



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 8/31/2021

District D

Item Creation Date: 6/22/2021

HCD21-88 2209 Emancipation

Agenda Item#: 17.

Summary:

ORDINANCE appropriating \$4,000,000.00 from the Homeless and Housing Consolidated Fund; approving and authorizing Purchase and Sale Agreement between City of Houston and **WESLEY A.M.E. CHURCH** for purchase of approximately 62,500 square feet of land located at 2209 Emancipation Avenue, Houston, Texas 77003 for the development of affordable housing; approving a Special Warranty Deed - **DISTRICT D - EVANS-SHABAZZ**

Background:

The Housing and Community Development Department (HCDD) recommends Council approval of an Ordinance authorizing a Purchase and Sale Agreement between the City of Houston (City) and Wesley A.M.E. Church, a Texas non-profit corporation (Seller), appropriating \$4,000,000.00 from the Homeless and Housing Consolidated Fund to purchase vacant land and improvements (the church building) for the development of affordable rental homes. The land, located at 2209 Emancipation Avenue, Houston, Texas (Property) is near the intersection of Emancipation Avenue and Webster Street in the Historic Third Ward.

HCDD intends to convert the site to a multifamily development with approximately 70 market rate and affordable rental homes. The vacant land (62,500 square feet) will provide a mix of one-, two-, and three-bedroom rental homes serving low- to moderate- income households at 80% of the Area Median Income. The church (17,000 square feet) was built in the late 1920s; the second floor was completed in 1952. The church is still operating in the building and will relocate to a new site by early 2023.

The development is an opportunity to build both affordable homes and commercial developments along Emancipation Avenue, while saving an historic structure important to the community. The existing church can be saved and could be renovated to provide one- or two-bedroom long- term rentals. Alternatively, it could be used for job training/ co-working spaces to be shared by residents.

The Property is within a Complete Community and is less than a mile from Emancipation Park, which has become a prime location for new development; it is conveniently located less than one mile from Downtown (Houston's Central Business District), Midtown, the Museum District, Hermann Park, University of Houston, and Texas Southern University, with nearby access to major thoroughfares and public transportation. The site will allow the City to increase the number of affordable homes available to low- and moderate-income families that are close to employment centers and services.

On April 29, 2020 Council approved an Ordinance appropriating \$880,000.00 from the Homeless and Housing Consolidated Bond Fund, for the transfer of land at 3400 Linn Street to HCDD. The transfer did not occur; therefore, through this current proposed Ordinance HCDD is also requesting to de-appropriate the previously appropriated \$880,000.00 and add it to a \$3,120,000.00 new appropriation for the purchase of 2209 Emancipation Avenue.

The Purchase Price is \$3,800,000.00, with approximately \$200,000.00 additional for other costs as shown in the chart below. The City will lease back the Property to the Seller for a nominal rent to offset the services that will be provided to Houstonians. Federal and State Historic Tax Credits could be available to reimburse the developer up to 45% of the qualified rehabilitation costs.

The Seller understands that there is no obligation to sell the Property, but the Seller does so voluntarily. The City's power of eminent domain will not be used.

The following is a breakdown of expected costs:

Sources	Amount	Uses
Homeless & Housing Consolidated Fund (4501)	\$3,800,000.00	Acquisition of Land
Homeless & Housing Consolidated Fund (4501)	\$200,000.00	Estimated Due Diligence, maintenance, and pre-development and planning costs
Total	\$4,000,000.00	Estimated Total

CIP FISCAL NOTE: No significant Fiscal Operating impact is anticipated as a result of this project.

There was no formal Housing and Community Affairs Committee meeting during the month of July; therefore, the Chairs were briefed on this item on July 28, 2021.

DocuSigned by:

Tom McLasland

Tom McLasland, Director

Prior Council Action:

4/29/2020 (O) 2020-369

Amount and Source of Funding:

\$4,000,000.00

Homeless & Housing Consolidated Fund
Fund 4501

Contact Information:

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Housing and Community Development Department

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ATTACHMENTS:

Description

Coversheet
HCD21-88 SAP
HCD21-88 PNFD
CIP Form A
Caption
Signed Ordinance
PSA (final)

Type

Signed Cover sheet
Financial Information
Financial Information
Backup Material
Other
Ordinance/Resolution/Motion
Contract/Exhibit