



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 11/13/2019

District H

Item Creation Date: 6/4/2019

HCD19-65 East End Innovation Maker Hub

Agenda Item#: 16.

### **Summary:**

#### **NOT A REAL CAPTION**

ORDINANCE approving and authorizing a contract between the City of Houston and the **UNITED STATES DEPARTMENT of HOUSING and URBAN DEVELOPMENT** for loan guarantee assistance and between the City of Houston and **URBAN PARTNERSHIPS COMMUNITY DEVELOPMENT CORPORATION** to provide funding for shared collaborative space - \$24,090,000.00 - Grant Funds

### **Background:**

The Housing and Community Development Department (HCDD) recommends Council approval of a contract for loan guarantee assistance and related documents between the City, HUD and an agreement with East End Maker Hub Sponsor, L.L.C., providing a Section 108 loan of up to \$22,700,000.00 and \$1,390,000.00 in Community Development Block Grant entitlement funds (CDBG).

Funding will provide eligible Section 108 and CDBG costs relating to the acquisition and rehabilitation of a 307,000 square foot (SF) warehouse, known as East End Innovation Maker Hub (Maker Hub), located at 6501 Navigation Blvd. to facilitate economic development by providing below market rental space for light industrial businesses. The Maker Hub in conjunction with TXRX will provide 250,000 SF of shared collaborative space to incubate new start-up businesses and offers the use of equipment to all lessees while providing job training and education. TXRX has partnered with UPCDC to provide apprenticeship programs for East End residents to equip low-income individuals with the skills to access higher paid employment.

This will be a joint endeavor between UPCDC and TXRX to establish a non-profit located at 6501 Navigation Blvd. in the Second Ward.

In 2008, TXRX was established as a non-profit manufacturing incubation and makerspace comprised of makers, inventors, tinkerers, artists, crafters and coders. UPCDC is a nonprofit organization established in 2017 as a joint collaborative effort by TXRX and the Greater East End Management District to catalyze commerce and economic development in Houston's East End.

The CDBG funding for the agreement being considered pursuant to this ordinance is being provided pursuant to a substantial amendment whose ordinance is also being considered today. This ordinance should not be considered until the ordinance regarding the substantial amendment has passed.

Sources	Amount	Uses	Amount
Section 108 Loan	\$22,700,000	Acquisition	\$12,350,000
CDBG Grant	\$1,390,000	Hard Cost	\$11,907,809
Net NMTC	\$7,424,650	Soft Cost	\$3,015,210
Other Contributions	\$152,108	NMTC Fees and Closing	\$2,133,703
		Financing Costs	\$1,325,384
		Developer Fee	\$934,652
Total	\$31,666,758	Total	\$31,666,758

UPCDC was selected from RFP Solicitation No.: T26095.

### **Fiscal Note:**

No fiscal note is required on grant items.

This item was reviewed by the Housing and Community Affairs Committee on June 18, 2019.

DocuSigned by:

*Tom McCasland*

Tom McCasland, Director

