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FORWARD

On November 20, 2012, Harris County Commissioners Court approved the formation and articles for the Harris County Redevelopment Authority (HCRDA), a public, nonprofit corporation governed by Chapter 431 of the Texas Transportation Code, and the Texas Non-Profit Corporation Act. The Corporation is organized exclusively for the purposes of aiding and acting on behalf of the County to accomplish proposes pursuant to the Act and promoting, development, and encouraging development in the County and administering certain projects and programs on behalf of the County including administering, managing and operating tax increment improvement districts. Chapter 431 permits the corporation to issue bonds, manage and construct projects, and leverage its corporation generated fund sources with seeking and accepting grants and loans from the governmental, corporate and foundation sectors, or directly making grants and loans to corporation approved projects and programs that benefit the growth and development of the County.

The City of Houston and Harris County working in partnership forged a new joint creation of Tax Increment Reinvestment Zone (TIRZ) No. 24, Greater Houston TIRZ, which covers over 7,000 acres and incorporates three geographic areas of Precinct One, including a portion located in Precinct Two (Eastern one-half of the Central Business District, the Cullen, Leeland sector north of the University of Houston Main Campus and north of I-45; and the Texas Medical Center/NRG Convention Center, Stadium area, north of Loop 610; and the sector located south of Loop 610, and west of Hwy. 288. The main purpose of creating this County led Zone was to facilitate the development of vacant and underdeveloped land that sur-rounded key County assets as well as proximity to the Texas Medical Center, TMC. Key elements of the original creation Zone budget included providing financing for critical infrastructure to facilitate housing in support of TMC, NASA, Central Business District (CBD), universities such as Rice, TSU and U of H and other related infill strategies. The RDA provides the corporate and governing structure, that is not possible within the TIRZ Act (Chapter 311 of the Texas Tax Code) for the county led TIRZ that includes board of director appointees approved by Harris County Commissioners Court, and Houston City Council. It also governs the strategic direction for development within TIRZ 24, and strategic planning and development decisions made within the 1,800 square miles of Harris County. This strategic decision was to allow the County to continue to compete for new development as it was evident the region was growing outside of the Harris County boundaries over the last 20 years.

Addressing resiliency and recovery development strategies post-Hurricane Harvey is a paramount focus for the County administration. In the span of 3-years, Harris County has endured three Presidentially Declared Disasters that decimated owner-occupied and rental housing in the County and the Community Development Block Grant –Disaster Recovery service area -- unincorporated area (excluding City of Houston) and the County's 33 small cities, excluding City of Houston. A large portion of the County's housing stock lies within the 100-year flood-plain. These properties are often in a cycle of a flood, re-build, repeat.

The County continues to experience significant population growth: the nation's 3rd largest county is 4.8M in 2018. Most of the increase is in the unincorporated area. As such, it would be the 2nd largest Texas city (behind Houston) and the 5th largest U.S. city. Exacerbating these growth and housing affordability issues (unaffordable homes and rents for large segments of the population, and tight supply), Houston-Galveston Area Council pro-jects unincorporated area population will increase be-tween 2015-45 by 58% (1.75M vs 2.7M); Households by 69% (547,810 vs 925,123), and jobs by 87% (459,257 vs 858,740).

County development regulations are constrained, however. Compared to cities, Texas state laws significantly limit the authority of the 254 Texas counties to enact regulations and ordinances (unincorporated County area), relative the ordinance making ability of cities.

- **Tax Increment Reinvestment Zone Number Twenty-four (Greater Houston) (a County-Led TIRZ)** was designated by City of Houston Ordinance No. 2012-1048 and subsequently expanded on June 24, 2015, under Ordinance 2015-800 approved on August 26, 2015. The purpose is to foster the development and redevelopment of the eastern end of the central business district and the NRG Stadium area

(7,109 acres, and 193 acres of annexed area total 7,588 acres. This area includes 3,305 acres of vacant or underdeveloped land, old oil fields, and under-utilized industrial land, and 4,283 developed acres that may present opportunities for future redevelopment.

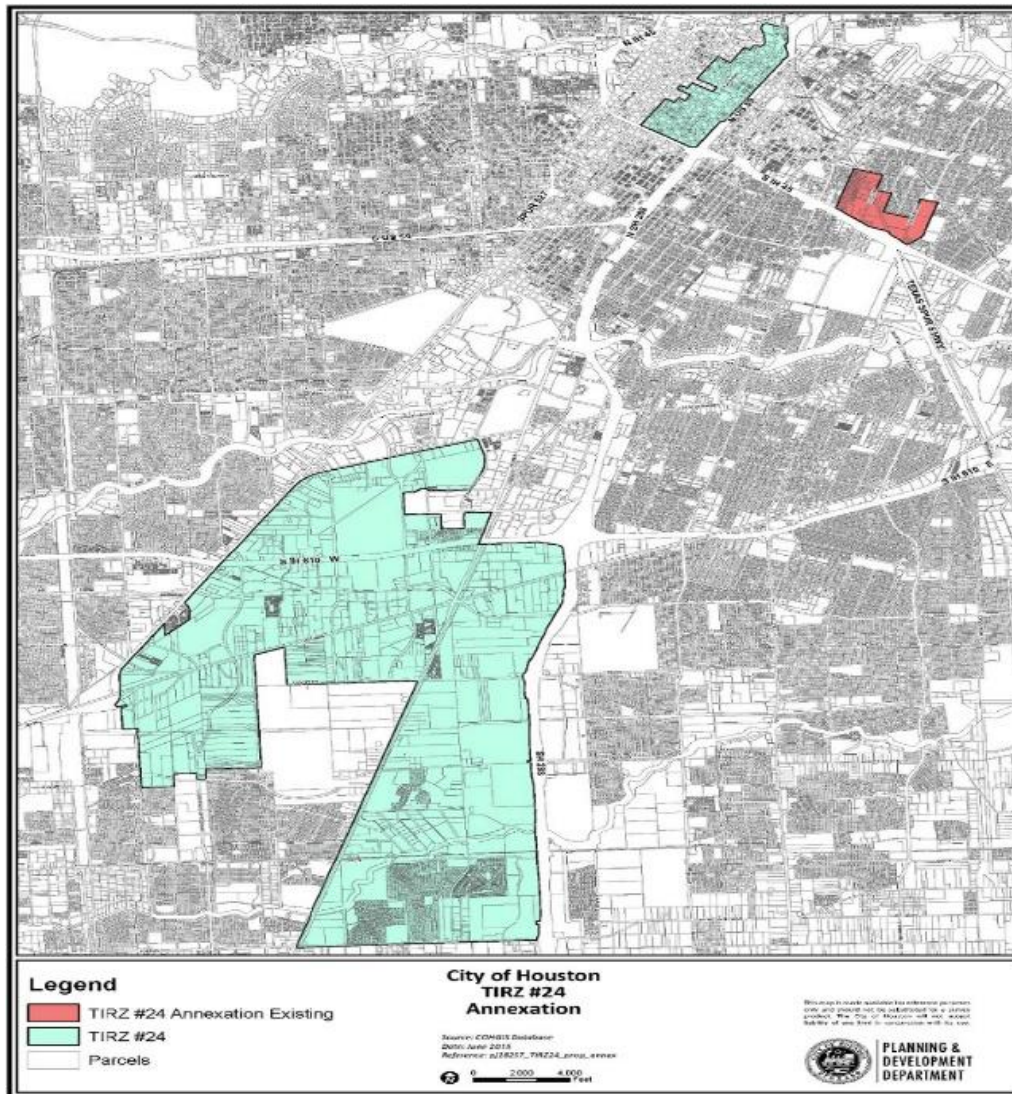


FIGURE 1 CITY OF HOUSTON TIRZ #24 ANNEXATION

- On July 14, 2014 (Ordinance 2014-714) Houston City Council approved an **Interlocal Agreement between the City, Harris County, TIRZ 24, and the Harris County Redevelopment Authority**, subsequently amended on August 26, 2015 (Ordinance No. 2015-815). This agreement permits the County-Lead TIRZ to direct its Tax Increment to county projects and programs of its choosing consistent with the TIRZ Act and that the City would participate at only Five percent for administrative costs of operating the Zone. Currently, the County policy is to pay an amount representing a total of 80% of the County Tax Increment in the Zone consisting of 65% of the County Tax Increment paid to the City and 15% to be paid to the Authority for payment of the costs of its operations and other County programs. After the Authority receives the annual payment, the Authority shall pay five percent of the County Tax Increment to the Harris County Community Services Department for contract administration, five percent for Homeless projects and programs, and five percent for the Authority's

operating costs. The County may terminate the Agreement on December 31, 2042, or when County tax increment participation is no longer required to cover bond or other debt service, unless terminated by the parties at an earlier date. The County may want to extend the Zone to accommodate more community development opportunities given the influx of Harvey and Bond funding as well as revisit the current policy on funding percentages.

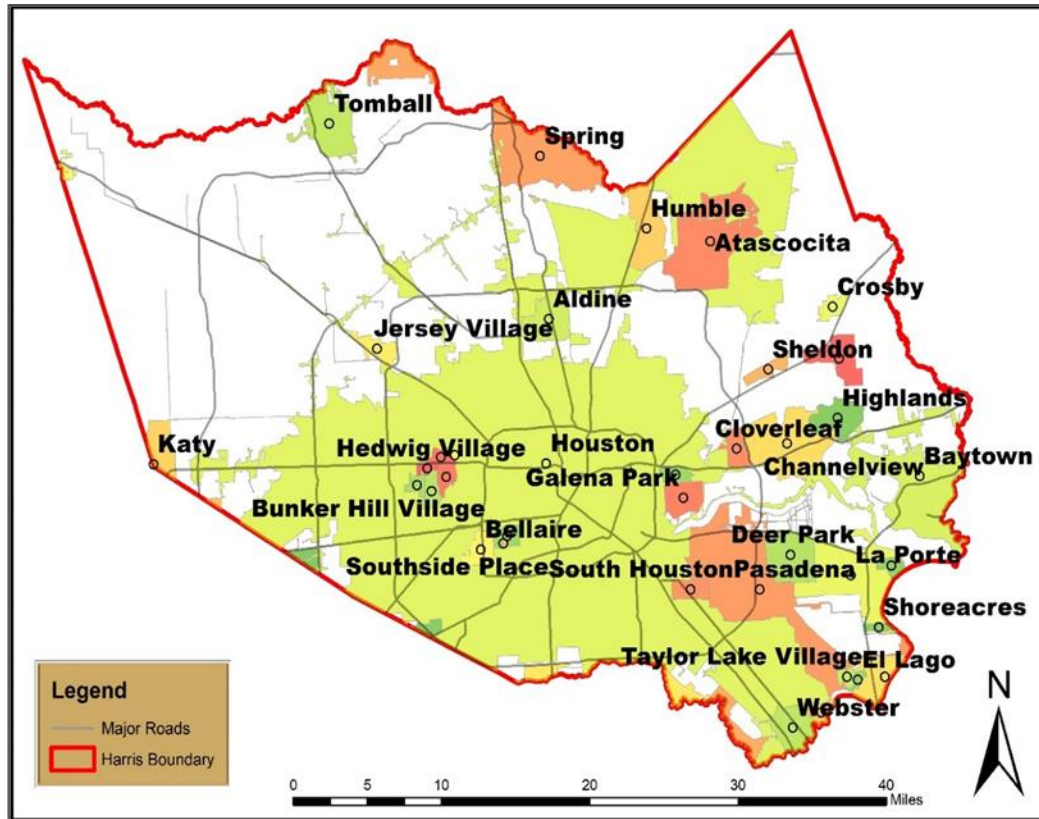


FIGURE 2 HARRIS COUNTY RDA BOUNDARIES

INTRODUCTION

The purpose of the proposed Strategic Framework is to drive a focused approach to facilitate the community development of TIRZ 24/HCRA and leverage all financing partnerships. Hurricane Harvey has presented additional funding partnerships that can accelerate the implementation strategies to create the most resilient master-planned county in the HGAC region. The Strategic Framework will set the groundwork for resilient purpose-driven planning and program initiatives across 1703 square miles in partnership with all Harris County Departments, the 34 cities, over 950 special districts, MUDs, ESD's, MMD's, METRONext, TXDOT, FEMA, CBDG-DR, and other special entities created through Harris County CSD such as New Markets Tax Credits, CDE, Harris County Housing Financing Corporation and the other State and Federal partners.

On August 19, 2019, the Harris County Redevelopment Authority and the Tax Increment Reinvestment Zone No. 24 Board of Directors held their annual 2019 board meeting and approved a new one-year contract with Knudson & Associates for administrator and consulting services. The Board agreed to engage in a Strategic Plan Framework for the RDA and TIRZ 24. The Strategic Framework will establish a tactile direction for investment

and developer reimbursement recommendations over the next five-year planning horizon. The elements of this Strategic Framework will include:

1. TIRZ 24 Project Plan and Financing Plan amendment with an updated budget and financing plan
2. Recommend Market Feasibility Study to identify financing policies and critical project-related “targets of opportunity that support the existing assets of the County and continue to support rebuilding a resilient Harris County.
3. Recommended project funding policies to encourage targeted investments for the growth and redevelopment of TIRZ 24 and the HCRDA in keeping with the collective goals of all County Departments and entities related to rebuilding Post Hurricane Harvey.

HURRICANE HARVEY DISASTER RECOVERY BACKGROUND

It is not practical to discuss TIRZ 24 and HCRDA and its future mission without discussing Hurricane Harvey. In the span of three (3) years, Harris County has endured three Presidentially Declared Disaster Declarations. On April 17, 2016, through April 30, 2016, and May 22, 2016, through June 24, 2016, the county sustained significant damage from two (2) major flooding events. As a result, the US Congress appropriated Community Development Block Grant Disaster Recovery (CDBG-DR) funding to the State of Texas (General Land Office) for \$238,895,000, with an amount allocated to Harris County and affected jurisdictions by GLO of \$66,199,732.00. Subsequently, on September 8, 2017, under Supplemental Appropriations Act of 2017 (PL115-56) \$7.4 billion was allocated in CDBG-DR funding for Hurricane Harvey, of which Harris County received a direct allocation of \$1.15 billion. These events have led to the Harris County Judge and its four Precinct Commissioners approving a \$2.5 billion flood control bond referendum that Harris County voters resoundingly approved on the one-year anniversary of Hurricane Harvey, August 25, 2018. The Harris County Community Services Department has been at the forefront in the development of major long-term recovery and resiliency programs and projects, in coordination with multiple Harris County Departments (Budget, Engineering, Flood Control, County Attorney’s Office, and Purchasing). In December 2018, HUD-approved the Department’s CDBG-DR Supplemental Action Plan to support its \$1.15 billion direct CDBG-DR funding allocation.

Post-Hurricane Harvey has provided the opportunity to leverage multiple financial resources of the TIRZ and the Redevelopment Authority along with the Harris County Community Services CDBG-DR Harvey allocation of \$1.3B. There is also other countywide investments and sources such as FEMA funds, HCTRA bond funds, and capital improvement projects that support recovery and resilience and additional partnerships with the recently approved METRONext bond issue.

The proposed planning horizon is projected to be 3-5 years. A critical element of the process is to identify opportunities for development and redevelopment leveraging all funding and partners toward the rebuilding of Harris County.

This planning horizon dovetails with the FEMA deadlines. The strategic planning process is now underway as a collaborative effort between the RDA and TIRZ 24 Board and staff, with input from subject matter experts and from information gathering meetings with current and prospective development entities relative projects that are underway or in development. During this process, consultants and staff met with County officials and key stakeholders, particularly with TIRZ 24 to gain an understanding of current initiatives and growth opportunities to redevelop the zone in a comprehensive and financial feasible approach that builds in equity objectives to support a mixed-income, mixed-use development framework, and is strategic in leveraging public and private sector funding to implement a long-range development vision.

Consistent collaborations with the Community Services Department have informed the strategic planning process. To assure that Board member input is garnered and to maximize stakeholder input and involvement,

strategic planning working sessions will be held as the Strategic Framework is finalized and approved by the RDA and TIRZ Board of Directors. Approval of the Strategic Framework is expected as the Market Study is finalized.

DRAFT STRATEGY FRAMEWORK VISION, MISSION, AND GUIDING PRINCIPLES

The Draft Strategic Framework is based on creating a measurable scorecard that is useful in documenting the success of the strategies year after year. It is recommended that TIRZ 24/HCRDA apply four straight forward Guiding Principles as it carries out a mission-driven approach to support the growth and development of TIRZ 24/HCRDA. This recommended approach will allow the County to leverage Countywide investments and to promote targeted investments regionally, and locally throughout the County and across various neighborhoods in concert with the County's State and Federal community development resources, as well in partnership with local development and Capital Improvement Plan, CIP, resources.

VISION

In the next five years. The Harris County RDA and TIRZ 24 will make strategic community investments in real estate projects and capital improvements that will result in resilient, sustainable communities integrating transit access, innovative drainage solutions and incorporating an enduring urban design that promotes new real property housing values serving mixed-income and mixed land use developments. This timeframe also works in concert with the Federal commitments post-Harvey.

The County is positioned to maximize current assets, public and private, and incorporate multiple partners across Local, State and Federal entities. sector expertise and to integrate socio-economic goals with market opportunities. Harris County will have made significant contributions to the quality of life for residents, employees, and businesses. The County staff will work in close partnership with all public to public partnerships both within TIRZ 24 across the entire County.

MISSION

The HCRDA and TIRZ 24 is committed to implementing imaginative, creative initiatives to achieve social equity and a balanced economic ecosystem. The goal is to balance economic vitality, housing, and open space to create sustainable communities through new and revitalized infrastructure and development. Harris County's LGC, a Local Government Corporation, is also a unique tool in the Tool Set that is an agile public authority that brings a unique set of development tools to work in close partnership with all Harris County communities, MUD's, State Federal agencies.

GUIDING PRINCIPLES

- Targeted Strategic Investments to support feasible projects that promote redevelopment, investment, resiliency, recovery and follow all State and Federal mandates
- Facilitate meetings with developers and companies that seek development around the Harris County assets and potential developments
- Financial Considerations that support investment decisions for projects with Development Gaps and "But For" Underwriting Criteria building on the existing studies and work of Harris County across multiple Departments
- Alignment of organizational mission and building financial resources across multiple partners, generating investments for affordable housing and community development program income

HARRIS COUNTY REDEVELOPMENT AUTHORITY, HCRDA, AND TIRZ #24 TOOL SET

Many redevelopment authorities in Texas and the United State are using their unique tools to spearhead development and redevelopment projects, capital projects and facilitating affordable housing programs. Harris County has positioned itself to harness many tools to rebuild post-Harvey and these tools are complementary

to local, state, and federal programs that can be used synergistically to achieve the County Vision and Goals. These tools provide the County will the ability to leverage partnerships and accelerate the delivery of new communities, expand on land uses in partnerships with the multiple Harris County assets, public and private.

Advantages of the use of a Local Government Corporation as approved by Harris County, pursuant to Chapter 431 of the Texas Transportation Code include the following:

- An entity that operates as a political subdivision of the County and financially independent of the County through the use of revenue debt
- Allows for long-range development policy and implementation.
- May assert stronger control over development projects and investment requirements pursuant to a Development Agreement.
- Has the ability to act as a public investor, financial underwriter, real estate developer, or co-developer and direct investor like a Housing Finance Corporation or Development Corporation.
- May accept third party funding, combining public, private, and non-profit sources to accomplish a project. Seek grants and loans from the corporate, philanthropic, and lending/investment communities.
- In many locations, the need for infrastructure – such as drainage, streets, utilities, and parks - is a motivating force for using redevelopment tools.
- Other models include administering loans and grants to support community development and affordable housing projects, or job creation, and business development.

FINANCIAL CONSIDERATIONS

The RDA and TIRZ 24 currently has a strong balance sheet and is positioned to use the Market Feasibility Study recommendations to create strategic investments for future CIP investments, development agreements pursuant to policies and criteria consistent with recommended guiding principles and the Market Feasibility recommendations and according to Board approval. The goal of using the toolset and multiple economic development programs is to create a new real property tax revenue, potential reoccurring program income that can be leveraged with other revenue sources to create new mixed-income communities and grow future tax base growth. The desired outcome is applying all tools available to create innovative methods to finance the necessary infrastructure to build resilient infrastructure that supports all forms of community development across the entire County. Actively pursuing infrastructure investment and creating predictable economic development program incentives in support of resilient development consistent with the strategic framework can yield the desired results across all of Harris County. The Market Feasibility Study will inform the TIRZ Financing and Project Plan amendment process and budget. This financial strategy will be helpful in guiding supporting recommendations for the best use of funds to further the RDA's and TIRZ organization's mission.

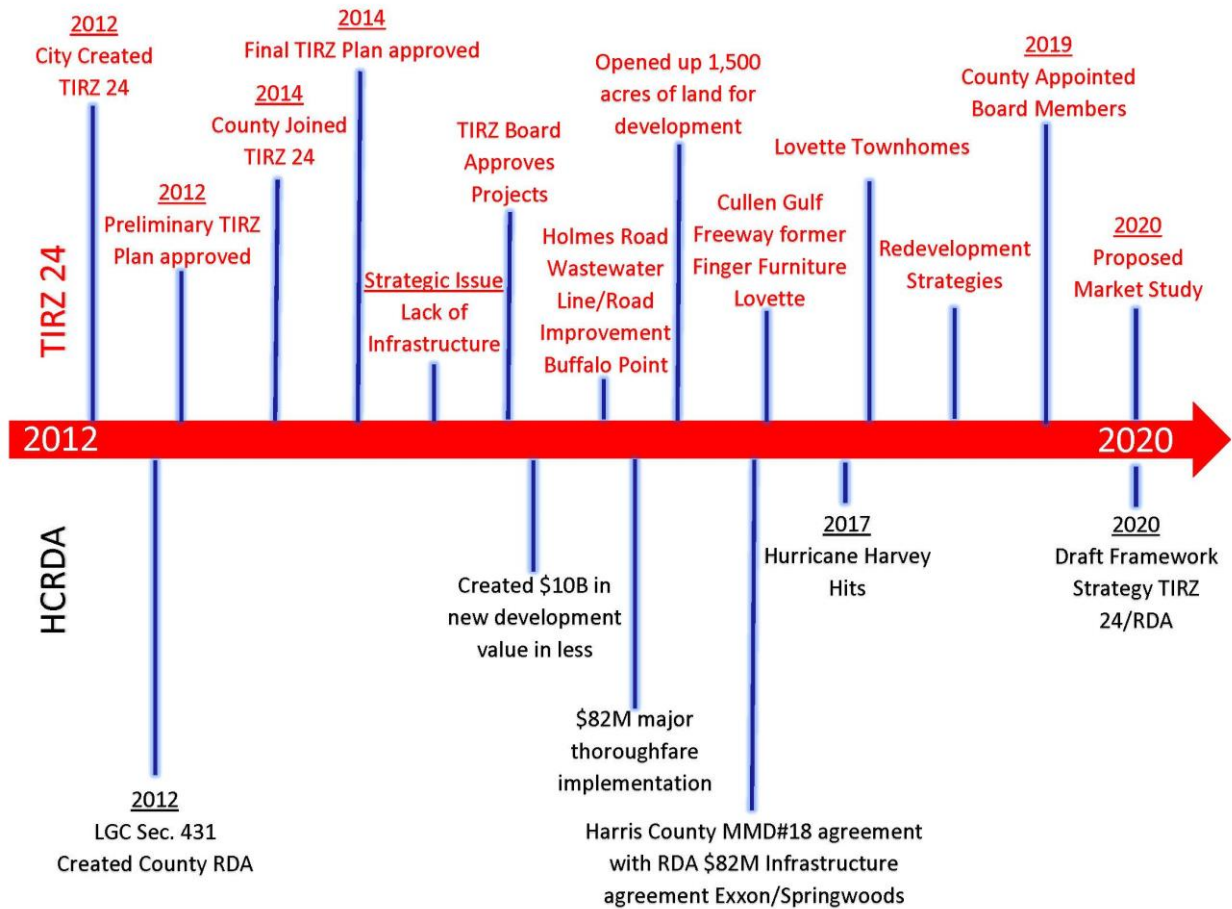


FIGURE 3 TIMELINE OF TIRZ 24/HCRDA

HARRIS COUNTY RDA/ TIRZ 24 SUCCESS STORIES

The Harris County RDA entered into a 381 agreement with the HCID #18 around 2011. The Springwoods/Exxon Campus required access from the Grand Parkway and North Freeway as well as internal thoroughfare access. The County entered into a public to public development agreement in support of the construction of \$82,000,000 designated major thoroughfares and over-passes. This project encompassed 1800 acres of land located at the Grand Parkway and the North Freeway. The public to public partnership between HCID #18 and HCRDA accelerated the development and access to the 1900 acres due to the construction of 100% of the thoroughfares that were needed to access the property from both the Grand Parkway and the North Freeway. The typically Harris County policy is that developers pay 50% of the thoroughfare construction and the County pays 50%. However the County pays 100% of the grade separations. This groundbreaking agreement established new financing practices where HCID #18 advanced the construction of 100% of all thoroughfares and overpasses to be reimbursed from the new taxable increment created by Springwoods/Exxon campus. The construction of the 100% of the thoroughfares upfront accelerated the development of the entire boundaries of the HCID #18, In addition, the development of Springwoods also accelerated development outside of the boundaries of the HCID #18 of which 100% of that new taxable increment is collected by Harris County General Fund. The current value of the project is approaching \$10B in less than 10 years. Estimated buildout is projected to 2025; that is a

2018 HCID #18 Demographic Data

Total Population	57,949
Workplace Employees	25,857
Total Households	20,128
Average Household Income	\$94,721

Projected HCID #18 Demographic Data

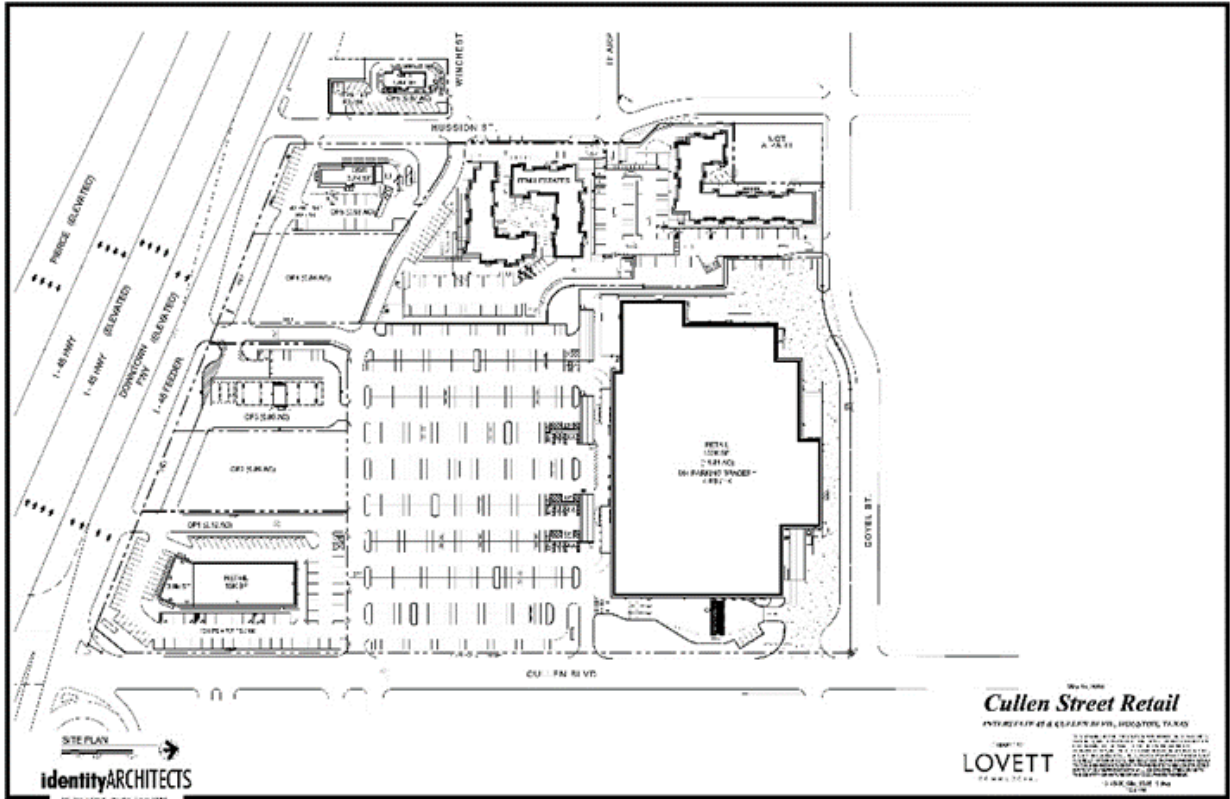
Total Population	76,687
Workplace Employees	55,857
Total Households	26,062
Average Home Price Range	\$330K - \$500K

Growth in the surrounding 1-3 miles of Springwoods/Exxon campus will be captured at 100% of all property values not subject to Chapter 381 Agreement.



The Grand Parkway connectors were not part of the 381 agreement, but the major thoroughfares and overpass was part of the \$82,00,000 infrastructure 381 Agreement which yielded \$10B in new property value in less than 10 years. The Exxon campus illustrates the scale of the major relocation that is equivalent to many Central Business Districts that are not located in a downtown. This project also demonstrates the importance of strategic economic incentives that yield highly resilient designed master-planned communities, job creation, housing and new real property value.

TIRZ 24/RDA has entered into three TIRZ development agreements. The first two agreements were approved with Lovett Development in December 2012. The Cullen Agreement applied to the revitalization of the former Finger Furniture Site, with a proposed mixed-use development and a \$30,000,000 projected value and a maximum reimbursement of \$3,062,000. The retail industry was changing and the targets for development were not willing to take the risk of locating at Cullen at 45. Lovett has modified its business model to attract hyper-local food and beverage/retail clients and working with University of Houston for housing-related to married students as an optional land use. In addition, Lovett is working on artist lofts similar to their project at Sawyer Yards. The project has not broken ground primarily due to the shakeup in retail.

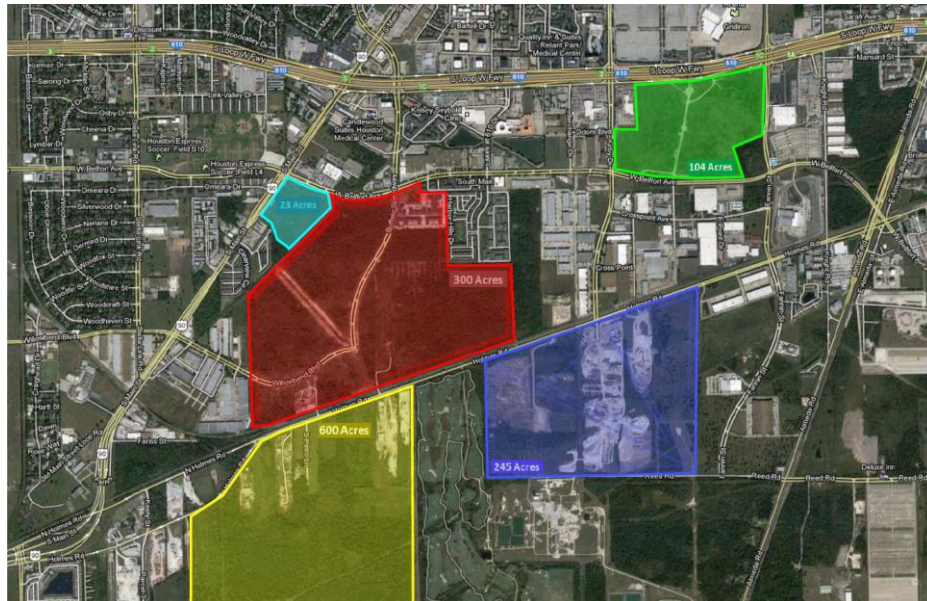


The second development applied to a proposed \$12,000,000 townhome development and a maximum reimbursement of \$330,000. The area had not experienced any real development interest. This development was a catalytic project. This Leeland project is complete and value for 2018 was listed at **XXX**.



The third TIRZ/RDA agreement was a public to public agreement between the City of Houston, and HCRDA/TIRZ 24. The agreement known as Buffalo Point was executed 11/20/2014 for a participation amount of a maximum contribution of \$3.5M for the purpose of constructing a wastewater line in conjunction with the paving improvements for Holmes Road, a designated major thoroughfare. This proposed infrastructure improvement

opened approximately 1300 acres within TIRZ area boundaries that could not previously obtain a building permit for wastewater services. Again, the purpose of creating TIRZ 24 was to open development opportunities to over 4,000 acres of vacant or underdeveloped acreage, in the southern area of the Zone, due to a lack of suitable infrastructure. This TIRZ investment will generate new taxable property values that “but for” the TIRZ investment otherwise would not have occurred in a timely manner within the service area as illustrated below.



These areas are just a part of the geography that was not able to obtain wastewater reservation letters sufficient to get approved building permits. Again, a classic example of a “but for” the TIRZ investment in this area would not be able to be served and facilitate development. This lack of infrastructure situation exists not only within TIRZ 24, but throughout Harris County and the role of the HCRDA and TIRZ will be critical in incentivizing new development or through a County led initiative CIP process to spawn new development. The paving and infrastructure implementation of Holmes Road is to be completed in 2020.

HARRIS COUNTY COMPARISON TO THE HGAC REGIONAL GROWTH

Harris County has the unprecedented opportunity to plan for the rebuilding of communities throughout the entire 1703 square mile boundaries. Harris County is unique and unlike most counties in the USA. There are over 950 special districts including MUDs, Emergency Service Districts, ESD, and 34 municipalities located within the boundaries of Harris County. Planning for the recovery post-Harvey using multiple funding sources and leveraging multiple funding sources will allow Harris County to rebuild housing and create master-planned developments.

The existing TIRZ 24 and the Harris County RDA are uniquely positioned to create purpose-driven housing initiatives, leverage funding of project improvements and finance new developments throughout Harris County. This unprecedented opportunity can create and incentivize master-planned investments. These master-planned investments can generate new housing initiatives, various housing options, transit access and multi-modal transportation connections to employment centers across the county. Harris County includes multiple employment centers across its 1703 square miles. Residents also have access to other employment centers outside of Harris County such as The Woodlands, Sugar Land/Ft. Bend County, and Brazoria County Petrochemical industries, which all are adjacent to Harris County.

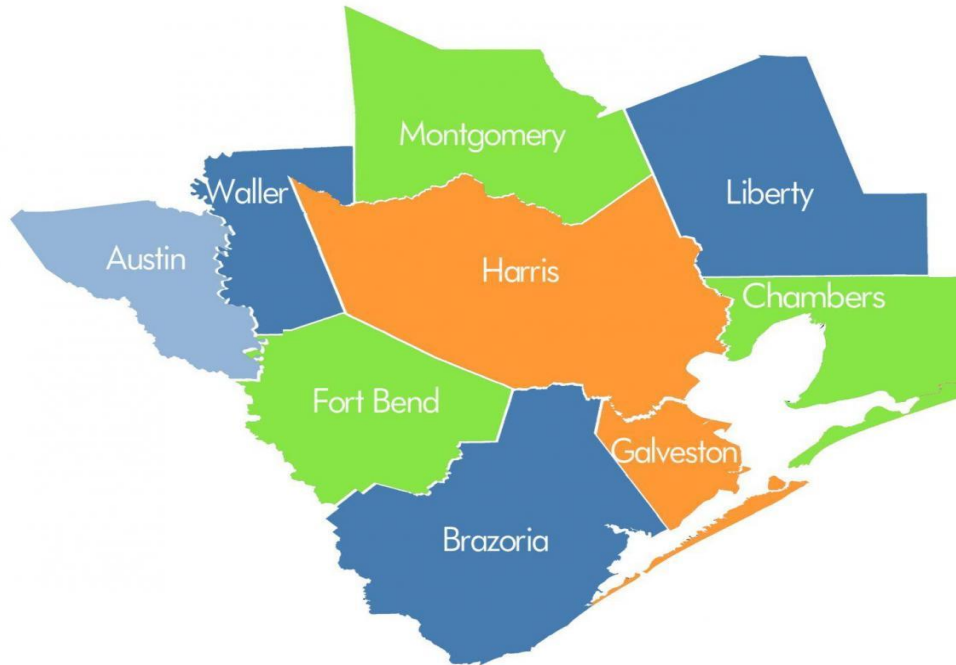


FIGURE 4 MAP OF HARRIS COUNTY AND SURROUNDING COUNTIES

HARRIS COUNTY IS UNLIKE ANY OTHER COUNTY

Harris County is unique and unlike most counties in Texas. There are over 950 special districts including MUDs, Emergency Service Districts, ESD, and 34 municipalities. Planning for the recovery post-Harvey using multiple funding sources will allow Harris County to rebuild housing and create master-planned developments. Harris County is 4th largest County in the US in population. It is critical Harris County rebuilds post-Harvey and retain its unique position in the US. Harris County owns a lot of world's largest titles: the largest Port in tonnage, largest Petrochemical complex, and largest medical center, TMC. Houston, the 4th largest is in Harris County. Other firsts include the first Space Port in Texas, 3 airports, two international airports, a new Innovation District, and 6 equivalent central business districts, CBDs, that ARE not located within Houston's CBD as well as emerging new equivalent Central Business Districts such as Springwoods/Exxon Campus and others in Harris County's ETJ. All these first and largest land use complexes can drive additional housing and new industries for Houston and Harris County as well as the region and Texas with the use of the HCRDA, TIRZ 24 and leveraged funding partnerships with Harvey related funding.

However, it is also apparent that the region is growing far beyond the boundaries of Harris County. It is critical for the County to use all the tools in the Economic Development Toolbox to attract industries, jobs, and housing options to TIRZ 24 and Harris County to maintain its strategic position within HGAC Region and Texas. The ability for Harris County to retain the highest growth in population, quality development, employment, and housing options ensures that Harris County will continue to grow annually and maintain its power base for the region. An accelerated strategy to grow new residential communities and industries within Harris County will also ensure improved air quality for a non-attainment County, reduces long commute times and improve financial stability.

US Census 2018	2010 Population	2018 Population	Growth in 8 Years	Percent Growth in 8 Years	Area in Sq. Miles	# Housing Units	Median Home Value Owner Occupied
Harris County	4,093,619	4,698,619	605,000	13%	1703	1,788,240	\$154,100
Ft. Bend County	584,690	787,858	203,168	26%	861	260,754	\$233,300
Montgomery County	455,750	590,925	135,175	23%	1,041	222,592	\$206,400
Brazoria County	313,123	370,200	57,077	15%	1357	139,490	\$164,300
Galveston County	291,307	337,890	46,583	14%	378	148,274	\$171,600
Chambers County	35,096	42,454	7,358	17%	597	16,151	\$ 171,500

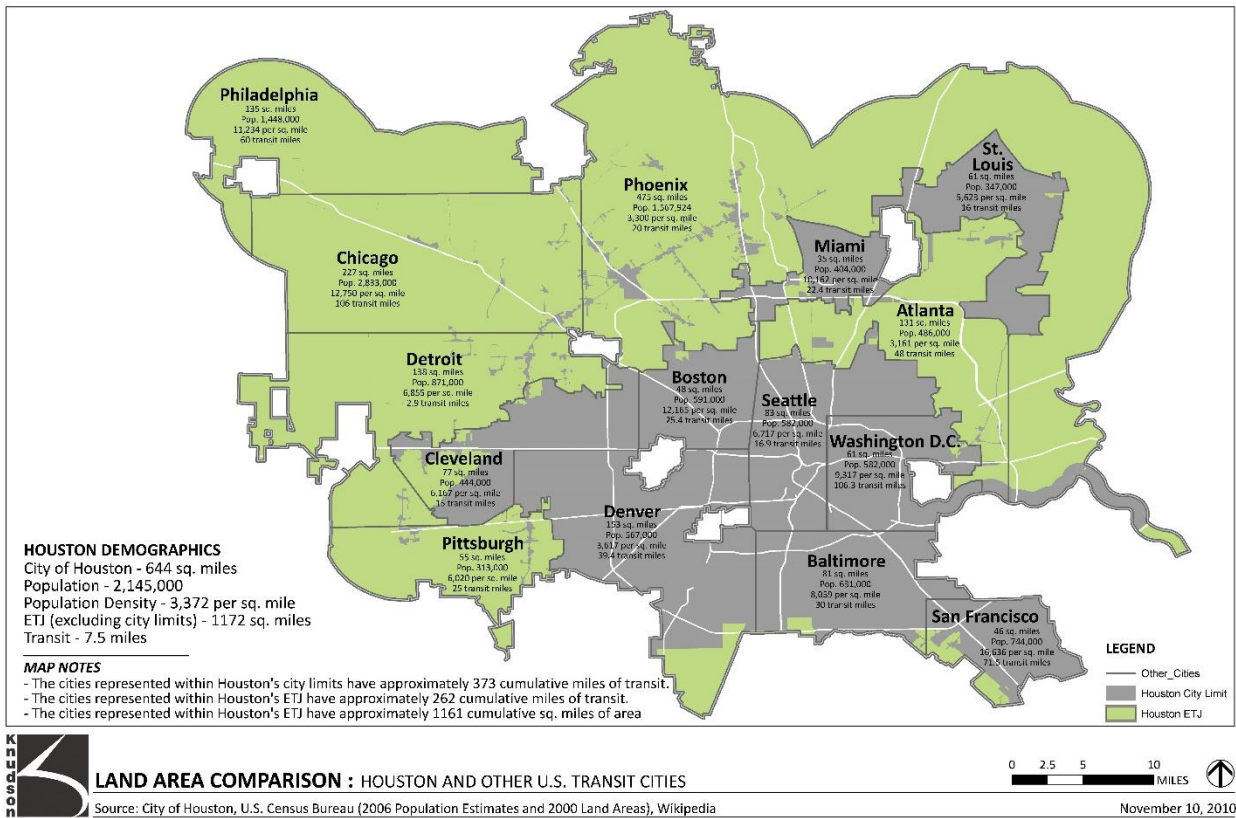
TABLE 1 ILLUSTRATES A COMPARISON OF HARRIS COUNTY TO SURROUNDING HGAC REGIONAL GROWTH. SOURCE: US CENSUS

The comparison of Harris County to other member counties within the HGAC SMSA area documents the increased population growth and housing value occurring outside of Harris County over the last 10 years. Harris County has grown the slowest of the 6-county region at only 13% compared to Ft. Bend and Montgomery Counties that have grown over 20% in that same timeframe. Part of that tremendous growth outside of Harris County can be attributed to cheaper land costs for master-planned development even though development is much farther from employment centers. These cheaper land prices allow homeowners and renters to obtain lower price housing choices. The lower housing costs, however, comes with a cost in longer commute times often exceeding 45 minutes one way every day again leading to air quality issues.

The changing commuter patterns have also changed the job generators including the Port of Houston which now attracts homeowners from Chambers County versus the traditional choices of eastern Harris County. The recent Exxon campus location while in northern Harris County has fueled a tremendous boom for Montgomery County with master-planned communities building on those employment centers for the Woodlands, Exxon, and satellite medical center campuses. The employment centers that have grown over the last 10-20 years provide challenges to not only Harris County but also Metro. There is no METRO service in Montgomery County and the Woodlands Transit Agency will soon address how to serve an estimated 12,000 acres of new master-planned communities under construction.

The recent passage of METRO Next Bond Issue provides a unique opportunity for Harris County and METRO to partner on attracting new developments within their mutual service areas through attracting new master-planned housing near the proposed new 11 Park and Ride lots as well as new TOD projects (multifamily housing) within the existing METRO Park N Ride lots. In addition, METRO's new Boost Corridors will create signature direct bus routes enhancing access between employment centers.

This new growth outside of Harris County is a wake-up call to be aggressive and strategic in all proposed development investments whether through CIP investments or developer agreements. The assets of Harris County are unlike any other and leveraging those assets building on their needs for housing job creation, related industry development and infrastructure implementation should be pursued expeditiously through the leveraged partnerships of Harvey related funding and other sources. Harris County is poised to regain and maintain its juggernaut position.



Harris County needs to not only continue to adhere to the mission of rebuilding post-Harvey but must continue to support a multiple prong approach for development across all market segments to retain its powerhouse position for the Region.

CSD has positioned the use of all their economic tools, local, State and Federal, to work in concert with Harris County Commissioner's Court initiatives and partner Departments. There is a need to leverage and develop these new communities across the County and apply all the tools in the toolbox to maximize the unique assets of Harris County and to rebuild post-Harvey. In the less than 8 years of TIRZ/HCRDA programs success has been realized and more opportunities exist.

RECOMMENDATIONS

Conduct a multi-sector Market Study is critical in guiding policy decisions for seeking new industries and development to the TIRZ 24 and Harris County RDA. The Market Study will address strategic compatible industries and land uses that could be attracted to the TMC, TMC3, the Innovation District, and the NRG campus. The housing shortage for workforce housing is apparent by the percentage of TMC employees who commute from and to Brazoria and Ft. Bend counties daily. A recent Parsons Thoroughfare Study for TMC revealed that every single major TMC institution identified creating affordable workforce housing and better schools as critical to the TMC growth and development. Incentivizing all housing options (not limited to affordable, workforce and market-rate housing) within TIRZ 24 would increase real property revenues and alleviate traffic congestion. If more housing options were available to employees closer to their jobs the benefits to TMC and Harris County would be incredibly beneficial. There would be operational savings of the TMC facilities, as well as improved air quality and quality of life for staff members reducing commute times. There would be increased sales tax creation for METRO and Houston.

The TIRZ and RDA have community development tools that can be focused on facilitating revitalization and re-development. Harris County has a unique opportunity to become that catalytic entity for community development strategies to drive sustainable growth. Harris County should be the facilitator that will provide transformational revitalization for the area accelerating growth in TIRZ 24 for not only strive as a biotech leader but also supportive policies and initiatives for petrochemical, Space Port and land uses that continue to lead employment housing and jobs for the region. Due to the growth of the Innovation District/TMC3, providing housing choices within 10 miles of the main campus should be a priority. The proposed Market Study will also identify other land uses including educational institutions that drive new degree programs and other educational opportunities for Harris County residents. Working closely with the university programs must also be part of this collaboration for TIRZ 24 and HCRDA.

The Market Study will focus on TIRZ 24 and the HCRDA boundaries informing market opportunities that will receive incentives to facilitate development that have been attracted previously outside of the County. The use of expanded MUD powers in Brazoria, Ft. Bend and Montgomery counties has resulted in extensive growth outside of Harris County creating thousands of acres of master-planned mixed-use developments that include corporate headquarters and housing. The Market Study will uncover the opportunities available to Harris County and its partners to facilitate and attract more quality sustainable development within Harris County. These opportunities will have appropriate mobility connections, education services, housing options, regional drainage solutions, transit enhancements as well as parks, trails other amenities that can compete with growing competitors of Harris County.

The ability to leverage several sources of funding across Community Development Block Grant Disaster Recovery Program (CDBG-DR), Hurricane Harvey funds, 380/381 funding, H-GAC Transportation Improvement Program (TIP) funding, in partnerships with other special districts such as Municipal Utility Districts (MUDs), or Management Districts presents a unique opportunity for Harris County to act as a facilitator for accelerated and aggressive growth within the County. These new initiatives should be purpose-driven incentives to drive sustainable community development serving housing options, better job creation, better education options for residents, improved transportation options and higher quality of life standards across the County.

Harris County has embarked on a groundbreaking initiative with the creation of Imagination Zones. There are also revised land development regulations that create new urbanist design criteria that avoid seeking variances, saves time and become more attractive to the development community. These actions will result in the creation of new housing options and create a quality of place through a flood-resistant designed master-planned community including ponds, trails, alley served, proximity to transit, schools, and employment. These communities will be desirable regardless of the price points and housing mix. The master-planned locations will assist families in rebuilding their lives in a healing place of a community after the devastating Hurricane Harvey. Harris County will be removing obstacles to new urbanist design criteria currently embedded in Chapter 42 of the City of Houston Development Ordinance by the creation of the amendments in the rules and the creation of the Imagination Zone.

The Scope of Work for the Market Sector Feasibility Study should also address the following categories:

BE DATA-DRIVEN MAPPING AND ANALYTICAL ANALYSIS

Conduct a multi-dimensional market study that outlines the best land use partnerships, industries, and economic incentives that will be attracted to the TMC, Port of Houston, a newly created Space Port, and related industries that create resilient master-planned communities. Whether initiated by the County or in the review of proposals from the private sector it is important that the decision to finance a project or development be evaluated using the most recent market study. The analysis of proposed projects should consider data from: The Federal Emergency Management Agency (FEMA), Harris County Flood Control District (HCFCD), METRO, Harris County Toll Road Authority (HCTRA), and CSD projects linked to all Harris County Capital Improvements

Program (CIP) projects. To aid in the evaluation of proposals, the County Geographic Information System (GIS) system should be expanded to include all CIP projects including social service programs at all government levels. The database will also help identify potential funding partners and potentially can reveal how Harris County can leverage funding in partnerships⁸⁰ to accelerate development to meet critical housing needs.

RECOMMEND COMMON IMPLEMENTATION STRATEGIES ACROSS THE MULTIPLE AREAS

Government funding of all levels should be leveraged for a sustainable development strategy for the physical growth of Harris County. It is imperative to work with partners from both the private sector and not for profit sector specifically in the housing and development area. TIRZ 24 is partially located within Opportunity Zones. As the current regulations are finalized, the Opportunity Zone financing can be instrumental in accelerating development in support of the TMC. This strategy should include and/or address housing, job creation, flood mitigation, infrastructure, parks, quality of life, and transportation improvements. The key is multiple partnerships to accelerate the delivery of sustainable communities anchored by transit access, parks, trails, linkage to schools and employment. The mix of housing choices and housing price points provide for sustainable master-planned communities regardless of the physical size of the community. The coordination with HCFC is critical and dovetailing the proposed recommendations with all flood mitigation standards will be mandatory.

IMAGINATION ZONES & HOUSING INITIATIVES throughout Harris County must include a variety of housing choices and types with a mix of ownership and rental opportunities embedded within the development proposals. The County is creating new regulations within the Houston Extra-Territorial Jurisdiction (ETJ) called Imagination Zones. These new regulations and financing strategies will rebuild Harris County post-Harvey creating resilient new communities located conveniently near transit and employment opportunities.

The housing initiatives should be incentivized when the developer exceeds the minimums established by the County. These minimums will include energy efficiency, flood-resistant designs, landscape architecture, trails/bike connections, access to transit, employment and educational facilities. The County will incentivize multiple housing choices and a variety of housing ownership opportunities. Mixed housing income is critical and leveraging 381 powers with other economic development programs can create communities that are similar to Mueller in Austin employing mixed-use, mix income and a mix of housing ownerships. Some funding options such as CDBG-DR will require housing affordability that dictates that 51% of the dwelling units must meet CDBG Adjusted Mean Income (AMI) standards. Harris County AMI index is based on income for a family of 4 at \$59,900. This means the typical housing prices must not exceed \$180,000 price range at the upper range. By strategically incentivizing housing near transit, employment centers, and schools as well as applying energy-efficient Low Impact Designs (LID), the cost of living in a Harris County incentivized community should reduce the cost of homeownership. The same results can be anticipated for the rental communities constructed within a LID green sustainable community. All initiatives will be required to meet the design criteria outlined above.

The County has multiple programs at its disposal to support housing initiatives. The County has outlined the Federal and State guidelines on the CSD website. The County is accepting proposals from the development community that meet the criteria outlined above. A summary of the programs includes:

CDBG-DR FUNDS AS A RESULT OF HURRICANE HARVEY (except Houston City Limits or Pasadena City Limits)

These funds are available across unincorporated Harris County and 32 of its municipal partners for housing recovery post-Harvey. Developments are eligible for 100% CDBG-DR financing for infrastructure and related community development assets if 51% of the dwelling units meet the CDBG AMI. These partnerships should also extend beyond the Harris County funding and development community and include partnerships with Independent School Districts (ISDs), METRO, MUDs and other partners that allow the development to accelerate in creating a quality of master-planned developments.

TRANSPORTATION CONNECTIVITY: It is important for residents of new communities to have access to transit to be about to travel to and from their places of education and employment. Transportation connectivity can include

hike and bike connectivity as well as MERTO services. This multimodal planning unity is integral to the master planning of each site or community. Communities that integrate these design principals are a priority for the County. Harris County is also modifying portions of Chapter 42 to include design criteria to incorporate road design that slows traffic through residentially design communities. These modifications will also include designs for Major Thoroughfares and collectors that will be designed to preserve residential communities while connecting them to employment centers or schools.

One of the major issues for the County and the greater H-GAC area is the need for more transportation funding from the Federal programs. There is a point that even the TIRZ or HCRDA can not afford to fund all mobility improvements needed. TIRZ 24 and Harris County should be leveraging the mobility plan through the H-GAC's Transportation Improvement Plan (TIP). The next call for projects is anticipated for the fall of 2020. The Harris County H-GAC TIP application will include transportation projects that are unable to be financed locally. It is advised that the TIRZ and County coordinate with other partners to prepare these joint applications with each new call for projects for 2020/2021.

COMMUNITY DEVELOPMENT STRATEGIES: It is necessary for job growth and educational opportunities throughout multiple employment sectors across Harris County. This includes job training and collaboration with all educational entities all communities within Harris County including ISDs. The services that will be needed to serve residential communities beyond the physical design of the community and extends to the colocation of services for the residents. This strategy decreases the resident's need to commute long distances and provides services in convenient mixed-use developments that are transit-served.

VULNERABLE AND UNDERSERVED POPULATIONS exist within TIRZ 24 and HCRDA boundaries. CDBG-DR funding can be used for both improvements of existing structures and new developments that adhere to Universal Design guidelines. CDBG-DR funding can also be used to fund social services in high impact areas. This framework should identify mitigation techniques, service options and funding strategies that can be leveraged with other programs to serve the populations and improve quality of life. The market study should also address best practices that can be incorporated into the strategies to incentivize nontraditional needs.

CONCERTED REVITALIZATION AREA (CRA) WITHIN HCRDA

Concerted Revitalization Area (CRA) are areas in Harris County that were once vital but have lapsed into a condition requiring concerted revitalization and where a plan has been developed and executed for its improvement and recovery. After Hurricane Harvey in 2017, Harris County Community Services Department (HCCSD) developed a Needs Assessment Plan that analyzed the effects of the disaster on several significantly impacted areas of the county. These areas, particularly in low-income neighborhoods, displayed a high level of impact on already low-quality affordable housing. To assist in the revitalization of these areas, HCCSD wishes to focus on housing developer's interest in these areas that have high-unmet affordable housing needs thus increasing and improving the supply of affordable housing. The following CRAs have been approved for multi family and single-family affordable housing development:

1. Barrett-Highlands CRA (Precinct 2)
2. Bammel-Westfield CRA (Precinct 4)
3. Generation Park CRA (Precinct 1)
4. Greater Greenpoint-Aldine CRA (Precinct 1 & 2)
5. Huffmeister-Emerald Forest CRA (Precinct 3 & 4)
6. Sheldon CRA (Precinct 1)
7. Cloverleaf CRA (Precinct 2)
8. McNair and Linus CRA (Precinct 2)

These areas have declined over several decades which may require additional developer incentives to offset perceived financeable options for housing and industries. The County can use 381 incentives along with Federal funds to attract development to these designated CRA areas.

QUALITY OF LIFE elements of the Zone and RDA should promote, protect and preserve open space, sustainable, resilient development and infrastructure through all projects and implementation. Developments should include higher standards of flood resiliency. They should also link to parks, trails, transit, schools, and places of employment. TIRZ and 381 funds can also be used to create amenities out of the new flood control standards, create parks from environmentally sensitive areas and create opportunities to use these areas as part of educational curriculums. Managing costs for environmentally sensitive land uses often exceeds the capabilities of Homeowners Associations. Partnerships with Legacy Land Trust and similar entities that manage wetlands can be a resource to fund ongoing land management. As development agreements are approved, the management and maintenance of the Low Impact Development (LID) incentives must be incorporated in the agreement and corresponding financing plan.

Project Prioritization

In order to develop project prioritization, a multi-dimensional market study must be conducted. The study will identify needs and opportunities for replacing housing, creating transformational communities, and employment opportunities to Harris County. The deliverable from this study will be a TIRZ 24 Project and Financing Plan which will include financing incentives for the HCRDA. This step will also identify priority Catalytic Policies & Projects for the next five years leveraging funding across multiple partnership entities. In order to accelerate housing and infrastructure development, implementation barriers in public/public and public-private partnerships should be minimized. The Market Study should outline a blueprint for the priorities over next 5 years.

Harris County Implementation Policies

This includes using all economic tools available and in many combinations across both TIRZ 24 and HCRDA boundaries. Applying the recommended land uses partners from the Market Study will lay out the recommended policies and priorities and criteria for development agreements. Implementation policies and strategies must be flexible and be responsive to the variety of development projects across the county. It is not practical to anticipate all combinations of projects that could be presented; however, it is important to establish a predictable criterion that every project should anticipate meeting as an outcome and deliverable for that community. The need for transparency includes a partnership between the HCRDA and the proposed development. Financial proforma's should be shared for the proposed projects and Market Studies conducted to back up the proposed request.

It is the goal to create a transparent financial process to ensure that the development will be a high-quality resilient project regardless of the location and act as a catalytic development. Often, the risk of taking on new community development projects may require additional incentives to offset the risks. The implementation of CDBG-DR financing for workforce housing may require additional financing assistance. In all cases, the approach should be one of a partnership between the HCRDA and the applicant.

Through Imagination Zones, the County will establish a new standard and criteria. This will allow housing design options throughout the County that encourage, through incentives, a new development model that has not been available to at the \$180,000 price points in a mixed-income community with homes at market price points. Leveraging the 381 funding with the Federal Programs can result in a high-quality sustainable development model for the County.

Development agreements should be standardized. This will improve efficiency in accelerating the construction and rebuilding of communities. The standards for Federal funding have been outlined in the Harris County Affordable Housing Standards: Project Standards, Design Criteria, and Underwriting Guidelines.

Solving for Harris County identified watershed detention and retention designs should be encouraged in larger projects. Incentives could provide an increased level of land dedicated to flood control facilities if the

improvement within the development can offset detention or retention needs downstream. For example, a typical design criterion with new rainfall and detention is 25% of the land area, but the development could sustain 40% of the land area for dedicated detention ponds and offset critical needs downstream. The County could enter into a development agreement to facilitate appropriate designs that exceed minimums but also benefit the watershed downstream that “but for” the development agreement the County would incur more costs long term. The partnership between a developer and the County will be evaluated on each project presented. A County Team review of the proposed development to identify the potential developer reimbursement as well as financing strategies that meet all state and federal laws. Based on the general policy of reimbursement, the project must exceed minimum requirements of detention, landscape architecture compliance, access to trails, schools, transit, and energy efficiency designs to qualify for reimbursement to the extent practical given land prices. Each project will be evaluated on a case by case basis. Factors that impact Imagination Zones should also be taken into consideration including land prices.

ADDITIONAL HARRIS COUNTY TOOLS

Programs that Harris County CSD has been implementing that can be leveraged with TIRZ 24 and HCRDA include local State and Federal programs. All the programs should be addressed, but most recently, the County has reached success in leveraging the following across all funding sources:

NEW MARKETS TAX CREDITS TOOL (HARRIS COUNTY CDE INC.)

In October 2019, the Community Services Department submitted an \$80 million 2019 New Markets Tax Credit Allocation Application to the United States Treasury Department Community Development Financial Institutions Fund (CDFI) on behalf of Harris County to support three asset classes and investments therein in Low Income Census Tracts (LIC countywide): Transformational Residential, Comprehensive Community Development & Education, and Catalytic Commercial & Retail Development.

Hurricane Harvey was a "game-changer" for Harris County that caused significant mitigation and economic resilience planning strategies to emerge for implementation, particularly the development of comprehensive flood control plans for every watershed in Harris County; the approval of stringent development standards for the county; and new strategies for the role of utility districts in the responsibility for drainage and flood control. The administration implemented seven outreach events (Civic Saturdays, Talking Transition) to engage in an open dialogue countywide. Talking Transition included a countywide survey, completed in June, that garnered 11,000+ responses with key takeaways including 44% of respondents reported feeling increasingly unsafe against future natural disasters; one-third of respondents say they have had trouble paying for affordable housing in the last year, with many also saying they were affected by Harvey; and 36% of respondents living in eastern and southern parts of Harris County (all LIC NMTC eligible communities) reported having difficulty finding quality jobs to support their families.

The workshops generated a wide range of policy ideas and programs across seven different key issues areas: health & environment; transportation; children & education; economic opportunity; housing; criminal justice; and resilience & flood mitigation.

Based on these identified strategies, Harris County intends to use the NMTC to support a general pipeline of activities that will redevelop areas that have been impacted by multiple FEMA disasters over the years. Harris County will use \$80M of Qualified Equity Investments from investors to finance a general pipeline of projects as favorable interest loans and near equity-like investments that will have investment fund termination features after a 7-year NMTC compliance period.

HARRIS COUNTY DEVELOPMENT ACTIVITY REPORT FOR 2019/2020

CSD has continued to facilitate meetings with developers and organizations within TRZ 24 and across the HCRDA boundaries. A key guiding principle is to facilitate quality sustainable development within the County boundaries and forge key partnerships across public to public partnerships in addition to private to public partnerships.

CSD has met with major property owners related to vacant properties south of 610/Fannin;

CSD has met with major property owners of over 5,000 acres at 290

CSD has continued to work with public partners discussing TOD opportunities, housing, regional detention and mixed-use/mixed-income development needs post-Harvey related to TRZ 24/HCRDA

Plans to meet with new TMC leadership, GHBA, ULI, the Apartment Association, grocery developers, office and high-end office developers, manufacturing entities, educational institutions, HGAC, County Departments, and other major property owners across the region.

As a result of the Market Study, additional targets of opportunities will be identified to lead initiatives across all Tools and entities to achieve Vision and Mission

IMPLEMENTATION

The strategic implementation framework identifies the tools priority geographic areas to work on throughout the County, partners, and policies as well as criteria for development agreements and CIP recommendations that would be publicly used to achieve the initiatives outlined in the Market Feasibility Study.

Guiding public and private investment toward the highest potential economic and community benefit will create momentum for accelerating the development within the boundaries of the TIRZ 24 and HCRDA in partnership with the identified programs of Harvey Rebuild. In partnership with local, State and Federal programs, Harris County can efficiently leverage these partnerships and local bond issues to create value captured investment strategies that generate new revenue models, increase Harris County real property values and Harris County new real property revenues while also creating sustainable new communities serving mixed-use and mixed-income across all 1703 square miles. The Implementation Strategy will be informed by the Market Feasibility Study which will outline recommended priorities, geographic priorities and industry clusters that should be expanded and supported by the multiple tools available to Harris County.

Using this approach, the Framework Strategy are broken into implementation tools, policies, programs and prioritized in two timeframes to meet FEMA priorities, and to maximize return on longer-term investments:

- 3-5-year priorities will require purpose-driven capital investment and/or implementation strategies to leverage all post-Harvey funds, local funding and partnerships with other agencies such as HCTRA, METRONext, Muds/ESD's, CDBG-DR, NMTC, OZ, TXDOT, FEMA and CSD initiatives. These program initiatives can be combined in different elements of the delivery of projects depending on the agency and the funding sources. This exhibit outlines a potential toolbox that can act as a guide to how to leverage funding sources and optimize return and improve the efficient delivery of homes, enhanced drainage systems, mobility options across the County.
- Longer-Term Priorities will be needed for the larger infrastructure projects and for the larger sector planning initiatives related to drainage, major mobility/transit improvements and larger mixed-use/mixed-income developments that will take appropriate market absorption. A process to develop

actionable plans, secure financial resources, and implement each of these priorities needs to be advanced.

The TIRZ/RDA Budgets have grown since inception. The exhibit below outlines Fund Balances for each entity. The Framework Strategy recommends studies to be conducted to guide investments that coordinate with Harris County and all appropriate County Departments related to rebuilding post Harvey with the purposes driven approach to accelerate rebuilding and preserving growth and development for Harris County.

The Budget Fund Balances also provide TIRZ and RDA to pursue projects that support the Vision and Mission of the Zones. The Market Study will identify additional opportunities including geographic priorities of the County.

The draft Framework Strategy also identifies areas that should be pursued including work force housing, partnerships with other programs, infrastructure needs for roads, drainage and utilities in support of work force housing for growing manufacturing sectors around the Port, TMC and related industries. These investments can be made as developer reimbursements to accelerate rebuilding of housing needs, construct roadways that support Resin Boom II in vicinity of east Harris County and part of the 2017 Harris County Thoroughfare Study.

It is also recommended the Zone consult with County Financial Advisors to evaluate revenue bonds for Zone use based on reoccurring revenues that can provide predictable funding to accelerate these improvements and jump start the rebuilding post Harvey in partnership with previous TIRZ/RDA needs.

HARRIS COUNTY REDEVELOPMENT AUTHORITY
BUDGET FOR FISCAL YEAR 2020-21
BUDGET (All Funds Combined)
(March 1, 2020 through February 28, 2021)

(Cash Basis)

Budget Line Items	
RESOURCES	
Estimated Funds on Hand At Beginning of Year	
RDA Operating - Cash & Investments	\$ 1,437,808
381 Fund Cash & Investments	931
Total Funds on Hand - Beginning of FY	1,438,739
Revenues and Transfers In	
TIRZ 24 Increment	4,267,927
Tax Increments-381 Agreement	5,969,222
Tax Increments - (TIRZ 24) 5% for RDA Operations	328,302
Tax Increments - (TIRZ 24) Set Aside for CSD Homeless & Admin	656,604
Total Revenues & Transfers In	11,222,056
Other Income	
Investment / Interest Inc.	21,099
Total Other Income	21,099
TOTAL AVAILABLE RESOURCES	\$ 12,681,894

1A
1B

Notes & Assumptions:

** The RDA Fiscal Year is March 1, 20XX through February 28/29, 20XX

1- Tax Rate assumptions are as follows:

A. TIRZ revenues assumes 99% collection rate and an HC & HCFC combined Tax Rate of 0.447350

B. 381 Fund assumes 99% collection with a tax rate of .40730

2- The General and 381 Fund interfund transfers are eliminated

3 - Amounts not subject to TLGC section 311. that are remitted directly to the RDA for support of TIRZ ops and remittance Homeless and Administration projects

- Assumes 1.6 % interest earnings on average estimated funds on hand during the year

HARRIS COUNTY REDEVELOPMENT AUTHORITY

(Cash Basis)

ALL FUNDS

BUDGET • FISCAL YEAR 2020-21

(March 1, 2020 through February 28, 2021)

USES	
Budget Line Items	
Administration & Overhead	
Insurance	4,100
Bank Service Charges	360
Office Administration	1,500
Total Administration and Overhead	5,960
Professional Fees & Management Services	
Auditor	10,500
Legal	55,000
Accounting & Investment Management	50,000
Management & Planning Consultants	120,000
Total Professional and Management Services	235,500
Developer/ Project Reimbursements	
HCID # 18 Under 381 Agreement	4,849,993
Homeless & Administration Payments (381 & TIRZ 24)	1,402,757
1 City of Houston	4,267,927
Total Developer/ Project Reimbursements	10,520,677
TOTAL USES	10,762,137
Est Resources minus Uses:	481,017
Funds on Hand - At End of Period UNASSIGNED/UNRESTRICTED	1,919,756

Notes & Assumptions:

.. Assumes Interest only payments, with payment due Dec 1, 2016

.. Assumes distribution of 10% of the Tax Increment to CSD for (Homeless and Administration - 5% ea).

1 - This amount is remitted to the City per the participation / Interfocal agreement and then the City remits the funds to TIRZ 24 Revenue Fund

HARRIS COUNTY REDEVELOPMENT AUTHORITY

BUDGET FOR FISCAL YEAR 2020-21

(Cash Basis)

RDA Operating Fund - Budget

(March 1, 2020 through February 28, 2021)

Budget Line Items	
RESOURCES	
Estimated Funds on Hand At Beginning of Year RDA Operating - Cash & Investments	\$ 1,437,808
Total Funds on Hand - Beginning of FY	1,437,808
Revenues and Transfers In	
Tax Increment (TIRZ 24 65%)	4,267,927
Tax Increments - (TIRZ 24) 5% for RDA Operations	328,302
Tax Increment - 381 Rev for RDA Ops	373,076
Tax Increments - (TIRZ 24) Homeless & Admin	656,604
Total Transfers In	5,625,910
Other Income	
Investment / Interest Inc.	21,098
Total Other Income	21,098
TOTAL AVAILABLE RESOURCES	\$ 7,084,816

(1)

Notes & Assumptions:

** The RDA Fiscal Year is March 1, 20XX through February 28/29, 20XX

** The primary source of funds for RDA operations 5% increment from 381 & TIRZ 24

** Assumes 98.73% collection rate for 2018 Tax roll, and an HC Tax Rate of 0.41858 and HCFC rate of .02877

- Assumes 1.6% int on funds on hand during the year

1- Interfund transfer to the Gen Fund from the 381 fund is eliminated in the "All Funds combined Budget"

HARRIS COUNTY REDEVELOPMENT AUTHORITY
RDA Operating Fund Budget
BUDGET - FISCAL YEAR 2020-21
(March 1, 2020 through February 28, 2021)

(Cash Basis)

USES	
Budget Line Items	
Administration & Overhead	
Insurance	4,100
Bank Service Charges	360
Office Administration	1,500
Total Administration and Overhead	5,960
Professional Fees & Management Services	
Engineering Consultants	
Auditor	10,500
Legal	55,000
Debt & Investment Advisory	50,000
Management & Planning Consultants	120,000
Total Professional and Management Services	235,500
Developer/ Project Reimbursements	
TIRZ 24 Payment to City of Houston	4,267,927
Homeless & Administration Payments (TIRZ 24)	656,604
Total Developer/ Project Reimbursements	4,924,631
TOTAL USES	6,166,991
Est Resources minus Uses:	481,016
Funds on Hand - At End of Period	1,918,824
UNASSIGNED/UNRESTRICTED	1,918,824

Notes & Assumptions:

HARRIS COUNTY REDEVELOPMENT AUTHORITY
BUDGET FOR FISCAL YEAR 2020-21
Springwood 381 Agreement Fund
(March 1, 2020 through February 28, 2021)

(Cash Basis)

Budget Line Items	
RESOURCES	
Estimated Funds on Hand At Beginning of Year	
381 Fund Cash & Investments	931
Total Funds on Hand - Beginning of FY	931
Revenues	
Tax Increments-381 Agreement	5,969,222
	-
	-
Total Revenues	5,969,222
Other Income	
Investment / Interest Inc.	1
Total Other Income	1
TOTAL AVAILABLE RESOURCES	\$ 5,970,154

Notes & Assumptions:

- The 381 fund recognizes the inflows and outflows relative to the Springwood/HCID 18 Developer Agreement.
- The "Base Year" for the 381 Agreement is 2012 with a Base Year Taxable Value of:\$70,758,715
- All inflows are liquidated either by payments to developers and the County, or transfers to the RDA for operations.
- Assumes 2018 Tax Roll Value of \$1,666,103,515
- Assumes 99% collection rate and HC Tax Rate of 0.4073 for Tax 2018
- Assumes 1.6 % int on funds on hand during the year

HARRIS COUNTY REDEVELOPMENT AUTHORITY
Springwoods - 381 Agreement Fund Budget
BUDGET • FISCAL YEAR 2020-21
(March 1, 2020 through February 28, 2021)

(Cash Basis)

USES	
Budget Line Items	
¹ Developer/ Project Reimbursements	
HCID # 18 Under 381 Agreement P&I	4,849,993
To HC Community Services - Administration & Homeless from 381	746,153
Total Developer/ Project Reimbursements	5,596,146
TOTAL PROJECT COSTS	6,696,146
Transfers Out	
² To RDA General Operating Fund- Administration	373,076
Total Transfers Out	373,076
TOTAL USES	6,969,222
Est Resources minus Uses:	
Funds on Hand • At End of Period	93.

Notes & Assumptions:

- 1 Payments to the developers are limited to the extent of tax increment collections and value of improvements included in the County's road log.
- 2 Transfer to RDA General Fund for Admin/Operations. This is eliminated In the "All funds" budget roll-up

CITY OF HOUSTON TIRZ 24
BUDGET - FISCAL YEAR 2020-21
(March 1, 2020 through February 28, 2020)

(Cash Basis)

Budget Line Items	
RESOURCES	
Estimated Funds on Hand At Beginning of Year	
Cash	779,853
Short-term Investments	7,661,800
Total Funds on Hand - Beginning of FY	8,441,653
Revenues	-
¹ Tax Increments	4,267,927
Total Revenues	4,267,927
Other Income	
Investment / Interest Inc.	105,521
Total Other Income	105,521
TOTAL AVAILABLE RESOURCES	\$ 12,815,101

Notes & Assumptions:

- The TIRZ 24 fiscal year is 3/1/xx - 2/28 or 29/xx
- ** Assumes 98.73% collection rate for 2018 Tax roll, and an HC Tax Rate of 0.41858 and HCFC rate of .02877
- Assumes 1.6 % interest earnings on average estimated funds on hand during the year
- Assumes \$1,302,785,351 Increment with a 2014 County base year value of \$3,131,637,812.
- The City's 5% participation is remitted by the HC Tax office to the City and is not collected into the TIRZ Revenue fund.

CITY OF HOUSTON TIRZ 24 BUDGET • FISCAL YEAR 2020-21
 (March 1, 2020 through February 28, 2021)(Cash Basis)

USES	
Budget Line Items	
Administration & Overhead	
Bank Service Charges	-
Total Administration and Overhead	-
Developer / Project Reimbursements	
Cullen Agreement	
Leeland Agreement	
Buffalo Pointe Developer Agreement	50,638
Total Developer/ Project Reimbursements	50,638
TOTAL PROJECT COSTS	50,638
TOTAL USES	50,638
Est Resources minus Uses:	4,322,810
Funds on Hand - At End of Period	12,764,463
Public Infrastruce fund/ Unassigned	12,764,463

Notes & Assumptions:

- 1 The Buffalo Pointe Agreement had a 2014 base year with a Taxable Base Value of \$9,920,564 The amount represents the accrual of amounts due under the developer agreements Inception The City has not billed for any development costs associated with the agreement
- 2 This represents the estimated aCt.1 mulated funds reserved for "HC Public Facilities"