

City of Houston, Texas, Ordinance No. 1999-818

**AN ORDINANCE APPROVING THE PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN FOR REINVESTMENT ZONE NUMBER FOURTEEN, CITY OF HOUSTON, TEXAS (4TH WARD); AUTHORIZING THE CITY SECRETARY TO DISTRIBUTE SUCH PLANS; CONTAINING VARIOUS PROVISIONS RELATED TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.**

\* \* \* \* \*

**WHEREAS**, by City of Houston Ordinance No. 1999-565, adopted June 9, 1999, the City created Reinvestment Zone Number Fourteen, City of Houston, Texas (the "Fourth Ward Zone") for the purposes of development within the area of the City generally referred to as the "Fourth Ward area"; and

**WHEREAS**, the Board of Directors of the Fourth Ward Zone has approved the Project Plan and Reinvestment Zone Financing Plan attached hereto for the development of the Fourth Ward Zone; and

**WHEREAS**, the City Council must approve the Project Plan and Reinvestment Zone Financing Plan; **NOW, THEREFORE**,

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:**

**Section 1.** That the findings contained in the preamble of this Ordinance are declared to be true and correct and are hereby adopted as part of this Ordinance.

**Section 2.** That the Project Plan and Reinvestment Zone Financing Plan attached hereto for Reinvestment Zone Number Fourteen, City of Houston, Texas, are hereby determined to be feasible and are approved.

**Section 3.** That the City Secretary is directed to provide copies of the Project Plan and Reinvestment Zone Financing Plan to each taxing unit levying ad valorem taxes in the Fourth Ward Zone.

**Section 4.** That City Council officially finds, determines, recites and declares a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this ordinance and the subject matter thereof has been discussed, considered and formally acted upon. That City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.


**Section 5.** That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 28<sup>th</sup> day of July, 1999.

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 1999.

\_\_\_\_\_  
Mayor of the City of Houston

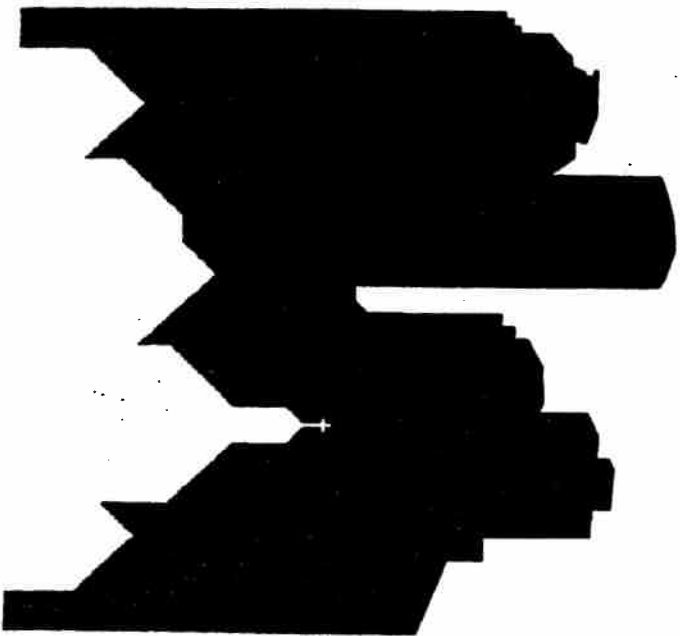
Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is AUG 03 1999.

  
\_\_\_\_\_  
City Secretary

(Prepared by Legal Dep't L. BROWN  
(DFM/dfm July 27, 1999) Senior Assistant City Attorney  
(Requested by Robert M. Litke, Director, Planning and Development)  
(L.D. File No. 34-98487-02)

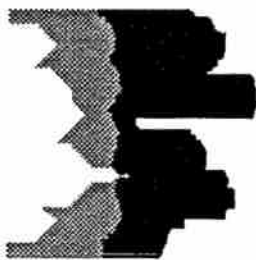
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AYE	NO	
ABSENT		MAYOR BROWN
••••	••••	COUNCIL MEMBERS
	/	TATRO
ABSENT		YARBROUGH
/		WONG
MAYOR PRO TEM PRESIDENT		BONEY
/		TODD
ABSENT-OUT OF CITY CITY BUSINESS		DRISCOLL
/		KELLEY
ABSENT		FRAGA
ABSENT		CASTILLO
/		PARKER
/		ROACH
	/	SANCHEZ
ABSENT		BELL
ABSENT		ROBINSON



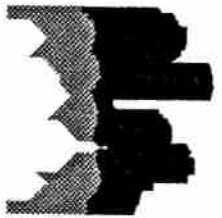
**HOUSTON'S  
FOURTH WARD**

**JULY 26, 1999**



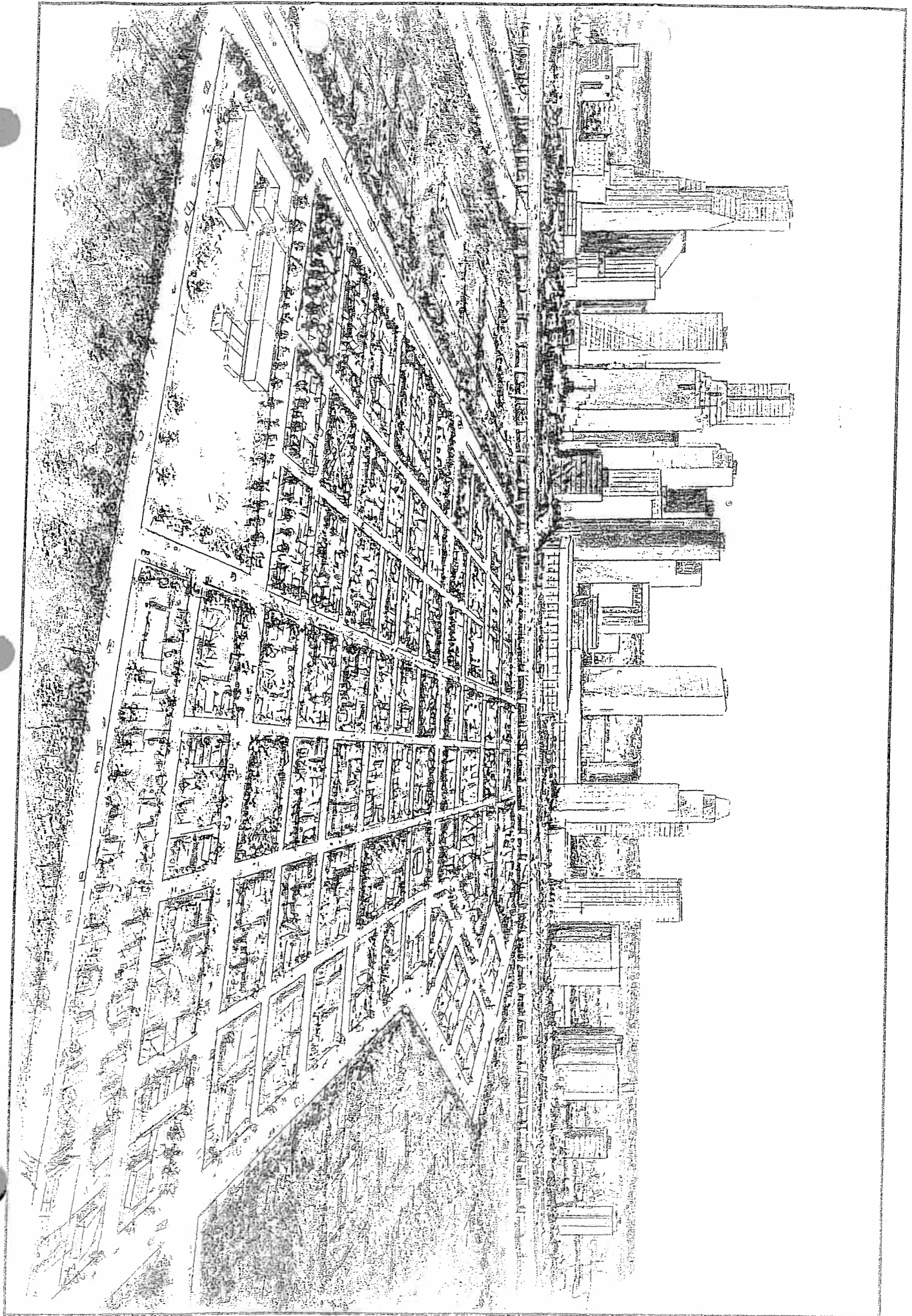
FOURTH WARD

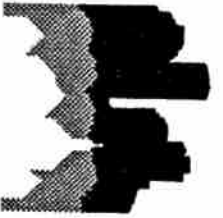
PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN  
CITY OF HOUSTON REINVESTMENT ZONE NO. FOURTEEN



Fourth Ward  
TIRZ Project  
Plan and  
Reinvestment  
Zone Financing  
Plan

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EXECUTIVE SUMMARY

This document constitutes the Final Project Plan and Reinvestment Zone Financing Plan for the Fourth Ward Tax Increment Reinvestment Zone (TIRZ) as required by Chapter 311, Texas Tax Code. The purpose of the reinvestment zone is to facilitate the revitalization of the Historic Fourth Ward from a blighted and deteriorating neighborhood into a viable residential community with supporting commercial development. The area currently contains a substantial number of substandard or deteriorating structures; inadequate, deteriorated, and deficient streets, utilities and sidewalks; a faulty or obsolete lot layout; and unsafe or unsanitary conditions that endanger life and property.

Without the creation of a TIRZ, the revitalization of this historic neighborhood would not occur in the foreseeable future. It is projected that private investment pursuant to the TIRZ plan will exceed \$256 million, generating a tax increment revenue stream exceeding \$98.8 million over the 30 year life of the zone. Of this total, \$15.3 million will be ~~retained~~ <sup>used</sup> by HISD to support school improvements and \$32.9 million will be set aside for low income housing. The reinvestment zone provides the mechanism that will help finance the following:

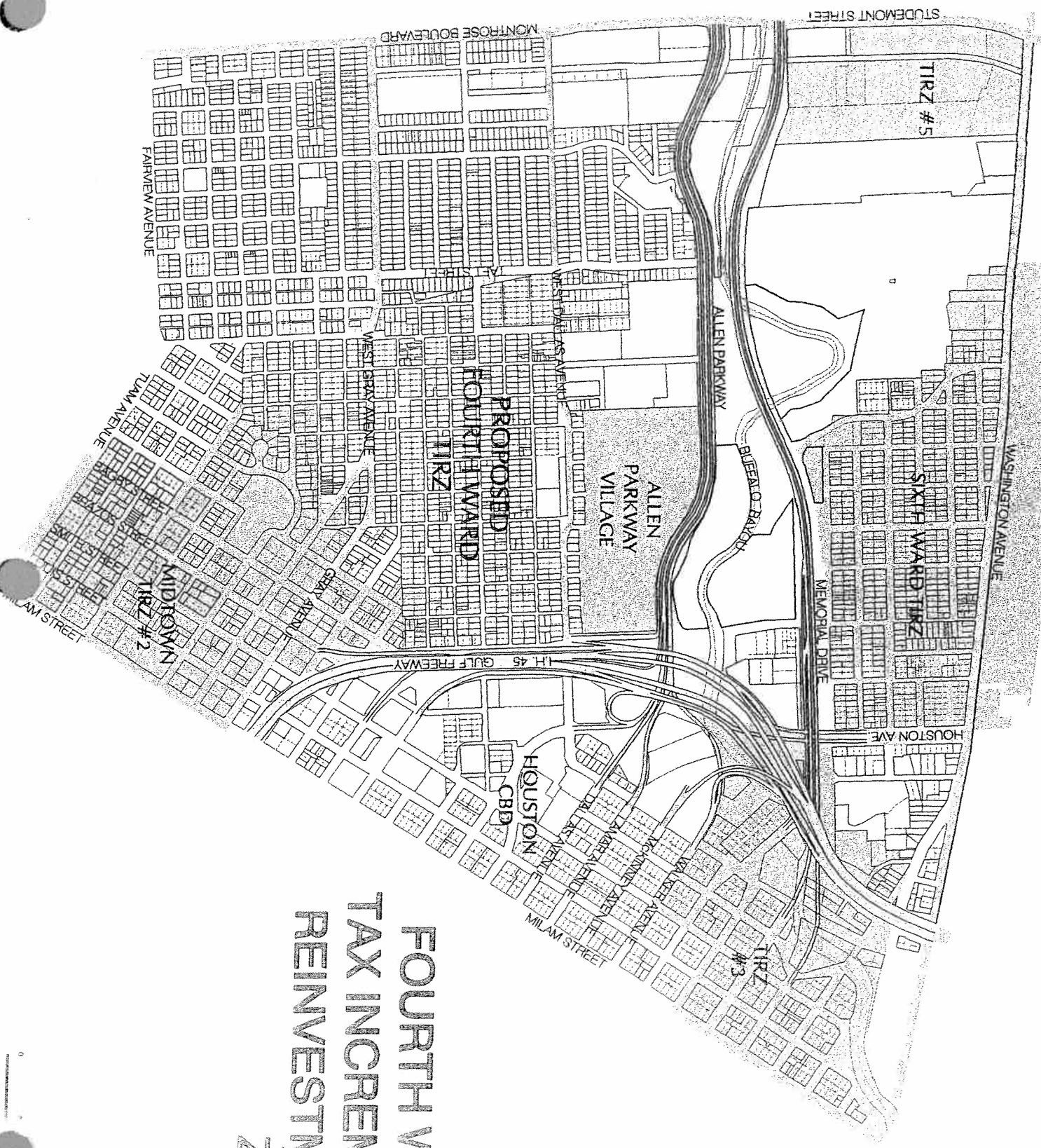
1. Approximately \$17.4 million for the following major improvements and activities needed to support the revitalization of the area.
  - Public utilities such as water, wastewater, and storm sewer improvements.
  - Major and minor street improvements and enhancements (street upgrades, sidewalks, and lighting).
  - Parks, landscaping, design, signage, and security enhancements.

2. Approximately \$3.7 million for acquisition and preservation of historic properties.
3. \$800,000 for TIRZ creation and operating costs over the term of the zone.

Expenditures by developers for design, construction and financing of eligible project improvements, as well as other specific project related costs, may be reimbursed, pursuant to Development Reimbursement Agreements, from tax increment revenues derived from new residential and commercial development.



# FOURTH WARD TAX INCREMENT REINVESTMENT ZONE





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**BACKGROUND**

The assessed value of all taxable property within the zone boundaries is \$17,668,390 for the year 1998. The assessed value of the properties of the petitioners is \$9,123,070, or 51.6% of the total appraised value within the proposed zone.

This once vibrant residential area is now tainted by severe urban blight including: a substantial number of substandard, deteriorated, or deteriorating structures; inadequate, deteriorated or deficient streets, utilities and sidewalks; a faulty or obsolete lot layout and questionable title conditions; unsafe or unsanitary conditions that endanger life or property by fire or other causes, and depressed property values. In fact, more than 51% of the structures existing in 1975 have been demolished due to fire, economic obsolescence or dangerous conditions. The present condition of the Fourth Ward area constitutes an impairment to the sound growth of the city and is a social and economic liability.

The conditions in this part of the Fourth Ward are such that developers, builders and lenders consider it an area too risky for private investment. It is most likely to remain so without the coordinated planning and public investment that a TIRZ can provide to help finance public improvements and services to foster confidence in the area and its future by homeowners and investors.

The Fourth Ward Community Coalition, Inc. has been working long and closely with various public agencies - including City Departments of Housing and Community Development, Planning & Development and Public Works & Engineering, the Houston Housing Authority, and the Houston Housing Finance Corporation - to facilitate planning and redevelopment in the Fourth Ward.

Initially in partnership with Houston Renaissance, Inc., these two community based, not for profit organizations, developed a conceptual plan for revitalization of a large portion of the Fourth Ward generally centered between W. Dallas on the north, W. Grey on the south, Heiner/ 1-45 on the east and Taft on the west. Houston Renaissance, Inc. acquired property in the area for the purpose of facilitating implementation of the plan, including the development of low income housing. Title to property acquired by Houston Renaissance, Inc. has been transferred to the Houtex Redevelopment Authority, created by the Houston Housing Finance Corporation to facilitate implementation of the Fourth Ward redevelopment.



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**POPULATION**

The population in the Fourth Ward has been steadily declining for many years. In 1970 there were 7,448 residents; in 1980 there were 6,874; by 1990 the number had fallen to 2,255, just 30% of the 1970 level.

The most recent complete data about area population is from the 1990 Census. A summary of this data for census tract 400.26, which has a boundary similar to that of the TIRZ, is shown on the accompanying table.

The only apparent change in the population since the 1990 Census is that the number has continued to decrease as the housing stock has diminished. In 1995 a windshield survey found that there were only 322 occupied residential structures plus 51 vacant, boarded-up or severely deteriorated houses. Homeless persons from time to time stay in several of the abandoned buildings. It is estimated that substantially fewer than 1,000 residents remain in 1999. Only 11 properties are homeowner occupied. More than half the residents were classified as below the poverty level.

**Census Information  
 For Tract 400.26**

	<u>Est. 1998</u>	<u>1990</u>
Total Population	<1,000	2,255
Number of households	322	763
<b>* Income</b>		
number of families		448
median family income		\$12,389
non family households		315
median household income		\$8,701

\* 1989 income data



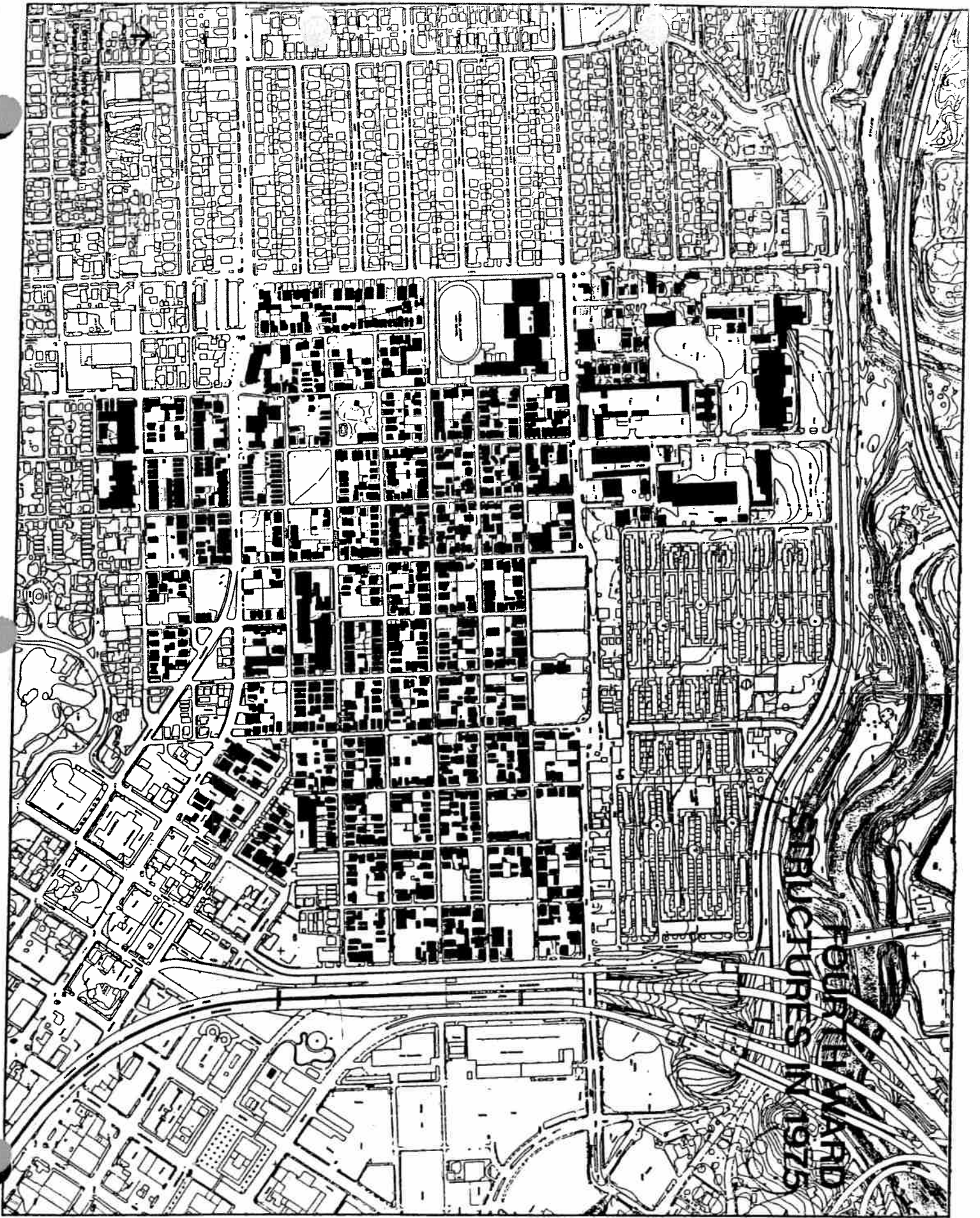
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## HISTORIC BUILDINGS

Many of the historic structures in the neighborhood have been destroyed or are in extremely poor condition. The result is a scattered pattern of buildings, some in small groupings but many existing in isolation. An opportunity exists to create residential corridors in the revitalized neighborhood that reflect the original character of the historic district.

The *Fourth Ward Revitalization Plan* emphasizes the retention of viable historic structures throughout the Fourth Ward. Special emphasis will be placed on structures which remain within the Freedmen's Town National Historic District boundaries.

The map of Fourth Ward structures as of 1999 identifies and classifies structures according to their historical, cultural or architectural significance and condition. A comparison with the map of the Fourth Ward structures in 1975 demonstrates the dramatic loss of buildings that has taken place.



FOURTH WARD  
STRUCTURES IN 1975



# FOURTH WARD STRUCTURES IN 1997

**Key to Structures**  
 Source: The University of Houston,  
 College of Architecture, 1988

- High Significance structure of historical, cultural, or architectural importance.
- Medium Contributing structure that reinforces the area's historical or architectural quality.
- Medium Contributing structure with incompatible later alterations or deteriorating condition.



Vernon G. Henry & Associates, Inc.  
 Planning Consultants  
 4000 West Loop South, Suite 100  
 Houston, Texas 77027  
 April 23, 1999



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LAND USE

The Fourth Ward today is predominantly vacant land. The accompanying map illustrates the uses as of March, 1999. The uses that do remain are mostly residential; however the area is a patchwork of occupied homes and vacant properties. Commercial strips run along West Dallas and West Gray Streets.

There are 13 churches within the revitalization area which contribute an important supporting network in the community and which are to be preserved and strengthened through the redevelopment effort.

Taft Street separates a dense area of existing homes to the west from the spotty development of residences within the TIRZ, which includes single family, cottage and shotgun type units with a mix of duplexes and small apartment buildings.

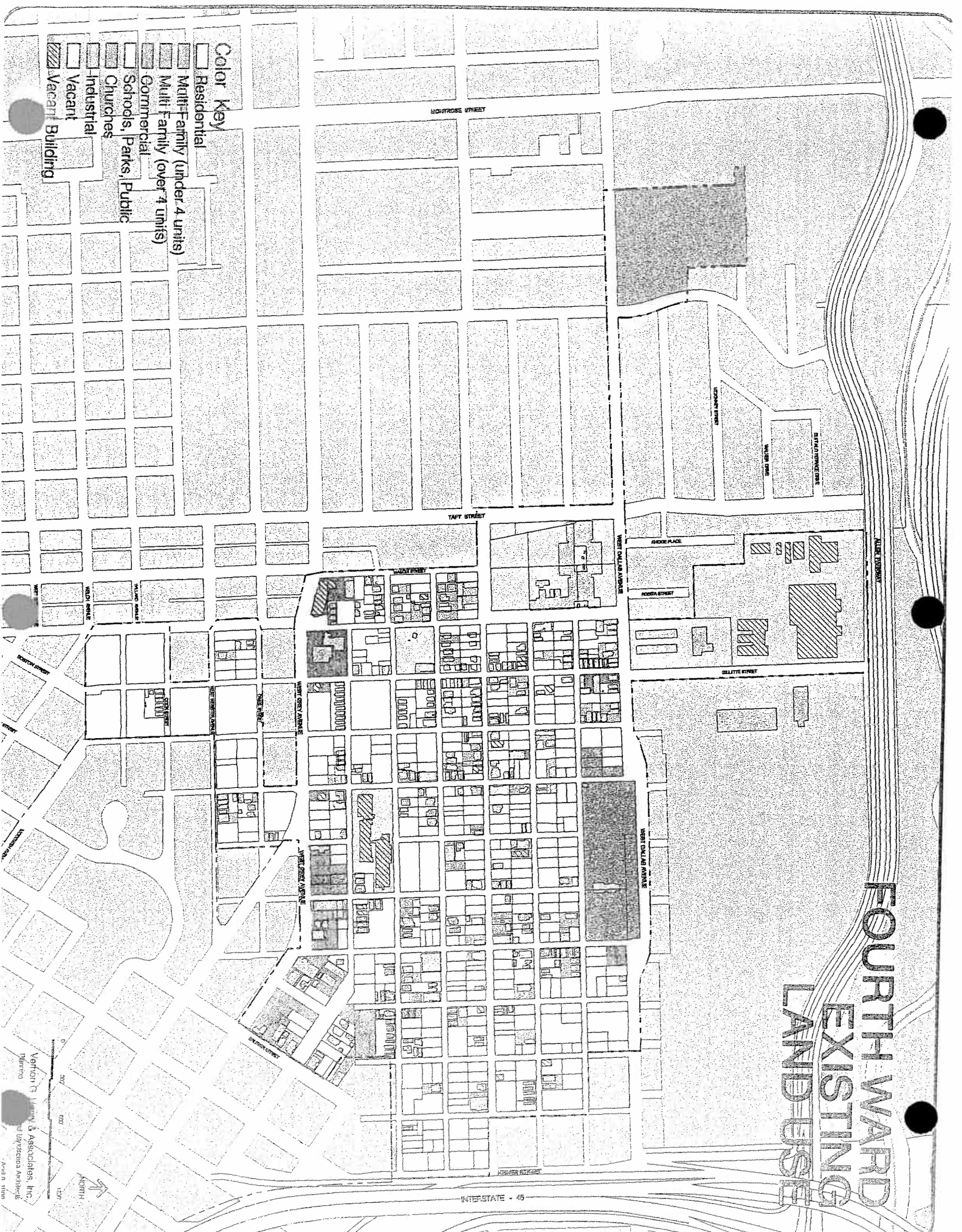
An important element that knits this area to the community to the west is Dallas Street. The proposal is to include Dallas in the zone up to and including the multi-family development of 380 units taking place immediately west of Stanford Street. Streetscape improvements along Dallas will provide important continuity and strengthen the redevelopment potential of the zone.

The eastern portion of the zone contains fewer structures until finally predominately undeveloped land along Heiner Street and Interstate 45 marks the boundary between the Fourth Ward and the Central Business District.

Open spaces include Wiley Park and athletic facilities at the Gregory Lincoln school as well as Founders and Congregation Beth Israel Cemeteries.

# FOURTH WARD EXISTING LAND USE

- Color Key**
- Residential
  - Multi-Family (under 4 units)
  - Multi-Family (over 4 units)
  - Commercial
  - Schools, Parks, Public
  - Churches
  - Industrial
  - Vacant
  - Vacant Building



Vertical G. Harvey & Associates, Inc.  
Mapleton  
2000 Lafayette Avenue  
Austin, TX 78701  
April 8, 2008





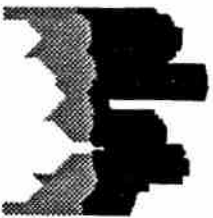
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## PLATTING AND SUBDIVISION

Subdivision of the area started in 1865 with a grid network of streets and blocks. There are 16 or more different subdivisions in this small neighborhood, depending upon where the boundaries are drawn. Some of these subdivisions were recorded, some were not. Some that were recorded predate the Harris County Map Records and were recorded only in the deed records. Others were simple extensions on the ground of a neighboring development. Many of the unrecorded subdivisions came to be called by the name of their original owners, and gained recognition by acknowledgement of a taxing entity.

Virtually all of these subdivisions, recorded or unrecorded, were laid out in the days before the adoption of modern surveying standards, equipment and techniques, so they were not precisely located according to an established reference system. As property was transferred from one owner to the next, sometimes by deed, other times by inheritance, the problems created by imprecise initial locations were compounded. On July 4, 1864, Houston City Council established a reference system by ordinance to try to establish street location throughout the City. The official reference was not regularly followed in the Fourth Ward and locational problems have persisted to this day.

When the City of Houston undertook an engineering study for waterline replacement in this neighborhood in 1996, the first step was a survey to determine the location of the streets and blocks. The survey showed that the streets as paved on the ground are not all in the locations as platted or defined by Ordinance. Generally, the streets as paved are parallel to one another, but at a slight angle to their location as platted. Consequently, some streets on the ground may actually run across platted property lines.



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**CURRENT INFRASTRUCTURE**

**Paving**

Many streets within the area have been overlaid with asphalt. Some have curb and gutter. Andrews Street from Taft to Heiner and Wilson Street from Andrews to West Dallas were brick paved; as were portions of other streets, but most of these have an asphalt overlay.

The numerous asphalt overlays reflect a patchwork of conditions that is not conducive to comprehensive redevelopment. The City of Houston, with assistance from the Texas Department of Transportation through its ISTEA funding, is proposing to reconstruct the brick paving along Andrews Street from Heiner to Wilson and Wilson from Andrews to West Dallas. West Gray Avenue from Taft to Cushing was recently reconstructed by the Metropolitan Transit Authority. The remainder of the streets will require some type of paving improvements, which will be determined after creation of the T.I.R.Z.

**Water**

The water distribution system within the Fourth Ward consists of relatively small (less than 6 inch) lines that are poorly networked and are inadequate to serve future growth. The City of Houston is currently preparing to replace the existing network with approximately 52,000 feet of 6 inch to 16-inch water mains to serve the area and its surroundings. Additional water mains will be required along Cook, Gillette, Genesee and Bailey Streets.

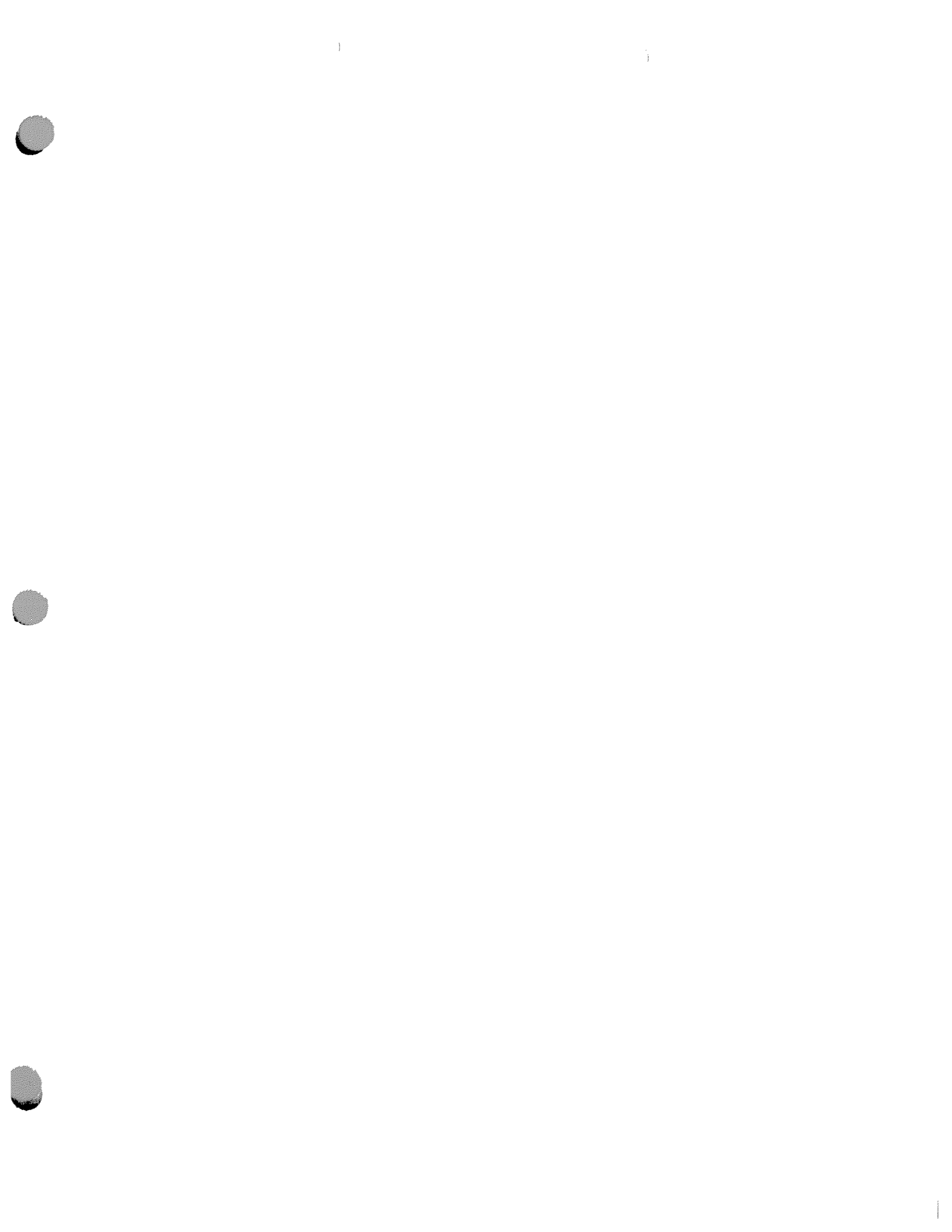
**Storm Sewer**

The existing storm sewer trunk system appears to be adequate in size for the proposed development. All streets within the Fourth Ward are drained by storm sewers. As street reconstruction proceeds, an allowance for additional storm sewer inlets and storm leads should be included as an improvement to the system.

**Sanitary Sewer**

The existing sanitary sewer system lies within the street rights-of way, typically along the centerline of the street. The collection system, made up of 6-inch and 8-inch lines, conveys the sewage to a 36-inch trunk line located along Valentine Street.

The capacity of the existing system appears to be adequate to accommodate future development, although because of its age, between 40 and 50 years old in some places, it might require some reconstruction or repair. An allowance for miscellaneous repairs associated with tapping the sewer is required.



# FOURTH ARD PAVING EXISTING CONDITIONS



0 10 20 30 40 50  
Feet

North

April 8, 1988

Prepared by  
Henry & Associates, Inc.  
Houston, Texas

# FOURTH WARD

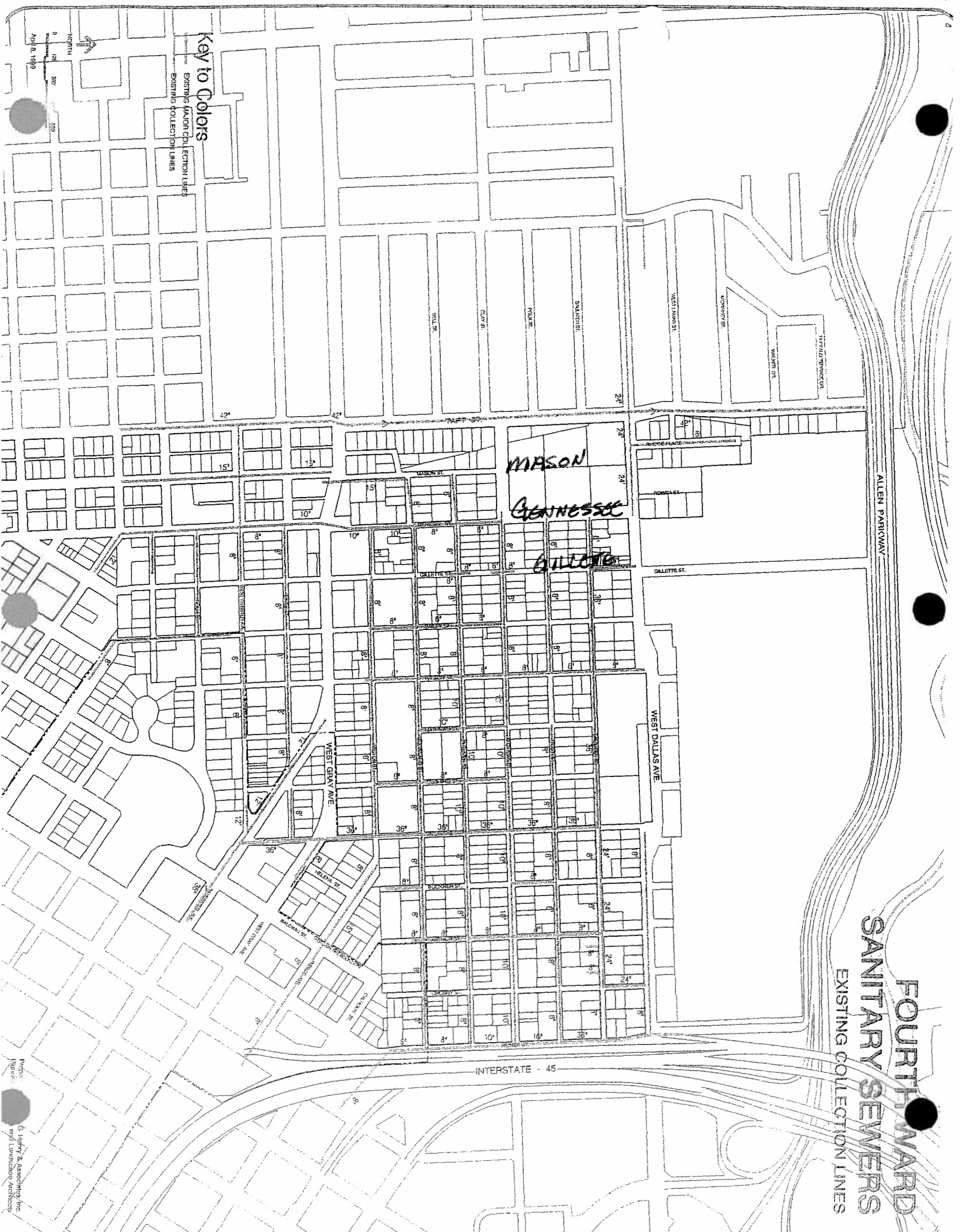
## EXISTING AND PROPOSED WATER DISTRIBUTION SYSTEM



### Key to Colors

- EXISTING WATER MAIN
- PROPOSED ADDITIONAL WATER MAIN REPLACEMENT
- PROPOSED WATER MAIN REPLACEMENT PROJECT
- PROPOSED WATER MAIN REPLACEMENTS WHICH MAY BE SUBJECT TO ENGINEER'S HEADQUARTER

North  
 0 100 200  
 April 8, 1980



**Key to Colors**  
 EXISTING MAJOR COLLECTION LINES  
 EXISTING COLLECTION LINES

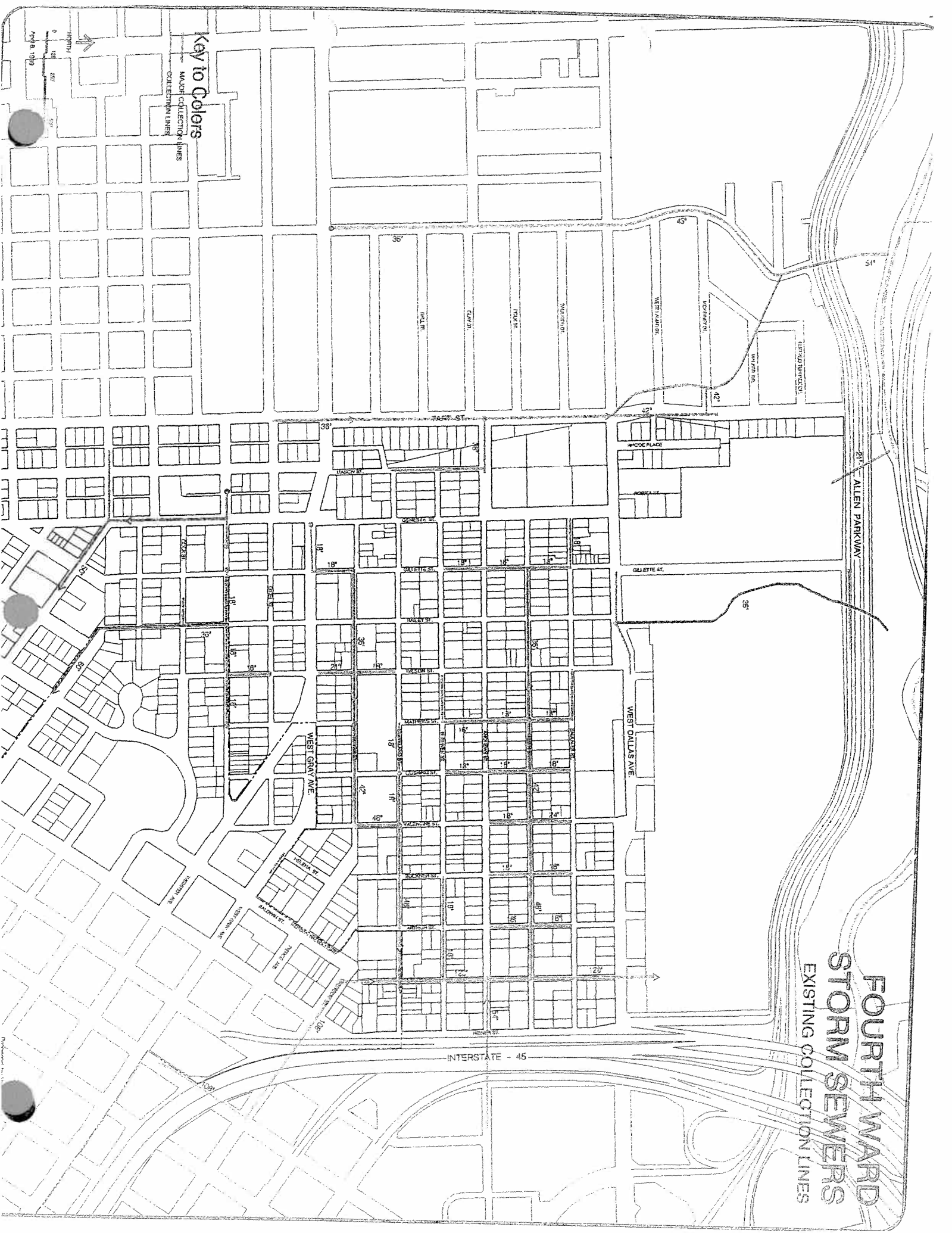


**MASON**  
**GUINNESS**  
**GILLETTE**

**FOURTH WARD**  
**SANITARY SEWERS**  
 EXISTING COLLECTION LINES

INTERSTATE - 45





**Key to Colors**  
MAJOR COLLECTION LINES  
COLLECTION LINES

**FOURTH WARD  
STORM SEWERS  
EXISTING COLLECTION LINES**

INTERSTATE - 45

ALLEN PARKWAY

WEST DALLAS AVE

WEST GRAY AVE

0 100 200 300  
Feet  
North



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## PROJECT PLAN

### Project Highlights

The following major elements will be part of the redevelopment program:

- Land use controls to help assure compatible development and long-term values.
- In the area served by neighborhood streets (between W. Dallas, West Grey, Taft and Heiner) approximately 550 low income/affordable and 800 market rate units.
- The old Jeff Davis Hospital has been demolished to accommodate a two phased development of approximately 500 market rate multi-family housing units.
- Historic preservation and enhancement of historical corridors.
- Creation of public open spaces.
- A 348 market rate multi-family development by Trammel Crow Company on West Dallas at Stanford.

Houtex Redevelopment Authority, created by the Houston Housing Finance Corporation, has taken title to the property acquired by the previous owner, Houston Renaissance, Inc. and plans to sell and convey title to 150 of the properties to the Houston Housing Authority for development of low income/affordable rental units in historic properties to be restored and for new single family units for home ownership.

Houtex Redevelopment Authority also expects to sell and convey title to participants and partners of the Fourth Ward Community Coalition, Inc., for development of additional low income/affordable housing.

A three-way partnership of Houtex Redevelopment Authority, the Fourth Ward Community Coalition and the T.I.R.Z. Board will be instrumental in achieving the revitalization of the Fourth Ward.

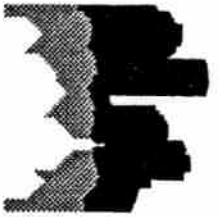
### Educational Facility Improvements

One-third of the tax increments of the Houston Independent School District (HISD) paid into the tax increment fund and any actual HISD tax increments in excess of that projected in the Project Plan will be used by HISD or at the direction of HISD to provide educational facilities, as provided in Chapter 311 of the Tax Code and as required by the Interlocal Agreement with HISD.

### Affordable Housing Improvements

One-third of the tax increments will be used to provide affordable housing as required by Chapter 311 of the tax code. As permitted by Chapter 311, Tax Code, the affordable housing improvements may be located inside or outside of the Zone.





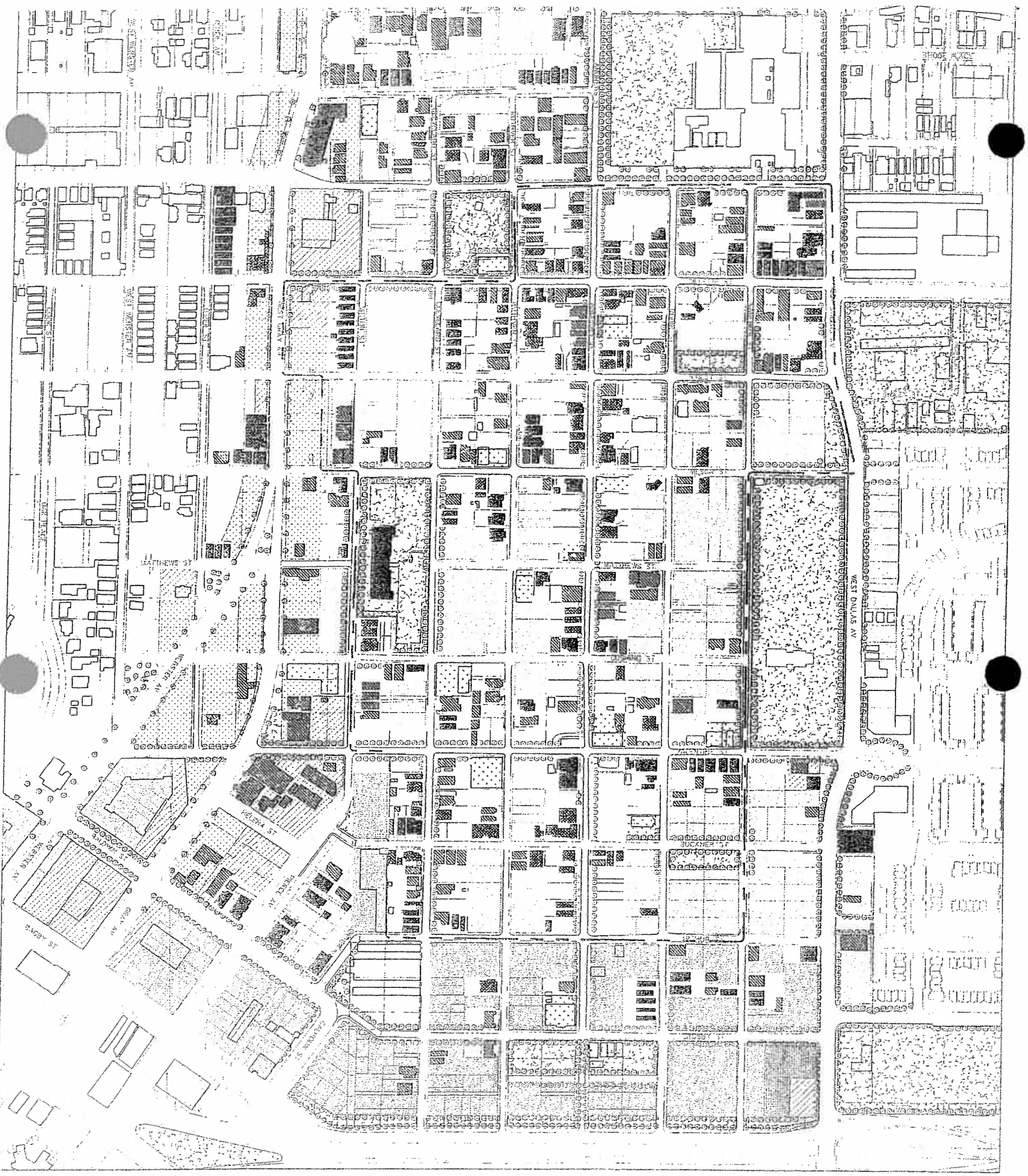
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Conceptual Land Use Plan

A conceptual land use plan is reflected in the *Fourth Ward Revitalization Plan* dated October 27, 1997, which was initially developed through the joint efforts of the Fourth Ward Community Coalition and Houston Renaissance, Inc. All area property owners and residents were invited to participate in the formulation of this plan. The 1997 Stull and Lee conceptual land use plan (which reflects somewhat different boundaries) is enclosed as Plan #1. A Preliminary Proposed Land Use Plan with some modifications to the Stull and Lee plan is enclosed as Plan #2. The land use regulations to be developed will incorporate as much of the conceptual revitalization plan as feasible.

- Maintaining the existing, historic street grid.
- The development of approximately 2,200 housing units, with a variety of housing types and prices mixed throughout the area.
- Acquisition and improvement of small-scale open space in scattered locations to compensate for the limited private outdoor area available on the small lots.
- Enhanced streetscaping to create an attractive neighborhood including significant improvements to the Dallas Street corridor.
- Medium density multi-family development along Heiner Street.
- Identity markers at key neighborhood entrances from the major thoroughfares.

➤ Prepared by Stull and Lee, Incorporated in association with W.O. Neuhaus Associates and Vernon G. Henry, Inc.



# Fourth Ward Revitalization Plan

Houston, Texas

Stull and Lee, Inc.  
Lead Planning/Urban Designers

W.O. Medelius Associates  
Architects

Vernon C. Henry and Assoc., Inc.  
Planning Consultants

## RESIDENTIAL BUILDING TYP

- h1c HIGH RISE APARTMENT BUILDINGS
- h2c MEDIUM RISE APARTMENT BUILDINGS
- h3c LOW RISE APARTMENT BUILDINGS
- h4c SINGLE-FAMILY DETACHED HOMES
- h5c SINGLE-FAMILY TOWNHOMES
- h6c SINGLE-FAMILY ROW HOMES
- h7c SINGLE-FAMILY DUPLEXES
- h8c SINGLE-FAMILY BUNGALOWS
- h9c SINGLE-FAMILY COTTAGES
- h10c SINGLE-FAMILY CABINETS
- h11c SINGLE-FAMILY CONDOS
- h12c SINGLE-FAMILY TOWNHOMES
- h13c SINGLE-FAMILY ROW HOMES
- h14c SINGLE-FAMILY DUPLEXES
- h15c SINGLE-FAMILY BUNGALOWS
- h16c SINGLE-FAMILY COTTAGES
- h17c SINGLE-FAMILY CABINETS

## COMMERCIAL:

- c1 HIGH RISE OFFICE BUILDINGS
- c2 MEDIUM RISE OFFICE BUILDINGS
- c3 LOW RISE OFFICE BUILDINGS
- c4 RETAIL STORES
- c5 RESTAURANTS
- c6 HOTELS
- c7 NIGHT CLUBS
- c8 THEATERS
- c9 CINEMAS
- c10 CASINOS
- c11 GYMNASIUMS
- c12 CONVENTIONS
- c13 OFFICE BUILDINGS
- c14 RETAIL STORES
- c15 RESTAURANTS
- c16 HOTELS
- c17 NIGHT CLUBS
- c18 THEATERS
- c19 CINEMAS
- c20 CASINOS
- c21 GYMNASIUMS
- c22 CONVENTIONS

## OPEN SPACE/PARKS:

- o1 PUBLIC PARKS
- o2 PRIVATE PARKS
- o3 PLAYGROUNDS
- o4 SPORTS FIELDS
- o5 GOLF COURSES
- o6 TENNIS COURTS
- o7 SWIMMING POOLS
- o8 BIKING TRAILS
- o9 HIKING TRAILS
- o10 EQUESTRIAN TRAILS
- o11 FISHING PONDS
- o12 BOATING PONDS
- o13 GOLF COURSES
- o14 TENNIS COURTS
- o15 SWIMMING POOLS
- o16 BIKING TRAILS
- o17 HIKING TRAILS
- o18 EQUESTRIAN TRAILS
- o19 FISHING PONDS
- o20 BOATING PONDS

## INSTITUTIONAL AND PUBLIC FACILITIES:

- i1 SCHOOLS
- i2 COLLEGES
- i3 UNIVERSITIES
- i4 LIBRARIES
- i5 MUSEUMS
- i6 THEATERS
- i7 CINEMAS
- i8 CONVENTIONS
- i9 OFFICE BUILDINGS
- i10 RETAIL STORES
- i11 RESTAURANTS
- i12 HOTELS
- i13 NIGHT CLUBS
- i14 THEATERS
- i15 CINEMAS
- i16 CONVENTIONS
- i17 OFFICE BUILDINGS
- i18 RETAIL STORES
- i19 RESTAURANTS
- i20 HOTELS
- i21 NIGHT CLUBS

## HISTORIC BUILDING INVENT

- h1c HIGH RISE APARTMENT BUILDINGS
- h2c MEDIUM RISE APARTMENT BUILDINGS
- h3c LOW RISE APARTMENT BUILDINGS
- h4c SINGLE-FAMILY DETACHED HOMES
- h5c SINGLE-FAMILY TOWNHOMES
- h6c SINGLE-FAMILY ROW HOMES
- h7c SINGLE-FAMILY DUPLEXES
- h8c SINGLE-FAMILY BUNGALOWS
- h9c SINGLE-FAMILY COTTAGES
- h10c SINGLE-FAMILY CABINETS
- h11c SINGLE-FAMILY CONDOS
- h12c SINGLE-FAMILY TOWNHOMES
- h13c SINGLE-FAMILY ROW HOMES
- h14c SINGLE-FAMILY DUPLEXES
- h15c SINGLE-FAMILY BUNGALOWS
- h16c SINGLE-FAMILY COTTAGES
- h17c SINGLE-FAMILY CABINETS

## LAND USE PLAN

# FOURTH WARD LAND USE PLAN

PLAN 2

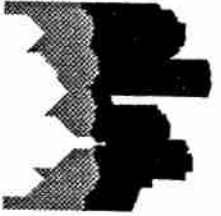


## Color Key

- Significant historic structures with allocated historic structures in full
- Compatible and sensitive full structure
- Medium Density 3 rd & 4 story structures
- Commercial
- Housing over Commercial
- Open Space, Public Parks, Landscape Bikeway
- Character
- High Style/era blocks of historical, cultural, or architectural importance
- Medium Density and historic preservation
- Historic
- Historic preservation with incompatible uses
- Historic preservation with incompatible uses

Vernon  
Associates, Inc.  
Architects  
March 11, 1970

INTERSTATE - 45



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**Parks and Streetscape**

The open space needs anticipate enhancements to existing open spaces such as Wiley Park, the Gregory Lincoln Schoolyard and existing cemeteries. Improvements might include ornamental fencing, improved lighting, new play equipment, other furnishings, new plantings, and informational signage.

Small-scale parks are needed as passive open spaces to stimulate new residential development and provide spatial variety within the neighborhood street grid.



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**TIRZ Boundary**

The reinvestment zone is approximately 119.8 acres and is predominately comprised of vacant property, followed by residential, with a substantial amount of unoccupied units, and public/institutional. The boundaries of the reinvestment zone are generally Allen Parkway to the north; Cook and Webster Street to the south; I-45 to the east, and Columbus Street to the west. Appendix Exhibits 1 and 2 provide a map and a written boundary description for the zone.

**Proposed Changes to Existing Ordinances**

Land use controls are anticipated by the T.I.R.Z. and will be prepared and adopted by the Board of Directors after approval of the Final Plan. No changes to the City's existing codes are proposed. An ordinance to establish existing City rights-of-way within the Zone will be proposed for Council consideration after creation of the Zone.

**Redevelopment Costs to be Funded by Others**

The TIRZ Project Plan is designed to coordinate and integrate a number of public improvement efforts within the TIRZ boundaries. These improvements, while necessary to the redevelopment effort, are termed "non project costs" because the source of their funding is other than the TIRZ.

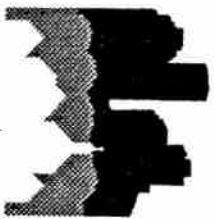
- City of Houston - Water Main Replacement Project (approximately \$3.7 million)
- ISTEATxDOT - Brick Street Reconstruction (Andrews and Wilson, approximately \$1.012 million)

**Statement of Relocation**

It is anticipated that the implementation of the plan will require some relocation of residents. The Directors will develop a specific relocation plan which will detail the policies, procedures and projected costs attributable to the relocation of residents who will be displaced as a result of TIRZ project activities.

An important goal of the relocation plan will be to minimize resident displacement on a temporary basis in order to maximize the opportunities for 4<sup>th</sup> Ward residents to remain in the 4<sup>th</sup> Ward. To this end, efforts will be made to organize redevelopment so that persons who must be relocated will be encouraged and enabled to move on a temporary or permanent basis, into suitable housing within the 4<sup>th</sup> Ward.

Relocation of 4<sup>th</sup> Ward residents will be overseen by the City of Houston to assure consistency with all City policies with respect to relocation.



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**Projected TIRZ Project Costs**

The improvements to be provided by and reimbursed by the reinvestment zone will consist of public infrastructure, streets and streetscape improvements, and neighborhood parks. Proposed improvements include open space area enhancements to Wiley Park, the Gregory Lincoln Schoolyard, and existing cemeteries. Expenditures for ornamental fencing, improved lighting, new playground equipment, other furnishings, new plantings, and informational signage are planned for these sites. In addition, small-scale parks are planned to provide open spaces and spatial variety within the neighborhood street grid. Other activities will include expenditures for land acquisition and preservation of historic properties.

**Infrastructure Improvements**

Storm & Sanitary Sewer general	\$3,189,100
Storm & Sanitary Sewer extensions (affordable housing)	3,000,000
Paving <i>Recount Michiv</i>	4,118,500
Street Lights	934,000
Parks	1,501,000
Entry Features & Focal Points	256,000
Streetscapes	3,552,400
Demolition	846,000
	<u>\$17,397,000</u>

**Other Project Costs**

Historic Preservation & Property Acquisition	3,750,000
TIRZ Creation & management	800,000
	<u>\$ 4,550,000</u>
<b>Subtotal</b>	<b>\$21,947,000</b>

In addition to the direct project costs estimate of \$21,947,000, it is anticipated that a substantial sum of money will be required from the City's one-third set-aside fund to support the provision for low income housing within the Fourth Ward. It is estimated that approximately \$2 million may be needed to support design, development, construction, and maintenance of the 400 single family units to be provided for low income families by various development entities which may include the Housing Authority and partners and participants of the Fourth Ward Community Coalition.

**Educational Facilities Improvements**

The educational facilities project costs total an estimated \$15.3 million to be spent inside or outside the boundary of the Zone.

**Affordable Housing Improvements**

The affordable housing project costs total an estimated \$32.9 million to be spent inside or outside the boundary of the Zone.

**Grand Total for all Zone Project Costs is estimated at \$70.1 million.**





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**Financing Methods and Revenue Sources for Project Costs**

**a. Description of the methods of financing**

In accordance with Sec. 311.015 of the Tax Increment Financing Act, the City may issue tax increment bonds, notes, or other obligations. Proceeds from such tax issues may be used to pay eligible project costs on behalf of the reinvestment zone. It is anticipated that tax increment bonds may be issued to finance infrastructure costs at various stages during the development of the project.

**b. Expected Sources of revenue to Finance or Pay Project Costs**

The development of 2,200 units of housing will be undertaken through several entities or mechanisms including the Houston Housing Authority, the Fourth Ward Community Coalition, local community development corporations, identified developments such as Trammel Crow and the Finger Companies, and other private developers of land within the Zone. In addition to conveying land to the Houston Housing Authority, the Houston Housing Finance Corporation which tool possession of the property acquired by Houston Renaissance Inc. may sell land for development in accordance with the plat for the Zone to other developers of affordable housing.

*Review Auth.*

commercial development. It is projected that taxable property values in the Zone will increase by approximately \$256 million by the year 2019, generating a cumulative tax increment of \$98.8 million. The current appraised value of the Zone is \$17,668,390.

**Educational Facilities Improvements**

The educational facilities improvements are expected to total \$15.3 million and may be expended inside or outside of the Zone.

**Affordable Housing Improvements**

The low-income housing set aside for affordable housing improvements are projected at \$32.9 million. These improvements may be located inside or outside of the Zone.

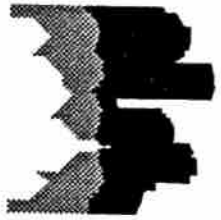
**c. Percent of Increment Dedicated to the Zone**

The preliminary financing plan anticipates that both Harris County and the Houston Independent School District (HISD) will participate with the City in the Fourth Ward TRZ. Each entity's involvement is presented as follows:

	Tax Rate/ \$100
City of Houston	\$ .0665
Harris County	\$0.42768
HISD	\$0.96

**Duration of the Zone**

The duration proposed for the zone is thirty (30) years.



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**ECONOMIC FEASIBILITY**

Between 1992 and 1997, one single-family unit, one industrial warehouse, and one commercial structure were built in the Fourth Ward area. Demolitions for the Fourth Ward area during this same time period included 115 single-family units and four commercial structures. Building permit activity for a larger market area (zip codes 77019, 77006, and 77007) is presented below.

RESIDENTIAL BUILDING PERMIT ACTIVITY: 1992-1997 (ZIP CODES DATA FOR 77019*, 77006, 77007)							
Market Area	1992	1993	1994	1995	1996	1997	TOTAL
SF Units	115	178	195	214	277	316	1,295
MF Units	233	161	5	648	14	976	2,037
SF Value (\$ Mil.)	\$27.16	\$21.38	\$22.45	\$40.79	\$49.58	\$53.63	\$214.98
MF Value (\$ Mil.)	\$10.82	\$4.38	\$0.24	\$22.88	\$0.45	\$31.31	\$70.08
SF Units Demol.	132	210	177	148	134	97	898
MF Units Demol.	40	15	16	23	1,022	17	1,133

Note: 77019 includes the River Oaks area and Fourth Ward

In 1995, the Houston Housing Finance Corporation commissioned CDS Research to conduct a housing market study to ascertain the potential market demand for downtown and near downtown neighborhoods in Houston. The findings were extremely positive with respect to the level of consumer interest and market potential among households in the \$20,000 to \$50,000 annual household income range. There appeared to be a strong pent-up demand for new affordable, for sale product in each of the neighborhoods studied.

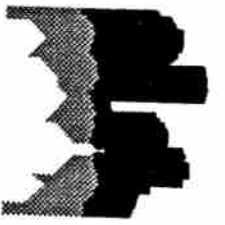




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In September 1997 CDS was retained by Houston Renaissance, Inc. to conduct a market research study focused on the Fourth Ward. The study was designed to independently evaluate and analyze the market potential for new housing and renovated historic housing. The research consisted of a series of focus groups with prospective renters and homebuyers from throughout Houston, all of whom would qualify to pay market rates. The purpose was to assess qualitatively various concepts that were vital considerations in the Fourth Ward design process. Concurrently, a survey with Fourth Ward churchgoers was conducted to measure their level of interest in living in the neighborhood after redevelopment. Many of these individuals either currently reside in the neighborhood or are former residents.

The results of both the CDS study and the churchgoer survey were extremely positive, further confirming the results of the 1995 study. The research found support for the general redevelopment concepts and interest in purchasing or renting housing in the Fourth Ward.



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## APPENDIX

