



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 5/25/2021

District B

Item Creation Date: 3/28/2021

HCD21-38 Option Agmt for the Purchase and Sale of the Property at 17030 and 17050  
Imperial Valley

Agenda Item#: 14.

### **Background:**

The Housing and Community Development Department (HCDD) recommends Council approval of an Ordinance authorizing an Option Agreement for Purchase and Sale of Real Property between the City of Houston (City) and AMG City View Apartments, LLC (Seller), to provide \$33,189,500.00 in Community Development Block Grant – Disaster Recovery (CDBG-DR17) funds, for the purchase of property located at 17030 and 17050 Imperial Valley, Houston TX 77060 (Property), eligible under the Harvey Buyout (HB) Program. In collaboration with Houston Public Works, HCDD will convert this site into green space or detention to help protect Houstonians from the risk of future flooding in the area.

The Property comprises approximately 19.8105 acres of land and 417,463 square feet of improvements. The purchase price is \$32,000,000.00 based on appraisal, plus additional due diligence, closing costs and operational costs during post-closing of approximately \$1,189,500.00. The HB Program was approved by Council through Ordinance No. 2020-0181, adopted on March 10, 2020.

The City has developed a one-for-one relocation plan in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), to provide current tenants with the option to relocate to a different apartment located within approximately 1-3 miles of the Property.

The Seller will convey the land to the City subject to the following restrictions and conditions:

1. The Property shall be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or floodplain and wetlands management practices.
2. No new structure will be erected on property acquired, accepted, or from which a structure was removed under the acquisition or relocation program other than: (a) a public facility that is open on all sides and functionally related to a designated open space (e.g., a park, campground, or outdoor recreation area); (b) a rest room; or (c) a flood control structure, provided that structure does not reduce valley storage, increase erosive velocities, or increase flood heights on the opposite bank, upstream, or downstream and that the local floodplain manager approves, in writing, before the commencement of the construction of the structure.
3. No subsequent application for additional disaster assistance for any purpose or to repair damage or make improvements of any sort will be made by the recipient to any Federal entity in perpetuity.
4. The foregoing covenants and agreements are adopted for, and placed upon the Property, and shall run with the land, be binding upon all parties, now and at any time hereafter. The foregoing covenants may be enforced by Grantee, General Land Office (GLO) or U.S. Department of Housing & Urban Development (HUD) jointly or severally; however, failure, refusal or inability by either Grantee, GLO or HUD, jointly or severally, to enforce any of the foregoing covenants shall in no event be deemed a waiver or release of the right to do so thereafter.

The Seller understands that there is no obligation to sell the Property under the HB program, but the Seller does so voluntarily, and that power of eminent domain will not be used to acquire the Property. The purchase of the Property is subject to environmental clearance from the U.S. Department of Housing and Urban Development and other approvals from the program guidelines approved by the Texas General Land Office.

The following is a breakdown of estimated costs:

Sources	Uses	Amount
CDBG-DR17	Estimated Purchase Price	\$32,000,000.00
CDBG-DR17	Estimated Due Diligence and closing costs	\$140,000.00
CDBG-DR17	Estimated operating costs	\$1,049,500.00
<b>Total</b>	<b>Estimated Total</b>	<b>\$33,189,500.00</b>

No Fiscal Note is required on grant items.

This item was reviewed by the Housing and Community Affairs Committee on April 20, 2021.

  
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Tom McLasland, Director

**Prior Council Action:**

3/10/20 (O) 2020-181

**Amount of Funding:**

\$33,189,500.00 Federal State Local – Pass Through Fund (5030)

**Contact Information:**

Roxanne Lawson  
(832) 394-6307

**ATTACHMENTS:**

<b>Description</b>	<b>Type</b>
Maps	Backup Material
Biscayne_Option_Agreement_executed by HCDD and Seller (with Lease Budget)	Signed Cover sheet