
Profit & Loss
 July through October 2022

	Jul - Oct 22
Ordinary Income/Expense	
Income	
400000 · Revenue & Support	
400007 · HISD PASS THROUGH	
400025 · Interest-Debt Service & Reserve	52,613.26
400026 · Interest-Other Bond Funds	6,087.97
400029 · Interest - Affordable Housing	19,955.98
400030 · Interest-Operating Funds	90,192.50
400032 · Other Revenue	91,006.18
400040 · 3131 EMANCIPATION	43,621.68
400041 · Affordable Housing Apts Units (Apartment rental income Affordable H...	34,002.35
400042 · 402 & 410 Tenant Inome	70,648.34
	408,128.26
Total 400000 · Revenue & Support	408,128.26
400441 · Bagby Park Kiosk Lease	14,000.00
	14,000.00
Total Income	422,128.26
Gross Profit	422,128.26
Expense	
500000 · BOND FUND EXPENSES	
500419 · Camden Int.	348,427.23
504000 · Projects & Expenses	
500007 · T-0234 Parks and Open Space	41,164.90
500021 · T-0203 Entry Portals	20,370.00
500046 · T-0221 Midtown Park	1,195.25
	62,730.15
Total 504000 · Projects & Expenses	62,730.15
Total 500000 · BOND FUND EXPENSES	411,157.38
510000 · INCREMENT PROJECTS/EXPENSE	
510008 · T-0220 Afford Housing Land Bnk	
510013 · T-0220 Affordable Housing Legal	107,031.25
510014 · T-0220 MRA AFF HOUS THIRD GIS	3,004.45
510017 · T-0220 Drainage Fees	7,650.13
512001 · T-0220 Aff Hous Expense	863,586.21
512003 · Operations Center (3117 Emancipation AVE & 3112 St Charles St.)	
5120034 · Operatings Center Insurance	1,031.42
5120039 · 3131 Electricity	14,053.32
5120040 · Utilites Water	7,026.66
512003 · Operations Center (3117 Emancipation AVE & 3112 St Charles St.)...	482,216.59
	504,327.99
Total 512003 · Operations Center (3117 Emancipation AVE & 3112 St Charle...	504,327.99
Total 510008 · T-0220 Afford Housing Land Bnk	1,485,600.03
510010 · T-0237 Baldwin Park Upgrades	105,281.89
510019 · T-0214 Caroline St	57,012.25
510024 · T-0204 Infrastruc/Street Lights	152.59
510041 · CIP Program Expenses	
510094 · Midtown CIP TM	3,937.50
510041 · CIP Program Expenses - Other	5,610.00
	9,547.50
Total 510041 · CIP Program Expenses	9,547.50

Midtown Redevelopment Authority

Profit & Loss

July through October 2022

	Jul - Oct 22
510043 · T-0234 Parks & Open Space & Mob	31,085.87
510045 · T-0224 HTC I - Bldg Maintenance	74,162.93
510046 · T-0221 Midtown Pk	9,935.32
510102 · HMAAC Interest Expense	9,568.28
510400 · KIOS at Bagby Park	30,174.67
510534 · T-0225 Mobility & Pedest Imprv	177,759.78
511001 · T-0232 Public & Cultural Fac	1,595,000.00
511002 · T-0233 Midtown Park Garage	5,349.79
Total 510000 · INCREMENT PROJECTS/EXPENSE	3,590,630.90
510034 · FTA Phase IV McGowen	11,700.00
550000 · General & Admin. Expense	
550002 · Contract Labor	
550003 · Rent Expense (Additional office space)	3,600.00
550004 · Salaries	
550014 · Health Insurance	51,791.96
550015 · AFLAC	
550017 · 401K	1,640.66
550018 · Life Insurance	109.93
550021 · 401K contributions	12,457.31
550004 · Salaries - Other	577,995.11
Total 550004 · Salaries	643,994.97
5500047 · Overtime	123.75
550007 · Courier Service	1,670.41
550008 · Office Supply & Expense	3,852.50
550009 · Misc Exp	17,306.63
550010 · Telephone & Utilities	
5500117 · GAS	164.79
550110 · Cellular Service	465.23
550113 · Drainage fee	82.56
550010 · Telephone & Utilities - Other	4,764.33
Total 550010 · Telephone & Utilities	5,476.91
550012 · Postage	327.65
550019 · Special Projects (Special Projects as determined by the City of Houst...	48.93
550022 · Bank Charges & Fees	8,627.00
550023 · Trust Expenses	8,275.00
550025 · Professional Services	144,789.00
550026 · Accounting Consultants	59,685.70
550028 · Legal Consultants	19,342.56
550031 · HTC Bldg Maintenance	2,308.70
550032 · Engineering Consultants	237,990.28
550034 · Equip Rent & Lease Expense	3,706.12
550036 · Licenses & Fees	695.00
550037 · Workman's Comp Insurance	1,507.02
550038 · Insurance - All	1,030.00
550039 · Computers & Repairs & Maint	21,786.54
550040 · Repair & Maintenance	8,750.00
550044 · Payroll Expense & PR Tax Exp	1,109.65
550045 · Payroll Fees	7,974.43
550046 · Reimb. Employee Office Exp.	64.06
550047 · Soc Sec - Medicare	41,410.82
550058 · Travel	1,571.33
550061 · Public Relations	60,000.00
Total 550000 · General & Admin. Expense	1,307,024.96

No assurance is provided on these financial statements

Midtown Redevelopment Authority
Profit & Loss
 July through October 2022

	Jul - Oct 22
600000 · Bond Related Expenses	
560040 · 2015 Bond Int Expense	26,186.46
600000 · Bond Related Expenses - Other	9,500.00
Total 600000 · Bond Related Expenses	35,686.46
66900 · Reconciliation Discrepancies (Discrepancies between bank statements ...	-0.01
Total Expense	5,356,199.69
Net Ordinary Income	-4,934,071.43
Other Income/Expense	
Other Expense	
999990 · Ask My Accountant	942.27
Total Other Expense	942.27
Net Other Income	-942.27
Net Income	-4,935,013.70

Midtown Redevelopment Authority

Balance Sheet

As of October 31, 2022

	<u>Oct 31, 22</u>
ASSETS	
Current Assets	
Checking/Savings	
101001 · Wells Fargo Ope Acctg 64040	1,620,737.86
101002 · Infrastructure Projects 1731	956.33
101010 · WF Surplus Acct 63943	2,124,056.43
101020 · WF FTA Enhanced Path 63919	60.33
101030 · Wells Fargo 1094 (income from tenants)	144,859.76
102200 · Logic Operating Account (Investment Account)	15,146,020.25
103200 · TexStar Operating Acct 1111	7,013.32
103600 · Wells Fargo Oper Inves 63901	733.83
103700 · WF Operating Saving 3215777180	45,005.69
104000 · Affordable Housing Accounts	
104021 · WF Afford Hous 3927	6,465,489.18
104022 · WF Pilot Program 3935	345.63
104116 · TexStar Aff. Hsng MM 1800	2,032.31
104200 · Logic Affordable Housing (Investment Account)	4,104,440.51
1043000 · PNC BBVA USA	1,109,099.33
1044000 · Wells Fargo NAI - 2259 (NAI Partners Account)	33,671.88
Total 104000 · Affordable Housing Accounts	<u>11,715,078.84</u>
105000 · Trustee Investments	
105001 · Pledge Revenue Fund 422885	
105100 · Pledge Revenue Fund -422885	-2,107,118.90
Total 105001 · Pledge Revenue Fund 422885	<u>-2,107,118.90</u>
105002 · Debt Service Fund	
105200 · BNY-Debt Service Fund 422896	5,737,232.13
Total 105002 · Debt Service Fund	<u>5,737,232.13</u>
105003 · Reserve Fund 422897	
105324 · TexStar Debt Res Fnd MM 1023 (Debt Reserve Fund)	7,182,621.35
105003 · Reserve Fund 422897 - Other	298,141.35
Total 105003 · Reserve Fund 422897	<u>7,480,762.70</u>
105009 · Austin Park Maint. Fund 422919	
105901 · Austin Park Money Market Acct.	3,595.79
Total 105009 · Austin Park Maint. Fund 422919	<u>3,595.79</u>
107000 · BOND FUNDS	
107009 · BNY-TICR AFF HSG 693802	48.59
107012 · BNY 2011 Escrow 443264	9.99
107018 · LOGIC 2017 PROJECT FUND (Trust Account 7487592004)	4,418.51
Total 107000 · BOND FUNDS	<u>4,477.09</u>
Total 105000 · Trustee Investments	<u>11,118,948.81</u>
Total Checking/Savings	<u>41,923,471.45</u>
Accounts Receivable	
130100 · Tax Increments Receivable	
103152 · Harris County Tax Increment	1,910,892.00
Total 130100 · Tax Increments Receivable	<u>1,910,892.00</u>

	Oct 31, 22
170000 · Accounts Receivable	
170008 · KIOS	-6,400.00
170010 · Midtown Management District	2,863.56
170011 · Midtown Parks Conservancy	19,171.92
170020 · HX Houston Exponential AR	46,471.84
170021 · HTC BUILTOUT	338,285.67
170050 · MRA AHF	-160,595.00
170000 · Accounts Receivable - Other	43,900.76
Total 170000 · Accounts Receivable	283,698.75
Total Accounts Receivable	2,194,590.75
Other Current Assets	
160050 · New Undeposited Funds	-19,172.00
Total Other Current Assets	-19,172.00
Total Current Assets	44,098,890.20
Fixed Assets	
150000 · Fixed Assets	
150010 · Office Furniture & Equipment	26,321.36
150011 · Accumulated Depreciation-Furn.	-26,321.36
150012 · 3300 Main st	5,000.00
150020 · Computer Equipment	32,057.11
150021 · Accumulated Depreciation-Comp.	-32,057.11
150040 · Land - JPI Park	736,911.00
150045 · Walgreens/Lui Park Land	141,000.00
150062 · Land - Houston Tech.Center I	798,053.89
150063 · Houston Tech Center I	2,676,862.62
150064 · Accm Deprec-Houston Tech Cntr I	-2,544,836.91
150065 · Land - HTC Phase II	697,219.00
150066 · Houston Tech Center II	2,816,117.96
150067 · Accum.Deprec. HTC Phase I	-2,264,628.64
150069 · Land - Bagby Park	1,318,870.15
150070 · BagbyPark	2,453,218.83
150071 · Accum.Deprec. BagbyPark	-1,535,641.01
150075 · Midtown Park 2905 Travis St	3,506,306.26
150078 · Midtown Park Land-Tracts I & II	4,416,883.45
1500783 · Accum Deprec-Works of Art	-167,995.33
1500784 · Acc Depr Office Housng & Garage	-820,804.00
150078A · Midtown (Superblock) Garage	13,784.20
150078B · Midtown (Superblockj) Park	5,299,848.40
150078C · Midtown Garage - Depreciable As	
1500781 · Acc Depre - Midtown Garage	-2,079,440.68
150078C · Midtown Garage - Depreciable As - Other	23,104,895.00
Total 150078C · Midtown Garage - Depreciable As	21,025,454.32
150078D · Midtown Park - Depreciable Asse	
1500782 · Acc Depre Midtown Park	-3,337,343.64
150078D · Midtown Park - Depreciable Asse - Other	13,588,351.00
Total 150078D · Midtown Park - Depreciable Asse	10,251,007.36
150078E · Land - Operations Center	1,999,033.00
150078F · Bagby Park	-104,979.00
150078H · Midtown Park - Depr Assc 2&3	5,506,202.00
150078I · Bagby Park - Depr Asset (2020)	1,049,784.00
150078J · Opration Center Dep Asset	29,095,076.00
150079B · Works of Art - Donated	1,137,027.00

	Oct 31, 22
150080 · Land (Resale) (Land purchase for resale)	
150081 · Earnest Money	-49,744.89
150082 · Option Fees	8,170.00
150803 · Affordable Housing Legal	104,930.05
150804 · Affordable Housing Misc	753,699.46
150805 · AFFORD HOUS GRANTS	126,750.28
150080 · Land (Resale) (Land purchase for resale) - Other	39,235,193.07
Total 150080 · Land (Resale) (Land purchase for resale)	40,178,997.97
150080A · Land Held for Resale	-3,099,946.87
150089 · Land HMAAC (Land)	1,206,150.00
150090 · HMAAC Property	918,850.00
150091 · Accum Depr HMAAC	-535,995.30
150100 · 2800 MAIN	317,069.93
150782A · Acc Depr Midtown Park - Phase I	-137,655.00
Total 150000 · Fixed Assets	126,352,245.28
Total Fixed Assets	126,352,245.28
Other Assets	
180000 · Travel Advance	307.96
Total Other Assets	307.96
TOTAL ASSETS	170,451,443.44
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
200000 · Accounts Payable	1,479,980.76
Total Accounts Payable	1,479,980.76
Other Current Liabilities	
200001 · Current Liabilities	
200005 · Accrued Expenses	261,005.00
201000 · Operating Account Liabilities	-3,432.48
201001 · MIDCORP Kios	-38,726.98
201002 · Due to MPC	15,850.00
202000 · Project Fund Liabilities	18,578.35
2021061 · Due from FWRA for AFLAC	-1,032.32
204000 · HMAAC NOTE - CURRENT	715,234.00
2103008 · CRI Current Camden	-1.04
200001 · Current Liabilities - Other	13,800.00
Total 200001 · Current Liabilities	981,274.53
200CRI · CRI	3,000,000.00
2030112 · BBVA Taxable Loan	9,164,590.93
2030113 · BBVA LOAN TAX EXEMPT	4,790,000.11
2103007 · Developer Advances Midtown Park	3,534,090.00
25000 · Retainage Payable (Retainange)	48,136.98
Total Other Current Liabilities	21,518,092.55
Total Current Liabilities	22,998,073.31

	Oct 31, 22
Long Term Liabilities	
210000 · Long Term Liabilities	
210047 · Bonds Payabe Series '13	21,875,000.00
210048 · Current Portion Bonds Payable	3,785,000.00
210049 · Bond Payable Series '15	5,180,000.00
210050 · Bond Payable Series 2017	35,255,000.00
210053 · Accrued Bond Int 2015 series	26,186.41
210055 · Accrued Bond Interest 13 Series	0.35
210056 · Accrued Bond Interest Series 11	0.02
210058 · Series 2013 BOND PREMIUM	842,345.07
210059 · Series 2015 Bond Prem	344,109.24
210060 · Accrued Bond Interst 2020	0.04
210061 · Series 2017 Bond Premium	3,169,302.45
210062 · Accrued Bond Interest Series 17	-2,501.08
210063 · Series 2020 Bond Premium	1,758,822.90
210064 · Bonds Payable Series 2020	8,565,000.00
2103000 · LOANS	
2103003 · HMAAC LOAN REFINANCED	-32,611.45
Total 2103000 · LOANS	-32,611.45
Total 210000 · Long Term Liabilities	80,765,653.95
Total Long Term Liabilities	80,765,653.95
Total Liabilities	103,763,727.26
Equity	
1110 · Retained Earnings (Retained Earnings)	71,622,729.88
Net Income	-4,935,013.70
Total Equity	66,687,716.18
TOTAL LIABILITIES & EQUITY	170,451,443.44

Midtown Redevelopment Authority
Wells Fargo Oper 64040 Disbursements

September 1 - 30, 2022

Date	Num	Name	Memo	Credit
101001 · Wells Fargo Ope Acctg 64040				
10/01/2022	10464	Midtown Scouts Square Pro...	CONTRACT PARKING 12 SPACES	900.00
10/01/2022	ACH	Liberty Bank and Trust	53752 Oct 2022	10,545.04
10/09/2022	DEBIT	T - Mobile	110855028 SEPTEMBER 2022	101.95
10/10/2022	ACH	ATT -2	Office Phones	610.89
10/12/2022	ACH	G&A Partners	PR 10-13--2022	94,228.36
10/12/2022	ACH	Reliant Energy	410 PIERCE STREET - 75237956-0	3,492.94
10/12/2022	ACH	Reliant Energy	402 PIERCE ST - 75237953-7	4,901.10
10/17/2022	ACH	ATT -2	Elevaor phones	138.92
10/17/2022	ACH	ATT -2	Elevaor phones	255.17
10/18/2022	ACH	Comcast Business	402 & 410 SERVICE AUT PAY	253.58
10/18/2022	ACH	City of Houston - Water	155065	24.67
10/25/2022	ACH	AFLAC	October 2022	2,815.86
10/27/2022	10467	A. O. Phillips & Associates, ...	VOID: Consulting Services for the Period ending S...	
10/27/2022	10468	AAA Plumbers		3,477.00
10/27/2022	10469	Bee-Line Delivery Service, Inc.	550008	218.64
10/27/2022	10470	Bracewell LLP	VOID:	
10/27/2022	10471	Carr Riggs & Ingram, LLC	FY22 Audit Final Billing	21,250.00
10/27/2022	10472	Design Workshop, Inc.		7,300.00
10/27/2022	10473	DJ MAV MUSIC	Board Meeting sound provided 09-29-2022	1,115.00
10/27/2022	10474	Equi-Tax, Inc.	MontlyConsultation Service fee per contract	500.00
10/27/2022	10475	Flextg Financial Services	CANNON/IR-C5750I	908.20
10/27/2022	10476	Goode Technology Group		780.45
10/27/2022	10477	HVJ Associates	Midtown Park Front 90 Plaza - Contract \$7,500	1,195.25
10/27/2022	10478	IDS Engineering Group	Professional Services from August 26, 2022 to Sep...	12,179.62
10/27/2022	10479	Jerdon Enterprises, L.P.	Professional Services from 9.1.22 to 9.30.22 Proje...	51,885.00
10/27/2022	10480	Juan Perez	Paint 11 Office Suites on 2nd FI - 402 Pierce St an...	3,800.00
10/27/2022	10481	KCI Technologies	Job No. 2321-001 (E71133207) Midtown CIP Car...	4,675.00
10/27/2022	10482	Landscape Art, Inc.		12,221.26
10/27/2022	10483	Lion Heart		18,138.30
10/27/2022	10484	OJB	Midtown Carolne/Wheeler Rendered Through Sept...	13,840.00
10/27/2022	10485	Roberta F. Burroughs & Ass...	VOID: Project: Midtown Affordable Housing Plan - ...	
10/27/2022	10486	Staples Advantage	office supplies	1,121.92
10/27/2022	10487	The Goodman Corporation		30,652.20
10/27/2022	10488	THR Enterprises, Inc.	Cleaning Serices	1,750.00
10/27/2022	10489	TKE Elevators		613.18
10/27/2022	10490	TransTeQ	VOID: September Landscaping	
10/27/2022	10491	Walter P. Moore		24,609.21
10/27/2022	10492	Wulfe & Co.	Consulting for Bagby Park and Midown Park	3,400.00
10/27/2022	10493	A. O. Phillips & Associates, ...	Consulting Services for the Period ending Septemb...	1,995.00
10/27/2022	10494	Bracewell LLP	VOID:	
10/27/2022	10495	Bracewell LLP		12,600.00
10/27/2022	10496	Museum of Fine Arts Houston	Grand Funding Payment - MFAH Campus Develop...	1,595,000.00
10/27/2022	10497	Comcast Business		3,013.90
10/27/2022	ACH	G&A Partners	PR 10-27--2022	73,968.96
10/28/2022	ACH	Comcast Business	402 & 410 Service	549.36
Total 101001 · Wells Fargo Ope Acctg 64040				2,021,025.93
TOTAL				2,021,025.93

Midtown Redevelopment Authority
Wells Fargo Aff Housing Disbursements

October 1 - 31, 2022

Type	Date	Num	Name	Memo	Credit
104000 · Affordable Housing Accounts					
104021 · WF Afford Hous 3927					
Check	10/14/2022	ACH	City of Houston - Water	5306 Martin L King Jr Blvd	24.97
Bill Pmt -Check	10/17/2022	ACH	City of Houston - Water	155065	20.43
Bill Pmt -Check	10/17/2022	ACH	City of Houston - Water	155065	20.82
Bill Pmt -Check	10/17/2022	ACH	City of Houston - Water	155065	21.52
Bill Pmt -Check	10/17/2022	ACH	City of Houston - Water	155065	21.58
Bill Pmt -Check	10/17/2022	ACH	City of Houston - Water	155065	24.67
Bill Pmt -Check	10/17/2022	ACH	City of Houston - Water	155065	155.48
Bill Pmt -Check	10/26/2022	4014	SKA Consulting, L.P.	Project 01-007001-0037 5602 & 5635 MLK Vaca...	2,150.00
Bill Pmt -Check	10/27/2022	4007	American Fence Compan...	5302 MLK Blvd - 56ft Temp Fence Installation	536.40
Bill Pmt -Check	10/27/2022	4008	Arch-Con Corporation	Project: 1905004	44,620.84
Bill Pmt -Check	10/27/2022	4009	Five Pillar Pro	VOID: Video and Photo	
Bill Pmt -Check	10/27/2022	4010	Four Eleven LLC	Landscape Services September 2022	30,505.89
Bill Pmt -Check	10/27/2022	4011	Lion Heart	VOID:	
Bill Pmt -Check	10/27/2022	4012	Smith & Company Archite...	Architects	4,100.00
Bill Pmt -Check	10/27/2022	4013	Vergel Gay & Associates	Project Mgt Sevices Emanicipation Bld Tenant i...	3,562.00
Bill Pmt -Check	10/27/2022	4015	Five Pillar Pro	Video and Photo	1,800.00
Bill Pmt -Check	10/27/2022	4016	Roberta F. Burroughs & ...	Project: Midtown Affordable Housing Plan - Impl ...	7,000.00
Bill Pmt -Check	10/27/2022	4017	TransTeQ	September Landscaping	45,801.30
Bill Pmt -Check	10/28/2022	ACH	City of Houston - Water	155065	1,440.78
Total 104021 · WF Afford Hous 3927					141,806.68
Total 104000 · Affordable Housing Accounts					141,806.68
TOTAL					141,806.68

From: [Josh Diskin](#)
To: [Marlon Marshall](#)
Subject: 2850 Fannin (Drewery Place) tax abatement
Date: Monday, November 21, 2022 10:18:59 AM

Marlon,

Are you expecting there to be funds to pay anything out in respect of the most recent tax year having regard to collections from HCC and the other local tax collecting authorities? If so, how much and when? Is there a document or letter which we should be receiving or need to provide?

And in the absence of there being sufficient funds, could you please advise the amount that ownership is eligible to receive under the tax abatement agreement?

Thanks in advance.

Regards,
Josh



midtown
H O U S T O N

DRAFT

**INVESTMENT
REPORT**



December 5, 2022

Board of Directors
Matt Thibodeaux, Executive Director
Midtown Redevelopment Authority
410 Pierce Street, Suite 355
Houston, Texas 77002

Re: Investment Report – Quarter Ending September 30, 2022

Dear Board of Directors:

I have prepared the Quarterly Investment Report in my capacity as the CPA for the Authority. This report is presented in accordance with generally accepted accounting principals and Article III, Section 3.03 and Article IV, Section 4.06 of the Investment Policy of the Authority and will be reviewed as part of the annual audit.

The average yield from TexStar Money Market Accounts for this quarter is 1.880667%

The average yield from Logic Money Market Accounts for this quarter is 2.0971%

The average yield from Wells Fargo interest earning accounts is 0.4000%

The average yield from BBVA interest account is 000

The total amount of interest earned for this quarter is \$92,461.32

The total average yield on nineteen interest bearing accounts is 1.10637%

The report reflects the compliance of your investment portfolio with the Investment Policies of the Authority, and is in accordance with the Investment provisions of the Public Funds Investment Act.

This report is presented to the Board of Directors for review and approval.

Respectfully,

Melissa Morton
Certified Public Accountant

cc: Carr, Riggs & Ingram (CRI)

**MIDTOWN REDEVELOPMENT AUTHORITY
INVESTMENT REPORT
QUARTER ENDED SEPTEMBER 2022**

27



ACCOUNT NAME / FUND	QTR BEGINNING BOOK VALUE	TRANSACTIONS		INTEREST (JUL - SEPT)	INTEREST YTD	ENDING BOOK VALUE	QTRLY AVG INTEREST YIELD RATE
		DEPOSITS	WITHDRAWALS	QUARTER TOTAL			
OPERATING FUNDS	25,707,218.47	14,978,233.06	19,643,041.54	45,198.19	45,198.19	21,042,409.99	
WF 64040	20,482,638.30	790,917.82	19,642,970.80	15,847.75	15,847.75	1,630,585.32	0.4000%
WF Insrastructure Projects 1731	954.96	0.97	-	0.97	0.97	955.93	0.4100%
WF Surplus 63943	1,576.80	2,121,577.83	-	513.03	513.03	2,123,154.63	0.4000%
WF FTA 63919	60.24	0.06	-	0.06	0.06	60.30	0.4000%
WF Business 1094	96,572.26	36,900.00	-	-	-	133,472.26	
LOGIC Operating	5,072,707.75	12,028,757.33		28,757.33	28,757.33	17,101,465.08	2.0971%
TexSTAR Operating	6,963.40	32.98		32.98	32.98	6,996.38	1.8807%
WF Investment 63901	732.78	0.73		0.73	0.73	733.51	0.3967%
WF Opr Sav 77180	45,011.98	45.34	70.74	45.34	45.34	44,986.58	0.4000%
AFFORDABLE HOUSING	1,508,628.40	13,302,527.49	5,888,701.58	5,982.02	5,982.02	8,922,454.31	
WF Affordable Housing 3927	172,587.45	8,859,269.40	5,410,447.06	5,156.45	5,156.45	3,621,409.79	0.4000%
WF Affordable Housing 3935	345.13	0.35		0.35	0.35	345.48	0.4033%
TexSTAR Affordable Housing	2,017.86	9.53		9.53	9.53	2,027.39	1.8807%
LOGIC Affordable Housing	92,788.77	4,000,815.69		815.69	815.69	4,093,604.46	2.0971%
PNC Affordable Housing	1,197,993.33	150,000.00	238,894.00	-	-	1,109,099.33	

Well Fargo NAI	42,847.27	292,432.52	239,360.52	-	-	95,919.27	
Affordable Housing Fund 2013 (x802)	48.59			-	-	48.59	2.0971%
PLEDGE REVENUE	11,800.07	23,334,912.76	23,323,709.74	-	-	23,003.09	
677 Fund U.S. Treasury Money Market	11,800.07	23,334,912.76	23,323,709.74	-	-	23,003.09	0.0467%
DEBT SERVICE FUND	7,532,035.56	6,799.70	1,801,603.13	-	-	5,737,232.13	
Debit Service 2896	7,532,035.56	6,799.70	1,801,603.13	-	-	5,737,232.13	1.2370%
RESERVE FUND	7,434,948.14	35,184.82	6,798.70	35,184.82	35,184.82	7,463,334.26	
TexSTAR Debit Service Money Market	7,434,948.14	35,184.82	6,798.70	35,184.82	35,184.82	7,463,334.26	0.4000%
2011 ESCROW 1998 2001	9.99	0.00	0.00	0.00	0.00	9.99	
2011 Escrow 1998 2001 (x264)	9.99			-	-	9.99	1.8807%
AUSTIN MAINTENANCE FUND	3,582.05	8.32	0.00	8.32	8.32	3,590.37	
677 Fund U.S. Treasury Money Market	3,582.05	8.32		8.32	8.32	3,590.37	2.0971%
PROJECT FUND	1,188,599.08	6,087.97	1,190,268.54	6,087.97	6,087.97	4,418.51	
LOGIC 2017 Project	1,188,599.08	6,087.97	1,190,268.54	6,087.97	6,087.97	4,418.51	2.0971%
REPORT GRAND TOTAL	43,386,821.76	51,663,754.12	51,854,123.23	92,461.32	92,461.32	43,196,452.65	

(65,329,217.78)

(46,582,608.86)

ATTACHMENT B

Form of Work Order

WORK ORDER NO. 1A

This Work Order No. 1A (this "Work Order") is issued subject to and is governed by that certain Professional Services Agreement between Midtown and Consultant dated as of 21 October, 2022 (the "PSA").

Work Order Date: 11/30/2022

Consultant: OJB Landscape Architecture

Type of Compensation: Cost Plus, **Time & Materials**, Firm Fixed Price, Lump Sum (Circle and set forth price if Firm Fixed Price or Lump Sum)

Compensation: \$92,900

Location of Services: Midtown Houston

Description of Services: See Level of Effort Attachment

Schedule Requirements: Commencement of Services: 1 January 2023

Completion of Services: 31 December 2023

Midtown:

MIDTOWN REDEVELOPMENT
AUTHORITY


By: _____

Printed Name and Title

Date: _____

Consultant:

OJB Landscape Architecture


By: _____

Chip Trageser, FASLA - Partner

Printed Name and Title

Date: 2 December 2022

[End of Attachment B]

ATTACHMENT B

Form of Work Order

WORK ORDER NO. 01A

This Work Order No. 01A (this "Work Order") is issued subject to and is governed by that certain Professional Services Agreement between Midtown and Consultant dated as of Nov 1st, 2022 (the "PSA").

Work Order Date: Nov 1st, 2022

Consultant: Design Workshop, Inc.

Type of Compensation: Cost Plus, Time & Materials, Firm Fixed Price, Lump Sum (Circle and set forth price if Firm Fixed Price or Lump Sum)

Compensation: \$74,360

Location of Services: Houston, Texas - Midtown District

Description of Services: preparation and assistance with global CIP requests, updating maps, coordination with Midtown consultants, quarterly reporting/assessment on Midtown assets

Schedule Requirements: Commencement of Services: November, 2022

Completion of Services: November, 2023

Midtown:

MIDTOWN REDEVELOPMENT
AUTHORITY


By: _____

Printed Name and Title

Date: _____

Consultant:

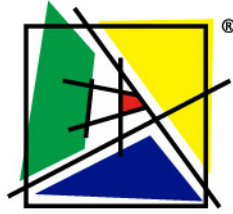
Design Workshop, Inc.

By:  _____
Alex Ramirez, PLA - Principal

Printed Name and Title

Date: December 5, 2022

[End of Attachment B]



midtown
HOUSTON

DRAFT

**MIDTOWN AFFORDABLE HOUSING
PROGRAM**

partners

**2022 REFORECASTED
Budget**

EMANATION

partners

**2022 Budget Package
One Emancipation Center
3131 Emancipation, Houston, TX 77005**

Table of Contents

1. Executive Summary
2. Budget Proforma Report

DRAFT



One Emancipation Center 2022 Business Plan Executive Summary

Partners is pleased to present the 2022 Marketing and Operating Reforecast Budget to Center for Civic & Public Policy Improvement (CCPPI) for One Emancipation Center. This Budget Narrative will outline the income and expenses associated with managing and leasing the project. This year is the first full year of operation with tenants occupying the building. There are no full year expenses to compare prior years. As maintenance contracts are put in place expenses will increase in the next year.

2022 BUSINESS PLAN NARRATIVE

	Total	\$/PSF
NET OPERATING INCOME (NOI)	\$(282,398)	\$(5.51)
TOTAL INCOME	\$268,023	\$5.23
TOTAL RECOVERABLE OPERATING EXPENSES	\$550,420	\$10.74

LEASING ASSUMPTIONS

As of December 31, 2021; the project is 17.3% occupied based on square footage on file of 51,231.

We have pushed out the leasing assumptions to 2023.

TOTAL RECOVERABLE OPERATING EXPENSES

The 2022 budgeted operating expenses are \$550,420, or \$10.74 PSF. Some increases are expected in 2023 due to implementing preventative maintenance for the building to maintain value and systems.

CAPITAL IMPROVEMENTS:

None

TENANT IMPROVEMENTS:

None

LEASING COMMISSION:

None

TENANT RELATIONS PROGRAM:

None

Actual amounts from 01/22 to 09/22 and Budget amounts from 10/22 to 12/22

	01/22	02/22	03/22	04/22	05/22	06/22	07/22	08/22	09/22	10/22	11/22	12/22	Total
Income													
4700 Base Rent	13,089	13,089	13,089	13,089	13,089	13,089	13,089	13,089	13,089	13,089	13,089	13,481	157,456
- Change Happens! (RNT) 3130-400	0	0	0	0	0	0	0	0	0	0	0	0	0
- Primary Care Cohort 2 Propco, LLC (RNT) 3130	0	0	0	0	0	0	0	0	0	13,089	13,089	13,481	39,658
Base Rent	13,089	13,089	13,089	13,089	13,089	13,089	13,089	13,089	13,089	13,089	13,089	13,481	157,456
Percentage Rent	0	0	0	0	0	0	0	0	0	0	0	0	0
Expense Recovery													
4705 Current Year Exp Recovery	0	0	37,067	7,722	7,722	7,722	7,722	7,722	7,722	7,722	7,722	7,722	106,567
- Primary Care Cohort 2 Propco, LLC (ESC) 3130	0	0	0	0	0	0	0	0	0	7,722	7,722	7,722	23,167
Total Expense Recovery	0	0	37,067	7,722	7,722	7,722	7,722	7,722	7,722	7,722	7,722	7,722	106,567
Total Rental Income	13,089	13,089	50,155	20,811	20,811	20,811	20,811	20,811	20,811	20,811	20,811	21,204	264,023
Other Income													
4542 Parking Income	0	0	0	2,000	0	0	2,000	0	0	0	0	0	4,000
Total Other Income	0	0	0	2,000	0	0	2,000	0	0	0	0	0	4,000
Total Income	13,089	13,089	50,155	22,811	20,811	20,811	22,811	20,811	20,811	20,811	20,811	21,204	268,023
Operating Expenses													
Payroll & Benefits													
5000 Management-Salaries	2,375	2,375	2,375	2,375	2,375	2,375	2,375	2,375	2,375	2,375	2,375	2,375	28,500
5011 Bldg. Engineer-Salaries	4,443	4,313	4,859	4,599	4,625	5,873	4,469	4,859	4,651	4,651	4,651	4,651	56,644
5025 Payroll Taxes & Benefits	1,505	1,553	1,357	1,260	1,263	1,387	1,247	1,286	1,265	1,265	1,265	1,265	15,918
Total Payroll & Benefits	8,323	8,241	8,591	8,234	8,263	9,635	8,091	8,520	8,291	8,291	8,291	8,291	101,062

Actual amounts from 01/22 to 09/22 and Budget amounts from 10/22 to 12/22

	01/22	02/22	03/22	04/22	05/22	06/22	07/22	08/22	09/22	10/22	11/22	12/22	Total
General Maintenance Expenses													
Repairs & Maintenance													
5115 Building -Exterior	0	0	0	0	0	0	0	0	0	500	500	500	1,500
5135 Elevators Repairs	0	0	0	0	0	0	0	0	1,473	0	1,600	0	3,073
3130 - repairs	0	0	0	0	0	0	0	0	0	0	1,600	0	1,600
5150 HVAC Supplies & R/M	0	0	0	0	0	0	0	0	0	700	700	1,100	2,500
3130 - Filters - Monthly RTU	0	0	0	0	0	0	0	0	0	700	700	700	2,100
3130 - Filters - Quarterly VAV	0	0	0	0	0	0	0	0	0	0	0	400	400
5157 Janitorial Supplies	0	285	1,214	189	175	175	175	175	175	377	415	477	3,833
3130 - Flat rate	0	0	0	0	0	0	0	0	0	377	415	477	1,269
5160 Locks, Keys & Graphics	0	103	0	0	0	0	584	196	0	0	0	0	883
5165 Maintenance Supplies	339	0	0	0	0	0	0	0	0	50	50	50	489
3130 - Supplies	0	0	0	0	0	0	0	0	0	50	50	50	150
5170 Parking Lot Maintenance	0	0	0	0	0	0	0	0	0	0	0	3,100	3,100
5175 Plumbing Supplies/Repairs	0	0	0	0	0	0	0	1,185	-1,185	0	0	0	0
5185 Fire & Safety Suppl/Repai	0	0	1,714	2,171	1,180	0	1,662	0	0	0	647	0	7,373
5188 Irrigation/Landscape Rprs	0	0	0	383	375	0	0	0	0	0	400	0	1,158
3130 - Allowance for 1 repair/quarter	0	0	0	0	0	0	0	0	0	0	400	0	400
5190 Window / Glass Repair	0	0	0	0	0	0	0	0	0	0	0	2,000	2,000
3130 - Allowance for 1 window/quarter	0	0	0	0	0	0	0	0	0	0	0	2,000	2,000
5191 Window Washing	0	1,083	0	0	0	0	0	0	0	0	8,000	0	9,083
5195 Misc. Repairs/Maintenance	54	0	962	0	0	-54	31,389	-28,829	0	50	50	50	3,672
3130 - Repairs & Maint	0	0	0	0	0	0	0	0	0	50	50	50	150
Total Repairs & Maintenance	393	1,471	3,890	2,743	1,730	121	33,810	-27,272	462	1,677	12,362	7,277	38,665
Garage Expenses													
Total Garage Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
Contract Services													
5500 Access Monitoring Contract	0	0	0	0	0	0	0	0	0	1,300	1,300	1,300	3,900
5515 HVAC Contract	0	0	0	0	0	0	0	0	0	2,600	2,225	755	5,580
3130 - PM Service Contract	0	0	0	0	0	0	0	0	0	2,600	2,225	755	5,580
5520 Elevator Contract	0	0	0	0	0	0	1,737	1,737	7,283	2,336	2,336	2,336	17,765
3130 - Kone	0	0	0	0	0	0	0	0	0	2,336	2,336	2,336	7,008

B&F Budget: 457
 Entity: Midtown Redevelopment Authority
 Accrual

Actual amounts from 01/22 to 09/22 and Budget amounts from 10/22 to 12/22

	01/22	02/22	03/22	04/22	05/22	06/22	07/22	08/22	09/22	10/22	11/22	12/22	Total
5521 Fire Alarm Monitoring	75	75	75	75	75	75	74	900	1,201	1,201	1,201	1,201	6,228
3130 - CLS/ADT Annual charge	0	0	0	0	0	0	0	0	0	1,201	1,201	1,201	3,603
5526 Janitorial Contract	0	3,745	1,840	1,840	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	21,026
3130 - Flat Rate	0	0	0	0	0	0	0	0	0	1,700	1,700	1,700	5,100
5535 Landscape Maintenance	644	644	644	644	600	600	600	600	600	650	650	650	7,524
5536 Landscape -Seasonal	0	0	0	0	0	0	0	0	0	1,500	1,500	0	1,500
5542 Parking Lot Sweeping Cont	0	0	0	1,137	350	350	350	350	350	350	350	350	3,937
5545 Security/Patrol/Courtesy	13,675	12,923	13,151	16,406	9,105	19,267	12,365	15,176	15,356	13,140	13,140	13,140	166,845
3130 - After hours service to achieve 4/7/365	0	0	0	0	0	0	0	0	0	10,107	10,107	10,107	30,320
3130 - Guard Service 8 hours 5 days/week	0	0	0	0	0	0	0	0	0	3,033	3,033	3,033	9,100
5550 Pest Control Contract	0	0	0	0	0	85	380	0	170	85	85	85	890
5554 Porter Contract Service	705	0	705	0	0	0	0	0	0	0	0	0	1,409
5560 Trash Removal Contract	0	0	0	557	0	0	0	668	668	200	200	200	2,492
3130 - Nightly hauling	0	0	0	0	0	0	0	0	0	200	200	200	600
5580 Fire Alarm Contract	0	0	0	0	1,100	-1,100	0	0	0	3,556	0	0	3,556
3130 - Annual Fire Alarm/Extenguisher	0	0	0	0	0	0	0	0	0	647	0	0	647
3130 - Fire Pump backflow	0	0	0	0	0	0	0	0	0	2,909	0	0	2,909
Total Contract Services	15,098	17,387	16,414	20,659	12,930	20,977	17,207	21,131	27,328	27,118	24,687	21,717	242,652
Total General Maintenance Expense	15,491	18,857	20,305	23,402	14,660	21,098	51,017	-6,141	27,791	28,795	37,049	28,994	281,317
Advertising/Marketing/Promos													
5640 Signage	0	0	0	0	0	0	0	298	0	0	0	0	298
Total Adv/Mkt/Promos	0	0	0	0	0	0	0	298	0	0	0	0	298
General & Administrative													
Office Expense													
5700 Answering Service	119	0	15	0	0	0	0	37	0	0	0	0	171
5705 Copy Machine Contract	0	0	20	0	0	0	0	0	0	30	30	30	110
5730 Office Supplies	0	0	0	0	0	0	0	0	0	30	30	30	90
Total Office Expenses	119	0	35	0	0	0	0	37	0	60	60	60	371
Other General & Administrative													
5800 Association Fees/Memb Due	0	0	0	0	0	18	0	0	0	0	0	0	18

B&F Budget: 457
 Entity: Midtown Redevelopment Authority
 Accrual

Actual amounts from 01/22 to 09/22 and Budget amounts from 10/22 to 12/22

	01/22	02/22	03/22	04/22	05/22	06/22	07/22	08/22	09/22	10/22	11/22	12/22	Total
5810 Bank Fees	0	0	0	0	0	0	0	0	0	50	50	50	150
5815 Computer Expense	0	0	0	3,049	0	0	0	0	0	0	0	0	3,049
5816 Internet Access/Data Proc	2,778	1,057	891	908	-165	445	2,648	1,000	1,268	1,041	2,841	1,041	15,754
3130 - Comcast	0	0	0	0	0	0	0	0	0	550	550	550	1,650
3130 - Data Fee	0	0	0	0	0	0	0	0	0	0	1,800	0	1,800
3130 - IMPAK Work Order System	0	0	0	0	0	0	0	0	0	100	100	100	300
3130 - MRI Accounting Software	0	0	0	0	0	0	0	0	0	391	391	391	1,173
5835 Licenses/Fees/Permits	0	0	0	104	0	0	0	266	0	0	0	0	370
5845 Training & Education	0	0	0	0	0	0	100	0	0	0	0	0	100
5850 Travel Expense	0	73	0	89	48	64	129	97	0	50	50	50	650
Total Other General/Admin	2,778	1,130	891	4,151	-117	527	2,876	1,363	1,268	1,141	2,941	1,141	20,091
Total General & Administrative	2,898	1,130	926	4,151	-117	527	2,876	1,698	1,268	1,201	3,001	1,201	20,760
Utilities													
5900 Electric	1,100	5,411	4,903	5,049	4,394	5,101	7,378	5,000	3,846	5,000	5,000	5,000	57,182
5925 Water / Sewer	-1,080	730	700	1,200	-850	559	898	596	668	700	700	700	5,521
5926 Water Irrigation	405	400	400	500	-737	271	415	436	489	500	500	500	4,078
Total Utilities	425	6,541	6,003	6,749	2,807	5,931	8,691	6,031	5,003	6,200	6,200	6,200	66,781
Management Fees													
6000 Management Fees	3,500	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	80,500
- BF Management Fees	0	0	0	0	0	0	0	0	0	3,500	3,500	3,500	10,500
Total Management Fees	3,500	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	80,500
Taxes													
Total Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Insurance													
Total Property Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0

B&F Budget: 457
 Entity: Midtown Redevelopment Authority
 Accrual

Actual amounts from 01/22 to 09/22 and Budget amounts from 10/22 to 12/22

	01/22	02/22	03/22	04/22	05/22	06/22	07/22	08/22	09/22	10/22	11/22	12/22	Total
Total Operating Expenses	30,636	41,770	42,825	49,536	32,613	44,191	77,675	17,108	49,353	51,487	61,541	51,686	550,420
Net Operating Income	-17,547	-28,681	7,331	-26,725	-11,802	-23,380	-54,865	3,703	-28,542	-30,676	-40,730	-30,483	-282,398
Non-Operating Expenses													
Non-Recoverable Expenses													
8015 NonRec-General & Admin	0	0	0	0	0	0	0	0	246	0	0	0	246
8077 NonRec-Reimb Tenant Exp	0	0	0	1,818	0	0	0	-979	2,065	0	0	0	2,904
8090 NonRec-Miscellaneous	0	0	0	0	1,000	0	0	0	0	0	0	0	1,000
Total Non-Recoverable Expenses	0	0	0	1,818	1,000	0	0	-979	2,311	0	0	0	4,150
Leasing Expenses													
8105 Architectural/Space Plan	0	0	0	0	0	0	0	0	0	830	379	396	1,605
3130 - Suite 360 Prospect 360 Space Plan	0	0	0	0	0	0	0	0	0	244	0	0	244
3130 - Suite 380 Prospect 380 Space Plan	0	0	0	0	0	0	0	0	0	0	0	244	244
3130 - Suite 400 Prospect 400 Space Plan	0	0	0	0	0	0	0	0	0	0	379	0	379
3130 - Suite 475 Prospect 475 Space Plan	0	0	0	0	0	0	0	0	0	379	0	0	379
3130 - Suite 550 Prospect 550 Space Plan	0	0	0	0	0	0	0	0	0	208	0	0	208
3130 - Suite 575 Prospect 575 Space Plan	0	0	0	0	0	0	0	0	0	0	0	152	152
Total Leasing Expense	0	0	0	0	0	0	0	0	0	830	379	396	1,605
Interest Expense													
Total Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Partnership Expenses													
Total Partnership Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
Amortization and Depreciation													
Total Amortization and Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0

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Budgeting and Forecasting Detail Proforma
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B&F Budget: 457
 Entity: Midtown Redevelopment Authority
 Accrual

Actual amounts from 01/22 to 09/22 and Budget amounts from 10/22 to 12/22

	01/22	02/22	03/22	04/22	05/22	06/22	07/22	08/22	09/22	10/22	11/22	12/22	Total
Total Non-Operating Expenses	0	0	0	1,818	1,000	0	0	-979	2,311	830	379	396	5,755
Net Income	-17,547	-28,681	7,331	-28,543	-12,802	-23,380	-54,865	4,681	-30,853	-31,506	-41,109	-30,878	-288,152
Capitalized Expenditures													
1520 Building Improvements	-4,672	5,118	0	0	0	0	0	3,000	0	0	0	0	3,445
1526 Tenant Improvements	0	0	0	801	0	0	0	0	0	0	0	0	801
Total Capitalized Expenditures	-4,672	5,118	0	801	0	0	0	3,000	0	0	0	0	4,246

partners

2023 Budget

ONE EMANCIPATION CENTER

MIDTOWN REDEVELOPMENT AUTHORITY



**2023 Budget Package
Emancipation One
Table of Contents**

1. Executive Summary
2. Budget Recap Report

DRAFT

One Emancipation Center 2023 Business Plan Executive Summary

Partners is pleased to present the 2023 Operating Budget to Midtown Redevelopment Authority for 3131 Emancipation. This Budget Narrative will outline the income and expenses associated with managing and leasing the project.

2023 BUSINESS PLAN NARRATIVE

NET OPERATING INCOME (NOI)

2023 Budgeted NOI	\$276,613
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This is the first full year of projected expenses.

TOTAL INCOME

2023 Budgeted Total Income	\$933,920
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2023 budgeted income is \$933,920, or \$16.28 per square foot.

Leasing Assumptions

As of December 31, 2023; One Emancipation Center is projected to be 89% occupied. Below are the leasing projections for 2023:

New Leases Projected:

2nd Floor (Non-Profit) – 9,815 sf
2/1/2023

3rd Floor – 12,638 sf
7/1/2023

4th Floor (Change Happens – 12,628 sf
10/1/2023

5th Floor – 7,036 sf
7/1/2023

TOTAL RECOVERABLE OPERATING EXPENSES

2023 Budgeted Operating Expenses	\$657,307
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The 2023 budgeted operating expenses are \$657,307, or \$11.46 per square foot, based on an average occupancy of 89%.

TENANT RELATIONS PROGRAM

For 2023, the following tenant relations activities are planned:

1. March – Spring Social
2. December – Holiday Social

Capital and Tenant Improvements:**Capital Improvements:**

1. May – Management Office - \$10,000 or \$.17 psf

Tenant Improvements

1. 2nd Floor – Non-Profit - \$785,200
2. 3rd Floor – New Tenant - \$976,000
3. 4th Floor -Change Happens - \$1,042,240
4. 5th floor - New Tenant - \$562,880

Construction management Fee

1. Construction Management Fee 5%

Leasing Commissions

1. Prospective Tenants – 5.5%

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Annual Budget Report
 COMMDIS For Budget
 NAI Partners
 2023 - 3130

Page: 1
 Date: 11/28/2022
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B&F Budget: 457
 Basis: Accrual

57,381

2023 STD
 Budget

Income

4700	Base Rent	558,850
4010	Rent Concessions	<u>(132,594)</u>

Base Rent 426,256

Expense Recovery

4705	Current Year Exp Recovery	495,664
4710	Prior Year Exp Recovery	0
4715	CAM Recovery	<u>0</u>

Total Expense Recovery 495,664

Total Rental Income 921,920

Other Income

4542	Parking Income	<u>12,000</u>
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Total Other Income 12,000

Total Income 933,920

Operating Expenses**Payroll & Benefits**

5000	Management-Salaries	65,940
5011	Bldg. Engineer-Salaries	51,062
5025	Payroll Taxes & Benefits	12,984
5070	Uniform Rental/ Purchase	<u>385</u>

Total Payroll & Benefits 130,371

General Maintenance Expenses**Repairs & Maintenance**

5115	Building -Exterior	0
5135	Elevators Repairs	3,120
5150	HVAC Supplies & R/M	6,000
5157	Janitorial Supplies	10,450
5160	Locks, Keys & Graphics	800
5165	Maintenance Supplies	3,000
5166	Small Tools & Equipment	0
5175	Plumbing Supplies/Repairs	2,200
5185	Fire & Safety Suppl/Repai	1,000
5188	Irrigation/Landscape Rprs	1,200
5190	Window / Glass Repair	4,000
5191	Window Washing	8,000
5195	Misc. Repairs/Maintenance	<u>5,900</u>

Total Repairs & Maintenance 45,670

Garage Expenses

5491	Garage-Management Fee	<u>8,292</u>
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Total Garage Expenses 8,292

Contract Services

5500	Access Monitoring Contrac	17,500
5515	HVAC Contract	15,064
5520	Elevator Contract	21,250
5521	Fire Alarm Monitoring	5,567
5526	Janitorial Contract	51,588
5535	Landscape Maintenance	7,723
5536	Landscape -Seasonal	6,300
5542	Parking Lot Sweeping Cont	3,000
5545	Security/Patrol/Courtesy	165,000
5550	Pest Control Contract	1,600
5554	Porter Contract Service	0
5560	Trash Removal Contract	2,200
5580	Fire Alarm Contract	4,256

Total Contract Services 301,048

Total General Maintenance Expense 355,009

General & Administrative**Office Expense**

5700	Answering Service	0
5705	Copy Machine Contract	0
5730	Office Supplies	1,200

Total Office Expenses 1,200

Other General & Administrative

5800	Association Fees/Memb Due	0
5810	Bank Fees	0
5815	Computer Expense	3,200
5816	Internet Access/Data Proc	17,592
5822	Tenant Relations	3,200
5845	Training & Education	1,200

5850	Travel Expense	300
5860	Uniform	<u>0</u>
Total Other General/Admin		25,492
Total General & Administrative		26,692
Utilities		
5900	Electric	84,000
5925	Water / Sewer	12,500
5926	Water Irrigation	<u>6,000</u>
Total Utilities		102,500
Management Fees		
6000	Management Fees	<u>42,735</u>
Total Management Fees		42,735
Taxes		
		<u>0</u>
Total Taxes		0
Property Insurance		
6200	Property Insurance	<u>0</u>
Total Property Insurance		0
		<u> </u>
Total Operating Expenses		657,307
		<u> </u>
Net Operating Income		276,613

Non-Operating Expenses**Non-Recoverable Expenses**

8015	NonRec-General & Admin	0
8077	NonRec-Reimb Tenant Exp	0
8090	NonRec-Miscellaneous	0
		<hr/>

Total Non-Recoverable Expenses 0

Leasing Expenses

8105	Architectural/Space Plan	74,236
		<hr/>

Total Leasing Expense 74,236

Total Non-Operating Expenses

74,236

Net Income

202,377

Capitalized Expenditures

1520	Building Improvements	10,000
1526	Tenant Improvements	3,366,320
1785	Construction Mgmt Fee	169,313
1888	Cap-Lease Commissions	211,527
		<hr/>

Total Capitalized Expenditures

3,757,160

TO: Todd Edwards
FROM: Comprehensive Review Process Team
DATE: November 25, 2022
RE: Affordability Period Decrease to Fifteen (15) Years

Request for Shortening of 20 Year MRA Affordability Period

The Comprehensive Review Process Team is currently working closely with MRA Board-authorized developers to participate in the current city Housing and Community Development Department Affordable Housing Development (AHDP) Program. This Program was introduced by the Mayor of Houston last year who reached out to MRA leadership for participation. The MRA Affordability Period was one of the issues raised during the efforts to have MRA developers participate in the AHDP with its many extensive requirements.

Background of MRA Affordability Period

A primary goal of the MRA Southeast Houston Affordable Housing Initiative is to incentivize long term ownership that is affordable for individuals and families in the underserved neighborhoods targeted by the Southeast Houston Affordable Housing Initiative, introduced in the **Midtown Affordable Housing Plan**. Sustaining affordability is an important objective of the MRA in its implementation of the Southeast Affordable Housing Initiative. Accordingly, the MRA Board authorized the adoption of an affordability period of twenty years to deter investors, as opposed to long-term homeowners, from purchasing of homes constructed on MRA land and “flipping” the property, i.e., selling the property in the short term.

MRA sells each lot on which a single-family for-sale home will be constructed at the below-market price of \$1.50 per square foot to approved for-profit developers. MRA grants lots to approved non-profit developers at no cost. The no- or low-cost land price also lowers the home sales price, ensuring affordability. In exchange for receiving the benefit of a lower price, the homeowner must commit to remain in the home for the “affordability period,” which currently stipulates the homeowner is required to maintain ownership of the home as their primary residence for twenty years. In earlier affordable housing initiatives in our city, some homeowners took advantage of opportunities to sell their homes for as much as twice the purchase price within a few years of acquisition.

At the time of closing, a subordinate lien is placed on the property to secure performance (adherence to the restrictive covenants) by the qualified homebuyer. The qualified homebuyer executes a Subordinate Lien Deed of Trust with MRA as the beneficiary, pursuant to which the qualified homebuyer is obligated to repay MRA the value of the land if the qualified homebuyer decides to sell the property prior to the expiration of the Affordability Period.

The requisite adherence to the Affordability period guidelines does not prevent the sale of the home during the Affordability Period. If circumstances necessitate, the homeowner may sell the home and pay MRA a pre-determined amount for the land. Alternatively, the original qualified homebuyer may sell the home to another qualified homebuyer for a sales price approved by MRA. The sales price may exceed the original sales price of the home only to the extent required to allow the original qualified homebuyer to recoup certain closing costs and the cost of certain permanent improvements to the property, if any. To avoid repayment of the value of the land, any subsequent buyer must also adhere to MRA’s guidelines for a qualified homebuyer, including a household that does not exceed 120% of Area Median Income.

Enforcement of MRA affordability requirements may occur when the sale of a home constructed on MRA property occurs; this has been invoked twice so far. Subsequent negotiations to satisfy the lien and compel compliance are coordinated and completed by legal counsel. Negotiated terms may necessitate presentation to the MRA Board for approval

Current City of Houston Affordability Policy

The current city AHDP provides a much-needed subsidy for MRA AHDP projects of \$15,000 per home for scattered site homes and \$52,000 **per home** for homes located in to-be-developed subdivisions. During recent communication with HCD, the CRP team was advised that:

- In the same subdivision, homes will be subject to both the City of Houston HCD's five-year affordability period applies *and* MRA's 20-year affordability period. Applying the same or similar affordability guidelines would result in desirable consistency.
- The HCD Director indicated that MRA's longer affordability period could serve as a deterrent to the accumulation of generational wealth. The Director also stated that home market prices are no longer increasing substantially in short periods of time, thus five years is viewed as more reasonable.

Additional Reasons for Decreasing the Affordability Period

Since the adoption of the 20-year affordability period, challenges have arisen that negatively impact the marketability of homes to which the policy applies. They are as follows:

- Significantly increasing interest rates cause mortgage payments to increase by as much as 30%.
- Larger numbers of market, single family rental subdivisions are being constructed throughout the local area deny occupants the ability to own homes and accumulate wealth during occupancy.
- Increased costs of materials used in construction of homes resulted in sales prices much higher than last year, narrowing the market of potential buyers that can qualify.
- With fewer MRA large tracts available for city AHDP applicants, several former MRA developers, identified for more challenging large tracts, are refusing to compete for the hard-to-receive AHDP incentives.
- Research shows that the average homebuyer stays in his/her home for eight and one-half years with the median stay of 13 years.
- In addressing the city five-year affordability period, the Houston Housing Collaborative recommended a fifteen-year affordability period if new housing is not built on city-owned land, retained by the city permanently in its Community Land Trust program.

Recommendation

The Comprehensive Review Process Team is recommending that the present MRA affordability guidelines be modified.

The recommendation is for the MRA Board to authorize the adoption of an affordability period wherein the appraised value of the MRA land (on which the home is built) would have to be repaid if the homebuyer sells prior to fifteen years.

A sale by the original qualified homebuyer to a non-qualified homebuyer requires the original qualified homebuyer to repay MRA the entire value of the land as reflected in the Subordinate Lien Deed of Trust.

The CPP Team is further recommending that in the event of a sale by the original qualified homebuyer during the Affordability Period, the attached schedule should be used. Using the schedule will allow the qualified homebuyer to realize equity in the property and serves as an incentive to the homebuyer to remain in the home while building wealth.

DRAFT

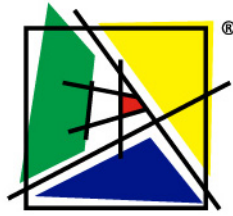
**AFFORDABILITY PERIOD
RECAPTURE SCHEDULE**
(EXAMPLES ONLY)

\$40K				FORGIVENESS		
END-OF-YEAR SINCE PURCHASE	APPRAISED LAND PRICE	PERCENTAGE RECAPTURE	AMOUNT TO BE RECAPTURED	ANNUAL PERCENTAGE	ANNUAL AMOUNT	AGGREGATE AMOUNT
1 to 5	\$ 40,000	0.0%	\$ 40,000	0%	\$ -	\$ -
6	\$ 40,000	90.0%	\$ 36,000	10%	\$ 4,000	\$ 4,000
7	\$ 40,000	80.0%	\$ 32,000	10%	\$ 4,000	\$ 8,000
8	\$ 40,000	70.0%	\$ 28,000	10%	\$ 4,000	\$ 12,000
9	\$ 40,000	60.0%	\$ 24,000	10%	\$ 4,000	\$ 16,000
10	\$ 40,000	50.0%	\$ 20,000	10%	\$ 4,000	\$ 20,000
11	\$ 40,000	40.0%	\$ 16,000	10%	\$ 4,000	\$ 24,000
12	\$ 40,000	30.0%	\$ 12,000	10%	\$ 4,000	\$ 28,000
13	\$ 40,000	20.0%	\$ 8,000	10%	\$ 4,000	\$ 32,000
14	\$ 40,000	10.0%	\$ 4,000	10%	\$ 4,000	\$ 36,000
15	\$ 40,000	0.0%	\$ 0	10%	\$ 4,000	\$ 40,000

\$60K				FORGIVENESS		
END-OF-YEAR SINCE PURCHASE	APPRAISED LAND PRICE	PERCENTAGE RECAPTURE	AMOUNT TO BE RECAPTURED	ANNUAL PERCENTAGE	ANNUAL AMOUNT	AGGREGATE AMOUNT
1 to 5	\$ 60,000	0.0%	\$ 60,000	0%	\$ -	\$ -
6	\$ 60,000	90.0%	\$ 54,000	10%	\$ 6,000	\$ 6,000
7	\$ 60,000	80.0%	\$ 48,000	10%	\$ 6,000	\$ 12,000
8	\$ 60,000	70.0%	\$ 42,000	10%	\$ 6,000	\$ 18,000
9	\$ 60,000	60.0%	\$ 36,000	10%	\$ 6,000	\$ 24,000
10	\$ 60,000	50.0%	\$ 30,000	10%	\$ 6,000	\$ 30,000
11	\$ 60,000	40.0%	\$ 24,000	10%	\$ 6,000	\$ 36,000
12	\$ 60,000	30.0%	\$ 18,000	10%	\$ 6,000	\$ 42,000
13	\$ 60,000	20.0%	\$ 12,000	10%	\$ 6,000	\$ 48,000
14	\$ 60,000	10.0%	\$ 6,000	10%	\$ 6,000	\$ 54,000
15	\$ 60,000	0.0%	\$ 0	10%	\$ 6,000	\$ 60,000

\$80K				FORGIVENESS		
END-OF-YEAR SINCE PURCHASE	APPRAISED LAND PRICE	PERCENTAGE RECAPTURE	AMOUNT TO BE RECAPTURED	ANNUAL PERCENTAGE	ANNUAL AMOUNT	AGGREGATE AMOUNT
1 to 5	\$ 80,000	0.0%	\$ 80,000	0%	\$ -	\$ -
6	\$ 80,000	90.0%	\$ 72,000	10%	\$ 8,000	\$ 8,000
7	\$ 80,000	80.0%	\$ 64,000	10%	\$ 8,000	\$ 16,000
8	\$ 80,000	70.0%	\$ 56,000	10%	\$ 8,000	\$ 24,000
9	\$ 80,000	60.0%	\$ 48,000	10%	\$ 8,000	\$ 32,000
10	\$ 80,000	50.0%	\$ 40,000	10%	\$ 8,000	\$ 40,000
11	\$ 80,000	40.0%	\$ 32,000	10%	\$ 8,000	\$ 48,000
12	\$ 80,000	30.0%	\$ 24,000	10%	\$ 8,000	\$ 56,000
13	\$ 80,000	20.0%	\$ 16,000	10%	\$ 8,000	\$ 64,000
14	\$ 80,000	10.0%	\$ 8,000	10%	\$ 8,000	\$ 72,000
15	\$ 80,000	0.0%	\$ 0	10%	\$ 8,000	\$ 80,000

\$100K				FORGIVENESS		
END-OF-YEAR SINCE PURCHASE	APPRAISED LAND PRICE	PERCENTAGE RECAPTURE	AMOUNT TO BE RECAPTURED	ANNUAL PERCENTAGE	ANNUAL AMOUNT	AGGREGATE AMOUNT
1 to 5	\$ 100,000	0.0%	\$ 100,000	0%	\$ -	\$ -
6	\$ 100,000	90.0%	\$ 90,000	10%	\$ 10,000	\$ 10,000
7	\$ 100,000	80.0%	\$ 80,000	10%	\$ 10,000	\$ 20,000
8	\$ 100,000	70.0%	\$ 70,000	10%	\$ 10,000	\$ 30,000
9	\$ 100,000	60.0%	\$ 60,000	10%	\$ 10,000	\$ 40,000
10	\$ 100,000	50.0%	\$ 50,000	10%	\$ 10,000	\$ 50,000
11	\$ 100,000	40.0%	\$ 40,000	10%	\$ 10,000	\$ 60,000
12	\$ 100,000	30.0%	\$ 30,000	10%	\$ 10,000	\$ 70,000
13	\$ 100,000	20.0%	\$ 20,000	10%	\$ 10,000	\$ 80,000
14	\$ 100,000	10.0%	\$ 10,000	10%	\$ 10,000	\$ 90,000
15	\$ 100,000	0.0%	\$ 0	10%	\$ 10,000	\$ 100,000



midtown
HOUSTON

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**MIDTOWN CAPITAL IMPROVEMENTS
PROGRAM**

Capital Improvements Program

Caroline Street Reconstruction

- Contractor continues work on pavement markings and punch list items.
- CenterPoint has one pole removal remaining in conflict with sidewalk and intersection ramp installations.
- Upcoming work includes installation of remaining pavement markings, rain garden lighting, and TDLR inspection.

Construction Contract Budget

- Original Contract Amount: \$12,380,276.54
- Net Change Orders (including TxDOT fee): \$1,675,892.35
- Contract Amount to Date: \$14,056,168.89
- Change Order Time Adjustment Total – 173 days

Midtown Park – Front 90 Plaza Improvements

- Midtown Park Front 90 Plaza Improvements Project includes installation of food truck electrical outlets, water hose bib, exhaust fans, and re-grading of the existing slopes and drains in the garage tunnels connecting to the Front 90 Plaza.
- Contractor has installed additional ground hydrant.
- Upcoming work includes installation of food truck receptacles and landscaping.
- Project completion expected in December 2022.

Construction Contract Budget

- Original Contract Amount: \$294,264.50
- Net Change Orders: \$14,130.50
- Contract Amount to Date: \$308,395.00

ATTACHMENT B

Form of Work Order

WORK ORDER NO. 2

This Work Order No. 2 (this "Work Order") is issued subject to and is governed by that certain Professional Services Agreement between Midtown and Consultant dated as of October 1, 2021 (the "PSA").

Work Order Date: September 21, 2022

Consultant: Walter P. Moore and Associates, Inc.

Type of Compensation: Lump Sum

Compensation: \$750,043.85 including Direct Expenses

Location of Services: Brazos Street, Houston, Texas

Description of Services: Phase I – Preliminary Engineering Report – Refer to Exhibit A for a full scope of services and Exhibit B for a detailed breakdown of associated fees. Exhibit C summarizes DBE participation efforts. Specific duties included in this fee are listed below:

- Preliminary Engineering Report
- Survey
- Drainage Report
- LID Study
- Traffic Study
- Landscape Architect Services
- ESA Phase I
- Public Meeting Assistance

Schedule Requirements: Commencement of Services: October 10, 2022
Completion of Services: June 30, 2023

Midtown:
MIDTOWN REDEVELOPMENT
AUTHORITY

By: _____

Printed Name and Title

Date: _____

Consultant:
WALTER P. MOORE AND ASSOCIATES,
INC.

By: Lee Anne S. Dixon

Lee Anne Dixon, P.E., PTOE, STP
Senior Principal

Printed Name and Title

Date: 09/22/2022

[End of Attachment B]

Exhibit B - Brazos Street Reconstruction Fee Proposal

Task Description	Fee
Phase I - Preliminary Engineering Report	
PER -WPM	\$ 190,435.00
Survey - Kuo	\$ 53,647.00
Survey of Bagby from Elgin to Holman (Bike Lane) - Kuo	\$ 11,608.85
Traffic Study - WPM	\$ 85,760.00
Traffic Counts for Traffic Study - CJ Hensch	\$ 10,120.00
Landscape Architecture - DW	\$ 159,280.00
Drainage Report - HT&J	\$ 171,468.00
LID Study (Rain Gardens) - WPM	\$ 30,700.00
ESA PH I - BergOliver	\$ 4,950.00
Public Meeting - WPM	\$ 23,275.00
Phase I Total	\$ 741,243.85
Direct Expenses	
Walter P Moore	\$ 3,300.00
Design Workshop	\$ 5,500.00
Total Direct Expenses	\$ 8,800.00
Total Fee Including Expenses	\$ 750,043.85

Notes

1. Sub-consultant fees include 10% mark-up

**Exhibit C - Brazos Street Reconstruction
DBE Sub-consultants Participation**

Sub-consultant	Task Performed	MWSBE Type	Fee
Kuo & Associates, Inc.	Survey, Water Line, Sanitary Sewer, SWPPP	DBE/MBE	\$ 59,323.50
HT&J, LLC	Drainage Report	DBE/MBE	\$ 155,880.00
CJ Hensch & Associates, Inc.	Traffic Counts	DBE/WBE	\$ 9,200.00
Design Workshop Subconsultants	Irrigation/Green Infrastructure/Lighting	MBE/WBE	\$ 38,500.00
Total MWSBE Participation			\$ 262,903.50
Total Design Fee - Phase I			\$ 741,243.85
MWSBE as Percentage of Fee			35.47%
MWSBE Goal			30%

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December 8, 2022



walter
p moore

DESIGNWORKSHOP

Brazos Street Reconstruction

Midtown Redevelopment Authority
December Board Meeting

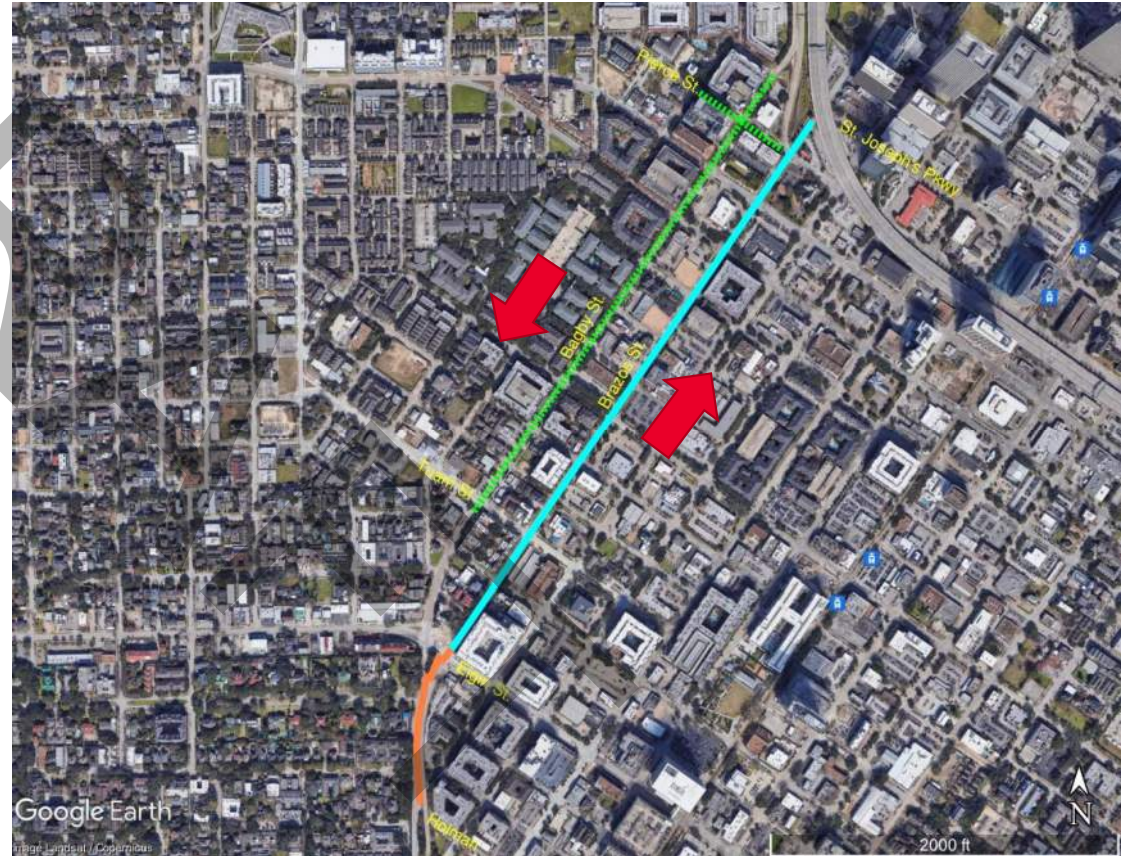


Project Overview

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Project Location

- **Bagby Street**
 - Southbound, St. Joseph's Pkwy to Tuam
- **Brazos Street**
 - Northbound, Elgin to St. Joseph's Pkwy
- **Orange:** Holman to Elgin
 - 2-Way Bike Lane Connection (Cycle Track)



Project Vision

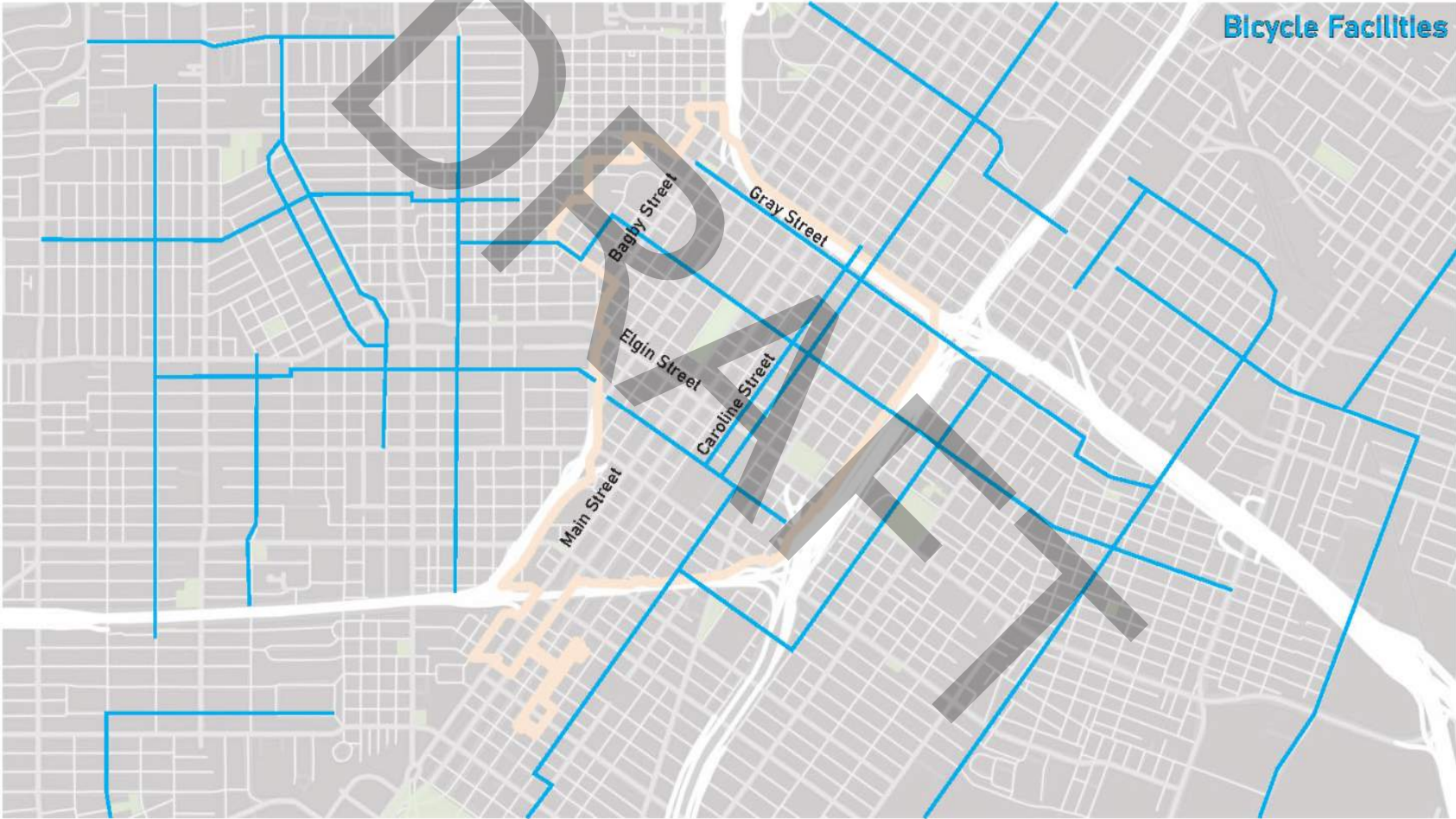


- Two-way bike path on one side of street (Cycle Track)
- On-street parking on one side of street
- Two travel lanes
- Walkable
- Improve Safety
- Innovation
- Building on the Success of Bagby Street

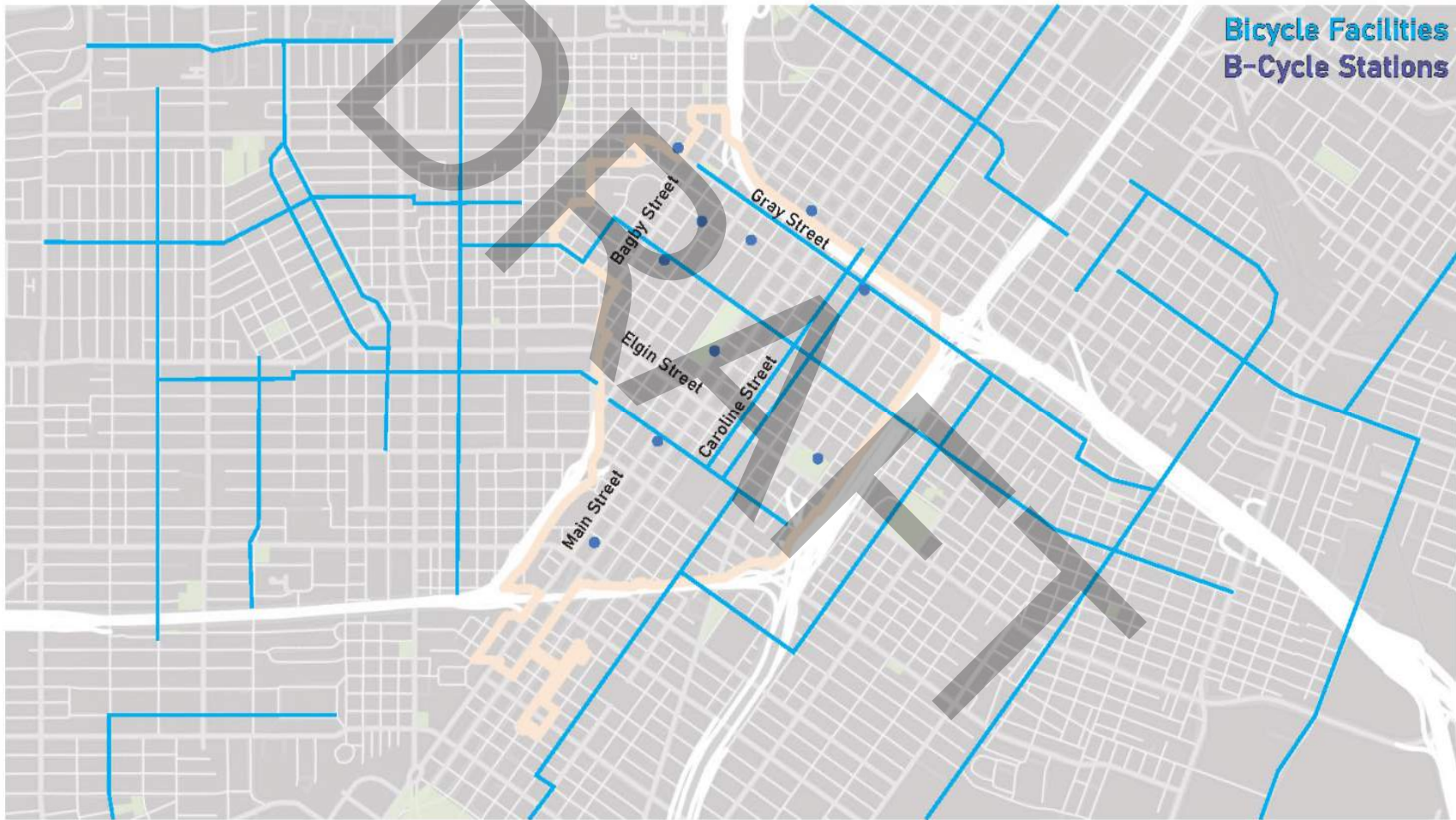
Active Transportation

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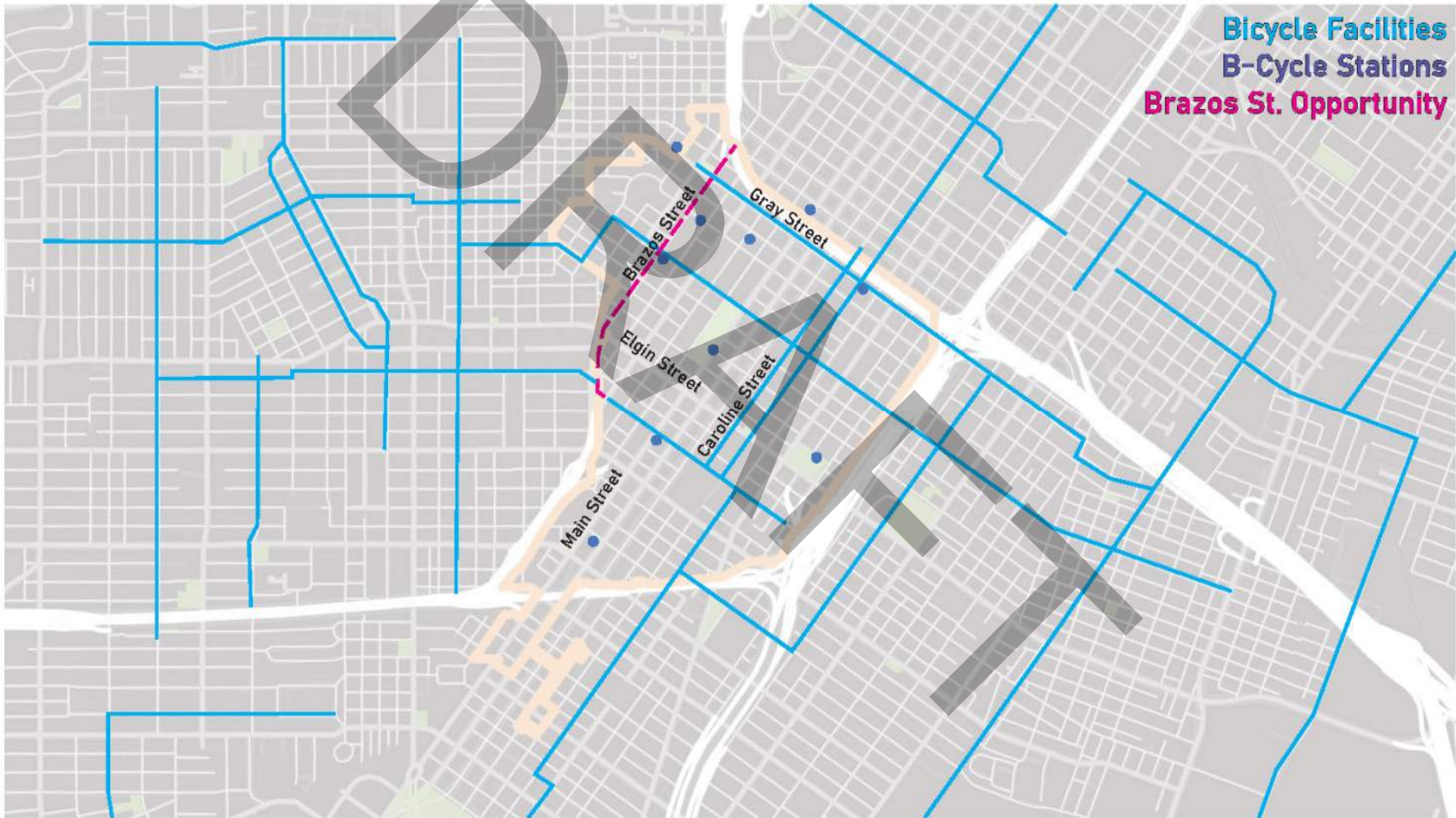
Active Transportation – Inventory



Active Transportation – Inventory



Active Transportation – Opportunity



Active Transportation – Opportunity



Active Transportation – Multimodal Mobility



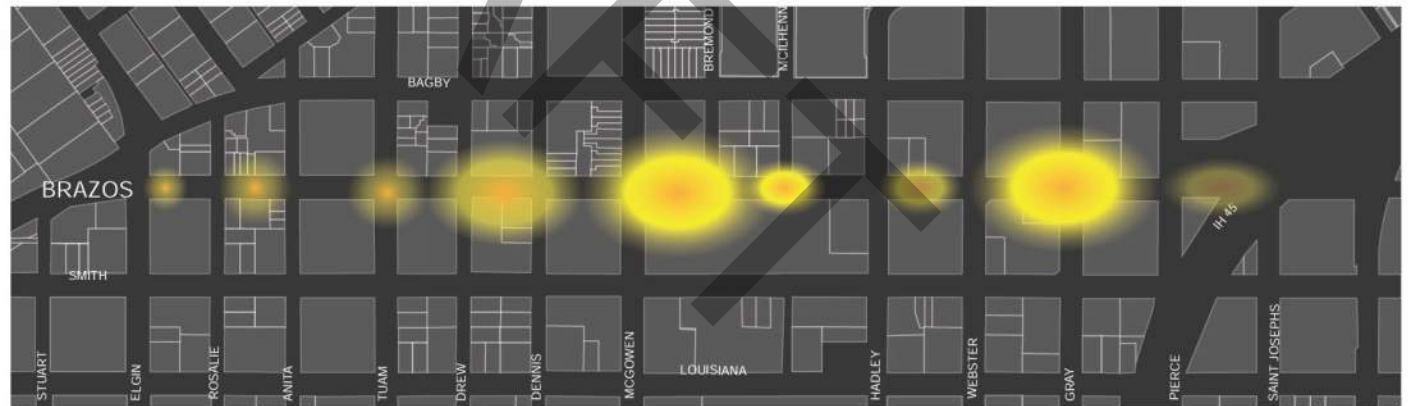
Signed Bicycle Routes
Bus Routes

Safety

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Safety

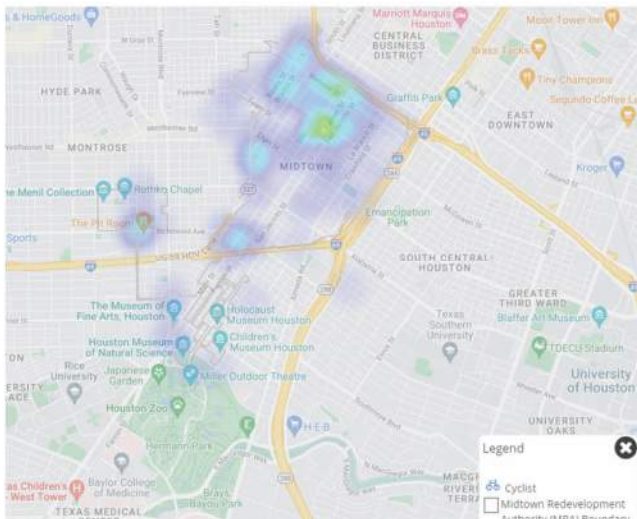
- Build upon the City of Houston's Vision Zero Plan
 - Decrease pedestrian crossing length
 - Provide adequate time for pedestrians of all abilities to cross the street
- Leverage funding to implement projects resulting in a safer Midtown
 - CPTED (Crime Prevention Through Environmental Design)
- Increase average light levels along the Brazos Street corridor



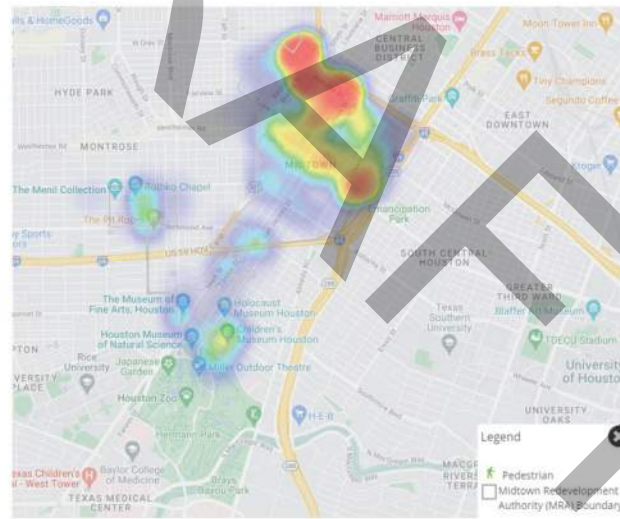
Midtown Safe Streets and Roads for All Study

Survey Results Key Takeaways

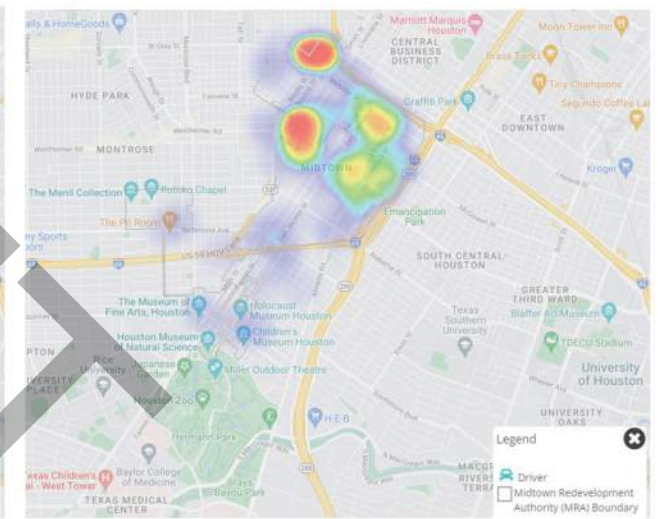
- 531 comments; 2/3 of survey respondents were pedestrians or cyclist
- Across the board, there is a strong desire for multimodal mobility in the district



pedestrian



cyclist



automobile

Drainage

DRAINAGE

Drainage Requirements

- Original Brazos Project
 - Leverage Bagby Drainage Report from 2008
 - Low Impact Development Study (LID)
- Current Requirements
 - No longer can use original Drainage Report
 - Atlas 14 Data, original assumptions out of date
 - Different, more complicated model
 - Crosby-Smith Outfall at Buffalo has ~ 900-acre drainage area
 - 2013 – HouStorm vs. 2022 – InfoWorks (1D/2D)
 - Brazos connects to multiple trunklines both east and west – must look beyond just the street
 - Low Impact Development Study (LID)

	2013	Today
Rainfall	NWS TP-40 (1961)	NOAA Atlas 14 (30% increase)
Detention	Based on TP-40	Based on Atlas 14
Overland Flow	Not Emphasized	Increased Emphasis
LiDAR	2008	2018
Modeling	HouStorm	Infoworks ICM 1D/2D
Recent CIP Projects to incorporate	None	Gillette Trunkline, N-00400
Recent Study to reuse	2008	None (2008 is outdated)

Drainage Comparison



Sustainability

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Sustainability

- Low Impact Development (LID) (i.e., Rain Gardens)
- Built to Last (50-yr. pavement life)
- Recycled materials (i.e., pavers, concrete)
- Native Plants
- Waste Management for Construction
- Explore Sustainability Certifications



Return on Investment

PROFIT

Return on Investment

- Bagby Street
 - Midtown Investment - \$11M
 - Average Appraisal Value/Property (2010) - \$258,911
 - Average Appraisal Value/Property (2015) - \$412,261
 - 1.6 times increase
- Brazos Street
 - Expect similar returns

Return on Investment

Property facing Brazos
Back of property facing Brazos
Side of property facing Brazos
Opportunities

Likely to Redevelop
Redevelopment since 2014



2014 Master Plan Analysis

source: 2014 Site Analysis

Construction Costs

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Construction Cost

- Design to the current \$17M budget that was recently approved.
- FTA Grant funds available for Brazos \$4,115,200
- FTA funds could be increased to \$5,144,000
 - Bike Lanes
 - Shared Costs (i.e., Drainage)
- These are not TxDOT dollars



Questions

