



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 12/12/2023

District D

Item Creation Date: 11/30/2023

HCD23-50 Wesley AME Church Project

Agenda Item#: 24.

Summary:

ORDINANCE approving and authorizing a Land Use Agreement between the City of Houston and **TELLEPSEN BUILDERS, L.P., a Texas Limited Partnership**, to transfer approximately 62,500 square feet of land and improvements located at 2209 Emancipation Avenue, Houston, Texas 77003 for a mixed-use development including new construction affordable housing; approving a Special Warranty Deed - **DISTRICT D - EVANS-SHABAZZ**

Background:

The Housing and Community Development Department (HCD) recommends Council approval of an Ordinance authorizing a Land Use Restriction Agreement (LURA) between the City of Houston (City) and Tellepsen Builders, L.P. (Developer) for the transfer of approximately 62,500 square feet of land and improvements located at 2209 Emancipation Avenue (formerly Wesley AME Church) to be renovated and developed into a dynamic mixed-use development with a cultural arts facility, green space, and the new construction of affordable housing units. In accordance with the Land Use Restriction Agreement, the City will transfer title to the property to the developer in exchange for the developer's obligation to redevelop the property and impose usage restrictions. The property is situated in the Third Ward Complete Community. No additional funding.

The site at 2209 Emancipation Avenue is a city block that consists of approximately 62,500 square feet of land, including approximately 17,500 square feet of improvements (the former church building). The property is near the intersection of Emancipation Avenue and Webster Street in Houston's Historic Third Ward. The existing church space renovation will include, but will not be limited to, a community center, learning/education center, and/or library. The proposed new construction will include approximately 113 residential units, community and retail amenities, including food and beverage, as well as parking.

The City's Land Use Agreement will require restrictions to be put in place on the property, which will require that at least 51% of the residential units be affordable units, and will also restrict usage of the former church space to community use. In addition, the renovations will include infrastructure and energy-efficient improvements, while preserving the exterior facade of the chapel. Disabled accessibility and architectural design features will be aimed at improving aesthetic quality.

The total project budget is \$69,609,878.00, of which \$33,000,000.00 from Tellepsen Builders, L.P., \$32,609,878.00 from Citizens Bank and the City will transfer land valued at approximately \$4,000,000.00.

Previously, pursuant to Ordinance No. 2021-0755 executed September 8, 2021, the City and the Wesley AME Church entered into a Purchase and Sale Agreement in which the City allocated \$3,800,000.00 for purchase of the land and \$200,000.00 for due diligence and other transaction costs.

Sources	Amount	Uses	Amount
Tellepsen Builders L.P.	\$33,000,000.00	Land & Building Acquisition	\$3,800,000.00
Citizens Bank	\$32,609,878.00	Closing Cost	\$200,000.00
City of Houston (Previously Granted – Ordinance 2021-0755)	\$4,000,000.00	AME Church Construction Cost	\$8,439,969.00
		AME Church Design Cost	\$759,597.00
		Mixed-Use Development Construction Cost	\$52,231,771.00
		Mixed-Use Design Cost	\$4,178,541.00
Total	\$ 69,609,878.00	Total	\$ 69,609,878.00

The Housing and Community Affairs Committee Chair was provided with briefing materials regarding this item on December 6, 2023.

DocuSigned by:

Keith W. Bynam

Keith W. Bynam, Director

Prior Council Action:

Final Council Action:

9/8/2021 (O) 2021-0755

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ATTACHMENTS:

Description

Ordinance 2021-755
Caption

Type

Backup Material
Other