



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

District C

Item Creation Date:

MYR - Restrictions and Development Agreement - Covenant House

Agenda Item#:

Background:

City Council approval is recommended for an ordinance allowing the City of Houston (the "City") to execute a Restrictions and Development Agreement (the "Agreement") with Covenant House Texas (CHT) related to the abandonment and sale of a public alley from Yoakum Boulevard to Mt Vernon Street. Council will be asked to approve the abandonment of this public right-of-way in a separate action in parallel with this recommendation to approve the Agreement.

The total amount owed by CHT to the City for the alley right-of-way is \$590,072. As payment, CHT will be subject to a two-part compensation plan as detailed by the Agreement.

Part One:

A total of \$100,000 over five (5) annual payments of \$20,000 each.

Part Two:

A total of \$490,072 in non-monetary consideration.

Cost Avoidance. As a result of the 50% increase in capacity for the housing of homeless youth and related services provided by CHT from the new facility that will use the abandoned alley parcel, the City estimates cost avoidance of more than \$490,072 to the General Fund over the 20-year period of the Restrictive Covenants described below. This estimate assumes a minimum of \$25,000 annually (in 2023 dollars) of cost avoidance over the 20 years. Specially, the value will be realized in the decrease in demand for Houston Police Department and Houston Fire Department to respond to emergency calls concerning youth experiencing homelessness.

Restrictive Covenants. The CHT property (including the abandoned alley) within the block bisected by the alley (bound by Lovett Boulevard, Yoakum Boulevard, Hawthorne Street, and Mt. Vernon Street) shall be used only for institutional, not-for-profit, and related uses. Restrictions will run with the land for a period of 20 years from the date the ownership of the alley is conveyed to CHT.

Lovett Boulevard Sidewalk. Chapter 40 of the City's Code of Ordinances requires a sidewalk with a minimum width of five (5) feet. As a condition of this Agreement, CHT would construct a sidewalk with a minimum unobstructed width of ten (10) feet along Lovett Boulevard (between Yoakum Boulevard and Mt. Vernon Street). The wider sidewalk aligns with the recommendations from the "Rethinking Lovett Boulevard" community and stakeholder engagement led by the City in 2021. The City estimates this condition to have a value of more than \$21,000.

The Agreement also includes requirements related to the construction of a new 8-inch sanitary sewer line within the City right-of-way adjacent to the CHT property.

DocuSigned by:

A handwritten signature in black ink, appearing to read "Andy F. Jickel".

Andy F. Jickel, Chief Development Officer

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