

City of Houston, Texas, Ordinance No. 2021 - 179

AN ORDINANCE RELATING TO THE FISCAL AFFAIRS OF HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY ON BEHALF OF REINVESTMENT ZONE NUMBER TWENTY-ONE, CITY OF HOUSTON, TEXAS (HARDY/NEAR NORTHSIDE ZONE); APPROVING THE FISCAL YEAR 2022 OPERATING BUDGET FOR THE AUTHORITY AND THE FISCAL YEARS 2022-2026 CAPITAL IMPROVEMENT PLAN BUDGET FOR THE ZONE; CONTAINING FINDINGS AND OTHER PROVISIONS RELATED TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.

* * * * *

WHEREAS, the City of Houston (the "City") created Reinvestment Zone Number Twenty-One, City of Houston, Texas (the "Zone" or "Hardy/Near Northside Zone") by Ordinance No. 2003-1258 effective on December 23, 2003; and

WHEREAS, the Hardy/Near Northside Redevelopment Authority (the "Authority"), a local government corporation acting on behalf of the City in connection with the Zone, has submitted an Operating Budget for Fiscal Year 2022 (the "Operating Budget") and a Capital Improvement Plan Budget for Fiscal Years 2022-2026 (the "CIP Budget" and, collectively with the Operating Budget, the "Budgets") to the City Council for approval pursuant to that certain agreement among the City, the Authority, and the Zone approved by Ordinance No. 2009-1271 on December 9, 2009; and

WHEREAS, the City Council desires to approve the Budgets for the Authority on behalf of the Zone; **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 determined to be true and correct and are hereby adopted as part of this Ordinance.

Section 2. That the City Council takes cognizance of the fact that in order to implement the Project Plan and Reinvestment Zone Financing Plan for the Zone, and to make adjustments occasioned by events transpiring during the year, the Authority, upon the approval of the City's Chief Development Officer, may transfer funds from one line item of Project Costs shown on Exhibit "A" to another. Unless approved by the City Council, the Authority may transfer funds only (1) as needed for Debt Service; and (2)

from one line item of Project Costs to another, provided that the aggregate of such transfers does not exceed the lesser of \$400,000 or 5% of Project Costs during Fiscal Year 2022. Subject to the foregoing, the Operating Budget attached hereto as Exhibit "A" is hereby approved for the Authority.

Section 3. That the CIP Budget attached hereto as Exhibit "B" is hereby approved for the Zone.

Section 4. That not later than March 31, 2022, the Zone shall, in cooperation with City representatives: (1) identify surplus funds in the Zone's Fiscal Year 2022 Operating Budget based on the difference between Zone revenues and the Fiscal Year 2022 Operating Budget approved by the City; and (2) make available any surplus Zone funds, through appropriate agreement, for projects identified by the City that are eligible for tax increment funding, such as affordable housing, areas of public assembly, incremental costs of municipal services attributable to development and redevelopment in the Zone, and capital projects that benefit the City and the Zone. The agreement may provide for the payment of surplus funds into one or more accounts established by the City or may provide for direct payment by the Zone for that purpose. The Zone shall consider amendments to the Zone Project Plan and Reinvestment Zone Financing Plan that may be necessary to accomplish this purpose, and shall expedite any such amendments.

Section 5. That the approval of the Budgets is contingent upon receipt by the City's Chief Development Officer of a document signed by the Administrator of the Zone disclosing the name of each owner or developer of property within the Zone from which the Administrator has received compensation during the last five calendar years, and the

amount of compensation by owner by year. Compensation may be expressed by category as follows:

- Category I Less than \$1,000.00
- Category II At least \$1,000.00 but less than \$10,000.00
- Category III At least \$10,000.00 but less than \$50,000.00
- Category IV At least \$50,000.00 but less than \$100,000.00
- Category V At least \$100,000.00 but less than \$500,000.00
- Category VI At least \$500,000.00 but less than \$1,000,000.00
- Category VII \$1,000,000.00 or more

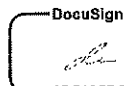

Section 6. That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; 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 8th day of September, 2021.
APPROVED this _____ day of _____, 2021.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is SEP 14 2021.

Pat J. Hanrahan
City Secretary

DocuSigned by:  
605195BC001D4C0
Assistant City Attorney

(Prepared by Legal Department
(JN:gd 08.20.2021)
(Requested by Andy Icken, Chief Development Officer, Office of the Mayor)
(L.D. File No. 042-1400131-012)

AYE	NO	
✓		MAYOR TURNER
....	COUNCIL MEMBERS
✓		PECK
✓		JACKSON
✓		KAMIN
✓		EVANS-SHABAZZ
✓		MARTIN
✓		THOMAS
✓		TRAVIS
✓		CISNEROS
✓		GALLEGOS
✓		POLLARD
✓		MARTHA CASTEX-TATUM
✓		KNOX
✓		ROBINSON
✓		KUBOSH
	ABSENT-ON PERSONAL BUSINESS	PLUMMER
✓		ALCORN
CAPTION	ADOPTED	

EXHIBIT "A"

**Fiscal Year 2022 Operating Budget
for the Hardy/Near Northside Redevelopment Authority**

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2022 BUDGET PROFILE

Fund Summary
 Fund Name: **Hardy Yards/Near Northside**
 TIRZ: **21**
 Fund Number: **7569/50**

P R O F I L E	Base Year:		2003
	Base Year Taxable Value:	\$	40,313,080
	Projected Taxable Value (TY2021):	\$	734,153,776
	Current Taxable Value (TY2020):	\$	719,758,604
	Acres:		1450.21
	Administrator (Contact):		Ralph De Leon
	Contact Number:		(832) 978-5910

N A R R A T I V E	Zone Purpose:
	Tax Increment Reinvestment Zone Number Twenty-One, City of Houston, Texas was created to provide plans and programs needed to transform a former Union Pacific rail yard site into a transit-oriented, mixed-use development consisting of affordable housing, the construction or reconstruction of roadways and streets, utility systems, parks, hike and bike trails, mobility improvements, land acquisition, environmental remediation, and other community focused enhancements.

P R O J E C T P L A N		Total Plan		Cumulative Expenses (to 6/30/20)	Variance
	Capital Projects:				
	Roadway and Sidewalk Improvements	\$	37,692,000	\$ 12,131,186	\$ 25,560,814
	Public Utility Improvements		7,884,000	-	7,884,000
	Parks, Plazas and Recreational Facilities		4,328,000	-	4,328,000
			-	-	-
			-	-	-
			-	-	-
			-	-	-
	Total Capital Projects	\$	49,904,000	\$ 12,131,186	\$ 37,772,814
	Affordable Housing		24,920,874	1,884,212	23,036,662
	School & Education/Cultural Facilities		-	-	-
	Financing Costs		1,700,000	-	1,700,000
	Administration Costs/ Professional Services		2,200,000	732,483	1,467,517
	Creation Costs		-	-	-
	Total Project Plan	\$	78,724,874	\$ 14,747,881	\$ 63,976,993

D E B T	Additional Financial Data	FY2021 Budget	FY2021 Estimates	FY2022 Budget
		<u>Debt Service</u>	\$ -	\$ -
	Principal	\$ -	\$ -	\$ -
	Interest	\$ -	\$ -	\$ -
		Balance as of 6/30/20	Projected Balance as of 6/30/21	Projected Balance as of 6/30/22
	<u>Year End Outstanding (Principal)</u>			
	Bond Debt	\$ -	\$ -	\$ -
	Bank Loan	\$ -	\$ -	\$ -
	Line of Credit	\$ -	\$ -	\$ -
	Developer Agreement - Onsite Improvements	\$ 4,440,321	\$ 4,314,848	\$ 4,192,200
	Developer Agreement - Offsite Improvements	\$ 2,007,565	\$ 1,684,919	\$ 1,369,538
	Other	\$ -	\$ -	\$ -

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2022 BUDGET DETAIL

Fund Summary
 Fund Name: Hardy Yards/Near Northside
 TIRZ: 21
 Fund Number: 7569/50

TIRZ Budget Line Items	FY2021 Budget	FY2021 Estimates	FY2022 Budget
RESOURCES			
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Planning and Development	\$ 1,233,408	\$ 1,216,618	\$ 1,161,784
Beginning Balance	\$ 1,233,408	\$ 1,216,618	\$ 1,161,784
City tax revenue	\$ 786,980	\$ 957,938	\$ 1,023,752
County tax revenue	\$ -	\$ -	\$ -
ISD tax revenue	\$ -	\$ -	\$ -
ISD tax revenue - Pass Through	\$ -	\$ -	\$ -
Community College tax revenue	\$ -	\$ -	\$ -
Incremental property tax revenue	\$ 786,980	\$ 957,938	\$ 1,023,752
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Miscellaneous revenue	\$ -	\$ -	\$ -
COH TIRZ interest	\$ 170	\$ 170	\$ 170
Interest Income	\$ 1,620	\$ 3,809	\$ 1,620
Other Interest Income	\$ 1,790	\$ 3,979	\$ 1,790
	\$ -	\$ -	\$ -
GLO Texas Community Block Grant Program	\$ -	\$ -	\$ -
Grant Proceeds	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Proceeds from Bank Loan	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Contract Revenue Bond Proceeds	\$ -	\$ -	\$ -
TOTAL AVAILABLE RESOURCES	\$ 2,022,178	\$ 2,178,535	\$ 2,187,326

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2022 BUDGET DETAIL

Fund Summary
 Fund Name: Hardy Yards/Near Northside
 TIRZ: 21
 Fund Number: 7569/50

TIRZ Budget Line Items	FY2021 Budget	FY2021 Estimates	FY2022 Budget
EXPENDITURES			
Accounting	\$ 10,000	\$ 16,140	\$ 12,000
Administration Salaries & Benefits	\$ 35,000	\$ 26,548	\$ 50,000
Auditor	\$ 10,000	\$ 8,000	\$ 10,000
Tax Advisor	\$ 2,000	\$ 1,090	\$ 2,000
Insurance	\$ 1,000	\$ 928	\$ 1,000
Office Expense	\$ 250	\$ 440	\$ 4,000
TIRZ Administration and Overhead	\$ 58,250	\$ 53,146	\$ 79,000
Engineering Consultants	\$ 225,000	\$ 92,408	\$ 225,000
Legal	\$ 20,000	\$ 8,486	\$ 20,000
Construction Audit	\$ -	\$ -	\$ -
Planning Consultants	\$ -	\$ 19,882	\$ 100,000
Program and Project Consultants	\$ 245,000	\$ 120,776	\$ 345,000
Management consulting services	\$ 303,250	\$ 173,922	\$ 424,000
Capital Expenditures (See CIP Schedule)	\$ 202,000	\$ 27,500	\$ 716,500
TIRZ Capital Expenditures	\$ 202,000	\$ 27,500	\$ 716,500
Hardy Yards/Cypress - OnSite	\$ 125,175	\$ 125,473	\$ 122,648
Hardy Yards/Cypress - OffSite	\$ 321,879	\$ 322,646	\$ 315,381
Developer / Project Reimbursements	\$ 447,054	\$ 448,119	\$ 438,029
System debt service	\$ -	\$ -	\$ -
TOTAL PROJECT COSTS	\$ 952,304	649,541	1,578,529
Payment/transfer to ISD - educational facilities	\$ -	\$ -	\$ -
Administration Fees:			
City	\$ 39,349	\$ 47,897	\$ 51,188
County	\$ -	\$ -	\$ -
ISD	\$ -	\$ -	\$ -
HCC	\$ -	\$ -	\$ -
Affordable Housing:			
City	\$ 262,327	\$ 319,313	\$ 341,251
County	\$ -	\$ -	\$ -
ISD to City of Houston	\$ -	\$ -	\$ -
Municipal Services (Payable to COH)	\$ -	\$ -	\$ -
Total Transfers	\$ 301,676	367,210	392,439
Total Budget	\$ 1,253,980	1,016,751	1,970,968
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Planning and Development	\$ 768,198	\$ 1,161,784	\$ 216,358
Ending Fund Balance	\$ 768,198	1,161,784	216,358
Total Budget & Ending Fund Balance	\$ 2,022,178	\$ 2,178,535	\$ 2,187,326

Notes:

EXHIBIT "B"

**Fiscal Years 2022-2026 Capital Improvement Plan Budget
for the Hardy/Near Northside Zone**

2022 - 2026 CAPITAL IMPROVEMENT PLAN
 TIRZ NO.21 - HARDY YARDS/NEAR NORTHSIDE

Council District	CIP No.	Project	Fiscal Year Planned Appropriations						
			Through 2020	Projected 2021	2022	2023	2024	2025	
H	T-2101	Near Northside Hernandez Tunnel	\$ -	-	-	-	-	-	-
H	T-2102	Hernandez Tunnel Murat	\$ 15,000	-	-	-	-	-	-
H	T-2103	METRO Parcel Acquisition and Planning	\$ -	-	59,000	4,000	-	-	-
H	T-2104	2600 - 3500 Block Main Street Pedestrian/Bicycle	\$ -	27,500	27,500	-	-	-	-
O	T-2105	Pickney Street Hike and Bike Trail	\$ -	-	605,000	-	-	-	-
O	T-2106	ADA Compliant Sidewalks and related pedestrian	\$ -	-	-	-	-	-	-
H	T-2199	Concrete Panel & Sidewalk Replacement Program	\$ -	-	25,000	25,000	25,000	25,000	25,000
Totals			\$ 15,000	27,500	716,500	\$ 29,000	\$ 25,000	\$ 25,000	\$

* NOTE:
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2022 - 2026 CAPITAL IMPROVEMENT PLAN
 TIRZ NO.21 - HARDY YARDS/NEAR NORTHSIDE

Source of Funds	Fiscal Year Planned Appropriations					
	Through 2020	Projected 2021	2022	2023	2024	2025
TIRZ Funds	15,000	27,500	446,500	29,000	25,000	25,000
City of Houston	-	-	-	-	-	-
Grants	-	-	270,000	-	-	-
Other	-	-	-	-	-	-
Project Total	15,000	27,500	716,500	29,000	25,000	25,000

Project:	METRO Parcel Acquisition and Planning	City Council District		Key Map:		
		Location:	H	Geo. Ref.:		
		Served:	ALL	Neighborhood:		
Description:	METRO owned remnant parcels remaining after construction of light rail line on Fulton Street and Main Street.	Operating and Maintenance Costs: (
			2022	2023	2024	
Justification:	Various Parcels located adjacent to Light Rail Stops, which will provide a non-vehicular safe haven with pedestrian amenities for transit users and open green space for the community.	Personnel	-	-	-	
		Supplies	-	-	-	
		Svcs. & Chgs.	-	-	-	
		Capital Outlay	-	-	-	
		Total	\$ -	\$ -	\$ -	\$ -
	FTEs					

Fiscal Year Planned Expenses

Project Allocation		Projected Expenses thru 6/30/20	2021 Budget	2021 Estimate	2022	2023	2024	2025
Phase								
1	Planning	-	15,000	-	5,000	-	-	-
2	Acquisition	-	50,000	-	5,000	-	-	-
3	Design	-	45,000	-	45,000	-	-	-
4	Construction	-	-	-	-	-	-	-
5	Equipment	-	-	-	-	-	-	-
6	Close-Out	-	-	-	-	-	-	-
7	Other	-	12,000	-	4,000	4,000	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
	Other Sub-Total:	-	12,000	-	4,000	4,000	-	-
Total Allocations		\$ -	\$ 122,000	\$ -	\$ 59,000	\$ 4,000	\$ -	\$ -
Source of Funds								
	TIRZ Funds	-	122,000	-	59,000	4,000	-	-
	City of Houston	-	-	-	-	-	-	-
	Grants	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-
	Total Funds	\$ -	\$ 122,000	\$ -	\$ 59,000	\$ 4,000	\$ -	\$ -

Project:	2600 - 3500 Block Main Street Pedestrian/Bicycle Safety Project	City Council District		Key Map:		
		Location:	H	Geo. Ref.:		
		Served:	H	Neighborhood:		
Description:	Amendment to Major Thoroughfare Plan to provide for adequate sidewalks/multi-purpose pathway from I-45 to the METRO light rail facility on Fulton Street.	Operating and Maintenance Costs: (
			2022	2023	2024	
		Personnel	-	-	-	-
		Supplies	-	-	-	-
		Svcs. & Chgs.	-	-	-	-
		Capital Outlay	-	-	-	-
Justification:	Existing conditions consist of irregular stretches of non-connected segments of sidewalks, often blocked by telephone poles, or other conditions that render them useless.	Total	\$ -	\$ -	\$ -	\$ -
		FTEs				

Fiscal Year Planned Expenses

Project Allocation		Projected Expenses thru 6/30/20	2021 Budget	2021 Estimate	2022	2023	2024	2025
Phase								
1	Planning	-	50,000	27,500	27,500	-	-	-
2	Acquisition	-	-	-	-	-	-	-
3	Design	-	-	-	-	-	-	-
4	Construction	-	-	-	-	-	-	-
5	Equipment	-	-	-	-	-	-	-
6	Close-Out	-	-	-	-	-	-	-
7	Other	-	5,000	-	-	-	-	-
Other Sub-Total:		-	5,000	-	-	-	-	-
Total Allocations		\$ -	\$ 55,000	\$ 27,500	27,500	\$ -	\$ -	\$ -
Source of Funds								
TIRZ Funds		-	55,000	27,500	27,500	-	-	-
City of Houston		-	-	-	-	-	-	-
Grants		-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-
Total Funds		\$ -	\$ 55,000	\$ 27,500	\$ 27,500	\$ -	\$ -	\$ -

*NOTE:

Project:	Pickney Street Hike and Bike Trail	City Council District		Key Map:		
		Location:		Geo. Ref.:		
		Served:		Neighborhood:		
Description:	Trail connection to the White Oak Bayou Regional Trail System providing access from the neighborhood to the White Oak and Buffalo Bayou Trail Systems.	Operating and Maintenance Costs: (
			2022	2023	2024	
Justification:	Trail is identified on the Houston Bike Plan, Houston Park Board's Bayou Greenways Plan, Near Northside Complete Communities Plan, Vision Zero Plan and the Heights/Near Northside Mobility Study.	Personnel	-	-	-	
		Supplies	-	-	-	
		Svcs. & Chgs.	-	-	-	
		Capital Outlay	-	-	-	
		Total	\$ -	\$ -	\$ -	\$ -
		FTEs				

Fiscal Year Planned Expenses

Project Allocation		Projected Expenses thru 6/30/20	2021 Budget	2021 Estimate	2022	2023	2024	2025
Phase								
1	Planning	-	-	-	-	-	-	-
2	Acquisition	-	-	-	-	-	-	-
3	Design	-	-	-	50,000	-	-	-
4	Construction	-	-	-	550,000	-	-	-
5	Equipment	-	-	-	-	-	-	-
6	Close-Out	-	-	-	-	-	-	-
7	Other	-	-	-	5,000	-	-	-
Other Sub-Total:		-	-	-	5,000	-	-	-
Total Allocations		\$ -	\$ -	\$ -	\$ 605,000	\$ -	\$ -	\$ -
Source of Funds								
TIRZ Funds		-	-	-	335,000	-	-	-
City of Houston		-	-	-	-	-	-	-
Grants		-	-	-	270,000	-	-	-
Other		-	-	-	-	-	-	-
Total Funds		\$ -	\$ -	\$ -	\$ 605,000	\$ -	\$ -	\$ -

Project:	Concrete Panel & Sidewalk Replacement Program	City Council District		Key Map:		
		Location: H		Geo. Ref.:		
		Served: H		Neighborhood:		
Description:	Street and/or sidewalk maintenance program.	Operating and Maintenance Costs: (
			2022	2023	2024	
		Personnel	-	-	-	-
		Supplies	-	-	-	-
		Svcs. & Chgs.	-	-	-	-
		Capital Outlay	-	-	-	-
		Total	\$ -	\$ -	\$ -	\$ -
Justification:	Mobility improvements to extend life of roads.	FTEs				

Fiscal Year Planned Expenses

Project Allocation		Projected Expenses thru 6/30/20	2021 Budget	2021 Estimate	2022	2023	2024	2025
Phase								
1	Planning	-	-	-	-	-	-	-
2	Acquisition	-	-	-	-	-	-	-
3	Design	-	-	-	-	-	-	-
4	Construction	-	25,000	-	25,000	25,000	25,000	25,000
5	Equipment	-	-	-	-	-	-	-
6	Close-Out	-	-	-	-	-	-	-
7	Other	-	-	-	-	-	-	-
Other Sub-Total:		-	-	-	-	-	-	-
Total Allocations		\$ -	\$ 25,000	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Source of Funds								
TIRZ Funds		-	25,000	-	25,000	25,000	25,000	25,000
City of Houston		-	-	-	-	-	-	-
Grant		-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-
Total Funds		\$ -	\$ 25,000	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000