

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY

JOINT MEETING OF THE BOARDS OF DIRECTORS

September 28, 2020

**REINVESTMENT ZONE NUMBER TWENTY-ONE,
CITY OF HOUSTON, TEXAS
(HARDY/NEAR NORTHSIDE ZONE)**

**HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY
AND
REINVESTMENT ZONE NUMBER TWENTY-ONE, CITY OF HOUSTON, TEXAS
NOTICE OF JOINT MEETING**

Notice is hereby given that the Board of Directors of the Hardy/Near Northside Redevelopment Authority (the "Authority") will hold a joint meeting with the Board of Directors of the Reinvestment Zone Number Twenty-One, City of Houston, Texas (the "Zone"), open to the public, on **Monday, September 28, 2020, at 9:00 a.m., via telephonic communication*, dial US Toll Free 1.855.282.6330, when prompted enter Access Code 927 059 740#** and join as a participant to consider, discuss and adopt such orders, resolutions or motions, and take other direct or indirect actions as may be necessary, convenient, or desirable with respect to the following matters:

1. Establish quorum and call to order.
2. Public comments.
3. Nomination and Election of Officers.
4. Approve Minutes from last meeting.
5. Bookkeeper's Report:
 - (a) Financial and bookkeeping matters, including Financial Report and payment of bills.
6. Resolution Regarding Annual Review of Investment Policy and List of Broker/Dealers.
7. Disclosure Statement of Bookkeeper/Investment Officer.
8. Adopt Audit for the fiscal year ending June 30, 2020.
9. Committee appointments including:
 - a. Executive Committee;
 - b. Infrastructure Committee; and
 - c. Parks Committee.
10. Gauge Report on Capital Improvement Plan Development Project including:
 - a. Preliminary Project Schedule.
11. Presentations, reports, or updates from the Directors, consultants, City of Houston Staff, or others regarding development in the Authority and the Zone and implementation of Project Plan and Reinvestment Zone Financing Plan.
12. Executive Session – the Authority:
 - (a) confer with legal counsel, Open Meetings Act, V.T.C.A., Government Code § 551.071;
 - (b) purchase, exchange, lease or value of real property, Open Meetings Act, V.T.C.A., Government Code § 551.072; and
 - (c) economic development negotiations, Open Meetings Act, V.T.C.A., Government Code § 551.087.
13. Executive Session – the Zone:
 - (a) confer with legal counsel, Open Meetings Act, V.T.C.A., Government Code § 551.071;
 - (b) purchase exchange, lease or value of real property, Open Meetings Act, V.T.C.A., Government Code § 551.072; and
 - (c) economic development negotiations, Open Meetings Act, V.T.C.A., Government Code § 551.087.

* In accordance with section 418.016 of the Texas Government Code, as amended, the Texas Governor has temporarily suspended various open meeting statutes that require government officials and members of the public to be physically present at a specified meeting location. As a result, governmental entities, such as Hardy Near Northside Redevelopment Authority and Reinvestment Zone Number Twenty-One, City of Houston, are permitted to meet via telephonic meeting. Members of the public are invited to join the telephonic meeting and may make public comments during the public comment portion of the agenda.



Clark Stockton Lord
Attorney for the Authority and the Zone

**MINUTES OF REGULAR JOINT MEETING
OF
HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY**

July 13, 2020

The Board of Directors (the “Board”) of Hardy/Near Northside Redevelopment Authority (the “Authority”) convened in regular session, open to the public, on the 13th day of July 2020, via telephonic communication in accordance with Section 418.016 of the Texas Government Code, as amended, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Edward Reyes	Chair/Assistant Secretary
Lloyd Burke	Vice Chair/Investment Officer
Sylvia Cavazos	Secretary
Richard Cantu	Assistant Secretary
Fernando Zamarripa	Assistant Secretary
Mario Castillo	Director

All member of the Board of Directors were present, except Director Zamarripa, thus constituting a quorum.

Also present were: Clark Lord and Brenda Presser of Bracewell LLP; Ralph DeLeon of TIFWorks LLC; Rebecca Reyna of Greater Northside Management District; Luis Garcia of METRO; Henry Morris of Houston BikeShare, Muhammed Ali of Gauge Engineering, Melissa Morton of The Morton Accounting Services; Monica Aizpurua of Binkley and Barfield, Inc.; and Kenneth Walker, an unidentified participant of the meeting. There were no members of the public that were present, telephonically, at the meeting.

Whereupon, the meeting was called to order. A copy of the notice of the meeting is attached hereto as Exhibit “A”.

ESTABLISH QUORUM; CALL TO ORDER

Director Reyes performed a roll call and noted that a quorum was present. He called the meeting to order.

PUBLIC COMMENTS

Director Reyes opened the meeting for public comments. There were no public comments presented to the Board.

MINUTES OF PREVIOUS MEETINGS

The Board considered approval of the minutes of June 8, 2020. Following discussion, upon a motion made by Director Cavazos and seconded by Director Burke, the Board voted unanimously to approve the minutes of June 8, 2020.

BOOKKEEPER'S REPORT

Ms. Morton presented the Bookkeeper's report and invoices submitted for payment to the Board for review and approval. A copy of the Bookkeeper's Report is attached as Exhibit "B." Following discussion, upon a motion made by Director Cavazos and seconded by Director Cantu, the Board voted unanimously to approve the Bookkeeper's report, and payment of bills to the persons, for the purposes and in the amounts presented.

AUTHORIZE TAX YEAR 2019 DEVELOPER INCREMENT PAYMENT TO CR V HARDY YARDS L.P.

Mr. DeLeon reported that the Authority, Reinvestment Zone Number 21 (the "Zone") and the City of Houston (the "City") entered into an agreement pursuant to which, among other things, the Authority agreed to provide certain services to the City and the Zone (the "Hardy Yards Agreement"). He stated that the Authority, the Zone and CR V Hardy Yards, L.P. ("Developer") entered into a Development Agreement (the "Development Agreement"), as amended, to provide for improvements and reimbursement of project costs incurred by Developer. In addition and pursuant to the terms of the Development Agreement, the Authority is required to remit an annual payment to the City for administration expenses for the Zone and Authority, as budgeted and approved by the City Council. Mr. DeLeon requested the Board's authorization to pay the total increment amount due of \$478,500.60 for tax year 2019. Discussion ensued regarding a proposed meeting with the Housing Director about an allocation increase towards projects and less towards staff pool pursuant to the terms of the Development Agreement. Mr. DeLeon confirmed that he will set up a meeting with the Housing Director. Following discussion, upon motion by Director Cavazos, and seconded by Director Cantu, the Board voted unanimously to authorize an increment payment of \$478,500.60 for tax year 2019.

FUNDING AGREEMENT WITH BCYCLE STATION AT HARDY YARDS, L.P.

Mr. DeLeon presented a funding proposal in support of a new bike share station at Hardy Yards. He recognized Mr. Morris, of Houston Bike Share, who reported that this station is part of a Transportation Improvement Project ("TIP") grant, which funds 80% of certain costs and installation. Mr. Morris reviewed funding resources, noting that \$17,636.00 is needed for additional equipment and installation costs that is not eligible for grant funding. Greater Northside Management District has agreed to pay \$8,818.00 of the outstanding balance of project costs. He requested the Board's approval of a contribution in the amount of \$8,818.00 toward one 30-dock, solar-powered Houston BCycle station placed at Hardy Yards. Mr. Morris noted that the grant funds expire in August and the project will be completed by year-end. Discussion ensued regarding ownership, maintenance, exact location and available funds. Following discussion, upon motion by Director Cavazos and seconded by Director Castillo, the Board voted unanimously to provide funding in the amount of \$8,818.00, approve the funding proposal presented and authorize the Board President to sign the funding agreement. A copy of the funding proposal is attached as Exhibit "C."

FULTON/ENGLISH PROPERTY ACQUISITION

Mr. Lord reported that he reached out to Luis Garcia, METRO Public Affairs and Gabriel Matos, METRO Real Estate, regarding next steps related to METRO's request for property

acquisition. He stated the Authority has requested certain property information from METRO and the request was forwarded to METRO's Vice President of Systems and Capital Planning. Mr. Lord is performing due diligence on this matter pending a response from METRO on the next steps.

RATIFY MASTER AGREEMENT FOR PROFESSIONAL ENGINEERING SERVICE, GAUGE ENGINEERING LLC AND APPROVAL OF TASK ORDER NOS. 1, 2 AND 3

Mr. DeLeon stated that, at the June meeting, the Authority's Selection Committee reported on their receipt and review of presentations from Walter P. Moore and Gauge Engineering LLC ("Gauge Engineering") and recommended that the Authority engage Gauge Engineering to provide engineering services to identify and prepare a Capital Improvement Plan for the 1100 acres recently annexed into the District. Last month, the Board accepted the Selection Committee's recommendation to engage Gauge Engineering to perform engineering services and authorized Mr. DeLeon and Bracewell to negotiate an agreement with Gauge Engineering. Mr. Ali discussed the scope of services for the Master Agreement for Engineering Services, Task Order No. 1 for On Call Services for a cost not to exceed \$10,000, Task Order No. 2 for Capital Improvement Plan Development over a 12-month period for a lump sum amount of \$250,000, and Task Order No. 3 for Preliminary Engineering Services for 2600-3500 Block Main Street for a lump sum amount of \$55,000. Mr. DeLeon discussed budgetary funding timeline for payment of engineering services. Mr. Lord requested the Board ratify their approval of engaging Gauge Engineering since this action item was not on the previous agenda and approve Task Orders Nos. 1 2 and 3, as presented. Following discussion, upon a motion brought by Director Cantu, and seconded by Director Cavazos, the Board unanimously voted to ratify the engagement of Gauge Engineering Services and approve Task Orders Nos. 1, 2, and 3. A copy of the Master Agreement for Engineering Services and Task Orders Nos. 1, 2, and 3 are attached as Exhibit "D."

PRESENTATIONS, REPORTS, OR UPDATES FROM DIRECTORS, CONSULTANTS, CITY OF HOUSTON STAFF, REGARDING DEVELOPMENT IN THE AUTHORITY AND ZONE AND IMPLEMENTATION OF PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN

Mr. DeLeon requested that Precinct One be added to the meeting distribution.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTIONS 551.087, CHAPTER 551, TEXAS GOVERNMENT CODE

The Board did not convene in Executive Session.

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There being no further business to come before the Board, the meeting was adjourned.

Secretary

DRAFT

**MINUTES OF REGULAR JOINT MEETING
OF
REINVESTMENT ZONE NUMBER TWENTY-ONE, CITY OF HOUSTON, TEXAS**

July 13, 2020

The Board of Directors (the “Board”) of Reinvestment Zone Number Twenty-One, City of Houston (the “Zone”) convened in regular session, open to the public, on the 13th day of July 2020, and the roll was called of the duly constituted officers and members of the Board, to-wit:

CQ	Edward Reyes	Chair/Assistant Secretary
CQ	Lloyd Burke	Vice Chair/Investment Officer
CQ	Sylvia Cavazos	Secretary
CQ	Richard Cantu	Assistant Secretary
CQ	Fernando Zamarripa	Assistant Secretary
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There being no further business to come before the Board, the meeting was adjourned.

Secretary

DRAFT



**Hardy Near Northside Redevelopment Authority
Monthly Financial Report Summary
September Board Meeting
Monday, September 28, 2020**

At the beginning of June, the Hardy Near Northside Redevelopment Authority (TIRZ #21) beginning Operating Fund Balance was \$760,928. TIRZ #21 received a total of \$478,877, mainly from banking interest and a deposit from the City of Houston for the annual increment payment (\$478,501). During the period, TIRZ #21 processed \$476,548 in disbursements during the period. 93% of the disbursements related to disbursements to CRV Hardy Yards for the Developer Reimbursement (\$442,894). The ending balance as of month end August 31, 2020 was \$763,257.

The invoices pending approval total \$21,855. See attached "Unpaid Bills Detail" Report on page 3. A transfer of \$-0- is required from the Pool Account to the Operating account to cover outstanding invoices.

**Hardy Near Northside Redevelopment Authority
General Operating Fund
As of August 31, 2020**

General Operating Fund

BEGINNING BALANCE \$ 760,927.98

REVENUE

BBVA Compass	5.97	Monthly Interest
BBVA Compass	3.64	Monthly Interest
BBVA Compass	18.15	Monthly Interest
City of Houston	478,500.60	Increment
TexPool Investment	122.87	Monthly Interest
TexPool Investment	122.19	Monthly Interest
TexPool Investment	103.76	Monthly Interest

Total Revenue 478,877.18

DISBURSEMENTS

EFT	BBVA Compass	14.20	Bank Service Charge
1074	Bracewell LLP	6,204.40	Legal Services
1075	McCall Gibson Swedlund	2,000.00	2019 Audit Final
1077	TIFWorks LLC	2,287.50	Admin Consultants
1076	The Morton Accounting Services	5,093.54	CPA Services
1079	Bracewell LLP	6,425.00	Legal Services
1078	Equitax Inc	1,868.40	Tax Consultant
1081	CRV Hardy Yards	442,893.60	Reimbursement
1082	Houston Bike Share	8,818.00	Bike Share Agreement
EFT	BBVA Compass	14.60	Bank Service Charge
1080	The Morton Accounting Services	914.22	CPA Services
EFT	BBVA Compass	15.00	Bank Service Charge

Total Disbursements 476,548.46

ENDING BALANCE \$ 763,256.70

August 31, 2020

Balance

LOCATION OF ASSETS

BBVA Compass		\$ 72,200.52
TexPool Investment		691,056.18

Total Account Balance \$ 763,256.70

HARDY/NEAR NORTHSIDE TIRZ # 21

Unpaid Bills Detail

As of September 21, 2020

Type	Date	Num	Memo	Open Balance
Bracewell LLP				
Bill	07/31/2020	21888033	Meeting services through July 31, 2020	4,906.25
Bill	07/31/2020	21888034	General Counsel services through July 31, 2020	2,000.00
Bill	08/31/2020	21889224	Meeting services through August 31, 2020	472.50
Total Bracewell LLP				7,378.75
McCall Gibson Swedlund Barfoot PLLC				
Bill	09/17/2020	2020 Audit Inter...	FYE 06.30.20 Audit - Interim billing	7,000.00
Total McCall Gibson Swedlund Barfoot PLLC				7,000.00
The Morton Accounting Services				
Bill	08/31/2020	2100	CPA Services and Invest. Officer July and Aug 2020	1,814.22
Total The Morton Accounting Services				1,814.22
TIFWorks, LLC				
Bill	09/21/2020	16	General Consulting Services January through September 20,...	5,662.50
Total TIFWorks, LLC				5,662.50
TOTAL				21,855.47

HARDY/NEAR NORTHSIDE TIRZ # 21
Profit & Loss Prev Year Comparison
July through August 2020

	Jul - Aug 20	Jul - Aug 19	\$ Change	% Change
Ordinary Income/Expense				
Income				
Interest Income checking	21.79	96.34	-74.55	-77.4%
Interest on TexPool	225.95	2,639.60	-2,413.65	-91.4%
Tax increments	0.00	0.00	0.00	0.0%
Total Income	<u>247.74</u>	<u>2,735.94</u>	<u>-2,488.20</u>	<u>-90.9%</u>
Gross Profit	247.74	2,735.94	-2,488.20	-90.9%
Expense				
Developer Reimbursement	442,893.60	0.00	442,893.60	100.0%
Other Types of Expenses				
Other Costs	8,818.00	0.00	8,818.00	100.0%
Total Other Types of Expenses	8,818.00	0.00	8,818.00	100.0%
Program and Project Consultants				
Legal Consultants				
General Counsel Representation	2,000.00	0.00	2,000.00	100.0%
Total Legal Consultants	<u>2,000.00</u>	<u>0.00</u>	<u>2,000.00</u>	<u>100.0%</u>
Total Program and Project Consultants	2,000.00	0.00	2,000.00	100.0%
TIRZ Administration Overhead				
Tax Consultants	1,868.40	311.40	1,557.00	500.0%
Accounting Services	1,814.22	0.00	1,814.22	100.0%
Administrative Services	5,378.75	0.00	5,378.75	100.0%
Bank Charges	29.60	29.99	-0.39	-1.3%
Total TIRZ Administration Overhead	<u>9,090.97</u>	<u>341.39</u>	<u>8,749.58</u>	<u>2,562.9%</u>
Total Expense	<u>462,802.57</u>	<u>341.39</u>	<u>462,461.18</u>	<u>135,464.2%</u>
Net Ordinary Income	<u>-462,554.83</u>	<u>2,394.55</u>	<u>-464,949.38</u>	<u>-19,417.0%</u>
Net Income	<u>-462,554.83</u>	<u>2,394.55</u>	<u>-464,949.38</u>	<u>-19,417.0%</u>

HARDY/NEAR NORTHSIDE TIRZ # 21
Balance Sheet Prev Year Comparison
As of August 31, 2020

	Aug 31, 20	Aug 31, 19	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
BBVA Compass	72,200.52	551,533.43	-479,332.91	-86.9%
Tex Pool AC 7932300001	691,056.18	683,682.78	7,373.40	1.1%
Total Checking/Savings	763,256.70	1,235,216.21	-471,959.51	-38.2%
Total Current Assets	763,256.70	1,235,216.21	-471,959.51	-38.2%
TOTAL ASSETS	763,256.70	1,235,216.21	-471,959.51	-38.2%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
*Accounts Payable	9,192.97	3,392.33	5,800.64	171.0%
Total Accounts Payable	9,192.97	3,392.33	5,800.64	171.0%
Total Current Liabilities	9,192.97	3,392.33	5,800.64	171.0%
Total Liabilities	9,192.97	3,392.33	5,800.64	171.0%
Equity				
*Fund Balance	1,216,618.56	1,229,429.33	-12,810.77	-1.0%
Net Income	-462,554.83	2,394.55	-464,949.38	-19,417.0%
Total Equity	754,063.73	1,231,823.88	-477,760.15	-38.8%
TOTAL LIABILITIES & EQUITY	763,256.70	1,235,216.21	-471,959.51	-38.2%

HARDY/NEAR NORTHSIDE TIRZ # 21

Profit & Loss Detail


July through August 2020

Type	Date	Num	Adj	Name	Memo	Amount
Ordinary Income/Expense						
Income						
Interest Income checking						
Deposit	07/01/2020				Interest	3.64
Deposit	08/01/2020				Interest	18.15
Total Interest Income checking						21.79
Interest on TexPool						
Deposit	07/31/2020				Interest	122.19
Deposit	08/31/2020				Interest	103.76
Total Interest on TexPool						225.95
Tax increments						
Genera...	07/01/2020	CPA 20-1R	*	City of Houston, TX	Receivable of Tax Increment due from City	-478,500.60
Deposit	07/08/2020			City of Houston, TX	Deposit	478,500.60
Total Tax increments						0.00
Total Income						247.74
Gross Profit						247.74
Expense						
Developer Reimbursement						
Bill	07/22/2020	Develope...		CRV Hardy Yards, L. P.	Reimbursement to CRV Hardy Yards	442,893.60
Total Developer Reimbursement						442,893.60
Other Types of Expenses						
Other Costs						
Bill	07/22/2020	02071		Houston Bike Share	Hardy Yards	8,818.00
Total Other Costs						8,818.00
Total Other Types of Expenses						8,818.00
Program and Project Consultants						
Legal Consultants						
General Counsel Representation						
Bill	07/31/2020	21888034		Bracewell LLP	General Counsel services through July 31, 2020	2,000.00
Total General Counsel Representation						2,000.00
Total Legal Consultants						2,000.00
Total Program and Project Consultants						2,000.00
TIRZ Administration Overhead						
Tax Consultants						
Bill	07/01/2020	55573		Equi-Tax Inc.	July - June 2021 Consultant Services fee per Contract	1,868.40
Total Tax Consultants						1,868.40
Accounting Services						
Bill	08/31/2020	2100		The Morton Accounting Services	CPA Services and Invest. Officer July and Aug 2020	1,814.22
Total Accounting Services						1,814.22
Administrative Services						
Bill	07/31/2020	21888033		Bracewell LLP	Meeting services through July 31, 2020	4,906.25
Bill	08/31/2020	21889224		Bracewell LLP	Meeting services through August 31, 2020	472.50
Total Administrative Services						5,378.75
Bank Charges						
Check	07/15/2020				Service Charge	14.60
Check	08/15/2020				Service Charge	15.00
Total Bank Charges						29.60
Total TIRZ Administration Overhead						9,090.97
Total Expense						462,802.57
Net Ordinary Income						-462,554.83
Net Income						-462,554.83

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY
QUARTERLY INVESTMENT REPORT
4th QUARTER FISCAL YEAR 2020
April 1, 2020 to
June 30, 2020

Transaction Date	TexasClass Deposits or Withdrawals	Book Value	Market Value	Activity
4/1/2020	Texpool	\$ 690,291.68	\$ 690,291.68	Beginning Balance
4/30/2020	258.25	690,549.93	690,549.93	Interest 0.455%
5/31/2020	870.62	691,420.55	691,420.55	Interest 0.268%
6/30/2020	122.87	691,543.42	691,543.42	Interest 0.216%
6/30/2020		691,543.42	691,543.42	Ending Balance

The investments for the District for the period are in compliance with the Public Funds Investment Act, the District's investment policy and the District's investment strategy.

Investment Officer: 

HARDY/NEAR NORTHSIDE TIRZ # 21

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Bill	09/17/2020	2020 Audit Inter...	FYE 06.30.20 Audit - Interim billing	7,000.00
Total McCall Gibson Swedlund Barfoot PLLC				7,000.00
The Morton Accounting Services				
Bill	08/31/2020	2100	CPA Services and Invest. Officer July and Aug 2020	1,814.22
Total The Morton Accounting Services				1,814.22
TIFWorks, LLC				
Bill	09/21/2020	16	General Consulting Services January through September 20,...	5,662.50
Total TIFWorks, LLC				5,662.50
TOTAL				21,855.47

BRACEWELL

Hardy/Near Northside Redevelopment Authority
Melissa Morton, Bookkeeper
1125 Cypress Station Drive
Building H-4
Houston, TX 77090

August 05, 2020
Invoice Number 21888034
BA: 04674 Clark Stockton Lord

Our Matter #: 0037619.000001 For Services Through July 31, 2020
General Counsel

<u>Date</u>	<u>Description</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/08/20	Prepare agenda; prepare for meeting.	Clark Stockton Lord	1.00	400.00	400.00
07/13/20	Prepare for and attend board meeting,	Clark Stockton Lord	2.00	400.00	800.00
07/29/20	Handle Gauge Engineering issues; teleconference R De Leon	Clark Stockton Lord	1.00	400.00	400.00
07/30/20	Handle Gauge Engineering issues; teleconferecne R De Leon, G Tillotson.	Clark Stockton Lord	1.00	400.00	400.00
Total Fees					\$ 2,000.00

Summary of Fees

<u>Timekeeper</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Clark Stockton Lord	Partner	5.00	400.00	2,000.00
Total Summary of Fees		5.00		\$ 2,000.00

Total Fees, Expenses and Charges **\$ 2,000.00**

BRACEWELL

REMITTANCE PAGE

Client: Hardy/Near Northside Redevelopment Authority
Matter: General Counsel

August 05, 2020
Invoice Number. 21888034

Matter No: 0037619.000001

Total Fees	\$ 2,000.00
Total Expenses	\$ 0.00
Total Fees, Expenses and Charges	\$ 2,000.00
Total Current Billing for this Matter	\$ 2,000.00
Balance Forward	\$ 0.00
Please Remit Total Balance Due	\$ 2,000.00

PLEASE RETURN THIS REMITTANCE PAGE WITH YOUR PAYMENT

Wire Transfer Information

Wire to: Wells Fargo Bank, N.A. 420 Montgomery San Francisco, CA 94104

Name on Account: Bracewell LLP

Bank Account No: 5436952757

ABA Number **(For Wire Transfers Only)** : 121000248; **(For ACH'S Only)**: 111900659

For International Wires Also Include Swift Code (for both US and Foreign Funds): **WFBIUS6S**

Please include the invoice number as a reference when sending the wire. **21888034**

Check Information

Bracewell LLP

P.O. Box 207486

Dallas, TX 75320-7486

Tax ID 74-1024827

Courier Information

Wells Fargo Lockbox Services

P.O. Box 207486

2975 Regent Blvd

Irving, TX 75063

Credit Card Information:

<https://www.e-billexpress.com/ebpp/Bracewell/>

BRACEWELL

Hardy/Near Northside Redevelopment Authority
Melissa Morton, Bookkeeper
1125 Cypress Station Drive
Building H-4
Houston, TX 77090

August 05, 2020
Invoice Number 21888033
BA: 04674 Clark Stockton Lord

Our Matter #: 0037619.000003 For Services Through July 31, 2020
Meeting Services

<u>Date</u>	<u>Description</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/01/20	Follow up with team regarding meeting materials and attendance.	Brenda Presser	1.00	315.00	315.00
07/07/20	Receive and review Authority correspondence. Draft agenda. Draft minutes. Review and address pending items.	Brenda Presser	4.50	315.00	1,417.50
07/08/20	Confer with attorney regarding request for additional items to posted agenda. Revise agenda and minutes.	Brenda Presser	1.50	315.00	472.50
07/13/20	Prepare for and attend meeting.	Brenda Presser	2.00	315.00	630.00
07/14/20	Coordinate with attorney regarding form for Hardy Yards Agreement.	Brenda Presser	1.50	315.00	472.50
07/20/20	Coordinate with attorney regarding final agreement for Hardy Yards. Telephone conversation with Lisa Duffy regarding meeting notes. Draft minutes.	Brenda Presser	3.00	315.00	945.00
07/21/20	Draft minutes.	Brenda Presser	2.00	315.00	630.00
Total Fees					\$ 4,882.50

BRACEWELL

Client: Hardy/Near Northside Redevelopment Authority

August 05, 2020
Invoice Number: 21888033

Summary of Fees

<u>Timekeeper</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Brenda Presser	Paralegal	15.50	315.00	4,882.50
Total Summary of Fees		15.50		\$ 4,882.50

Expense Detail

<u>Date</u>	<u>Cost</u>	<u>Description</u>	<u>Amount</u>
07/10/20	Delivery Services/Messenger	3rd Party Courier 2020-07-10 Clark Stockton Lord #405418	19.00
07/10/20	Delivery Services/Messenger	3rd Party Courier 2020-07-10 Clark Stockton Lord #405417	4.75
Total Expenses			\$ 23.75
Total Fees, Expenses and Charges			\$ 4,906.25

BRACEWELL

REMITTANCE PAGE

Client: Hardy/Near Northside Redevelopment Authority
Matter: Meeting Services

August 05, 2020
Invoice Number. 21888033

Matter No: 0037619.000003

Total Fees	\$ 4,882.50
Total Expenses	\$ 23.75
Total Fees, Expenses and Charges	\$ 4,906.25
Total Current Billing for this Matter	\$ 4,906.25
Balance Forward	\$ 472.50
Please Remit Total Balance Due	\$ 5,378.75

PLEASE RETURN THIS REMITTANCE PAGE WITH YOUR PAYMENT

Wire Transfer Information

Wire to: Wells Fargo Bank, N.A. 420 Montgomery San Francisco, CA 94104

Name on Account: Bracewell LLP

Bank Account No: 5436952757

ABA Number **(For Wire Transfers Only)** : 121000248; **(For ACH'S Only)**: 111900659

For International Wires Also Include Swift Code (for both US and Foreign Funds): **WFBIUS6S**

Please include the invoice number as a reference when sending the wire. **21888033**

Check Information

Bracewell LLP

P.O. Box 207486

Dallas, TX 75320-7486

Tax ID 74-1024827

Courier Information

Wells Fargo Lockbox Services

P.O. Box 207486

2975 Regent Blvd

Irving, TX 75063

Credit Card Information:

<https://www.e-billexpress.com/ebpp/Bracewell/>

BRACEWELL

Hardy/Near Northside Redevelopment Authority
Melissa Morton, Bookkeeper
1125 Cypress Station Drive
Building H-4
Houston, TX 77090

September 02, 2020
Invoice Number 21889224
BA: 04674 Clark Stockton Lord

Our Matter #: 0037619.000003 For Services Through August 31, 2020
Meeting Services

<u>Date</u>	<u>Description</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/13/20	Receive and review correspondence. Update District calendar.	Brenda Presser	0.50	315.00	157.50
08/14/20	Update District's official records. Receive and review correspondence.	Brenda Presser	1.00	315.00	315.00
Total Fees					\$ 472.50

Summary of Fees

<u>Timekeeper</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Brenda Presser	Paralegal	1.50	315.00	472.50
Total Summary of Fees		1.50		\$ 472.50

Total Fees, Expenses and Charges **\$ 472.50**

BRACEWELL

REMITTANCE PAGE

Client: Hardy/Near Northside Redevelopment Authority
Matter: Meeting Services

September 02, 2020
Invoice Number. 21889224

Matter No: 0037619.000003

Total Fees	\$ 472.50
Total Expenses	\$ 0.00
Total Fees, Expenses and Charges	\$ 472.50
Total Current Billing for this Matter	\$ 472.50
Balance Forward	\$ 4,906.25
Please Remit Total Balance Due	\$ 5,378.75

PLEASE RETURN THIS REMITTANCE PAGE WITH YOUR PAYMENT

Wire Transfer Information

Wire to: Wells Fargo Bank, N.A. 420 Montgomery San Francisco, CA 94104

Name on Account: Bracewell LLP

Bank Account No: 5436952757

ABA Number **(For Wire Transfers Only)** : 121000248; **(For ACH'S Only)**: 111900659

For International Wires Also Include Swift Code (for both US and Foreign Funds): **WFBIUS6S**

Please include the invoice number as a reference when sending the wire. **21889224**

Check Information

Bracewell LLP

P.O. Box 207486

Dallas, TX 75320-7486

Tax ID 74-1024827

Courier Information

Wells Fargo Lockbox Services

P.O. Box 207486

2975 Regent Blvd

Irving, TX 75063

Credit Card Information:

<https://www.e-billexpress.com/ebpp/Bracewell/>

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

13100 Wortham Center Drive
Suite 235
Houston, Texas 77065-5610
(713) 462-0341
Fax (713) 462-2708
E-Mail: mgsb@mgsbpllc.com

9600 Great Hills Trail
Suite 150W
Austin, Texas 78759
(512) 610-2209
www.mgsbpllc.com

September 17, 2020

Hardy/Near Northside Redevelopment Authority
c/o Bracewell LLP
711 Louisiana Street, Suite 2300
Houston, TX 77002

Client Number: 300-20

Audit of Hardy/Near Northside Redevelopment Authority as
of and for the year ended June 30, 2020.

Interim Billing

\$ 7,000.00



Invoice

Date	Invoice #
8/31/2020	2100

Bill To
Hardy Near/Northside Redevelopment Auth 711 Louisiana St Suite 2300 Houston, TX 77002

Terms	Due Date
Net 15	9/15/2020

Serviced	Description	Hours	Rate	Amount
8/31/2020	Accounting/CPA Services and Investment Officer - July and August	2	900.00	1,800.00
8/31/2020	Postage	1	14.22	14.22

Please Remit Payment to:
The Morton Accounting Service
1125 Cypress Station Dr. Bldg H-4
Houston, TX 77090

or via the Intuit payment link in the email.

Total	\$1,814.22
Payments/Credits	\$0.00
Balance Due	\$1,814.22

INVOICE

Date: 9/20/2020
Invoice # Number 16

TIFWorks, LLC
P.O. Box 10330
Houston, Texas 77206
(832)-978-5910
rdeleon1028@sbcglobal.net

To

Ed Reyes
Chairman of the Board
Hardy/Near Northside Redevelopment Authority
Tax Increment Investment Zone Number
Twenty-One, City of Houston

<i>Salesperson</i>	<i>Job</i>	<i>Payment Terms</i>	
Ralph De Leon	Hardy/Near Northside Redevelopment Authority General Consulting Services 06/03/2020thru 09/20/2020	Due Upon Receipt	
<i>Qty</i>	<i>Description</i>	<i>Unit Price</i>	<i>Line Total</i>
Labor (Hours)	Meetings, Travel, Mileage, Electronic Correspondence and Telephone Calls:		
4	Electronic and telephonic correspondence June 3, 2020 thru September 20, 2020, primarily with Gauge Engineering related to Infrastructure Study, COH ED Staff related to FY21 Budget adjustments, Bracewell and various Board Members on matters related to Zone, Gauge, METRO and related activities, and McCall Gibson and Morton Accounting related to Audit formatting per Daniel.	\$150.00	\$600.00
3.75	6/8/2020 – Prepare for and attend Board of Directors meeting including assist on Agenda drafting, review and assembly of items included in the Board Book including Audit, FY21 Budget and Financial Statements.	\$150.00	\$562.50
4.25	6/12/2020 – Zone tour with Mario Castillo needed to walk T-2104: 3500-2600 Blk Main Street project, newly annexed areas of the Zone, and GNNMD pocket parks and related green space projects including mileage and travel.	\$150.00	\$637.50
1.25	7/10/2020 – Field reconnaissance with Gauge related to T-2014 project including mileage and travel.	\$150.00	\$187.50
5.25	7/13/2020 – Prepare for and attend Board of Directors meeting including assist on Agenda drafting, review and assembly of items included in the Board Book including Audit, FY21 Budget, Financial Statements, and review and discussion related to Gauge Master Services Agreement and Task Orders No. 1, 2 & 3.	\$150.00	\$787.50
3.75	7/20/2020-7/23/2020 – Assembly of RDA/TIRZ documents, print and collation of New Board Member Orientation Book, deliver of same, and conference call to reviews same with Daniel Ortiz, including mileage and travel.	\$150.00	\$412.50
2.5	7/29/2020 – Assembly and electronic distribution of RDA/TIRZ documents, and New Board Member Orientation with Jorge Bustamante	\$150.00	\$375.00
1.75	7/30/2020 – Preparation for and participation in conference call with Bracewell, ED Staff, Ed and Sylvia regarding Gauge Master Agreement and related Task Orders related to questions to budget, scope of work and subsequent related actions.	\$150.00	\$262.50
1.25	8/3/2020 - Assembly and electronic distribution of RDA/TIRZ documents, and New Board Member Orientation with Jorge Elia	\$150.00	\$187.50
3.5	8/6/2020 – Zone tour with Jorge related to past proposed projects, existing conditions, and suggested alternatives related to infrastructure improvement projects, including mileage and travel.	\$150.00	\$525.00
1	8/13/2020 – Prepare for and participate on conference call Harris County Precinct 1 related to newly annexed TIRZ Boundaries, proposed FY21 CIP Projects, introductions of staff and related activities.	\$150.00	\$150.00
2.5	8/15/2020 – Subsequent review of RDA/TIRZ financial documents including Increment projections, fiscal year Audit and FY20 and FY21 Budget with Jorge Bustamante.	\$150.00	\$375.00
1.25	8/19/2020 – Prepare for and participation with Gauge post City approved Master Services Agreement, and Task Orders 1, 2, & 3 predominately related to draft schedule, proposed Infrastructure Committee Schedule, commencement of work effort and related activities.	\$150.00	\$187.50
Total			\$5,662.50

Make all checks payable to TIFWorks, LLC

Thank you for your business!

Unpaid Bills Detail

As of July 6, 2020

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Memo</u>	<u>Open Balance</u>
Bracewell LLP				
Bill	06/30/2020	21883398	Meeting services through June 30, 2020	4,425.00
Bill	06/30/2020	21883434	General Counsel services through June 30, 2020	2,000.00
Total Bracewell LLP				6,425.00
Equi-Tax Inc.				
Bill	07/01/2020	55573	July - June 2021 Consultant Services fee per Contract	1,868.40
Total Equi-Tax Inc.				1,868.40
The Morton Accounting Services				
Bill	06/30/2020	2072	CPA Services and Invest. Officer June 2020	914.22
Total The Morton Accounting Services				914.22
TOTAL				9,207.62

BRACEWELL

Hardy/Near Northside Redevelopment Authority
Melissa Morton, Bookkeeper
1125 Cypress Station Drive
Building H-4
Houston, TX 77090

July 02, 2020
Invoice Number 21883434
BA: 04674 Clark Stockton Lord

Our Matter #: 0037619.000001 For Services Through June 30, 2020
General Counsel

<u>Date</u>	<u>Description</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/01/20	Prepare for Board meeting; revise agenda, review engineering contract	Clark Stockton Lord	1.00	400.00	400.00
06/03/20	Revise agenda; handle Hardy Yards development agreement issues.	Clark Stockton Lord	1.00	400.00	400.00
06/08/20	Prepare for and attend board meeting,	Clark Stockton Lord	2.00	400.00	800.00
06/24/20	Revise engineering contract.	Clark Stockton Lord	1.00	400.00	400.00
Total Fees					\$ 2,000.00

Summary of Fees

<u>Timekeeper</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Clark Stockton Lord	Partner	5.00	400.00	2,000.00
Total Summary of Fees		5.00		\$ 2,000.00

Total Fees, Expenses and Charges **\$ 2,000.00**

BRACEWELL

REMITTANCE PAGE

Client: Hardy/Near Northside Redevelopment Authority
Matter: General Counsel

July 02, 2020
Invoice Number. 21883434

Matter No: 0037619.000001

Total Fees	\$ 2,000.00
Total Expenses	\$ 0.00
Total Fees, Expenses and Charges	\$ 2,000.00
Total Current Billing for this Matter	\$ 2,000.00
Balance Forward	\$ 2,000.00
Please Remit Total Balance Due	\$ 4,000.00

PLEASE RETURN THIS REMITTANCE PAGE WITH YOUR PAYMENT

Wire Transfer Information

Wire to: Wells Fargo Bank, N.A. 420 Montgomery San Francisco, CA 94104

Name on Account: Bracewell LLP

Bank Account No: 5436952757

ABA Number **(For Wire Transfers Only)** : 121000248; **(For ACH'S Only)**: 111900659

For International Wires Also Include Swift Code (for both US and Foreign Funds): **WFBIUS6S**

Please include the invoice number as a reference when sending the wire. **21883434**

Check Information

Bracewell LLP

P.O. Box 207486

Dallas, TX 75320-7486

Tax ID 74-1024827

Courier Information

Wells Fargo Lockbox Services

P.O. Box 207486

2975 Regent Blvd

Irving, TX 75063

Credit Card Information:

<https://www.e-billexpress.com/ebpp/Bracewell/>

BRACEWELL

Hardy/Near Northside Redevelopment Authority
Melissa Morton, Bookkeeper
1125 Cypress Station Drive
Building H-4
Houston, TX 77090

July 02, 2020
Invoice Number 21883398
BA: 04674 Clark Stockton Lord

Our Matter #: 0037619.000003 For Services Through June 30, 2020
Meeting Services

<u>Date</u>	<u>Description</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
06/01/20	Draft minutes. Draft agenda. Discussion with administrator regarding follow up tasks and pending matters. Draft form of Master Agreement for Engineering Services.	Brenda Presser	4.50	315.00	1,417.50
06/02/20	Receive and respond to District correspondence.	Brenda Presser	1.00	315.00	315.00
06/03/20	Revise form of Master Engineering Service Contract. Look up current rates on City of Houston web site for engineering. Receive and respond to District correspondence in preparation of meeting.	Brenda Presser	3.00	315.00	945.00
06/04/20	Receive and review correspondence.	Brenda Presser	0.50	315.00	157.50
06/05/20	Prepare and file City of Houston's annual filing requirement of COI's; Coordinate with administrator regarding the same.	Tiffany M. Ehmke	0.50	297.00	148.50
06/08/20	Prepare for and participate in meeting of the Board. Post meeting follow up. Update agenda calendar.	Brenda Presser	3.50	315.00	1,102.50
06/09/20	Coordinate with attorney regarding form of engineering services agreement. Receive and review correspondence.	Brenda Presser	0.50	315.00	157.50
06/10/20	Receive and review District correspondence.	Brenda Presser	0.50	315.00	157.50
Total Fees					\$ 4,401.00

BRACEWELL

Client: Hardy/Near Northside Redevelopment Authority

July 02, 2020
Invoice Number: 21883398

Summary of Fees

<u>Timekeeper</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Tiffany M. Ehmke	Paralegal	0.50	297.00	148.50
Brenda Presser	Paralegal	13.50	315.00	4,252.50
Total Summary of Fees		14.00		\$ 4,401.00

Expense Detail

<u>Date</u>	<u>Cost</u>	<u>Description</u>	<u>Amount</u>
06/05/20	Delivery Services/Messenger	3rd Party Courier 2020-06-05 Clark Stockton Lord #404249	24.00
Total Expenses			\$ 24.00
Total Fees, Expenses and Charges			\$ 4,425.00

BRACEWELL

REMITTANCE PAGE

Client: Hardy/Near Northside Redevelopment Authority
Matter: Meeting Services

July 02, 2020
Invoice Number. 21883398

Matter No: 0037619.000003

Total Fees	\$ 4,401.00
Total Expenses	\$ 24.00
Total Fees, Expenses and Charges	\$ 4,425.00
Total Current Billing for this Matter	\$ 4,425.00
Balance Forward	\$ 5,378.75
Please Remit Total Balance Due	\$ 9,803.75

PLEASE RETURN THIS REMITTANCE PAGE WITH YOUR PAYMENT

Wire Transfer Information

Wire to: Wells Fargo Bank, N.A. 420 Montgomery San Francisco, CA 94104

Name on Account: Bracewell LLP

Bank Account No: 5436952757

ABA Number **(For Wire Transfers Only)** : 121000248; **(For ACH'S Only)**: 111900659

For International Wires Also Include Swift Code (for both US and Foreign Funds): **WFBIUS6S**

Please include the invoice number as a reference when sending the wire. **21883398**

Check Information

Bracewell LLP

P.O. Box 207486

Dallas, TX 75320-7486

Tax ID 74-1024827

Courier Information

Wells Fargo Lockbox Services

P.O. Box 207486

2975 Regent Blvd

Irving, TX 75063

Credit Card Information:

<https://www.e-billexpress.com/ebpp/Bracewell/>

Equi-Tax Inc.

Invoice

Suite 200
17111 Rolling Creek Drive
Houston Texas 77090
281-444-4866

DATE	INVOICE #
7/1/2020	55573

BILL TO
TIRZ No. 21 - Hardy / Near Northside c/o Ralph DeLeon Tifworks, L.L.C. P.O. Box 10330 Houston TX 77206

DESCRIPTION	AMOUNT
Annual Consultant Services Fee per Contract July 1, 2020 to June 30, 2021 at \$155.70 per month 519 items	1,868.40

Invoice emailed to:
Melissa Morton at melissacpa@themortonassociates.com
cc'ed Ralph DeLeon at ralph@tifworks.com

Total	\$1,868.40
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Invoice

Date	Invoice #
6/30/2020	2072

Bill To
Hardy Near/Northside Redevelopment Auth 711 Louisiana St Suite 2300 Houston, TX 77002

Terms	Due Date
Net 15	7/15/2020

Serviced	Description	Hours	Rate	Amount
6/30/2020	Accounting/CPA Services and Investment Officer - June	1	900.00	900.00
6/30/2020	Postage	1	14.22	14.22

Please Remit Payment to: The Morton Accounting Service 1125 Cypress Station Dr. Bldg H-4 Houston, TX 77090	Total	\$914.22
	Payments/Credits	\$0.00
	Balance Due	\$914.22
or via the Intuit payment link in the email.		

HARDY/NEAR NORTHSIDE TIRZ # 21

Unpaid Bills Detail

As of July 22, 2020

Type	Date	Num	Memo	Open Balance
CRV Hardy Yards, L. P.				
Bill	07/22/2020	Developer Reimb	Reimbursement to CRV Hardy Yards	442,893.60
Total CRV Hardy Yards, L. P.				442,893.60
Houston Bike Share				
Bill	07/22/2020	02071	Hardy Yards	8,818.00
Total Houston Bike Share				8,818.00
TOTAL				451,711.60

Tax Year 2019 Payment Cypress Development for CR V Hardy Yards, L.P.

Tax Year 2019 Increment:

Gross Increment	\$	775,946.95
Less City Admin Fee	\$	(38,797.35)
Less City Affordable Housing	\$	(258,649.00)
Less Estimated Zone Operating Costs	\$	(35,607.00)
Available for Reimbursement	\$	<u>442,893.60</u>
On-Site Payment (28%)	\$	124,010.60
Off-Site Payment (72%)	\$	<u>318,883.00</u>
	\$	442,893.60



Invoice

Houston Bike Share is the nonprofit operator of Houston BCycle

Houston Bike Share
5603 Navigation Blvd.
Houston, TX 77011

Date	Invoice #
7/14/2020	2071

Bill To
Hardy Near/Northside Redevelopment Authority C/O The Morton Accounting Services 1125 Cypress Station Dr. Bldg H-4 Houston, TX 77090

Due Date	Project
7/31/2020	Hardy Yards Apartments

Description	Price Each	Amount
Hardy Yards Apartments BCycle Station	8,818.00	8,818.00
Total		\$8,818.00

Make all checks payable to Houston Bike Share.
If you have any questions regarding this invoice, please contact
Stephanie Floyd at steph@houstonbikeshare.org

Tax ID: 45-3612683

City of Houston, Texas, Ordinance No. 2020 - 775

AN ORDINANCE RELATING TO THE FISCAL AFFAIRS OF HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY ON BEHALF OF REINVESTMENT ZONE NUMBER TWENTY-ONE, CITY OF HOUSTON, TEXAS (HARDY/NEAR NORTHSIDE ZONE); APPROVING THE FISCAL YEAR 2021 OPERATING BUDGET FOR THE AUTHORITY AND THE FISCAL YEARS 2021-2025 CAPITAL IMPROVEMENT PLAN BUDGET FOR THE ZONE; CONTAINING FINDINGS AND OTHER PROVISIONS RELATED TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.

* * * * *

WHEREAS, the City of Houston (the "City") created Reinvestment Zone Number Twenty-One, City of Houston, Texas (the "Zone" or "Hardy/Near Northside Zone") by Ordinance No. 2003-1258 effective on December 23, 2003; and

WHEREAS, the Hardy/Near Northside Redevelopment Authority (the "Authority"), a local government corporation acting on behalf of the City in connection with the Zone, has submitted an Operating Budget for Fiscal Year 2021 (the "Operating Budget") and a Capital Improvement Plan Budget for Fiscal Years 2021-2025 (the "CIP Budget" and, collectively with the Operating Budget, the "Budgets") to the City Council for approval pursuant to that certain agreement among the City, the Authority, and the Zone approved by Ordinance No. 2009-1271 on December 9, 2009; and

WHEREAS, the City Council desires to approve the Budgets for the Authority on behalf of the Zone; **NOW, THEREFORE**,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:

Section 1. That the findings contained in the preamble of this Ordinance are determined to be true and correct and are hereby adopted as part of this Ordinance.

Section 2. That the City Council takes cognizance of the fact that in order to

implement the Project Plan and Reinvestment Zone Financing Plan for the Zone, and to make adjustments occasioned by events transpiring during the year, the Authority, upon the approval of the City's Chief Development Officer, may transfer funds from one line item of Project Costs shown on Exhibit "A" to another. Unless approved by the City Council, the Authority may transfer funds only (1) as needed for Debt Service; and (2) from one line item of Project Costs to another, provided that the aggregate of such transfers does not exceed the lesser of \$400,000 or 5% of Project Costs during Fiscal Year 2021. Subject to the foregoing, the Operating Budget attached hereto as Exhibit "A" is hereby approved for the Authority.

Section 3. That the CIP Budget attached hereto as Exhibit "B" is hereby approved for the Zone.

Section 4. That not later than March 31, 2021, the Zone shall, in cooperation with City representatives: (1) identify surplus funds in the Zone's Fiscal Year 2021 Operating Budget based on the difference between Zone revenues and the Fiscal Year 2021 Operating Budget approved by the City; and (2) make available any surplus Zone funds, through appropriate agreement, for projects identified by the City that are eligible for tax increment funding, such as affordable housing, areas of public assembly, incremental costs of municipal services attributable to development and redevelopment in the Zone, and capital projects that benefit the City and the Zone. The agreement may provide for the payment of surplus funds into one or more accounts established by the City or may provide for direct payment by the Zone for that purpose. The Zone shall consider amendments to the Zone Project Plan and Reinvestment Zone Financing Plan that may be necessary to accomplish this purpose, and shall expedite any such

amendments.

Section 5. That the approval of the Budgets is contingent upon receipt by the City's Chief Development Officer of a document signed by the Administrator of the Zone disclosing the name of each owner or developer of property within the Zone from which the Administrator has received compensation during the last five calendar years, and the amount of compensation by owner by year. Compensation may be expressed by category as follows:

Category I	Less than \$1,000.00
Category II	At least \$1,000.00 but less than \$10,000.00
Category III	At least \$10,000.00 but less than \$50,000.00
Category IV	At least \$50,000.00 but less than \$100,000.00
Category V	At least \$100,000.00 but less than \$500,000.00
Category VI	At least \$500,000.00 but less than \$1,000,000.00
Category VII	\$1,000,000.00 or more

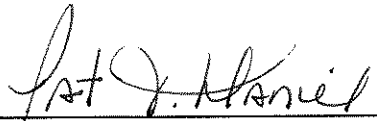
Section 6. That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 9th day of SEPTEMBER, 2020.

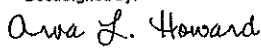
APPROVED this _____ day of _____, 2020.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is SEP 15 2020.



 City Secretary

DocuSigned by:


 31F0807F7E49429...
 Senior Assistant City Attorney

Prepared by Legal Department
 AH/sec 08/25/20
 Requested by Andy Icken, Chief Development Officer, Office of the Mayor
 L.D. File No. 0421400131009
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AYE	NO	
✓		MAYOR TURNER
....	COUNCIL MEMBERS
✓		PECK
✓		DAVIS
✓		KAMIN
✓		EVANS-SHABAZZ
✓		MARTIN
✓		THOMAS
✓		TRAVIS
✓		CISNEROS
✓		GALLEGOS
✓		POLLARD
✓		MARTHA CASTEX-TATUM
✓		KNOX
✓		ROBINSON
✓		KUBOSH
✓		PLUMMER
✓		ALCORN
CAPTION	ADOPTED	

CAPTION PUBLISHED IN DAILY COURT
 REVIEW
 DATE: **SEP 15 2020**

EXHIBIT "A"

**Fiscal Year 2021 Operating Budget
for the Hardy/Near Northside Redevelopment Authority**

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2021 BUDGET PROFILE

Fund Summary
 Fund Name: Hardy Yards/Near Northside
 TIRZ: 21
 Fund Number: 7569/50

P R O F I L E	Base Year:		2003
	Base Year Taxable Value:	\$	40,313,080
	Projected Taxable Value (TY2020):	\$	188,788,806
	Current Taxable Value (TY2019):	\$	181,527,698
	Acres:		326.1
	Administrator (Contact):		Ralph De Leon
Contact Number:		(832) 978-5910	

N A R R A T I V E	Zone Purpose:
	Tax Increment Reinvestment Zone Number Twenty-One, City of Houston, Texas was created to provide plans and programs needed to transform a former Union Pacific rail yard site into a transit-oriented, mixed-use development consisting of affordable housing, the construction or reconstruction of roadways and streets, utility systems, parks, hike and bike trails, mobility improvements, land acquisition, environmental remediation, and other community focused enhancements.

	Total Plan	Cumulative Expenses (to 6/30/19)	Variance
Capital Projects:			
Roadway and Sidewalk Improvements	\$ 37,692,000	\$ 11,482,180	\$ 26,209,820
Public Utility Improvements	7,884,000	-	7,884,000
Parks, Plazas and Recreational Facilities	4,328,000	-	4,328,000
	-	-	-
	-	-	-
Total Capital Projects	\$ 49,904,000	\$ 11,482,180	\$ 38,421,820
Affordable Housing	24,920,874	1,625,563	23,295,311
School & Education/Cultural Facilities	-	-	-
Financing Costs	1,700,000	-	1,700,000
Administration Costs/ Professional Services	2,200,000	606,053	1,593,947
Creation Costs	-	-	-
Total Project Plan	\$ 78,724,874	\$ 13,713,796	\$ 65,011,078

	Additional Financial Data	FY2020 Budget	FY2020 Estimates	FY2021 Budget
D E B T	Debt Service	\$ -	\$ -	\$ -
	Principal	\$ -	\$ -	\$ -
	Interest	\$ -	\$ -	\$ -
		Balance as of 6/30/19	Projected Balance as of 6/30/20	Projected Balance as of 6/30/21
	<u>Year End Outstanding (Principal)</u>			
	Bond Debt	\$ -	\$ -	\$ -
	Bank Loan	\$ -	\$ -	\$ -
	Line of Credit	\$ -	\$ -	\$ -
	Developer Agreement - Onsite Improvements	\$ 4,556,185	\$ 4,432,175	\$ 4,307,000
	Developer Agreement - Offsite Improvements	\$ 2,305,500	\$ 1,986,618	\$ 1,664,739
	Other	\$ -	\$ -	\$ -

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2021 BUDGET DETAIL

Fund Summary
 Fund Name: Hardy Yards/Near Northside
 TIRZ: 21
 Fund Number: 7569/50

TIRZ Budget Line Items	FY2020 Budget	FY2020 Estimates	FY2021 Budget
RESOURCES			
RESTRICTED Funds - Capital Projects	\$ -	\$ 1,229,429	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Planning and Development	\$ 1,634,164	\$ -	\$ 1,233,408
Beginning Balance	\$ 1,634,164	\$ 1,229,429	\$ 1,233,408
City tax revenue	\$ 710,622	\$ 775,945	\$ 786,980
County tax revenue	\$ -	\$ -	\$ -
ISD tax revenue	\$ -	\$ -	\$ -
ISD tax revenue - Pass Through	\$ -	\$ -	\$ -
Community College tax revenue	\$ -	\$ -	\$ -
Incremental property tax revenue	\$ 710,622	\$ 775,945	\$ 786,980
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Miscellaneous revenue	\$ -	\$ -	\$ -
COH TIRZ interest	\$ 170	\$ 170	\$ 170
Interest Income	\$ 500	\$ 3,809	\$ 1,620
Other Interest Income	\$ 670	\$ 3,979	\$ 1,790
	\$ -	\$ -	\$ -
GLO Texas Community Block Grant Program	\$ 231,639	\$ 647,829	\$ -
Grant Proceeds	\$ 231,639	\$ 647,829	\$ -
	\$ -	\$ -	\$ -
Proceeds from Bank Loan	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
Contract Revenue Bond Proceeds	\$ -	\$ -	\$ -
TOTAL AVAILABLE RESOURCES	\$ 2,577,095	\$ 2,657,182	\$ 2,022,178

CITY OF HOUSTON
 ECONOMIC DEVELOPMENT DIVISION
 FISCAL YEAR 2021 BUDGET DETAIL

Fund Summary
 Fund Name: Hardy Yards/Near Northside
 TIRZ: 21
 Fund Number: 7569/50

TIRZ Budget Line Items	FY2020 Budget	FY2020 Estimates	FY2021 Budget
EXPENDITURES			
Accounting	\$ 10,000	\$ 6,620	\$ 10,000
Administration Salaries & Benefits	\$ 8,000	\$ -	\$ 35,000
Auditor	\$ 10,000	\$ 8,000	\$ 10,000
Tax Advisor	\$ 2,000	\$ 1,090	\$ 2,000
Insurance	\$ 1,000	\$ 928	\$ 1,000
Office Expense	\$ 250	\$ 440	\$ 250
TIRZ Administration and Overhead	\$ 31,250	\$ 17,078	\$ 58,250
Engineering Consultants	\$ 10,000	\$ -	\$ 225,000
Legal	\$ 20,000	\$ 7,030	\$ 20,000
Construction Audit	\$ -	\$ -	\$ -
Planning Consultants	\$ 25,000	\$ 11,500	\$ -
Program and Project Consultants	\$ 55,000	\$ 18,530	\$ 245,000
Management consulting services	\$ 86,250	\$ 35,608	\$ 303,250
Capital Expenditures (See CIP Schedule)	\$ 246,639	\$ 647,829	\$ 202,000
TIRZ Capital Expenditures	\$ 246,639	\$ 647,829	\$ 202,000
Hardy Yards/Cypress - OnSite	\$ 109,751	\$ 124,010	\$ 125,175
Hardy Yards/Cypress OffSite	\$ 282,216	\$ 318,882	\$ 321,879
Developer / Project Reimbursements	\$ 391,967	\$ 442,892	\$ 447,054
System debt service	\$ -	\$ -	\$ -
TOTAL PROJECT COSTS	\$ 724,856	1,126,329	952,304
Payment/transfer to ISD - educational facilities	\$ -	\$ -	\$ -
Administration Fees:			
City	\$ 35,991	\$ 38,797	\$ 39,349
County	\$ -	\$ -	\$ -
ISD	\$ -	\$ -	\$ -
HCC	\$ -	\$ -	\$ -
Affordable Housing:			
City	\$ 236,874	\$ 258,648	\$ 262,327
County	\$ -	\$ -	\$ -
ISD to City of Houston	\$ -	\$ -	\$ -
Municipal Services (Payable to COH)	\$ -	\$ -	\$ -
Total Transfers	\$ 272,865	297,445	301,676
Total Budget	\$ 997,721	1,423,774	1,253,980
RESTRICTED Funds - Capital Projects	\$ -	\$ -	\$ -
RESTRICTED Funds - Affordable Housing	\$ -	\$ -	\$ -
RESTRICTED Funds - Planning and Development	\$ 1,579,374	\$ 1,233,408	\$ 768,198
Ending Fund Balance	\$ 1,579,374	1,233,408	768,198
Total Budget & Ending Fund Balance	\$ 2,577,095	\$ 2,657,182	\$ 2,022,178

Notes:

EXHIBIT "B"

**Fiscal Years 2021-2025 Capital Improvement Plan Budget
for the Hardy/Near Northside Zone**

Council District	CIP No.	Project	Fiscal Year Planned Appropriations								Cumulative Total (To Date)	
			Through 2019	Projected 2020	2021	2022	2023	2024	2025	FY21 - FY25 Total		
H	T-2101	Near Northside Hernandez Tunnel	\$ -	647,829	-	-	-	-	-	-	647,829	
H	T-2102	Hernandez Tunnel Mural	\$ 15,000	-	-	-	-	-	-	-	15,000	
H	T-2103	English Street Park	\$ -	-	122,000	515,000	-	-	-	-	637,000	
H	T-2104	2600 - 3500 Block Main Street Pedestrian/Bicycle	\$ -	-	55,000	-	-	-	-	-	55,000	
H	T-2199	Concrete Panel & Sidewalk Replacement Program	\$ -	-	25,000	25,000	25,000	25,000	25,000	25,000	125,000	
Totals			\$ 15,000	647,829	202,000	540,000	25,000	25,000	25,000	25,000	817,000	\$ 1,479,829

* NOTE:

** NOTE:

*** NOTE:

Source of Funds	Fiscal Year Planned/Appropriations										Cumulative Total (To Date)
	Through 2019	Projected 2020	2021	2022	2023	2024	2025	FY21 - FY25 Total			
TIRZ Funds	15,000	-	202,000	540,000	25,000	25,000	25,000	25,000	817,000	832,000	
City of Houston	-	-	-	-	-	-	-	-	-	-	
Grants	-	647,829	-	-	-	-	-	-	-	647,829	
Other	-	-	-	-	-	-	-	-	-	-	
Project Total	15,000	647,829	202,000	540,000	25,000	25,000	25,000	25,000	817,000	1,479,829	

Project:		Concrete Panel & Sidewalk Replacement Program				City Council District		Key Map:		WBS.:		T-2199	
Description:		Location:		Served:		Neighborhood:		Geo. Ref.:					
Justification:		Operating and Maintenance Costs: (\$ Thousands)											
		2021		2022		2023		2024		2025		Total	
Street and/or sidewalk maintenance program.		Personnel	-	-	-	-	-	-	-	-	-	-	\$ -
Mobility improvements to extend life of roads.		Supplies	-	-	-	-	-	-	-	-	-	-	\$ -
		Svcs. & Chgs.	-	-	-	-	-	-	-	-	-	-	\$ -
		Capital Outlay	-	-	-	-	-	-	-	-	-	-	\$ -
		Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		FTEs	-	-	-	-	-	-	-	-	-	-	-
Fiscal Year Planned Expenses													
Project Allocation	Phase	Projected Expenses thru 6/30/19	2020 Budget	2020 Estimate	2021	2022	2023	2024	2025	FY21 - FY25 Total	Cumulative Total (To Date)		
1	Planning	-	-	-	-	-	-	-	-	\$ -	\$ -		
2	Acquisition	-	-	-	-	-	-	-	-	\$ -	\$ -		
3	Design	-	-	-	-	-	-	-	-	\$ -	\$ -		
4	Construction	-	-	-	25,000	25,000	25,000	25,000	25,000	\$ 125,000	\$ 125,000		
5	Equipment	-	-	-	-	-	-	-	-	\$ -	\$ -		
6	Close-Out	-	-	-	-	-	-	-	-	\$ -	\$ -		
7	Other	-	-	-	-	-	-	-	-	\$ -	\$ -		
Other Sub-Total:		-	-	-	-	-	-	-	-	\$ -	\$ -		
Total Allocations		\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 125,000	\$ 125,000		
Source of Funds													
TIRZ Funds		-	-	-	25,000	25,000	25,000	25,000	25,000	\$ 125,000	\$ 125,000		
City of Houston		-	-	-	-	-	-	-	-	\$ -	\$ -		
Grant		-	-	-	-	-	-	-	-	\$ -	\$ -		
Other		-	-	-	-	-	-	-	-	\$ -	\$ -		
Total Funds		\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 125,000	\$ 125,000		

**RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY AND
LIST OF QUALIFIED BROKER/DEALERS OF HARDY/NEAR NORTHSIDE
REDEVELOPMENT AUTHORITY**

WHEREAS, Hardy/Near Northside Redevelopment Authority (the “Authority”), has been legally created and operates pursuant to the general laws of the State of Texas applicable to local government corporations, and has such authority as has been delegated to it by the City of Houston, Texas to act on behalf of Reinvestment Zone Number Twenty-One, City of Houston, Texas; and

WHEREAS, the Board of Directors (the “Board”) of the Authority has convened on this date to conduct the Authority's annual review of its investment policy pursuant to Section 2256.005, *et seq.*, Texas Government Code, as amended; and

WHEREAS, the Board has also convened on this date to conduct the Authority’s annual review of its list of qualified broker/dealers that are authorized to engage in investment transactions with the Authority, pursuant to Section 2256.025, Texas Government Code, as amended; and

WHEREAS, the Authority has determined not to amend the Authority’s Investment Policy dated September 23, 2019;

WHEREAS, the Authority has determined to amend the list of qualified broker/dealers that are authorized to engage in investment transactions with the Authority; Now, Therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY THAT:

Section 1: The Board hereby conducted the annual review of the Authority’s Amended Investment Policy, dated September 23, 2019, attached hereto as Exhibit A and confirms that same shall remain in effect until modified by action of the Board of Directors.

Section 2: The Board hereby adopts the amended list of qualified broker/dealers, attached hereto as Exhibit B, and confirms that same shall be in effect until modified by action of the Board of Directors.

Section 3: The provisions of this Resolution shall be effective as of the date of adoption and shall remain in effect until modified by action of the Board.

[Signature page follows]

PASSED AND APPROVED THIS 28th day of September 2020.

Chair

ATTEST:

Secretary

DRAFT

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I, the undersigned officer of the Board of Directors of the Hardy/Near Northside Redevelopment Authority, hereby certify as follows:

1. The Board of the Hardy/Near Northside Redevelopment Authority convened in regular session on the 28th day of September 2020, and the roll was called of the duly constituted officers and members of the Board, to-wit:

- | | |
|--------------------|-------------------------------|
| Edward Reyes | Chair |
| Lloyd Burke | Vice Chair/Investment Officer |
| Sylvia Cavazos | Secretary |
| Richard Cantu | Director |
| Fernando Zamarripa | Director |

and all of said persons were present, except Directors _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a written

RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY AND LIST OF QUALIFIED BROKER/DEALERS OF HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY

was introduced for the consideration of the Board. It was then duly moved and seconded that the Resolution be adopted, and, after due discussion, the motion, carrying with it the adoption of the Resolution, prevailed and carried unanimously.

2. That a true, full and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that the Resolution has been duly recorded in the Board's minutes of the meeting; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that the Resolution would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; that the meeting was open to the public as required by law; and that public notice of the time, place and subject of the meeting was given as required by Chapter 551, Texas Government Code.

SIGNED this 28th day of September 2020.

Secretary

DRAFT

EXHIBIT A

AMENDED INVESTMENT POLICY – SEPTEMBER 23, 2019

This Amended Investment Policy (the “Policy”) is adopted by the Board of Directors of Hardy/ Near Northside Redevelopment Authority (the “Authority”) pursuant to Chapter 2256 of the Texas Government Code, effective as of September 23, 2019.

ARTICLE I PURPOSE

Section 1.01. Purpose. This Policy with respect to Authority investments has been adopted to establish the principles and criteria by which the funds of the Authority should be invested and secured and to comply with various provisions of Texas law relating to the investment and security of funds of local government corporations (the “Investment Laws”). As of the date of the adoption of this Policy, the following laws are applicable to the investment of the Authority’s funds: Chapter 2256, Texas Government Code; Chapter 791, Texas Government Code; Chapter 2257, Texas Government Code; and Section 404.101 et seq., Texas Government Code. The Investment Laws generally provide the minimum criteria for the authorized investment and security of the Authority’s funds and require the Authority to adopt rules to ensure the investment of Authority funds in accordance with such laws. This Policy will specify the scope of authority of Authority Officials who are responsible for the investment of Authority funds.

ARTICLE II DEFINITIONS

Section 2.01. Definitions. Unless the context requires otherwise, the following terms and phrases used in this Policy shall mean the following:

- (a) “Authority Officials” means the Investment Officer, Directors, Employees, and persons and business entities engaged in handling the investment of Authority funds.
- (b) “Authorized Collateral” means any means or method of securing the deposit of Authority funds authorized by Chapter 2257, Texas Government Code.
- (c) “Authorized Investment” means any security in which the Authority is authorized to invest under Chapter 2256, Texas Government Code.
- (d) “Board” means the Board of Directors of the Authority.
- (e) “Collateral” means any means or method of securing the deposit of Authority funds under Article IV hereof.
- (f) “Collateral Act” means Chapter 2257, Texas Government Code, as amended from time to time.

- (g) “Director” means a person appointed to serve on the Board of Directors of the Authority.
- (h) “Employee” means any person employed by the Authority, but does not include independent contractors or professionals hired by the Authority as outside consultants, such as the Authority’s financial advisor, accountant or general counsel.
- (i) “FDIC” means the Federal Deposit Insurance Corporation or any successor entity.
- (j) “Investment Act” means Chapter 2256, Texas Government Code, as amended from time to time.
- (k) “Investment Officer(s)” means the Director(s) or Employee(s) of the Authority appointed from time to time by the Board to invest and reinvest the funds of the Authority held in its various accounts.
- (l) “State” means the State of Texas.

**ARTICLE III
INVESTMENT OFFICER**

Section 3.01. Investment Officer.

From time to time, the Authority shall appoint one or more of its Directors or Employees to serve as Investment Officer(s) to handle the investment of Authority funds. The Investment Officer(s) shall be responsible for investing Authority funds in accordance with this Policy. The Investment Officer(s) shall invest the Authority’s funds, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived, with all investment decisions to be governed by the objectives set forth in Section 7.01 hereof.

Section 3.02. Training. The Investment Officer(s) shall attend training sessions and receive the number of hours of instruction as required by the Investment Act.

Section 3.03. Reporting by the Investment Officer and Authority Officials. Not less than quarterly and within a reasonable time after the end of the period reported, the Investment Officer and Authority Officials shall prepare and submit to the Board a written report of the investment transactions for all funds of the Authority for the preceding reporting period. The report must (1) describe in detail the investment position of the Authority on the date of the report, (2) be prepared jointly by all the Investment Officers of the Authority, if the Authority appoints more than one, (3) be signed by all Investment Officers and Authority Officials who prepare the report, (4) contain a summary statement of each pooled fund group that states the beginning market value for the reporting period; ending market value for the period; and fully accrued interest for the reporting period; (5) state the book value and the market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested, (6) state the maturity date of each separately invested asset that has a maturity date, (7) state the Authority fund for which each individual investment was acquired,

and (8) state the compliance of the investment portfolio as it relates to this Policy and the Investment Act.

Section 3.04. Assistance with Certain Duties of the Investment Officer. The Board hereby authorizes and directs the Authority Officials requested by the Investment Officer to assist the Investment Officer(s) with any of his/her duties, including but not limited to the following:

- (a) Presenting a copy of this Policy to any person or business organization seeking to sell an investment to the Authority and obtaining the necessary written certification from such seller referred to in this section;
- (b) Handling investment transactions;
- (c) Preparing and submitting to the Board the written report of all investment transactions for the Authority as required by this section;
- (d) Researching investment options and opportunities;
- (e) Obtaining written depository pledge agreements as required herein;
- (f) Obtaining safe-keeping receipts from the Texas financial institution which serves as a depository for pledged Collateral; and
- (g) Reviewing the market value of the Authority's investments and of the Collateral pledged to secure the Authority's funds.

ARTICLE IV PROCEDURES FOR INVESTMENT OF AUTHORITY MONIES

Section 4.01. Qualified Broker/Dealers. The list of qualified broker/dealers with whom the Authority may engage in investment transactions is attached hereto as **Exhibit A**.

Section 4.02. Disclosures of Relationships with Entities Offering to Enter into Investment Transactions with the Authority. The Investment Officer(s) and the Authority Officials shall disclose in writing (a) any "personal business relationship" with a business organization offering to engage in an investment transaction with the Authority and (b) any relationship within the second degree by affinity or consanguinity, as determined by Chapter 573, Texas Government Code, to any individual seeking to sell an investment to the Authority, as required by the Investment Act. The existence of a "personal business relationship" shall be determined in accordance with the Investment Act. Such disclosure statement shall be filed with the Board and the Texas Ethics Commission.

Section 4.03. Certifications from Sellers of Investments. The Investment Officer(s) or the Authority Officials shall present this Policy to any person or business organization offering to engage in an investment transaction with the Authority and obtain a certificate stating that such potential seller has reviewed the Policy as provided in the Investment Act. This certificate shall be in a form acceptable to the Authority and shall state that the potential seller has received and

reviewed the Policy and has acknowledged that the potential seller has implemented reasonable procedures and controls in an effort to preclude investment transactions with the Authority that are not authorized by this Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the Authority's entire portfolio or requires an interpretation of subjective investment standards. Neither the Investment Officer nor the Authority Officials shall purchase or make any investment from a potential seller that has not delivered to the Authority this required certification. A form of certificate acceptable to the Authority is attached hereto as **Exhibit B**.

Section 4.04. Solicitation of Bids for Certificates of Deposit. Bids for certificates of deposit may be solicited orally, in writing, electronically or in any combination of those methods.

Section 4.05. Settlement Basis. All purchases of investments, except investment in investment pools or in mutual funds, shall be made on a delivery versus payment basis. The safekeeping entity for all Authority investments and for all Collateral pledged to secure Authority funds shall be one approved by the Investment Officer(s).

Section 4.06. Monitoring of the Market Value of Investments and Collateral. The Investment Officer(s), with the help of such Authority Officials as needed, shall determine the market value of each investment and of all Collateral pledged to secure deposits of Authority funds at least quarterly and at a time as close as practicable to the closing of the reporting period for investments. Such values shall be included on the investment report. The following methods shall be used:

- (a) Certificates of deposit shall be valued at their face value plus any accrued but unpaid interest.
- (b) Shares in money market mutual funds and investment pools shall be valued at par plus any accrued but unpaid interest.
- (c) Other investment securities with a remaining maturity of one year or less may be valued in any of the following ways:
 - (1) the lower of two bids obtained from securities broker/dealers for such security;
 - (2) the average of the bid and asked prices for such investment security as published in The Wall Street Journal or The New York Times;
 - (3) the bid price published by any nationally recognized security pricing service; or
 - (4) the market value quoted by the seller of the security or the owner of such Collateral.
- (d) Other investment securities with a remaining maturity greater than one year shall be valued at the lower of two bids obtained from securities broker/dealers for such

security, unless two bids are not available, in which case the securities may be valued in any manner provided in 4.06(c) hereof.

Section 4.07. Monitoring the Rating Changes in Investments. Consistent with Section 2256.021, Texas Government Code, as amended, the Investment Officer shall monitor all investments that require a minimum rating under subchapter A of Chapter 2256, Texas Government Code, as amended, such that any such investment that does not have the minimum rating shall no longer constitute an authorized investment. Such investments that do not have the required minimum rating shall be liquidated within 30 days of the investment's failure to maintain its required minimum rating.

ARTICLE V

PROVISIONS APPLICABLE TO ALL FUNDS

Section 5.01. Provisions Applicable to All Fund Groups.

- (a) All funds of the Authority shall be invested only in accordance with this Policy and shall comply with any additional requirements imposed by bond resolutions or trust indentures of the Authority and applicable state law or federal tax law, including the Investment Laws.
- (b) The Board, by separate resolution, may provide that a designated officer or agent of the Authority may withdraw or transfer funds from and to accounts of the Authority only in compliance with this Policy.
- (c) No fund groups shall be pooled for the purposes of investment, e.g. the funds in the Operating Account and in the Project Account shall not be commingled or pooled for purposes of investment.

Section 5.02. Policy of Securing Deposits of Authority Funds -- Applicable to All Deposited Authority Funds.

- (a) The Authority recognizes that FDIC (or its successor) insurance is available for Authority funds deposited at any one Texas Financial Institution (including branch banks) only up to a maximum of \$250,000 (including accrued interest) for each of the following: (i) demand deposits, (ii) time and savings deposits, and (iii) deposits made pursuant to an indenture or pursuant to law in order to pay bondholders or noteholders.¹ It is the policy of the Authority that all deposited funds in each of the Authority's accounts shall be insured by the FDIC, or its successor, and to the extent the deposit surpasses the FDIC Deposit Insurance Coverage limit at any given time, shall be secured by Collateral pledged to the extent of the fair market value of the principal amount deposited plus accrued interest as required by the Collateral Act.
- (b) If it is necessary for the Authority's depositories to pledge Collateral to secure the Authority's deposits, (1) the Collateral pledge agreement must be in writing, (2)

¹ The \$250,000 limit is temporary and may change from time to time under applicable law.

the Collateral pledge agreement must be approved by the depository's board of directors or loan committee, (3) the depository's approval of the Collateral pledge agreement must be reflected in the minutes of the meeting of the depository's board or loan committee approving same, and (4) the Collateral pledge agreement must be kept in the official records of the depository. The depository must provide to the Investment Officer or Authority Officials with written proof of the depository's approval of the pledge agreement as required herein in a form acceptable to the Authority. A signed or certified copy of the minutes of the meeting of the depository's board or loan committee reflecting the approval of the Collateral pledge agreement or other written documentation of such approval acceptable to the Investment Officer will be accepted. It is the preference of the Board that all requirements of this section be met prior to the deposit of any Authority funds in such financial institution when a pledge of Collateral is required; however, the Board recognizes that compliance with this preference might not be practicable due to time constraints for making a deposit. In such event, the Board directs the Investment Officer and Authority Officials to proceed diligently to have such agreement approved and documented to assure protection of the Authority's funds. If the decision is made to forego the protection of a Collateral pledge agreement with any depository, the Authority's Executive Director shall be responsible for maintaining the balance of deposit(s) in such depository plus any accrued but unpaid interest at or below FDIC insurance levels.

- (c) Collateral pledged by a depository shall be held in safekeeping at an independent third party institution, and the Authority's Executive Director shall obtain safekeeping receipts from the Texas financial institution or the safekeeping institution that reflect that Collateral as allowed by this Investment Policy and in the amount required was pledged to the Authority. Principal and accrued interest on deposits in a financial institution shall not exceed the FDIC's, or its successor's, insurance limits or the market value of the Collateral pledged as security for the Authority's deposits. It shall be acceptable for the Authority's Executive Director to periodically receive interest on deposits to be deposited to the credit of the Authority if needed to keep the amount of the funds under the insurance or Collateral limits. It is the preference of this Board that there be no sharing, splitting or cotenancy of Collateral with other secured parties or entities; however, in the event that a depository cannot accommodate this preference due to the denominations of the securities to be pledged, the Board directs the Investment Officer and Authority Officials to obtain appropriate protections in the pledge agreement with the depository to assure that the Collateral is liquidated and the funds distributed appropriately to all parties with a security interest in such Collateral. The Authority's Executive Director shall monitor the pledged Collateral to assure that it is pledged only to the Authority, review the fair market value of the Collateral to ensure that the Authority's funds are fully secured, and report periodically to the Investment Officer and the Board regarding the Collateral.

- (d) The Authority's funds deposited in any Texas financial institution, to the extent that they are not insured, may be secured by the pledge of any of the following:
- (1) Surety bonds;
 - (2) An obligation that in the opinion of the Attorney General of the United States is a general obligation of the United States and backed by its full faith and credit;
 - (3) A general or special obligation that is (a) payable from taxes, revenues, or a combination of taxes and revenues and (b) issued by a state or political or governmental entity, agency, instrumentality or subdivision of the state, including a municipality, an institution of higher education as defined by Section 61.003, Texas Education Code, a junior college, a district created under Article XVI, Section 59, of the Texas Constitution, and a public hospital;
 - (4) A fixed-rate collateralized mortgage obligation that has an expected weighted average life of 10 years or less and does not constitute a "high-risk mortgage security" under the Collateral Act;
 - (5) A floating-rate collateralized mortgage obligation that does not constitute a "high-risk mortgage security" under the Collateral Act;
 - (6) A letter of credit issued by a federal home loan bank; or
 - (7) A security in which a public entity may invest under the Investment Act. As of the date of this Policy, the following are the securities in which a public entity may invest under the Investment Act and, therefore, may be used as Collateral:
 - (i) Obligations, including letters of credit, of the United States or its agencies and instrumentalities;
 - (ii) Direct obligations of the State of Texas or its agencies and instrumentalities;
 - (iii) Collateralized mortgage obligations directly issued by a federal agency or instrumentality or the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;
 - (iv) Other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the United States or the State of Texas or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit

Insurance Corporation or by the explicit full faith and credit of the United States;

- (v) Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;
- (vi) Certificates of deposit issued by a depository institution that has its main office or a branch office in the State of Texas that are (1) guaranteed by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor, (2) secured by the obligations in which the Authority may invest under the Investment Act, or (3) secured in any other manner and amount provided by law for deposits of the Authority;
- (vii) Certificates of deposit made in accordance with the following conditions: (1) a broker that has its main office or a branch office in this state and is selected from a list adopted by the Authority; (2) the funds are invested by the Authority through a depository institution that has its main office or a branch office in the State of Texas and that is selected by the Authority; (3) the broker or the depository institution selected by the Authority under Subdivision (2) arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the Authority; (4) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and (5) the depository institution selected by the Authority under Subdivision (2), an entity described by Section 2257.041(d), or a clearing broker dealer registered with the Securities and Exchange Commission and operating pursuant to Security and Exchange Commission Rule 15c3-3 (17C.F.R. Section 240.15c3-3) as custodian for the Authority with respect to the certificates of deposit issued for the account of the Authority;
- (viii) Repurchase agreements that comply with the Investment Act;
- (ix) Bankers' acceptances that comply with the Investment Act;
- (x) Commercial paper that complies with the Investment Act;
- (xi) No-load money market mutual funds that comply with the Investment Act;
- (xii) No-load mutual funds that comply with the Investment Act; and

- (xiii) Guaranteed investment contracts that comply with the Investment Act.
- (e) Notwithstanding anything to the contrary provided above, the following may not be used as Collateral and are not authorized as investments for the Authority under the Investment Act:
 - (1) Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
 - (2) Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;
 - (3) Collateralized mortgage obligations that have a final stated maturity date of greater than 10 years other than those listed in Sections 5.02(d)(4) and 5.02(d)(5) above; or
 - (4) Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Section 5.03. Diversification. The Investment Officer may invest up to 100% of the funds of the Authority in any investment instrument authorized in this Policy.

ARTICLE VI AUTHORIZED INVESTMENTS

Section 6.01. Authorized Investments. Unless specifically prohibited by law or elsewhere by this Policy, Authority funds may be invested and reinvested only in the following types of investments:

- (a) Obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks;
- (b) Direct obligations of the State or its agencies and instrumentalities;
- (c) Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;
- (d) Other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of the State or the United States or their respective agencies and instrumentalities;

- (e) Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;
- (f) Bonds issued, assumed, or guaranteed by the State of Israel;
- (g) Interest-bearing banking deposits that are guaranteed or insured by:
 - (1) The Federal Deposit Insurance Corporation or its successor; or
 - (2) The National Credit Union Share Insurance Fund or its successor;
- (h) Interest-bearing banking deposits other than those described by Subsection (g) if:
 - (1) The funds invested in the banking deposits are invested through (i) a broker with a main office or branch in this state and is selected from a list adopted by the Authority, or (ii) a depository institution with a main office or branch office in this state that the Authority selects;
 - (2) The broker or depository institution selected as described by Subdivision (1) arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the Authority's account;
 - (3) The full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and
 - (4) The Authority appoints as the Authority's custodian of the banking deposits issued for the Authority's account: (i) the depository institution selected as described by Subdivision (1); (ii) an entity described by Section 2257.041(d) of the Texas Government Code, as amended; or (iii) a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-3.
- (i) Certificates of deposit issued by a depository institution that has its main office or a branch office in the State of Texas that are (1) guaranteed by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor, (2) secured by the obligations in which the Authority may invest under the Investment Act, or (3) secured in any other manner and amount provided by law for deposits of the Authority;
- (j) Certificates of deposit made in accordance with the following conditions: (1) (A) a broker that has its main office or a branch office in this state and is selected from a list adopted by the Authority, or (B) the funds are invested by the Authority through a depository institution that has its main office or a branch office in the State of Texas and that is selected by the Authority; (2) the broker or

the depository institution selected by the Authority under Subdivision (1) arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the Authority; (3) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and (4) the depository institution selected by the Authority under Subdivision (1), an entity described by Section 2257.041(d), or a clearing broker dealer registered with the Securities and Exchange Commission and operating pursuant to Security and Exchange Commission Rule 15c3-3 (17C.F.R. Section 240.15c3-3) as custodian for the Authority with respect to the certificates of deposit issued for the account of the Authority;

- (k) Repurchase agreements that comply with the Investment Act;
- (l) Bankers' acceptances that comply with the Investment Act;
- (m) Commercial paper that complies with the Investment Act;
- (n) No-load money market mutual funds that comply with the Investment Act;
- (o) No-load mutual funds that comply with the Investment Act;
- (p) Investment Pools which meet the requirements set forth in Section 2256.016 and Section 2256.019 of the Texas Government Code, as amended, and which are specifically authorized by a resolution that is approved by the Board; and
- (q) With respect to bond proceeds, guaranteed investment contracts that comply with the Investment Act.

Section 6.02. Prohibited Investments. Notwithstanding anything to the contrary stated herein, no funds of the Authority may be invested in the following or in any other type of investment prohibited by the Investment Act or other applicable law:

- (a) Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (IO's);
- (b) Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest (PO's);
- (c) Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and
- (d) Collateralized mortgage obligations the interest rate of which are determined by an index that adjusts opposite to the changes in the market index (inverse floaters).

Section 6.03. Investment of Funds Held Under Trust Indentures. Anything in this Policy to the contrary notwithstanding, to the extent that any funds are held by a trustee under a trust indenture relating to the Authority's bonds, such funds may be invested as provided by the resolution authorizing the issuance of the bonds or the trust indenture.

ARTICLE VII INVESTMENT STRATEGIES

Section 7.01. Strategy Applicable to All Funds. The Authority's general investment strategy for all fund groups shall be to invest such monies from such fund groups so as to accomplish the following objectives, which are listed in the order of importance:

- (a) Understanding of the suitability of the investment to the financial requirements of the Authority;
- (b) Preservation and safety of principal;
- (c) Liquidity;
- (d) Marketability of the investment if the need arises to liquidate the investment before maturity;
- (e) Diversification of the investment portfolio; and
- (f) Yield.

Section 7.02. Investment Strategy for the Operating Account. Funds in the Operating Account shall be invested to meet the operating and cash flow requirements of the Authority as determined by the annual operating budget adopted by the Board. Operating funds shall not be invested for longer than three years.

ARTICLE VIII MISCELLANEOUS

Section 8.01. Annual Review. The Authority shall review this Investment Policy at least annually and adopt a resolution confirming the continuance of the Investment Policy without amendment or adopt an Amended Investment Policy.

Section 8.02. Superseding Clause. This Policy supersedes any prior policies adopted by the Board of Directors regarding investment or securitization of Authority funds.

Section 8.03. Open Meeting. The Board officially finds, determines and declares that this Policy was reviewed, carefully considered, and adopted at a regular meeting of the Board, and that a sufficient written notice of the date, hour, place and subject of this meeting was posted at a place readily accessible and convenient to the public within the Authority and on a bulletin board located at a place convenient to the public in the City of Houston, Texas for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, and that this meeting had been open to the public as required by law at

all times during which this Policy was discussed, considered and acted upon. The Board further ratifies, approves and confirms such written notice and the contents and posting thereof.

[EXECUTION PAGE FOLLOWS]

DRAFT

Adopted on the 23rd day of September, 2019.

Edward Reyes

Lloyd Burke

Sylvia Cavazos

Richard Cantu

Fernando Zamarripa

Mario Castillo

DRAFT

EXHIBIT B

List of Qualified Broker/Dealers

Allegiance Bank Texas
Amegy Bank, N.A.
Bank of America, N.A.
Bank of Houston
Bank of Texas, N.A.
BBVA Compass Bank
Beal Bank, s.s.b.
Capital Bank
Capital Markets Group, Inc.
Capital One Financial Corp.
Central Bank
Chasewood Bank
Coastal Securities, Inc.
Comerica Bank
Commercial State Bank
Community Bank of Texas
Community State Bank
Encore Bank
Enterprise Bank
First Bank
First Bank & Trust Company
First Bank Texas
First Choice Bank
First Citizens Bank
First Community Bank
First National Bank
First National Bank of Bastrop
First National Bank Texas
FiServ
Frost Bank
Green Bank
Herring Bank
Hilltop Securities
Hometown Bank, N.A.
IBC Bank
Independent Bank
JP Morgan Chase Bank, N.A.
JP Morgan Securities LLC
LegacyTexas
Legg Mason.
LOGIC (Local Gov't. Investment Cooperative)
Lone Star Bank, s.s.b.
Lone Star Investment Pool
LPL Financial
Main Street Bank
Merchants Bank, N.A.

Merrill Lynch & Co., Inc.
Metro Bank, N.A.
Midkiff & Stone Capital Group, Inc.
MidSouth Bank
Moody National Bank
Morgan Stanley
New First National Bank
Patriot Bank
Post Oak Bank
Preferred Bank
Prosperity Bank
Raymond James
RBC Capital Markets
Regions Bank
Security State Bank
State Bank of Texas
State Street Bank
Sterling Bank
Sun America Securities, Inc.
Tex Star Investment Pool
Texas Capital Bank, N.A.
Texas Citizens Bank
Texas CLASS
Texas Community Bank
Texas First Bank
Texas Savings Bank, s.s.b.
Texas State Bank
Texpool/Texpool Prime
The Bank of River Oaks
TIB
Tri Star Financial
Trustmark National Bank
UBS Financial Services, Inc.
Unity National Bank
Wallis State Bank
Wells Fargo Advisors LLC
Wells Fargo Bank, N.A.
Westbound Bank
Whitney Bank
Woodforest National Bank

MEMORANDUM

Date: September 28, 2020
To: Board of Directors
Hardy/Near Northside Redevelopment Authority (the "Authority")
Copy: Board of Directors
Attorney for the Authority
Bookkeeper for the Authority
Texas Ethics Commission
From: Melissa C. Morton, Investment Officer/Bookkeeper
Subject: DISCLOSURE UNDER THE PUBLIC FUNDS INVESTMENT ACT

As investment officer/bookkeeper for the Authority, I submit this disclosure of my relationships with entities or individuals who are offering, have offered, or may offer to engage in an investment transaction with the Authority as of the date of this memorandum, in compliance with the Public Funds Investment Act and with the Authority's Investment Policy.

1. I have the following "personal business relationships" with individuals or entities who are offering to engage, have offered to engage or may offer to engage in an investment transaction with the District:

(a) I own (i) ten per cent (10%) or more of the voting stock or shares or (b) \$5,000 or more of the fair market value of the following business organizations:

Two horizontal lines for listing business organizations.

(b) I have received from the following business organizations funds that exceed ten percent (10%) of my gross income for the previous year:

Two horizontal lines for listing business organizations.

(c) During the previous year, I acquired for my personal account investments with a book value of \$2,500 or more from the following business organizations:

Two horizontal lines for listing business organizations.

2. I am related within the second degree of affinity (marriage) or consanguinity (blood) as determined by Chapter 573, Government Code, to the following individuals who are seeking, have sought or may seek to sell an investment to the District:

Two horizontal lines for listing individuals.

(SIGNATURE)

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY

CITY OF HOUSTON, TEXAS

ANNUAL FINANCIAL REPORT

JUNE 30, 2020

Draft Subject to Change

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McCALL GIBSON SWEDLUND BARFOOT PLLC

Certified Public Accountants

13100 Wortham Center Drive
Suite 235
Houston, Texas 77065-5610
(713) 462-0341
Fax (713) 462-2708
E-Mail: mgsb@mgsbpllc.com

9600 Great Hills Trail
Suite 150W
Austin, Texas 78759
(512) 610-2209
www.mgsbpllc.com

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Hardy/Near Northside Redevelopment Authority
City of Houston, Texas

We have audited the accompanying financial statements of the governmental activities and major fund of Hardy/Near Northside Redevelopment Authority (the "Authority"), a component unit of the City of Houston, Texas, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting policies generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Member of
American Institute of Certified Public Accountants
Texas Society of Certified Public Accountants

Board of Directors
Hardy/Near Northside Redevelopment Authority

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Authority as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United State of America require that the Management's Discussion and Analysis and the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information required by the City of Houston, Texas and other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide any assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

September 28, 2020

**HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

Management's discussion and analysis of Hardy/Near Northside Redevelopment Authority's (the "Authority") financial performance provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the Authority's financial statements.

FINANCIAL HIGHLIGHTS

- The Authority anticipates that tax increment revenues derived from the development and redevelopment of the Authority will be sufficient to cover expenditures associated with certain design, construction and financing of planned infrastructure, and other specific project related costs throughout the duration of the Authority. The City of Houston ("City"), at its sole discretion, may issue bonds, notes or other obligations secured by the tax increment revenues; the proceeds of which could be used to pay for or reimburse developers for project costs. However, the City may elect to pay for project costs directly from tax increment proceeds as they become available without the sale of bonds or notes.
- Tax increment revenues of \$478,501 were received from the City in July 2020 for the tax year 2019 versus budgeted revenues from tax increments of \$438,217, a budgeted surplus of \$40,284. The Authority received \$235,207 grant income for year ended June 30, 2020 versus a budgeted amount of \$231,639.
- Total management and consulting expenses for the year ended June 30, 2020 were \$87,633, versus budgeted expenses of \$86,250, a budgeted deficit of \$1,383.
- In the Authority's government-wide financial statements, liabilities exceeded assets by \$4,468,668 (net position) at June 30, 2020, compared to \$5,104,863 at June 30, 2019, a \$636,195 increase.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The basic financial statements include: (1) fund financial statements and government-wide financial statements and (2) notes to the basic financial statements. The fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Fund Balance Sheet and (2) the Statement of Activities and Governmental Fund Revenue, Expenditures, and Changes in Fund Balance. This report also includes required and other supplementary information in addition to the basic financial statements.

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Authority's annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide portion of these statements provides both long-term and short-term information about the Authority's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The Statement of Net Position includes the Authority's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. Evaluation of the overall financial health of the Authority would extend to other non-financial factors.

The Statement of Activities reports how the Authority's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority has one governmental fund type. The General Fund is the operating fund of the Authority and accounts for all resources of the Authority.

Governmental funds are reported in each of the financial statements. The focus in the fund statements provides a distinctive view of the Authority's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the Authority and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

OTHER INFORMATION

In addition to the financial statements and the accompanying notes, this report also presents certain required supplementary information ("RSI"). A budgetary comparison schedule is included as RSI for the General Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as useful indicator of the Authority's financial position. In the case of the Authority, liabilities exceeded assets by \$4,468,668 as of June 30, 2020.

The following table provides a summary of changes in the Statement of Net Position as of June 30, 2020 and June 30, 2019.

	<u>Summary of Changes in the Statement of Net Position</u>		
	<u>2020</u>	<u>2019</u>	<u>Variance Positive (Negative)</u>
ASSETS			
Cash and Investments	\$ 745,457	\$ 742,612	\$ 2,845
Tax Increment Receivable	478,501	489,898	(11,397)
Capital Assets	762,600	527,393	235,207
TOTAL ASSETS	<u>\$ 1,986,558</u>	<u>\$ 1,759,903</u>	<u>\$ 226,655</u>
LIABILITIES			
Accounts Payable	\$ 7,340	\$ 3,081	\$ (4,259)
Due to Developer	6,447,886	6,861,685	413,799
TOTAL LIABILITIES	<u>\$ 6,455,226</u>	<u>\$ 6,864,766</u>	<u>\$ 409,540</u>
NET POSITION			
Net Investment in Capital Assets	\$ 762,600	\$ 527,393	\$ 235,207
Unrestricted	(5,231,268)	(5,632,256)	400,988
TOTAL NET POSITION	<u>\$ (4,468,668)</u>	<u>\$ (5,104,863)</u>	<u>\$ 636,195</u>

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following table provides a summary of the Statement of Activities for the fiscal year ended June 30, 2020, and June 30, 2019:

	<u>Summary of Changes in the Statement of Activities</u>		
	<u>2020</u>	<u>2019</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Tax Increment Revenue	\$ 478,501	\$ 489,898	\$ (11,397)
Grant Revenue	235,207	404,371	(169,164)
Interest Revenue	10,120	15,520	(5,400)
Total Revenues	<u>\$ 723,828</u>	<u>\$ 909,789</u>	<u>\$ (185,961)</u>
Expenses:			
Administrative Consultant	\$ 20,041	\$ 13,629	\$ (6,412)
Accounting	18,942	22,849	3,907
Auditing	8,500	8,250	(250)
Capital Expenditures	-	15,000	15,000
Engineering Consultant	-	2,465	2,465
Planning Consultant	30,238	15,788	(14,450)
Legal Consultant	6,500	16,122	9,622
Insurance	928	928	-
Other Consultant	1,868	1,864	(4)
Bank Charges	176	17	(159)
Office Expense	440	-	(440)
Conveyance of Assets	639,578	-	(639,578)
Total Expenses	<u>\$ 727,211</u>	<u>\$ 96,912</u>	<u>\$ (630,299)</u>
Change in Net Position	\$ (3,383)	\$ 812,877	\$ (816,260)
Net Position, Beginning of Year	<u>(5,104,863)</u>	<u>(5,917,740)</u>	<u>812,877</u>
Net Position, End of Year	<u><u>\$ (5,108,246)</u></u>	<u><u>\$ (5,104,863)</u></u>	<u><u>\$ (3,383)</u></u>

**HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

FINANCIAL ANALYSIS OF THE AUTHORITY'S GOVERNMENTAL FUND

The Authority's only governmental fund is the General Fund. This fund is the operating fund of the Authority and is the source of the day-to-day operations. As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. The General Fund reported an ending fund balance of \$1,216,618.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of the Authority did not amend the budget during the current fiscal year. Actual revenues were \$53,302 more than budgeted. Actual expenditures were \$11,783 more than budgeted due to the timing of developer/project reimbursements. A budgetary comparison schedule is included as RSI for the General Fund.

CAPITAL ASSETS

During the fiscal year ending June 30, 2020, the Authority reimbursed the Developer \$413,799 in development costs.

LONG-TERM DEBT ACTIVITY

As of June 30, 2020, the Authority did not have any long-term debt, but has recorded an amount due to the Developer of \$6,447,886 which includes project costs for onsite and offsite public improvements as well as reimbursable interest.

CONTACTING THE AUTHORITY'S MANAGEMENT

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Hardy/Near Northside Redevelopment Authority, c/o Bracewell LLP 711 Louisiana Street, Suite 2300, Houston, Texas 77002-2770.

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
JUNE 30, 2020

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS			
Cash	\$ 54,627	\$ -	\$ 54,627
Investments	690,830	-	690,830
Tax Increment Receivable	478,501	-	478,501
Capital Assets -			
Development Costs	-	123,022	123,022
TOTAL ASSETS	<u>\$ 1,223,958</u>	<u>\$ 123,022</u>	<u>\$ 1,346,980</u>
LIABILITIES			
Accounts Payable	\$ 7,340	\$ -	\$ 7,340
Due to Developer	-	6,447,886	6,447,886
TOTAL LIABILITIES	<u>\$ 7,340</u>	<u>\$ 6,447,886</u>	<u>\$ 6,455,226</u>
FUND BALANCE			
Unassigned	<u>\$ 1,216,618</u>	<u>\$ (1,216,618)</u>	<u>\$ -</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,223,958</u>		
NET POSITION			
Net Investment in Capital Assets		\$ 123,022	\$ 123,022
Unrestricted		<u>(5,231,268)</u>	<u>(5,231,268)</u>
TOTAL NET POSITION		<u>\$ (5,108,246)</u>	<u>\$ (5,108,246)</u>

The Accompanying notes to the financial
Statements are an integral part of this report.

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

Total Fund Balance - Governmental Fund	\$ 1,216,618
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Development costs incurred in governmental activities are not a financial resource and therefore are not reported as an asset in governmental funds.	123,022
Certain liabilities are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. These liabilities at year end consisted of an amount due to the Developer for development costs.	<u>(6,447,886)</u>
Total Net Position - Governmental Activities	<u>\$ (5,108,246)</u>

The Accompanying notes to the financial
Statements are an integral part of this report.

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2020

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
REVENUES			
Tax Increment Revenue	\$ 478,501	\$ -	\$ 478,501
Grant Revenue	235,207	-	235,207
Interest Revenue	10,120	-	10,120
TOTAL REVENUES	<u>\$ 723,828</u>	<u>\$ -</u>	<u>\$ 723,828</u>
EXPENDITURES/EXPENSES:			
Administrative Consultant	\$ 20,041	\$ -	\$ 20,041
Accounting	18,942	-	18,942
Auditing	8,500	-	8,500
Capital Expenditures	235,207	(235,207)	-
Planning Consultant	30,238	-	30,238
Legal Consultant	6,500	-	6,500
Insurance	928	-	928
Other Consultant	1,868	-	1,868
Bank Charges	176	-	176
Developer Reimbursement	413,799	(413,799)	-
Conveyance of Assets	-	639,578	639,578
Office Expense	440	-	440
TOTAL EXPENDITURES/EXPENSES	<u>\$ 736,639</u>	<u>\$ (9,428)</u>	<u>\$ 727,211</u>
NET CHANGE IN FUND BALANCE	\$ (12,811)	\$ 12,811	\$ -
CHANGE IN NET POSITION	-	(3,383)	(3,383)
FUND BALANCE/NET POSITION - JULY 1, 2019	<u>1,229,429</u>	<u>(6,334,292)</u>	<u>(5,104,863)</u>
FUND BALANCE/NET POSITION - JUNE 30, 2020	<u>\$ 1,216,618</u>	<u>\$ (6,324,864)</u>	<u>\$ (5,108,246)</u>

The Accompanying notes to the financial
Statements are an integral part of this report.

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Net Change in Fund Balance - Governmental Fund	\$	(12,811)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlay for developer reimbursements as expenditures. However, such costs are not reported as expenses on the Statement of Activities, but are instead used to reduce the long-term liability in the Statement of Net Position.</p>		413,799
<p>Assets conveyed to other entities for operations and maintenance are recorded as expenses in the Statement of Activities.</p>		(639,578)
<p>Governmental funds report capital outlay for development costs as expenditures. However, such costs are not reported as expenses on the Statement of Activities, but are instead capitalized in the Statement of Net Position.</p>		<u>235,207</u>
Change in Net Position - Governmental Activities	\$	<u><u>(3,383)</u></u>

The Accompanying notes to the financial
Statements are an integral part of this report.

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. CREATION OF CORPORATION

The City of Houston, Texas (the “City”) authorized the creation of the Hardy/Near Northside Authority (the “Authority”) by Ordinance No. 2009-32 on November 10, 2009. The State of Texas Certificate of Incorporation became effective November 20, 2009. The Authority was created and organized as a local government corporation pursuant to provisions of Chapter 311 of the Texas Tax Code. The Authority is organized as a public non-profit corporation for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental function to promote the common good and general welfare of the Hardy/Near Northside Zone (the Zone), approximately 326.1 acres generally bounded by Quitman Street on the North, U.S. Highway 59 on the East, Interstate 10 on the South, and Interstate Highway 45 on the West. The Zone is described in City of Houston, Texas, Ordinance No 2003-1258. The primary focus of the Zone is to facilitate affordable housing, transit orientated mixed-use development, and the extension and potential grade separation of San Jacinto Street north from Interstate 10 to the southern terminus of Fulton Street. Additional efforts will focus on improvements to public utility systems, parks and the repositioning of distressed infrastructure conditions. The basis for the creation of the Authority in 2009 was to a) facilitate the implementation of the Project Plan and a Reinvestment Zone Financial Plan for the Hardy/Near Northside Zone and the implementation of amendments thereto; b) facilitate the development of a policy for and implementation of the financing and construction of public infrastructure improvements and open space improvements necessary for the development of residential, commercial, public and other land uses in the Hardy/Near Northside Zone; and c) facilitate the development and implementation of a redevelopment policy for the Hardy/Near Northside Zone, including the acquisition of land for redevelopment purposes. The Authority may issue tax-exempt bonds or notes with consent of City Council to fund improvements. The Authority is governed by a Board of Directors consisting initially of four (4) persons who are appointed by the Mayor with the approval of City Council. Additional persons may be added to the Board of the Authority in accordance with the provisions of the Bylaws.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”).

The GASB has established the criteria for determining whether or not a given entity is a component unit. The criteria are: (1) is the potential component unit a legally separate entity, (2) does the primary government appoint a voting majority of the potential component unit’s board, (3) is the primary government able to impose its will on the potential component unit and (4) is there a financial benefit or burden relationship. The Authority was created as an instrumentality of the City. The Authority does meet the criteria for inclusion as a component unit of the City. Copies of the financial statements for the City may be obtained from the City Secretary’s office.

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting (“GASB Codification”).

The GASB Codification sets forth standards for external financial reporting for all state and local government entities, which includes a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net assets into three components: Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of “Restricted” or “Net Investment in Capital Assets.”

When both restricted and unrestricted resources are available for use, generally it is the Authority’s policy to use restricted resources first.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Authority as a whole. The Authority’s Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The Authority is viewed as a special purpose government and has the option of combining these financial statements.

The Statement of Net Position is reported by adjusting the General Fund to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements (Continued)

The Statement of Activities is reported by adjusting the general fund to report only items related to current year revenues and expenditures. Items such as land and land improvements are charged to cost of sales when sold. Internal activities between governmental funds, if any, are eliminated by adjustment to obtain net total revenue and expense in the government-wide Statement of Activities.

Fund Financial Statements

As discussed above, the Authority's fund financial statements are combined with the government-wide financial statements. The fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balance.

Governmental Funds

The Authority has only one major governmental fund type – the General Fund. This fund is the general operating fund of the Authority and accounts for all resources of the Authority.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both “measurable and available.” Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The Authority considers revenues reported in the governmental funds to be available if they are collectable within sixty (60) days after year-end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

Cash

The Authority's cash consists of amounts in demand deposits.

Investments

The Authority invests cash not needed for near term operating needs in the Texas Local Government Investment Pool (“TexPool”).

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgeting

In compliance with the Tri-Party Agreement (see Note 4), the Authority's board members adopted an unappropriated budget for the General Fund.

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are reported using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported, regardless of the timing of related cash flows. Fund equity is classified as net position.

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the balance sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources. Fund balances in governmental funds are classified using the following hierarchy:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The Authority does not have any nonspendable fund balances.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally required. The Authority does not have any restricted fund balances.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the Authority. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The Authority does not have any committed fund balances.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Authority does not have any assigned fund balances.

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

Unassigned - all other spendable amounts in the General Fund.

When expenditures are incurred for which restricted, committed, assigned, or unassigned fund balances are available, the Authority considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Authority's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes.

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the Authority of securities eligible under the laws of Texas to secure the funds of the Authority, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At June 30, 2020, the BBVA Compass Bank balance was \$54,627, which was covered by federal depository insurance.

The carrying values of the deposits are included in the Governmental Fund Balance Sheet and the Statement of Net Position at June 30, 2020, as listed below:

Total Cash Deposits	<u>\$54,627</u>
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HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Investments

Under Texas statute, the Authority is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all Authority funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the Authority’s financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The Authority’s investments must be made “with the judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.” No person may invest Authority funds without express written authority from the Board of Directors.

Texas statutes include specifications for and limitations applicable to the Authority and its authority to purchase investments as defined in the Public Funds Investment Act. The Authority has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The Authority’s investment policy may be more restrictive than the Public Funds Investment Act.

The Authority invests in TexPool, an external investment pool that is not SEC-registered. The State Comptroller of Public Accounts of the State of Texas has oversight of the pool. Federated Investors manages the daily operations of the pool under a contract with the Comptroller. TexPool measures its investments in TexPool at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from TexPool.

As of June 30, 2020, the Authority had the following investments and maturities:

Type	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
<u>GENERAL</u>					
<u>FUND -</u>					
TexPool	\$ 690,830	\$ 690,830	\$ -	\$ -	\$ -
					=

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2020, the Authority’s investment in TexPool, an external investment pool, was rated AAAM by Standard & Poor’s.

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority considers the investment in TexPool to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the Authority, unless there has been a significant change in value.

NOTE 4. TRI-PARTY AGREEMENT

The City of Houston, Reinvestment Zone Number Twenty-One, and the Authority entered into the Tri-Party Agreement pursuant to City Ordinance No. 2009-1271 effective December 15, 2009. The Tri-Party Agreement states in detail the scope of services to be provided to the Zone by the Authority. The services include management and administrative service for the Zone, as requested by the Zone Board, services with respect to the Project Plan and Reinvestment Zone Financing Plan (the "Plan"), including implementation and updating, and services with respect to the tax rolls pertaining to the Zone, including analysis and coordination with taxing units. The Authority is also required to assist the Zone Board in establishing a program to increase the level of safety within the Zone, preparing development plans, establishing a marketing and public relations program and in planning, design and construction of infrastructure improvements and land acquisition.

The Tri-Party Agreement also provides for the Authority to issue bonds and notes, enter into obligations with developers or builders, and enter into contracts with consultants and to be repaid from Contract Tax Increments. All bonds must be approved by City Council and the Director of the Finance Department of the City of Houston must approve all development agreements. This Agreement shall end upon termination of the Zone.

Pursuant to the Agreement, the City and the Zone have agreed to pay the Authority not later than the first business day of each July in which a current approved budget is in effect for the Authority, all monies available in the Tax Increment Fund, less (a) a reserve of up to five percent of the monies then available in the Tax Increment Fund for administrative costs of the City, (b) the amount due to the City from the Zone pursuant to the affordable housing agreement, and (c) certain tax increments constituting educational facilities project costs to be paid to the Houston Independent School District. Notwithstanding the above, in the event the Authority's budget is not approved by the thirtieth (30th) day before the date of a principal and interest payment on the Authority's bonds or notes, the City shall pay from available funds sufficient monies to the Authority to allow for meeting the Authority's debt service obligations.

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5. TAX INCREMENTS

The City of Houston, Texas has agreed to deposit tax increments into the Tax Increment Fund established by the Zone (See Note 6).

The amount of a Participant's tax increment for a year is the amount of property taxes levied and collected by the Participant for that year on the Captured Appraised Value of real property taxable by the Participant and located in the Zone. The Captured Appraised Value of real property taxable by a Participant for a year is the total appraised value of all real property taxable by the Participant and located in the Zone for that year less the Tax Increment Base, which is the total appraised value of all real property taxable by the Participant and located in the Zone on January 1 of the year in which the Zone was designated as such under the Tax Increment Financing Act (the "TIF Act"). In the event property is annexed into the Zone by ordinance of the City, the Tax Increment Base for annexed property is the value of all real property taxable by a Participant and located in the annexed area on January 1 of the year of annexation. No Participant is required to deposit tax increments derived from property annexed into the Zone unless the Participant has agreed to do so.

Each Participant is required to collect taxes on property located within the Zone in the same manner as other taxes are collected. The Participant is required to pay into the tax increment fund the collected tax increments by no later than the 90th day after the delinquency date for the Participant's property taxes.

NOTE 6. CITY OF HOUSTON TAX INCREMENTS

Pursuant to City Ordinance No. 2009-1271, the City and the Zone have established the Tax Increment Fund, a separate fund in the City Treasury into which tax increments have and will be deposited.

Tax increments of \$478,501 were remitted from the fund to the Authority for tax year 2019. In addition, the City withheld \$258,649 from the tax increment to fund affordable housing and \$38,797 to pay City administrative fees.

NOTE 7. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Authority participates in the Texas Municipal League Intergovernmental Risk Pool ("TML") to provide general liability, errors and omission and automobile liability. The Authority, along with other participating entities, contributes annual amounts determined by TML's management. As claims arise they are submitted and paid by TML. During the year ended June 30, 2020, the Authority contributed \$928 to the fund for this insurance coverage. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8. DEVELOPMENT AGREEMENT

The Authority has entered into a Development Agreement dated March 4, 2010, and as amended on May 14, 2012, with CR V Hardy Yards, L.P. (“Hardy Yards LP”), the owner of property located within the Hardy/Near Northside Zone. Hardy Yards LP is responsible for the inspection, supervision and management of the construction and installation of the improvements to the Hardy/Near Northside Zone. The improvements are to be made in accordance with the terms of the Development Agreement and amendment thereto and relevant City ordinances or procedures.

The Authority shall reimburse Hardy Yards LP for the amount of actual project costs incurred plus accrued interest. Hardy Yards LP is responsible for determining that project costs are eligible in accordance with terms defined in the Developer Reimbursement Agreement and amendment thereto. The costs to be reimbursed are not to exceed \$33,312,000 as noted in the original agreement. Included in the original reimbursable amount were costs related to the purchase or condemnation of right-of-way for the San Jacinto Street Extension Project in the amount of \$2,700,000. During fiscal year 2012, an ordinance was passed that authorized the appropriation of \$2,033,223 out of the Woodlands Regional Participation Fund to fund these costs.

The Authority will utilize available tax increments in order to reimburse Hardy Yards LP for the costs incurred until all project costs have been fully reimbursed. Hardy Yards LP has no right to claim any reimbursement other than from available tax increment or bond proceeds.

As of June 30, 2020, Hardy Yards LP has incurred a total of \$7,849,582 in development costs on behalf of the Authority. The Authority has reimbursed the Developer \$1,401,696, of which \$413,799 was reimbursed during the fiscal year ended June 30, 2020, leaving a balance of \$6,447,886 due to the Developer at June 30, 2020. The total is comprised of \$4,440,321 for onsite public improvements and \$2,007,565 for offsite public improvements.

NOTE 9. CAPITAL ASSETS – DEVELOPMENT COSTS

During the fiscal year ended June 30, 2020, the Authority did not incur development costs with Central Houston Civic Improvement for planning and design work in connection with a project for a hike and bike trail within the Zone. Cumulative costs for this project as of June 30, 2020, totaled \$123,022.

During the fiscal year ended June 30, 2020, Hardy Yards LP did not incur development costs related to onsite and offsite public improvements within the boundaries of the Authority. The project has been completed and assets were conveyed to the City of Houston for maintenance and operation. The Authority will reimburse the Developer for project costs in the amount of the actual costs of the public improvements to the extent that the Developer’s project generates tax increment revenues.

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10. GRANT PROGRAMS

The City of Houston

On December 10, 2014, the Authority executed an agreement with the City of Houston (the “City”). On behalf of the City, the City’s Housing & Community Development Department submitted an application for federal assistance to the Texas General Land Office to receive an award of Community Development Block Grant Disaster Recovery Program funding in the amount of \$11,986,000 allocated for the repair, replacement, redesign and/or reconstruction of public infrastructure within the boundaries of the Authority.

Through June 30, 2020, the Authority has recorded a total of \$11,118,861 in engineering and construction costs paid from grant revenues. During the current year, the Authority paid \$235,207 in capital improvement costs related to improvements of the Hernandez Tunnel. The Authority was reimbursed \$235,207 in grant revenues related to this project. This project completed during the current year.

NOTE 11. ECONOMIC UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the COVID-19 virus a global pandemic. As a result, economic uncertainties have arisen which could have an impact on the operations of the Authority. The Authority is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty, as the potential financial impact of this pandemic is unknown at this time.

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2020

Draft Subject to Change

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund		
	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Tax Increment Revenue	\$ 438,217	\$ 478,501	\$ 40,284
Grant Revenue	231,639	235,207	3,568
Interest Revenue	670	10,120	9,450
TOTAL REVENUES	\$ 670,526	\$ 723,828	\$ 53,302
EXPENDITURES			
Maintenance and Operations	\$ 86,250	\$ 87,633	\$ (1,383)
Capital Expenditures	246,639	235,207	11,432
Developer/Project Reimbursements	391,967	413,799	(21,832)
TOTAL EXPENDITURES	\$ 724,856	\$ 736,639	\$ (11,783)
NET CHANGE IN FUND BALANCE	\$ (54,330)	\$ (12,811)	\$ 41,519
FUND BALANCE - JULY 1, 2019	1,634,164	1,229,429	(404,735)
FUND BALANCE - JUNE 30, 2020	\$ 1,579,834	\$ 1,216,618	\$ (363,216)

See accompanying independent auditor's report.

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY

SUPPLEMENTARY INFORMATION

REQUIRED BY THE CITY OF HOUSTON

JUNE 30, 2020

Draft Subject to Change

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY
OPERATING AND CAPITAL EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2020

Category	Vendor	Budget	Actual Expenditures	Variance Positive (Negative)
ADMINISTRATION AND OVERHEAD				
Accounting	Bentley, Bratcher & Associates, P.C. and The Morton Accounting Serv.	\$ 10,000	\$ 18,942	\$ (8,942)
Administrative Consultant	Bracewell LLP	8,000	20,041	(12,041)
Auditor	McCall Gibson Swedlund Barfoot PLLC	10,000	8,500	1,500
Planning Consultant	TIFWorks, LLC	25,000	30,238	(5,238)
Insurance	Texas Municipal League	1,000	928	72
Office Administration	Houston Business Journal and BBVA Compass	250	616	(366)
SUBTOTAL		<u>\$ 54,250</u>	<u>\$ 79,265</u>	<u>\$ (25,015)</u>
PROGRAM AND PROJECT CONSULTANTS				
Engineering Consultant		\$ 10,000	\$ -	\$ 10,000
Legal Consultant	Bracewell LLP	20,000	6,500	13,500
Other Consultant	Equitax, Inc.	2,000	1,868	132
SUBTOTAL		<u>\$ 32,000</u>	<u>\$ 8,368</u>	<u>\$ 23,632</u>
TOTAL MANAGEMENT CONSULTING SERVICES		<u>\$ 86,250</u>	<u>\$ 87,633</u>	<u>\$ (1,383)</u>
CAPITAL EXPENDITURES				
Project T-2101: Pedestrian Pathways/Hike and Bike Trails		\$ 231,639	\$ 235,207	\$ (3,568)
Project T-2102: Hernandez Tunnel Mural		15,000	-	15,000
TOTAL CAPITAL EXPENDITURES		<u>\$ 246,639</u>	<u>\$ 235,207</u>	<u>\$ 11,432</u>
DEVELOPER/PROJECT REIMBURSEMENTS				
CRV Hardy Yards: Roadway and Sidewalk Improvements		<u>\$ 391,967</u>	<u>\$ 413,799</u>	<u>\$ (21,832)</u>

See accompanying independent auditor's report.

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY
PROJECT PLAN RECONCILIATION
FOR THE YEAR ENDED JUNE 30, 2020

	Project Plan Estimated Amount	Cumulative Expenditures as of the Fiscal Year Ended 2019	Variance Positive (Negative)
ESTIMATED PROJECT COSTS			
Roadway and Sidewalk Improvements	\$ 37,692,000	\$ 12,131,186	\$25,560,814
Public Utility Improvements	7,884,000	-	7,884,000
Parks, Plazas and Recreational Facilities	4,328,000	-	4,328,000
Affordable Housing	24,920,874	1,862,437	23,058,437
Financing Costs	1,700,000	-	1,700,000
Zone Creation and Administration	2,200,000	729,216	1,470,784
TOTAL ESTIMATED PROJECT COSTS	<u>\$ 78,724,874</u>	<u>\$ 14,722,839</u>	<u>\$64,002,035</u>

See accompanying independent auditor's report.

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY

OTHER SUPPLEMENTARY INFORMATION

JUNE 30, 2020

Draft Subject to Change

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY
BOARD OF DIRECTORS
JUNE 30, 2020

Authority Mailing Address - HARDY/NEAR NORTHSIDE REDEVELOPMENT
 AUTHORITY
 C/O Bracewell LLP
 711 Louisiana Street, Suite 2300
 Houston, TX 77002-2770

Authority Telephone Number - (713) 223-2300

<u>Board Members</u>	<u>Position</u>
Edward Reyes	Chair/Assistant Secretary
Lloyd Burke	Vice Chair/ Investment Officer
Sylvia Cavazos	Secretary
Richard Cantu	Assistant Secretary
Fernando Zamarripa	Assistant Secretary
Mario Castillo	Director

See accompanying independent auditor's report.

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY
CITY OF HOUSTON, TEXAS
SEPTEMBER 28, 2020

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
13100 Wortham Center Drive, Suite 235
Houston, Texas 77065-5610

Ladies and Gentlemen:

This representation letter is provided in connection with your audit of the financial statements Hardy/Near Northside Redevelopment Authority, (the "Authority"), which comprise the respective financial position of the governmental activities and each major fund as of June 30, 2020, and the respective changes in financial position for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of September 28, 2020, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May ___, 2020, including our responsibility for the preparation and fair presentation of the financial statements and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates are reasonable.
- 6) Related party relationships and transactions, if any, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.

- 8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the accounts.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the Authority is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Authority or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the Authority and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 18) We have disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

- 21) The Authority has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 23) There are no violations or possible violations of laws and regulations, provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 24) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved and accepted responsibility for those financial statements and related notes.
- 25) The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral, except as disclosed in the basic financial statements.
- 26) The Authority has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 27) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 28) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations, if applicable.
- 29) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.
- 30) All funds that meet the quantitative criteria for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 31) Components of net position (net investment in capital assets; restricted; and unrestricted), and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 32) Provisions for uncollectible receivables have been properly identified and recorded, if applicable.
- 33) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 34) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

- 35) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 36) Deposits and investment securities are properly classified as to risk and are properly disclosed.
- 37) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 38) We have appropriately disclosed the Authority's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 39) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 40) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 41) With respect to the supplementary information required by the Water Authority Financial Management Guide,
 - a) We acknowledge our responsibility for presenting this information in accordance with the Commission's requirements and we believe this information, including its form and content, is fairly presented in accordance with the Commission's requirements. The methods of measurement and presentation of this information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If this information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY

Signature on behalf of the Board of Directors

Board Member

D-007

Title

PROGRESS REPORT

SEPTEMBER 2020

HARDY/NEAR NORTHSIDE REDEVELOPMENT AUTHORITY/TIRZ 21

TASK ORDER #1: ON-CALL CONTRACT

Activities This Period:

- N/A

TASK ORDER #2: CAPITAL IMPROVEMENT PLAN DEVELOPMENT

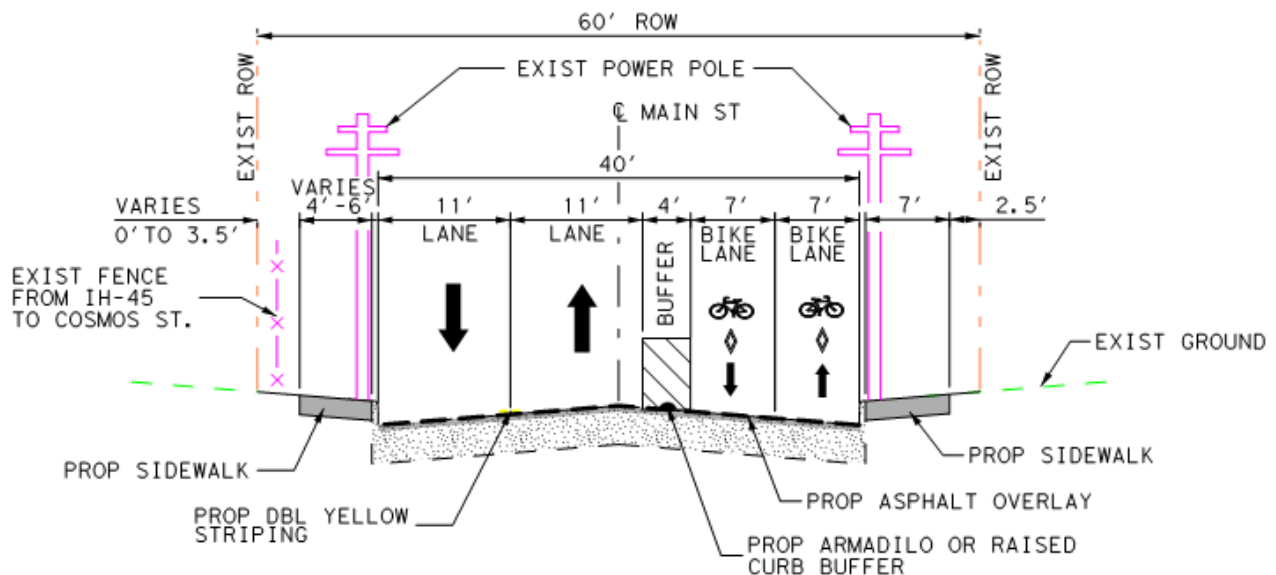
Activities This Period:

- Internally kicked off team
- Developed project schedule
- Began data collection process:
 - Requested and obtained FEMA Effective models for Little White Oak Bayou
 - Requested and obtained land use file from HCFCD
 - Requested and obtained City storm sewer network from GIMS

TASK ORDER #3: MAIN STREET PED/BIKE IMPROVEMENTS

Activities This Period:

- Conducted site visit
- Documented existing conditions with measurements and images
- Evaluated different cross sections for Ped/Bike Safety
- Began evaluating geometrics on aerial imagery



**Capital Improvements Plan
Tax Increment Reinvestment Zone No. 21 (TIRZ 21)**



	Activity Name	Start Date	Finish Date	Duration (Cal. Days)	2020					2021				
					3rd Quarter		4th Quarter			1st Quarter			2nd Quarter	
					Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
1	DATA COLLECTION	Tues 09/01/2020	Mon 10/12/2020	42										
2	LiDAR Data	Tues 09/01/2020	Mon 10/12/2020	41										
3	GIMs Site Visits	Tues 09/01/2020	Mon 10/12/2020	41										
4	Reports Compilation	Tues 09/01/2020	Mon 10/12/2020	41										
5	Meetings with City Departments to Obtain Necessary Data	Tues 09/01/2020	Mon 10/12/2020	41										
6	HYDROLOGIC & HYDRAULIC ANALYSIS	Mon 10/12/2020	Fri 03/26/2021	166										
7	Develop and Analyze Existing Conditions Model	Mon 10/12/2020	Mon 01/11/2021	92										
8	Summary of Understanding and Problem Area Descriptions	Mon 01/11/2021	Fri 01/29/2021	18										
9	Initial Solution Concept Development	Fri 01/29/2021	Fri 02/19/2021	22										
10	Storm Sewer Sizing for TIRZ Capital Projects	Fri 02/19/2021	Fri 03/26/2021	35										
11	MOBILITY ASSESSMENT & PRIORITIZATION	Mon 10/12/2020	Mon 01/11/2021	92										
12	CAPITAL IMPROVEMENTS PLANNING	Thur 04/01/2021	Fri 05/21/2021	51										
13	CIP Projects Initiation	Thur 04/01/2021	Fri 04/30/2021	30										
14	Cost Estimates	Thur 04/01/2021	Fri 04/30/2021	30										
15	Prioritize Recommended Improvements	Thur 04/01/2021	Fri 04/30/2021	30										
16	Study Reports & Results Summary	Fri 04/30/2021	Fri 05/21/2021	22										
					A	S	O	N	D	J	F	M	A	M