

MEMORIAL-HEIGHTS REDEVELOPMENT AUTHORITY

JOINT MEETING OF THE BOARDS OF DIRECTORS

SEPTEMBER 23, 2021

REINVESTMENT ZONE NUMBER FIVE, CITY OF HOUSTON, TEXAS

MEMORIAL-HEIGHTS REDEVELOPMENT AUTHORITY
TIRZ NO. 5
MEETING OF SEPTEMBER 23, 2021

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MEMORIAL-HEIGHTS REDEVELOPMENT AUTHORITY
Director Attendance Record

MEETING DATE	A. LENTS	A. COLOM	B. BROWN	J. HALE- HARRIS	C. MANRIQUEZ	R. STEIN	M. PIERRE
02/27/20	X	Y	Y	Y	Y	Y	X
04/23/20	Y	Y	Y	Y	Y	Y	Y
06/25/20	Y	X	Y	Y	Y	Y	Y
09/24/20	Y	Y	Y	Y	Y	Y	X
10/22/20	Y	Y	Y	Y	Y	Y	X
01/28/21	Y	Y	Y	X	Y	Y	Y
03/04/21	Y	Y	Y	Y	Y	Y	X
04/22/21	Y	Y	Y	Y	Y	Y	X
06/24/21	Y	X	Y	Y	Y	Y	X
08/23/21	Y	Y	Y	X	Y	Y	Y
09/23/21							
02/24/22							
04/28/22							
06/23/22							

Y = Attended

X = Did not attend

**NOTICE OF JOINT MEETING
MEMORIAL-HEIGHTS REDEVELOPMENT AUTHORITY
AND
REINVESTMENT ZONE NUMBER FIVE, CITY OF HOUSTON, TEXAS**

**THIS MEETING WILL BE CONDUCTED BY
TELEPHONE/VIDEOCONFERENCE**

TO: THE BOARDS OF DIRECTORS OF THE MEMORIAL-HEIGHTS REDEVELOPMENT AUTHORITY AND REINVESTMENT ZONE NUMBER FIVE, CITY OF HOUSTON, TEXAS, AND TO ALL OTHER INTERESTED PERSONS:

Notice is hereby given that the Board of Directors of the Memorial-Heights Redevelopment Authority (the "Authority") will hold a joint meeting with the Board of Directors of the Reinvestment Zone Number Five, City of Houston, Texas, (the "Zone"), open to the public, on **THURSDAY, SEPTEMBER 23, 2021, at 10:00 A.M., at 1980 POST OAK BOULEVARD, SUITE 1380, HOUSTON, TEXAS 77056**, outside the boundaries of the Authority. This meeting will also be conducted electronically, as provided below. Electronic copies of the meeting materials are available at <https://memorialheightstirz5.com/meetings/> at such time as the meeting occurs or by contacting Susan Demiany at Demiany@SKLaw.us. At the meeting the following items will be considered and acted on:

TO ATTEND VIA VIDEO:

LINK: <https://us02web.zoom.us/j/89336450943?pwd=b05yMjROd0xGNUZzbG9lOHU2c2FrZz09>

Meeting ID: 893 3645 0943

Passcode: 326492

TO ATTEND VIA AUDIO ONLY:

Dial: 1-346-248-7799

Meeting ID: 893 3645 0943

Passcode: 326492

1. **CALL TO ORDER:**
 - a. **Receive comments and questions from the public;**
2. **CONSENT AGENDA:**
 - a. **Minutes of previous meetings:**
 - i) Approve Authority minutes of August 23, 2021; **4**
 - ii) Approve Zone minutes of August 23, 2021; **7**
 - b. **Developer Reports (Authority only):**
 - i) Quarterly GID update; **9**
 - ii) Quarterly Hanover update; **19**
 - c. **Financial matters (Authority only):**
 - i) Receive Financial Report Summary, including account and fund activity statements; **33**
 - ii) Receive Investment Report; **41**
3. **CHAIR REPORT (Authority only);**
4. **PRESIDENT REPORT (Authority only):**
 - a. Receive MWBE report; **42**
5. **PROJECTS AND ENGINEERING (Authority only):**
 - a. **Receive Projects Committee Report; 44**
 - b. **Shepherd/Durham and Selected Cross Streets Reconstruction [CIP Project T-0523A]:**
 - i) Update on project development;
 - ii) Review bids and award construction contract, or authorize Projects Committee to review bids and award contract, if needed;
 - c. **North Canal Project [CIP Project T-0525]:**
 - i) Update on project development;
 - d. **Yale and Center Street Intersection [CIP Project T-0529]:**
 - i) Update on project development;

- e. **Heights Boulevard Bicycle and Pedestrian Safety Improvements, West Dallas Restriping Project, Trail Segment between White Oak Bayou and Memorial Park [construction portion]** [CIP Project T-0531]:
 - i) Update on project;
- f. **Zone Wide Safety and Mobility Projects** (CIP Project T-5032):
 - i) Update on project;
- g. **Zone Wide Localized Stormwater Management Projects** (CIP Project 5033):
 - i) Update on project;
- h. Approve related pay estimates or change orders, or other design, construction, or management contract administration items, and authorize other appropriate action;
- 6. **COMMUNICATIONS** (*Authority only*):
 - a. Review website update;
 - b. Receive update on public relations firm contract, and authorize Communications Committee to award contract;
- 7. **APPROVE AUDIT FOR FISCAL YEAR ENDED JUNE 30, 2021, AND AUTHORIZE FILING WITH THE CITY OF HOUSTON; 52**
- 8. **FINANCIAL MATTERS** (*Authority only*):
 - a. Receive Finance Committee Report;
 - b. Authorize payment of invoices;
 - c. Approve Order Evidencing Review of Amended and Restated Order Designating Investment Officer and Establishing Rules, Policies, and Code of Ethics for the Investment of Authority Funds; **86**
 - d. Approve Order Adopting List of Qualified Brokers; **88**
 - e. Authorize other appropriate action;
- 9. **ATTORNEY REPORT**;
- 10. **EXECUTIVE SESSION** (*Authority only, the Zone will recess for duration of closed session*):
 - a. **Convene executive session** for attorney consultation on authorized matters pursuant to Open Meetings Act, § 551.071, Government Code; deliberations regarding purchase, exchange, lease, or value of real property pursuant to Open Meetings Act, §551.072, Government Code; and/or deliberations regarding economic development negotiations pursuant to Open Meetings Act, § 551.087, Government Code;
 - b. **Reconvene public session** and authorize appropriate action regarding executive session discussion;
- 11. **CONSIDER, CONFIRM, OR RATIFY ACTIONS OF THE AUTHORITY, AS NECESSARY** (*Zone only*);
- 12. **ADJOURN.**

The ongoing COVID-19 pandemic may cause an inability for members of the Authority's Board of Directors to convene in one location. This could result in a public necessity for immediate action by the Board in providing the Authority's government services and functions. If necessary, this Notice also constitutes notice for a teleconference meeting pursuant to Section 551.125, Government Code.


 SKLaw, Attorneys for the Authority and the Zone

**MINUTES OF REGULAR MEETING
OF
MEMORIAL-HEIGHTS REDEVELOPMENT AUTHORITY**

AUGUST 23, 2021

The Board of Directors (the "Board") of Memorial-Heights Redevelopment Authority (the "Authority"), convened in regular session, open to the public, at 10:00 a.m., on August 23, 2021, via video and telephonic conference as authorized pursuant to actions by the Governor of the State of Texas on March 16, 2020, suspending certain requirements of Chapter 551, Texas Government Code. The roll was called of the duly constituted officers and members of the Board, to-wit:

Ann Lents	Chair
Alejandro Colom	Vice Chair
Janice Hale-Harris	Secretary
Bryan Brown	Director
Christopher David Manriquez	Director
Dr. Robert Stein	Director
Marvin Pierre	Director

and all of said persons were present, except Director Hale-Harris, thus constituting a quorum.

Also present at the meeting were Sherry Weesner of SMW Principle Solutions, Inc., President of the Authority; Erin Williford and Kristen Hennings of Jones|Carter ("JC"); Jim Webb of The Goodman Corporation ("TGC"); Monica Aizpurúa of Binkley & Barfield; Linda Trevino of Ride Metro; Mark Williamson; Matt Kainer; David Charvoz; Donna Bennett; and Laura C. Davis and Susan Demiany of Sanford Kuhl Hagan Kugle Parker Kahn LLP ("SKLaw").

DETERMINE QUORUM; CALL TO ORDER

Chair Lents noted that a quorum was present and called the meeting to order. She advised that the meeting was being recorded.

RECEIVE COMMENTS OR QUESTIONS FROM THE PUBLIC

The next item on the agenda was to receive comments and questions from the public. There were no comments from the public.

CONSENT AGENDA

- a. Approval of the Authority and Zone minutes of June 24, 2021;

Upon motion by Director Stein, seconded by Director Manriquez, the Board voted unanimously to approve the Consent Agenda.

CHAIR REPORT

Chair Lents thanked the team for the hard work pushing the Shepherd/Durham project forward.

PRESIDENT REPORT

Ms. Weesner advised of the upcoming public comment period for the grant application for the Washington Avenue corridor.

Ms. Weesner next discussed the Yale and Center Street grant for which TGC applied through the City and reported that the grant was awarded.

Ms. Weesner also reported that the plans for the Phase I Shepherd/Durham project are signed and are submitted to FHWA.

PROJECTS AND ENGINEERING

Receive Projects Committee Report

Ms. Weesner updated the Board on Authority projects.

Shepherd and Durham Reconstruction

Review final design

Ms. Hennings reviewed with the Board final design plans for the Phase I Shepherd/Durham and Selected Cross Streets Reconstruction [CIP Project T-0523A], which have been approved by the City. Ms. Williford discussed possible drainage improvements that the City may want to include in the project.

Approve TGC Work Authorization T-0523A No. 6

Mr. Webb reviewed with the Board TGC Work Authorization T-0523A No. 6 for construction phase services for Phase I. He advised the Work Authorization includes construction phase grant management, reporting, compliance, and construction administration.

Upon motion by Director Stein, seconded by Director Brown, and after full discussion, the Board voted unanimously to approve TGC Work Authorization T-0523A No. 6.

Heights Boulevard Bicycle and Pedestrian Safety Improvements, West Dallas Restriping Project, Trail Segment between White Oak Bayou and Memorial Park

Update on project development

Ms. Hennings advised that approvals have been received for the Heights Boulevard and Trail Segment portions of the combined project, noting again that once all approvals are received, the three projects will be bundled for advertising for bids as one project.

Yale and Center Street Intersection

Ms. Hennings updated the Board on the Yale and Center Street Intersection project [CIP T-0529]. Ms. Weesner advised the Authority was awarded a TxDOT Off-System Highway Safety Improvement Project ("HISP") grant for the intersection improvements.

Approve JJC Work Authorization T-0529 No. 1

Ms. Hennings reviewed with the Board JJC Work Authorization T-0529 No. 1. She advised that the Work Authorization includes design services for safety enhancement and overall connectivity. Upon motion by Director Stein, seconded by Director Manriquez, and after full discussion, the Board voted unanimously to approve JJC Work Authorization T-0529 No. 1.

Approve TGC Work Authorization T-0529 No. 1

Mr. Webb reviewed with the Board TGC Work Authorization T-0529 No. 1. He advised the Work Authorization includes the completion of administration, coordination, compliance, and reporting related to the HISP grant awarded for the project. Upon motion by Director Stein, seconded by Director Manriquez, and after full discussion, the Board voted unanimously to approve TGC Work Authorization T-0529 No. 1.

Approve related contract administration items

The Board noted there are no contract administration items for consideration.

COMMUNICATIONS

Review and approve potential public relations firm contract

Ms. Weesner advised that the Communications Committee has suggested that the Authority hire a public relations firm to assist with public communications on the large, ongoing projects. She estimated that the cost for such services should be under \$10,000.

Upon motion by Director Brown, seconded by Director Manriquez, and after full discussion, the Board voted unanimously to authorize the Communications Committee to interview and select a public relations firm.

ATTORNEY'S REPORT

Ms. Davis advised she had nothing additional to report.

EXECUTIVE SESSION

Chair Lents announced that an executive session for the Board would not be necessary.

CONSIDER, CONFIRM, OR RATIFY ACTIONS OF THE AUTHORITY

The next item on the agenda was to consider, confirm, or ratify actions of the Authority. Ms. Davis advised that no action by the Board is necessary.

The roll again was called, and the Board noted that no additional persons had joined the meeting in progress.

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

Secretary
Memorial-Heights Redevelopment Authority

**MINUTES OF REGULAR MEETING
OF
REINVESTMENT ZONE NUMBER FIVE, CITY OF HOUSTON, TEXAS**

AUGUST 23, 2021

The Board of Directors (the "Board") of Reinvestment Zone Number Five, City of Houston, Texas, convened in regular session, open to the public, at 10:00 a.m., on August 23, 2021, via video conference and telephonic conference as authorized pursuant to actions by the Governor of the State of Texas March 16, 2020, suspending certain requirements of Chapter 551, Texas Government Code. The roll was called of the duly constituted officers and members of the Board, to-wit:

Ann Lents	Chair
Alejandro Colom	Vice Chair
Janice Hale-Harris	Secretary
Bryan Brown	Director
Christopher David Manriquez	Director
Dr. Robert Stein	Director
Marvin Pierre	Director

and all of said persons were present, except Director Hale-Harris, thus constituting a quorum.

Also present at the meeting were Sherry Weesner., President of the Authority; Erin Williford and Kristen Hennings of Jones|Carter ("J|C"); Jim Webb of The Goodman Corporation ("TGC"); Monica Aizpurua of Binkley & Barfield; Linda Trevino of Ride Metro; Mark Williamson; Matt Kainer; David Charvoz; Donna Bennett; and Laura C. Davis and Susan Demiany of Sanford Kuhl Hagan Kugle Parker Kahn LLP ("SKLaw").

DETERMINE QUORUM; CALL TO ORDER

Chair Lents noted that a quorum was present and called the meeting to order. She noted the meeting was being recorded.

APPROVE MINUTES

The Board considered approving the minutes of the June 24, 2021, meeting. Upon motion by Director Stein, seconded by Director Manriquez, and after full discussion, the Board unanimously voted to approve the minutes as presented.

CONSIDER, CONFIRM, OR RATIFY ACTIONS OF THE AUTHORITY

The next item on the agenda was to consider, confirm, or ratify the action of the Authority, as may be necessary. The Board noted that no confirmation or ratification action was necessary.

The roll again was called, and the Board noted that no additional persons had joined the meeting in progress.

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

Secretary
Reinvestment Zone Number Five,
City of Houston, Texas

3515 West Dallas Street – Regent Square Update – September 2021

Project	Permit Issued	Construction Start	Construction Complete	Notes
Dunlavy Streetscape	10/24/2019	9/20/2021	12/15/2021	
West Dallas Streetscape	10/24/2019	8/23/2021	12/15/2021	
Public Parking – All 300 Spots	10/24/2019	11/25/2019	12/15/2021	

Construction Neighborhood September Report

September 1, 2021



3515 West Dallas St. Regent Square Update

Construction Activities: September 2021

- Drywall and finishes in Amenity areas will continue.
- Exterior finishes for retail buildings will continue.
- Window installation is in progress.
- Scaffold is in progress along the South exterior.
- Unit and corridor finishes in progress.
- Sidewalks and landscaping to begin.
- Courtyard, pool, planters and canopies are in progress on Level 4.
- Underground utilities and road work on Tirrell will continue.
- Underground utilities on Dunlavy and W Dallas will continue.

Traffic & Pedestrian Routing/Road Closures

- See the attached maps for traffic and pedestrian and lane/road closures.
- Expect slow traffic on W. Dallas due to concrete and material being delivered.
- Expect slow traffic on W. Dallas, Dunlavy, Tirrell, & Allen Parkway due to lane closures.

What to expect this month:

- Concrete trucks will continue to deliver concrete.
- Trucks delivering cabinets, appliances, doors, and countertops.
- Crane to be dismantled this month.
- Uniformed HPD officer will remain at Tirrell and Allen Parkway to assist with traffic control.
- Traffic control on Dunlavy and W Dallas will be modified to accommodate the next phase of activities.

Contact Information

**For more information or questions,
please contact Ryan Temple.**

Phone: 832-728-2066

Email: rtemple@arch-con.com

Project Information





Schedule:

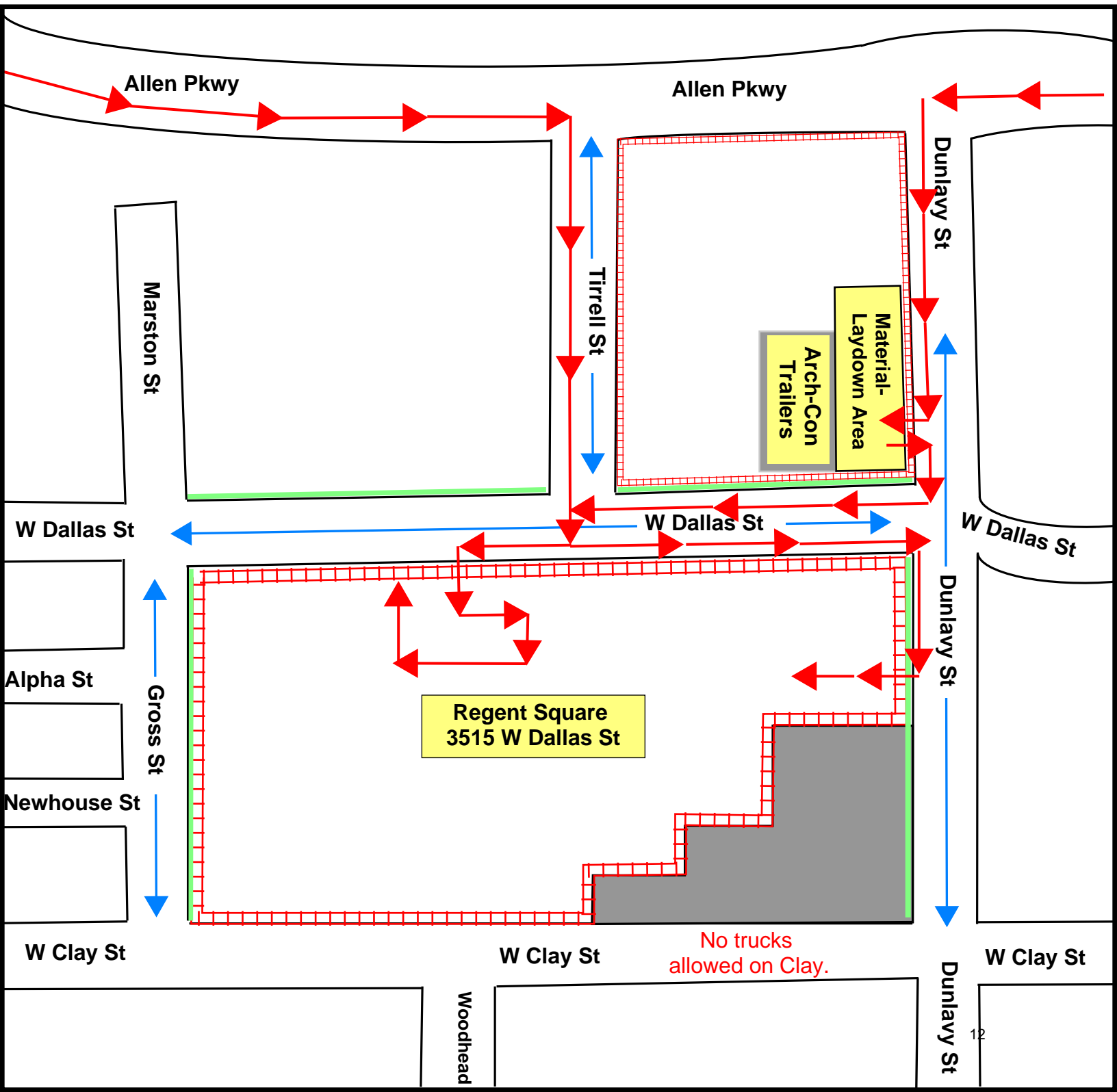
September 2019 to December 2022

Upcoming Construction Milestones:

Building Exterior to be completed
November 2021

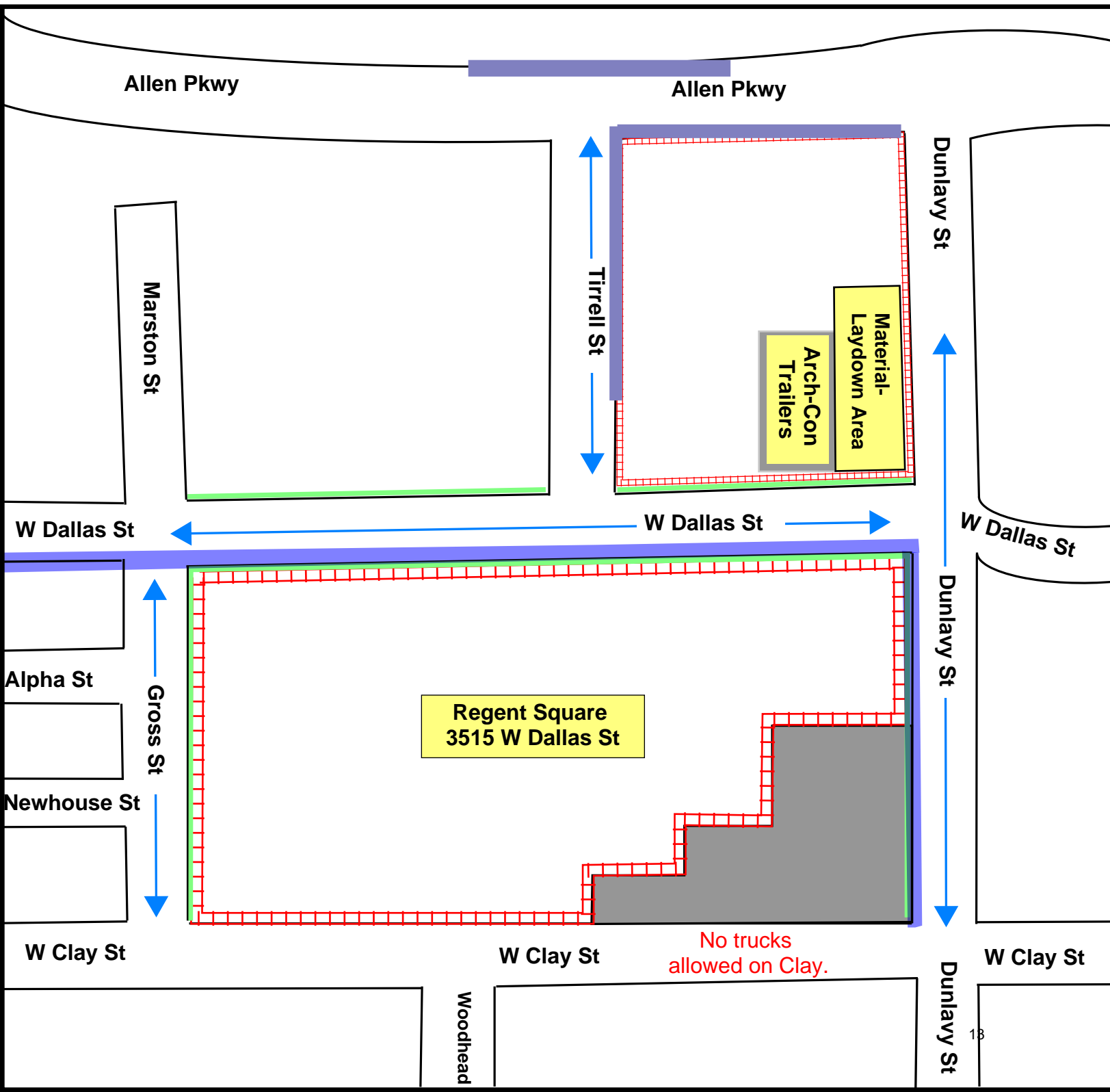
Pedestrian Map - 3515 West Dallas

-  SIDEWALKS & PEDESTRIAN WALKS OPEN
-  TRAFFIC (BOTH DIRECTIONS)
-  DELIVERY ROUTE
-  CONSTRUCTION FENCE



Road Closure Map - 3515 West Dallas

 LANE CLOSURES



Progress Pictures

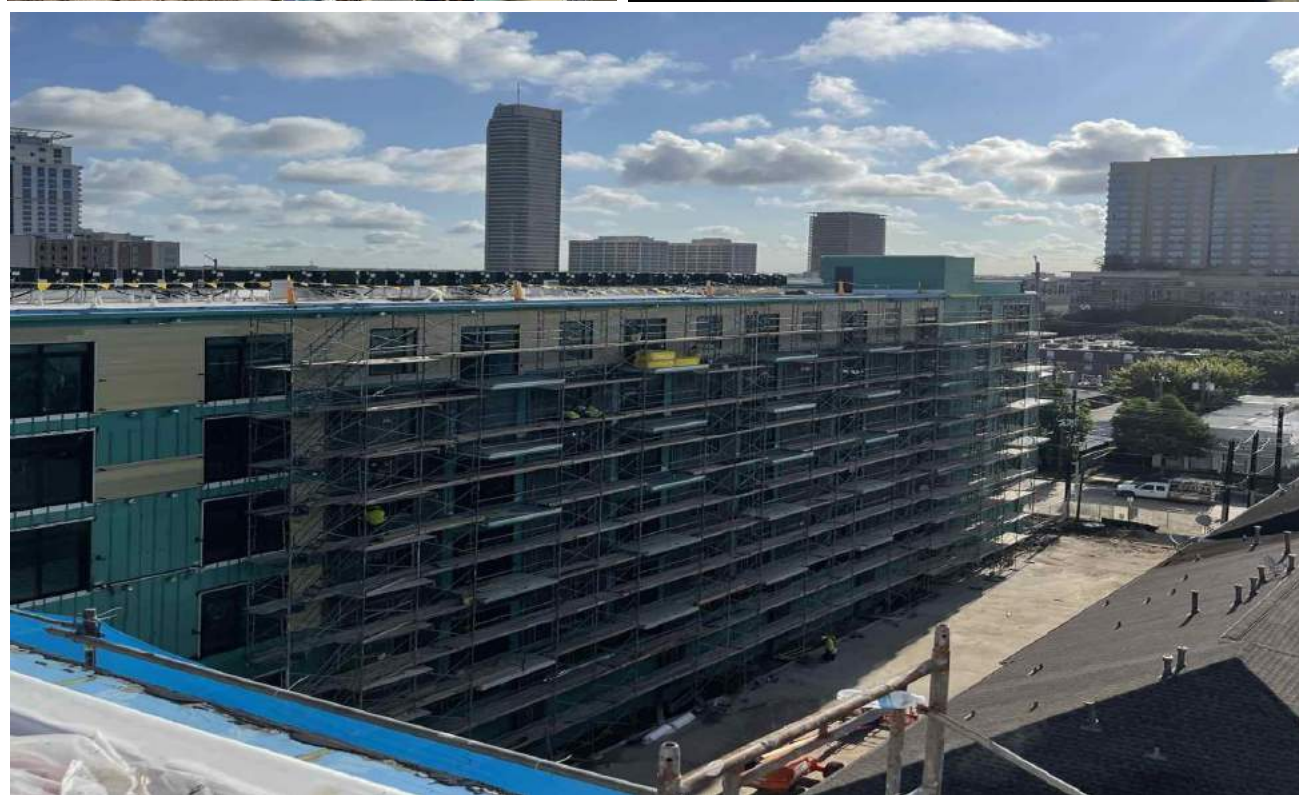


What's going on up there?

Courtyard

- Exterior finishes are in progress.
- Balconies are being poured.
- Planter walls are being poured.
- Gunite in the pool to begin.





Exterior Facades

- Siding and brick installation are in progress.
- Waterproofing and stucco installation is in progress.
- Balcony railings are in progress.



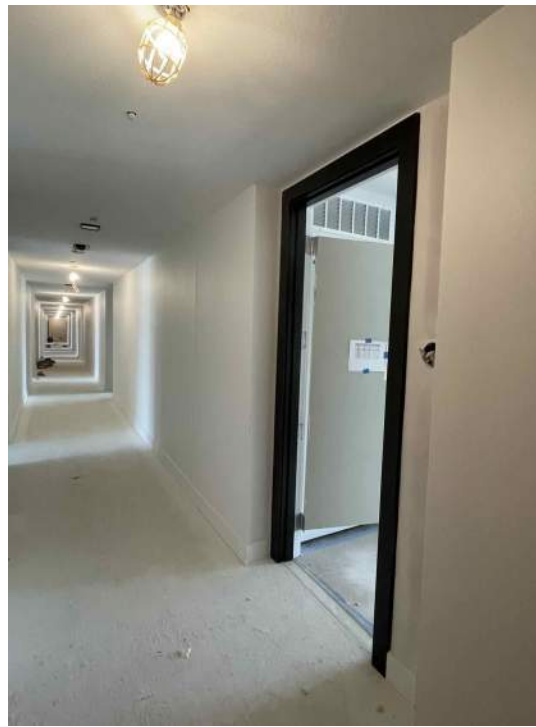
Retail Pavilions

- Waterproofing in progress.
- Storefront glass installation continues.
- Metal panel installation is in progress.
- Plaza site work continues.

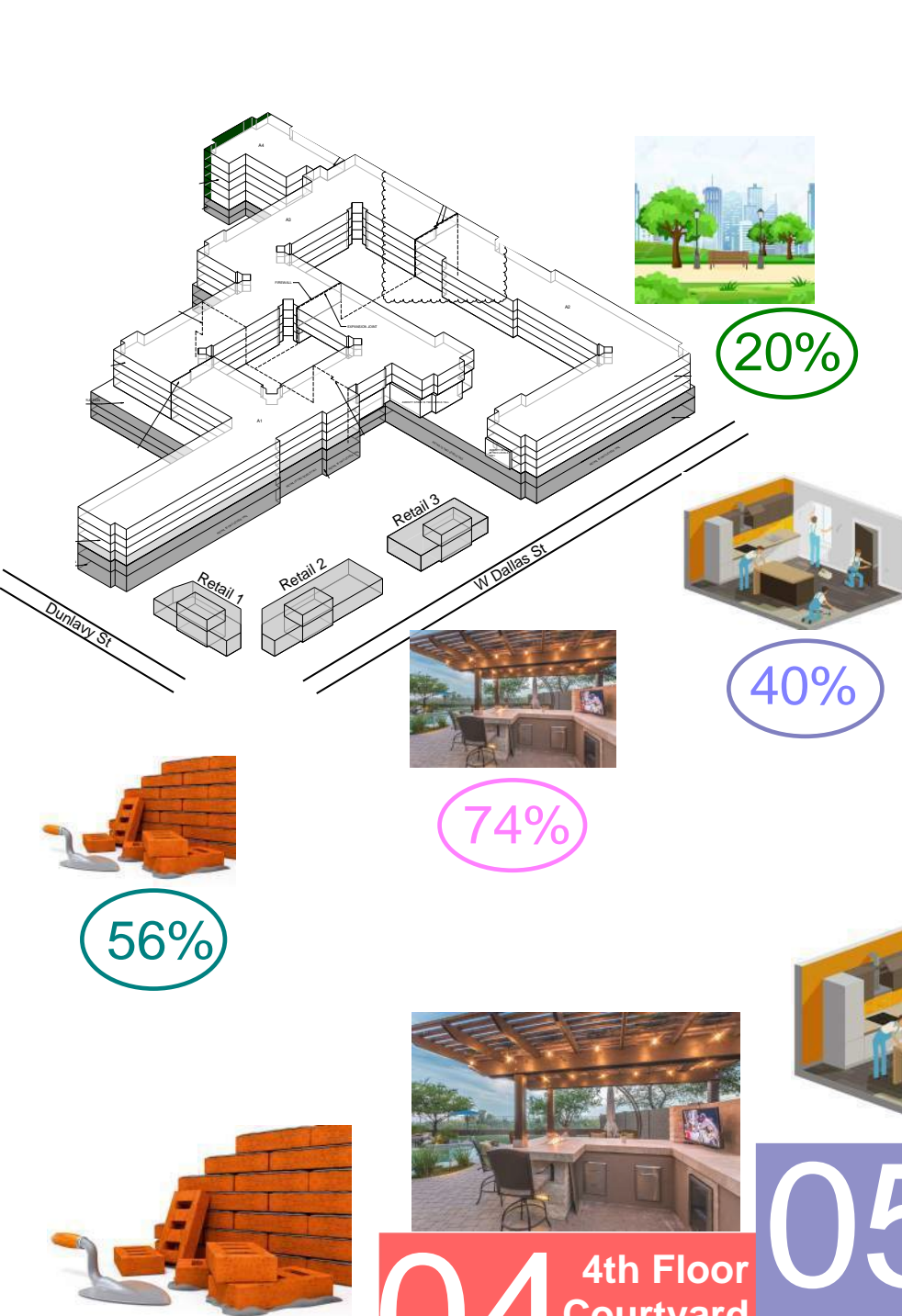


Apartment Interiors

- Appliance delivery/installation is ongoing.
- Window shades & mirror installation continues.
- Unit entry door installation to begin.
- Corridor carpet tile installation to begin.
- Plumbing accessory installation to begin.



Regent Square Project Schedule



- ① - Concrete Structure:
Jan 2020 - Dec 2020
- ② - Building Framing:
Sept 2020 - June 2021
- ③ - Building Exterior:
Feb 2021 - Nov 2021
- ④ - 4th Floor Courtyard:
April 2021 - Dec 2021
- ⑤ - Interiors:
Mar 2021 - Oct 2022
- ⑥ - Landscape/Hardscape:
June 2021- Oct 2022
- ⑦ - Retail Shell Build Out:
July 2021 - Dec 2021
- ⑧ - Multifamily Building:
Dec 2019 - Oct 2022

03 Building Exterior

The exterior of the building consists of stucco, windows, masonry, roof and siding.

04 4th Floor Courtyard

Courtyard will be located on the 4th floor of the building and will have a pool, spa, grilling stations, a bar and landscaping.

05 Building Interiors

Unit finishes such as, flooring, cabinets, painting, window covering, appliances, etc.

06 Landscape/Hardscape

Includes driveways, sidewalks, pavers, planters, plants, trees, benches

HANOVER AUTRY PARK
QUARTERLY REPORT #8
9/16/21

1. SITE INFRASTRUCTURE DEVELOPMENT

PROJECT STATUS

JOINT REFERRAL COMMITTEE COSTS

- Additional Costs Resulting from JRC Abandonment Fees
 - Hanover incurred additional costs not previously budgeted through the JRC process. This was a result of the abandonment of all existing easements throughout all properties within the Autry Park development. The costs incurred were specific to the abandonment of the existing water and sanitary easements. All storm easement abandonment costs were offset by right-of-way dedication within the development. Due to the water and sanitary easements being controlled by the “CUS Fund”, the City of Houston has no legal bounds to offset these costs through newly dedicated right of or new utilities ran within the right of way. Those elements are funded through the “General Fund”. Based on City of Houston direction from the mayor’s office and outside legal counsel, these two City of Houston funds do not have the ability to utilize funding from the other. This has resulted in the additional cost of \$1,007,761.00 to the project for abandonment of the water and sanitary easements. These costs are not currently included in the Development Reimbursement Agreement with the TIRZ.

INFRASTRUCTURE & OFF-SITE DESIGN DEVELOPMENT

- Sanitary Upgrades at Allen Parkway (Langford Engineers)
 - Hanover has continued to coordinate with the City of Houston on the design of the 18” sanitary upgrades. Hanover is still working through permitting for this scope of work. The costs for this portion of the development are not currently included in the Development Reimbursement Agreement with the TIRZ.
- Trail Connection
 - Hanover has finalized the design of the trail connection and coordinated concept approval with BBP. Hanover has submitted the plans for permit approval. The costs for this portion of the development are not currently included in the Development Reimbursement Agreement with the TIRZ.

PERMITTING STATUS

- Design & Permitting

Private Grading Plans	APPROVED
CenterPoint Ductbank	APPROVED
CoH Street Lights	APPROVED
CenterPoint Gas	APPROVED
Telecom Ductbank	APPROVED
W Dallas Hydrant	APPROVED
Public Infrastructure	APPROVED
Off-site Signalization	APPROVED
Trail Connection	<i>SUBMITTED TO COH</i>
Site G Pod Buildings	<i>SUBMITTED TO COH</i>
Sanitary Sewer Upgrades	<i>SUBMITTED TO COH</i>

HANOVER AUTRY PARK
QUARTERLY REPORT #8
9/16/21

GMP DEVELOPMENT

GMP 1 – DEMOLITION

- Demolition work has been completed.

GMP 2 – WET UTILITIES

- Wet Utilities work has been completed.

GMP 3 – INFRASTRUCTURE BUILD-OUT

- Agreement executed with Owner. Infrastructure work has been guaranteed.

GMP 4 – CULLEN BUILDING DEMOLITION & ABATEMENT

- Agreement executed with Owner. Demolition work is on-going.

GMP 5 – MISCELLANEOUS ASSEMBLAGE DESIGN ELEMENTS

- Site G Central Park
 - Site G Park budget has been finalized. Construction has begun with site utilities and grading. The Park is anticipated to be delivered summer 2022.
- Allen Parkway Trail Connection Improvements
 - Now that the plans are in for permit, Hanover will be finalizing the costs associated with this work.
- 18" Sanitary upgrade in Allen Parkway
 - Hanover is working to finalize the costs for this scope of work as permitting nears completion.

2. VERTICAL DEVELOPMENTS

SITE A

Mixed Use / Multi-family: (324 Units with approx. 22,900 sqft of retail/restaurant)

- Construction Status
 - Exterior façade is nearing completion.
 - Ground plane finishes have commenced.
 - Interior finishes are nearing completion.
 - Phase 1 opening is anticipated for end of October 2021.
- Leasing Efforts
 - Retail leasing efforts have been positive. See specific status on leasing efforts below.

SITE E

Mixed Use / Multi-family: (423 Units with approx. 20,000 sqft of retail/restaurant)

- Construction Status
 - Exterior façade is nearing completion.
 - Ground plane finishes have commenced.
 - Interior finishes are nearing completion.
 - Phase 1 opening is anticipated for end of November/December 2021.
- Leasing Efforts
 - Retail leasing efforts have been positive. See specific status on leasing efforts below.

HANOVER AUTRY PARK
QUARTERLY REPORT #8
9/16/21

SITE D

Program for Site D Office Building evolved. The previous concept included a singular 200,000 sqft office tower. The site is now being subdivided into two individual properties. The west property (D1) will be a boutique office building with design kicking off in the coming weeks. The anticipated construction start for D2 is May 2022. The east property (D2) will represent the original program with a 20-story office tower. This D2 development will not progress until the D1 development completes.

SITE F

On Hold

An alternate hotel / residential blend is being evaluated for this site. The temporary park is continuing to be constructed in the interim and will open to the public before the end of the year 2021.

SITE B1

Ground Lease Tenant 50,000 Sqft Development

- Design & Permitting
 - The ground lease tenant is continuing to progress the 50,000 sqft development with an anticipated start date of first quarter of 2022.

SITE B2

40-Story High Rise

- Design Status
 - The B2 development has kicked-off design. Anticipated construction start of summer 2022. Unit count and retail square footage to be provided as design develops further.

SITE C

High Rise TBD

- Design Status
 - No status currently

3. CONSTRUCTION PROGRESS UPDATE

Monthly Progress (Reference Project Progress Photos)

- Demolition & Abatement
 - All site demolition has been completed. The existing Cullen building has been removed and the Site C site has been graded to elevation 46. Two feet above the 500-year floodplain.
- Dry Utility Installation
 - Hanover has transferred all overhead electrical services from overhead to underground. The telecom companies have continued to relocate their overhead services underground. Once the overhead telecom services have been removed from overhead, CenterPoint will remove all existing overhead power lines and poles along W Dallas (west of the Lighthouse to east of Tirrell St.), all Marston overhead services, and all overhead services on Tirrell St up to the Private Drive (south of the existing townhomes).
- Roadway Paving
 - After COVID shipping delays, all roadway pavers have arrived on site and roadway paver installation has begun. Hanover will install all roadway pavers in Buffalo Park Dr in order to open Site A Autry Park. The remaining sequence will be Cogdell Rd, Marston St, and Autry Park Dr.
- Off-Site Improvements
 - W Dallas Right Turn Lane

HANOVER AUTRY PARK

QUARTERLY REPORT #8

9/16/21

- Hanover has continued to coordinated with City of Houston to resolve the right turn lane issue. Due to the existing 20" water line residing under the proposed right turn lane, the City of Houston has requested a revised design removing the proposed right turn lane. The new roadway configuration will still allow for a dedicated right turn lane, with a share left turn and through lane.
- Shepherd / Allen Parkway Right Turn Lane
 - The existing right turn lane has been removed and the new right turn lane as been placed. Hanover is working to continue concrete paving operations at that intersection with the median extension and curb replacements.
- Allen Parkway / Buffalo Park Dr Intersection
 - New signal poles have been placed. Hanover is coordinating with the traffic signal contractor to install the traffic signal elements and get the programming of the signals from the City of Houston. The completion of this intersection with roadway pavers made be delayed as a result of the Allen Parkway Sanitary Upgrades.
- W Dallas / Buffalo Park Dr Intersection
 - Hanover is awaiting removal of all overhead electrical services to complete the installation of the signal poles on the north side of the intersection. Once overhead power is removed, this intersection can progress to completion.
- Sidewalks
 - Hanover has completed the sidewalks along Shepherd and has continued to progress the installation of the sidewalks along Allen Parkway.

4. LEASING EFFORTS

Below is the status of Leasing Efforts for each development currently in design or under construction.

- Site A
 - 6 Total Proposed Retail Spaces
 - 2 in Lease Negotiations
 - 3 in LOI Negotiation
 - 1 Continued Marketing Efforts
- Site E
 - 10 Total Proposed Retail Spaces
 - 4 in Lease Negotiations
 - 5 in LOI Negotiation
 - 1 Continued Marketing Efforts
- Site B
 - 1 Total Proposed Retail Spaces
 - 1 In Lease Negotiation
- Site G
 - 2 Total Proposed Retail Spaces
 - 1 in LOI Negotiation
 - 1 Continued Marketing Efforts



TAS Pouring on W. Dallas



AT&T Working on new fiber cable W. Dallas



Fine grading on W. Dallas after paving and sidewalks



Sidewalk demo along Shepherd St.



Formwork at Shepherd turn lane to Allen Pwky.



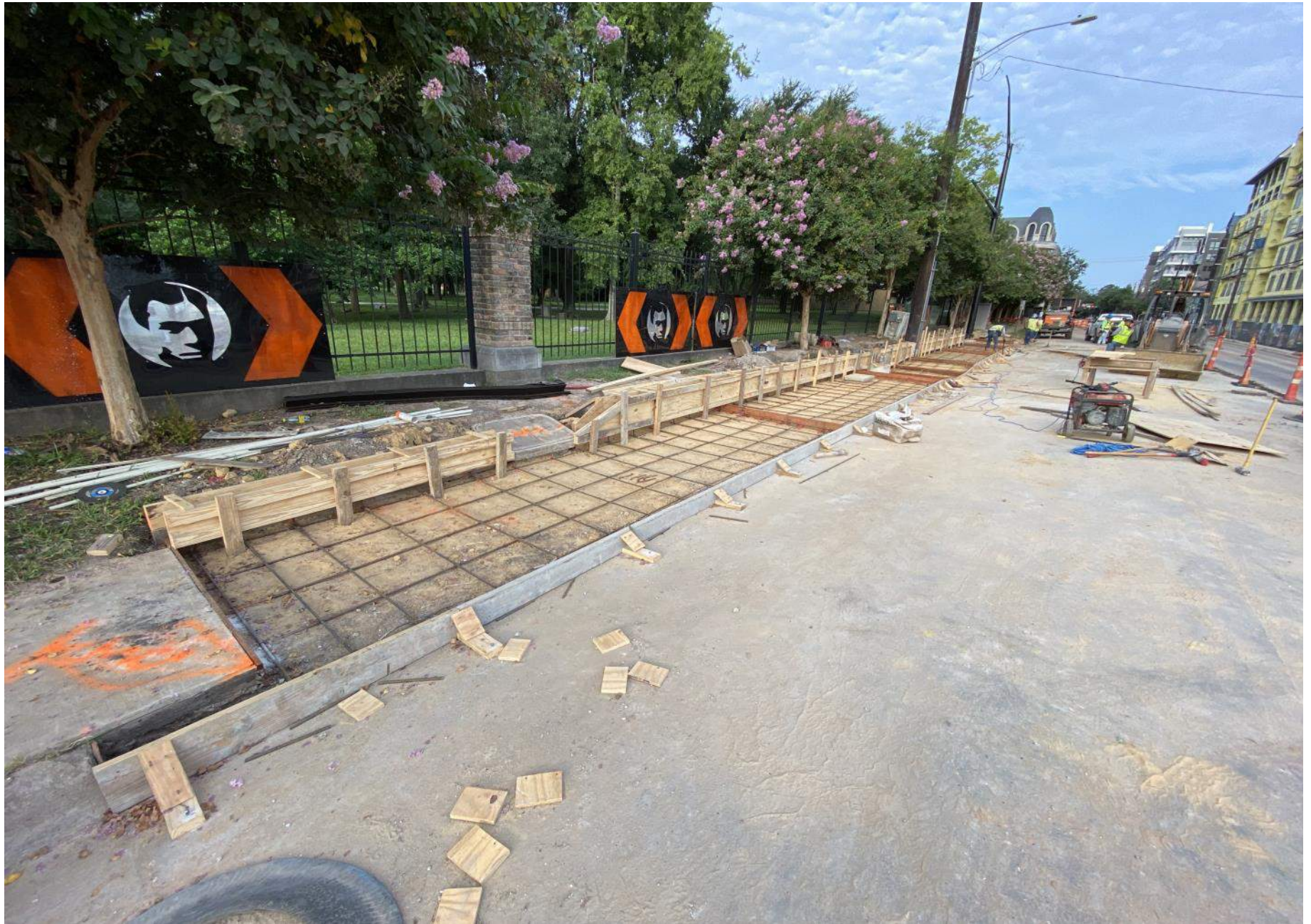
Jimerson installing new storm sewer Allen Pkwy.



Continued backfill & grading at site “C”



Hydroseeding Shepherd



Continued sidewalk formwork & rebar on W. Dallas



**Memorial Heights Redevelopment Authority
Monthly Financial Report Summary
September Board Meeting
Thursday, September 23, 2021**

At the beginning of July, the Memorial Heights Redevelopment Authority (TIRZ #5) beginning Operating Fund Balance was \$55,023,733. TIRZ #5 received a total of \$7,691,264, mainly from City of Houston increment. During the period, TIRZ #5 processed \$2,070,435 in disbursements during the period. 89% of the disbursements related to disbursements to Jones & Carter for CIP Projects (\$380,812). The ending balance as of month end August 31, 2021 was \$60,644,561.

The invoices pending approval total \$583,679. See attached “Unpaid Bills Detail” Report on page 3.

There was \$321,750 spent for Capital Projects for the period. The project that utilized the majority of the funding was T-0523A Shepherd/Durham Reconstruction (\$317,232). See attached “Capital Improvement Projects” Report on page 4.

**Memorial Heights Redevelopment Authority
General Operating Fund
As of August 31, 2021**

General Operating Fund

BEGINNING BALANCE \$ 55,023,732.74

REVENUE

Prosperity Money Market Interest	31.60	Monthly Interest	
Prosperity Operating	7,688,852.35	City Increment	
Regions Project Fund	896.33	Monthly Interest	
Regions Project Fund	926.22	Monthly Interest	
TexPool	194.10	Monthly Interest	
TexPool	363.17	Monthly Interest	
Total Revenue			7,691,263.77

DISBURSEMENTS

ACH Goodman Corporation	2,466.09	Engineering Consultant	
ACH City of Houston	160,652.00	Municipal Services fee	
ACH Jones & Carter	274,867.44	Capital Projects	
ACH McCall Gibson Swedlund Barfoot	0.00	Bond review	
ACH SMW Principle Solutions	10,000.00	Admin Consulting	
ACH SK Law	9,173.53	Legal Expense	
ACH The Morton Accounting Services	3,992.16	CPA Services	
ACH Equitax	1,730.40	Tax consultants	
ACH Quickbooks Payroll Service	11,723.37	Payroll	
ACH Prosperity	20.00	Service Charge	
ACH Frost Checking	73.46	Service Charge	
ACH Goodman Corporation	6,200.00	Engineering Consultant	
ACH Jones & Carter	105,944.89	Capital Projects	
ACH SMW Principle Solutions	0.00	Admin Consulting	
ACH SK Law	4,095.81	Legal Expense	
ACH TML Intergoverntal Risk Pool	1,467,696.46	Debt Service Payment	
ACH Quickbooks Payroll Service	11,723.37	Payroll	
ACH Prosperity	20.00	Service Charge	
ACH Frost Project Fund	35.00	Service Charge	
ACH Frost Checking	21.40	Service Charge	
Total Disbursements			2,070,435.38

ENDING BALANCE **\$ 60,644,561.13**

August 31, 2021

Balance

LOCATION OF ASSETS

Prosperity Operating	\$	-
Prosperity Money Market		(8.40)
Frost Checking		2,673,677.69
Frost Money Mkt		1,150,000.00
Frost Project Fund		(35.00)
Regions Project Fund		37,549,267.78
TexPool Investment		19,271,659.06
Total Account Balance	\$	60,644,561.13

Memorial Heights Redevelopment Authority
Unpaid Bills Detail
As of September 16, 2021

Type	Date	Num	Memo	Due Date	Open Balance
Goodman Corporation					
Bill	08/31/2021	8-2021-51	MRA108.2 Project - Project Initiation and Design Phase	09/10/2021	1,700.00
Bill	08/31/2021	8-2021-52	MRA109 General Planning Support	09/10/2021	578.45
Total Goodman Corporation					2,278.45
Jones & Carter Inc.					
Bill	08/31/2021	00327095	Work Order 1 - Through Aug 27, 2021	09/10/2021	6,415.00
Bill	08/31/2021	00327096	T0523A Shepherd Durham Grant Coordination - Through...	09/10/2021	562.50
Bill	08/31/2021	00327097	T0523A Shepherd Durham Cross Streets - PER Through...	09/10/2021	850.50
Bill	08/31/2021	00327099	T0523A Shepherd Durham Cross Streets - Final Design ...	09/10/2021	117,448.18
Bill	08/31/2021	00327100	T0523A Shepherd Durham Cross Streets - Phase 2 Thro...	09/10/2021	6,227.37
Bill	08/31/2021	00327106	T0523A Shepherd Durham Cross Streets - Phase 2 Thro...	09/10/2021	90,598.52
Bill	08/31/2021	00327108	Work Order 1 - Through Aug 27, 2021	09/10/2021	675.00
Bill	08/31/2021	00327109	Work Order 1 - Through Aug 27, 2021	09/10/2021	1,635.00
Bill	08/31/2021	00327110	Zone Wide Safety and Mobility Study - Aug 27, 2021	09/10/2021	23,806.12
Bill	08/31/2021	00327111	Zone Wide Localized Stormwater Mngt Study - Aug 27, 2...	09/10/2021	7,055.84
Total Jones & Carter Inc.					255,274.03
McCall Gibson Swedlund Barfoot PLLC					
Bill	08/31/2021	2021 Audit Inter...	2021 Audit Interim	09/10/2021	6,500.00
Total McCall Gibson Swedlund Barfoot PLLC					6,500.00
Sanford Kuhl Hagan Kugle Parker Kahn					
Bill	08/31/2021	21-0914	Admin/Meeting through August 2021	09/10/2021	990.00
Bill	08/31/2021	21-0915	Legal services through Aug 2021	09/10/2021	3,430.80
Bill	08/31/2021	21-0916	Legal services through Aug 2021	09/10/2021	400.00
Bill	08/31/2021	21-0917	Legal services through Aug 2021	09/10/2021	287.50
Bill	08/31/2021	21-0918	Legal services through Aug 2021	09/10/2021	256.25
Total Sanford Kuhl Hagan Kugle Parker Kahn					5,364.55
Sovereign Regent Square LLC					
Bill	08/31/2021	Reimbursement	Developer Reimbursement 2021 (Construction Cost)	09/10/2021	310,126.17
Total Sovereign Regent Square LLC					310,126.17
The Morton Accounting Services					
Bill	08/31/2021	2228	July and August CPA Services	09/10/2021	4,135.67
Total The Morton Accounting Services					4,135.67
TOTAL					583,678.87

Memorial Heights Redevelopment Authority
Capital Improvement Projects
 July through August 2021

Type	Date	Num	Name	Memo	Amount
Capital Improvement Plan					
T-0523A Shepherd Durham & Cross					
Bill	07/31/2021	7-2021-52	Goodman Corporation	Task 1 - \$85,000	1,700.00
Bill	07/31/2021	7-2021-53	Goodman Corporation	Task 1 - \$45,000	1,350.00
Bill	07/31/2021	7-2021-54	Goodman Corporation	-MULTIPLE-	3,150.00
Bill	07/31/2021	00325315	Jones & Carter Inc.	T0523A Shepherd Durham Grant ...	675.00
Bill	07/31/2021	00325316	Jones & Carter Inc.	T0523A Shepherd Durham Cross ...	35,351.09
Bill	07/31/2021	00325318	Jones & Carter Inc.	T0523A Shepherd Durham Cross ...	3,106.60
Bill	07/31/2021	00325319	Jones & Carter Inc.	T0523A Shepherd Durham Cross ...	54,075.20
Bill	07/31/2021	21-0741	Sanford Kuhl Hagan Kugle Parker Kahn	Legal services through July 2021	37.50
Bill	08/31/2021	8-2021-51	Goodman Corporation	Task 1 - \$85,000	1,700.00
Bill	08/31/2021	00327096	Jones & Carter Inc.	T0523A Shepherd Durham Grant ...	562.50
Bill	08/31/2021	00327097	Jones & Carter Inc.	T0523A Shepherd Durham Cross ...	850.50
Bill	08/31/2021	00327099	Jones & Carter Inc.	T0523A Shepherd Durham Cross ...	117,448.18
Bill	08/31/2021	00327100	Jones & Carter Inc.	T0523A Shepherd Durham Cross ...	6,227.37
Bill	08/31/2021	00327106	Jones & Carter Inc.	T0523A Shepherd Durham Cross ...	90,598.52
Bill	08/31/2021	21-0916	Sanford Kuhl Hagan Kugle Parker Kahn	Legal services through Aug 2021	400.00
Total T-0523A Shepherd Durham & Cross					317,232.46
T-0525 Reconst Bridges White Oa					
Bill	07/31/2021	21-0742	Sanford Kuhl Hagan Kugle Parker Kahn	Canal Project	118.75
Bill	08/31/2021	21-0917	Sanford Kuhl Hagan Kugle Parker Kahn	Canal Project	287.50
Total T-0525 Reconst Bridges White Oa					406.25
T-0528 Streets Btw Shep & Durha					
Bill	07/31/2021	00325320	Jones & Carter Inc.	West Dallas Restriping	772.50
Bill	08/31/2021	00327108	Jones & Carter Inc.	West Dallas Restriping	675.00
Total T-0528 Streets Btw Shep & Durha					1,447.50
T-0529 Yale @ Center					
Bill	08/31/2021	21-0918	Sanford Kuhl Hagan Kugle Parker Kahn	Canal Project	256.25
Total T-0529 Yale @ Center					256.25
T-0530 White Oak Bayou & Memori					
Bill	07/31/2021	00325321	Jones & Carter Inc.	White Oak to Memorial	772.50
Bill	08/31/2021	00327109	Jones & Carter Inc.	White Oak to Memorial	1,635.00
Total T-0530 White Oak Bayou & Memori					2,407.50
Total Capital Improvement Plan					321,749.96
TOTAL					321,749.96

Memorial Heights Redevelopment Authority

Profit & Loss Prev Year Comparison

July through August 2021

	Jul - Aug 21	Jul - Aug 20	\$ Change	% Change
Ordinary Income/Expense				
Income				
Interest Income	2,411.42	4,152.61	-1,741.19	-41.9%
Tax Increment - City	0.00	0.00	0.00	0.0%
Total Income	2,411.42	4,152.61	-1,741.19	-41.9%
Cost of Goods Sold				
Capital Improvement Plan				
T-0520 Houston Ave & White Oak	0.00	-28,838.67	28,838.67	100.0%
T-0521 Little Thicket Park Impr	0.00	1,228.75	-1,228.75	-100.0%
T-0523A Shepherd Durham & Cross	317,232.46	336,526.50	-19,294.04	-5.7%
T-0525 Reconst Bridges White Oa	406.25	2,647.50	-2,241.25	-84.7%
T-0527 Heights Blvd Pedestrian	0.00	7,331.89	-7,331.89	-100.0%
T-0528 Streets Btw Shep & Durha	1,447.50	7,895.00	-6,447.50	-81.7%
T-0529 Yale @ Center	256.25	0.00	256.25	100.0%
T-0530 White Oak Bayou & Memori	2,407.50	36,442.50	-34,035.00	-93.4%
Total Capital Improvement Plan	321,749.96	363,233.47	-41,483.51	-11.4%
Total COGS	321,749.96	363,233.47	-41,483.51	-11.4%
Gross Profit	-319,338.54	-359,080.86	39,742.32	11.1%
Expense				
Developer Reimbursement	310,126.17	0.00	310,126.17	100.0%
Interest Expense	492,696.46	0.00	492,696.46	100.0%
Payroll Expenses	32,583.74	0.00	32,583.74	100.0%
Program and Project Consultants				
Engineering Consultants	48,468.96	6,202.50	42,266.46	681.4%
Legal Expense	7,370.36	9,378.05	-2,007.69	-21.4%
Planning Consultants	578.45	2,867.50	-2,289.05	-79.8%
Total Program and Project Consultants	56,417.77	18,448.05	37,969.72	205.8%
TIRZ Administration & Overhead				
Accounting	4,135.67	3,700.00	435.67	11.8%
Administration	990.00	12,843.75	-11,853.75	-92.3%
Auditing	6,500.00	0.00	6,500.00	100.0%
Office Expenses				
Bank Service Charges	169.86	0.00	169.86	100.0%
Total Office Expenses	169.86	0.00	169.86	100.0%
Tax Consultant	1,730.40	2,400.00	-669.60	-27.9%
Total TIRZ Administration & Overhead	13,525.93	18,943.75	-5,417.82	-28.6%
Total Expense	905,350.07	37,391.80	867,958.27	2,321.3%
Net Ordinary Income	-1,224,688.61	-396,472.66	-828,215.95	-208.9%
Net Income	-1,224,688.61	-396,472.66	-828,215.95	-208.9%

Memorial Heights Redevelopment Authority
Balance Sheet Prev Year Comparison
As of August 31, 2021

	Aug 31, 21	Aug 31, 20	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
Frost Bank Checking	2,673,677.69	0.00	2,673,677.69	100.0%
Frost Bank Money Mkt	1,150,000.00	0.00	1,150,000.00	100.0%
Frost Bank Project Fund	-35.00	0.00	-35.00	-100.0%
Prosperity - Money Market	-8.40	4,330,939.09	-4,330,947.49	-100.0%
Prosperity Bank - Operating	0.00	33,643.80	-33,643.80	-100.0%
Regions Project Fund	37,549,267.78	0.00	37,549,267.78	100.0%
TexPool Investment	19,271,659.06	11,580,446.93	7,691,212.13	66.4%
Total Checking/Savings	60,644,561.13	15,945,029.82	44,699,531.31	280.3%
Total Current Assets	60,644,561.13	15,945,029.82	44,699,531.31	280.3%
TOTAL ASSETS	60,644,561.13	15,945,029.82	44,699,531.31	280.3%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
Accounts Payable	583,678.87	219,990.95	363,687.92	165.3%
Total Accounts Payable	583,678.87	219,990.95	363,687.92	165.3%
Other Current Liabilities				
Payroll Liabilities	9,137.00	0.00	9,137.00	100.0%
Total Other Current Liabilities	9,137.00	0.00	9,137.00	100.0%
Total Current Liabilities	592,815.87	219,990.95	372,824.92	169.5%
Long Term Liabilities				
Bond Payable	39,025,000.00	0.00	39,025,000.00	100.0%
Premium on Bonds Payable	2,872,124.50	0.00	2,872,124.50	100.0%
Total Long Term Liabilities	41,897,124.50	0.00	41,897,124.50	100.0%
Total Liabilities	42,489,940.37	219,990.95	42,269,949.42	19,214.4%
Equity				
Retained Earnings	19,379,309.37	16,121,511.53	3,257,797.84	20.2%
Net Income	-1,224,688.61	-396,472.66	-828,215.95	-208.9%
Total Equity	18,154,620.76	15,725,038.87	2,429,581.89	15.5%
TOTAL LIABILITIES & EQUITY	60,644,561.13	15,945,029.82	44,699,531.31	280.3%

Memorial Heights Redevelopment Authority

Profit & Loss Detail

Accrual Basis

July through August 2021

Type	Date	Num	Adj	Name	Memo	Amount
Ordinary Income/Expense						
Income						
Interest Income						
Deposit	07/31/2021			Interest		31.60
Deposit	07/31/2021			Interest		194.10
Deposit	07/31/2021			Interest		896.33
Deposit	08/31/2021			Interest		363.17
Deposit	08/31/2021			Interest		926.22
Total Interest Income						2,411.42
Tax Increment - City						
General...	07/01/2021	CPA 21-2R	*	City of Houston Cust.	Increment due from City	-7,688,852.35
Deposit	07/15/2021	ACH		City of Houston	Deposit	7,688,852.35
Total Tax Increment - City						0.00
Total Income						2,411.42
Cost of Goods Sold						
Capital Improvement Plan						
T-0523A Shepherd Durham & Cross						
Bill	07/31/2021	7-2021-52		Goodman Corporation	Task 1 - \$85,000	1,700.00
Bill	07/31/2021	7-2021-53		Goodman Corporation	Task 1 - \$45,000	1,350.00
Bill	07/31/2021	7-2021-54		Goodman Corporation	Task 1 - \$22,500	225.00
Bill	07/31/2021	7-2021-54		Goodman Corporation	Task 2 - \$22,500	2,925.00
Bill	07/31/2021	00325315		Jones & Carter Inc.	T0523A Shepherd Durham Grant Coordination - Through...	675.00
Bill	07/31/2021	00325316		Jones & Carter Inc.	T0523A Shepherd Durham Cross Streets - Final Design ...	35,351.09
Bill	07/31/2021	00325318		Jones & Carter Inc.	T0523A Shepherd Durham Cross Streets - Phase 2 Thro...	3,106.60
Bill	07/31/2021	00325319		Jones & Carter Inc.	T0523A Shepherd Durham Cross Streets - Phase 2 WO...	54,075.20
Bill	07/31/2021	21-0741		Sanford Kuhl Hagan Kugle Parker Ka...	Legal services through July 2021	37.50
Bill	08/31/2021	8-2021-51		Goodman Corporation	Task 1 - \$85,000	1,700.00
Bill	08/31/2021	00327096		Jones & Carter Inc.	T0523A Shepherd Durham Grant Coordination - Through...	562.50
Bill	08/31/2021	00327097		Jones & Carter Inc.	T0523A Shepherd Durham Cross Streets - PER Through...	850.50
Bill	08/31/2021	00327099		Jones & Carter Inc.	T0523A Shepherd Durham Cross Streets - Final Design ...	117,448.18
Bill	08/31/2021	00327100		Jones & Carter Inc.	T0523A Shepherd Durham Cross Streets - Phase 2 Thro...	6,227.37
Bill	08/31/2021	00327106		Jones & Carter Inc.	T0523A Shepherd Durham Cross Streets - Phase 2 Thro...	90,598.52
Bill	08/31/2021	21-0916		Sanford Kuhl Hagan Kugle Parker Ka...	Legal services through Aug 2021	400.00
Total T-0523A Shepherd Durham & Cross						317,232.46
T-0525 Reconst Bridges White Oa						
Bill	07/31/2021	21-0742		Sanford Kuhl Hagan Kugle Parker Ka...	Canal Project	118.75
Bill	08/31/2021	21-0917		Sanford Kuhl Hagan Kugle Parker Ka...	Canal Project	287.50
Total T-0525 Reconst Bridges White Oa						406.25
T-0528 Streets Btw Shep & Durha						
Bill	07/31/2021	00325320		Jones & Carter Inc.	West Dallas Restriping	772.50
Bill	08/31/2021	00327108		Jones & Carter Inc.	West Dallas Restriping	675.00
Total T-0528 Streets Btw Shep & Durha						1,447.50
T-0529 Yale @ Center						
Bill	08/31/2021	21-0918		Sanford Kuhl Hagan Kugle Parker Ka...	Canal Project	256.25
Total T-0529 Yale @ Center						256.25
T-0530 White Oak Bayou & Memori						
Bill	07/31/2021	00325321		Jones & Carter Inc.	White Oak to Memorial	772.50
Bill	08/31/2021	00327109		Jones & Carter Inc.	White Oak to Memorial	1,635.00
Total T-0530 White Oak Bayou & Memori						2,407.50
Total Capital Improvement Plan						321,749.96
Total COGS						321,749.96
Gross Profit						-319,338.54
Expense						
Developer Reimbursement						
Bill	08/31/2021	Reimburse...		Sovereign Regent Square LLC	Developer Reimbursement 2021 (Construction Cost)	310,126.17
Total Developer Reimbursement						310,126.17
Interest Expense						
Bill	08/23/2021	1001021207		Regions Corporate Trust	Debt Service Payment	492,696.46
Total Interest Expense						492,696.46

Memorial Heights Redevelopment Authority

Profit & Loss Detail

Accrual Basis

July through August 2021

Type	Date	Num	Adj	Name	Memo	Amount
Payroll Expenses						
Liability ...	07/29/2021			QuickBooks Payroll Service	Fee for 1 direct deposit(s) at \$1.75 each	1.75
Liability ...	07/29/2021			QuickBooks Payroll Service	Sales Tax for TX	0.12
Paycheck	07/30/2021	DD1001		Sherry Weesner	Direct Deposit	15,000.00
Paycheck	07/30/2021	DD1001		Sherry Weesner	Direct Deposit	930.00
Paycheck	07/30/2021	DD1001		Sherry Weesner	Direct Deposit	217.50
Paycheck	07/30/2021	DD1001		Sherry Weesner	Direct Deposit	42.00
Paycheck	07/30/2021	DD1001		Sherry Weesner	Direct Deposit	243.00
Liability ...	08/30/2021			QuickBooks Payroll Service	Fee for 1 direct deposit(s) at \$1.75 each	1.75
Liability ...	08/30/2021			QuickBooks Payroll Service	Sales Tax for TX	0.12
Paycheck	08/31/2021	DD1002		Sherry Weesner	Direct Deposit	15,000.00
Paycheck	08/31/2021	DD1002		Sherry Weesner	Direct Deposit	930.00
Paycheck	08/31/2021	DD1002		Sherry Weesner	Direct Deposit	217.50
Paycheck	08/31/2021	DD1002		Sherry Weesner	Direct Deposit	0.00
Paycheck	08/31/2021	DD1002		Sherry Weesner	Direct Deposit	0.00
Total Payroll Expenses						32,583.74
Program and Project Consultants						
Engineering Consultants						
Bill	07/31/2021	00325322		Jones & Carter Inc.	Zone Wide Safety and Mobility Study - July 23, 2021	11,192.00
Bill	08/31/2021	00327095		Jones & Carter Inc.	Work Order 1 - Through Aug 27, 2021	6,415.00
Bill	08/31/2021	00327110		Jones & Carter Inc.	Zone Wide Safety and Mobility Study - Aug 27, 2021	23,806.12
Bill	08/31/2021	00327111		Jones & Carter Inc.	Zone Wide Localized Stormwater Mngt Study - Aug 27, 2...	7,055.84
Total Engineering Consultants						48,468.96
Legal Expense						
Bill	07/31/2021	21-0739		Sanford Kuhl Hagan Kugle Parker Ka...	Legal services through July 2021	3,652.06
Bill	07/31/2021	21-0740		Sanford Kuhl Hagan Kugle Parker Ka...	Regents Square GID	287.50
Bill	08/31/2021	21-0915		Sanford Kuhl Hagan Kugle Parker Ka...	Legal services through Aug 2021	3,430.80
Total Legal Expense						7,370.36
Planning Consultants						
Bill	08/31/2021	8-2021-52		Goodman Corporation	Task 1 - \$15,000	578.45
Total Planning Consultants						578.45
Total Program and Project Consultants						56,417.77
TIRZ Administration & Overhead						
Accounting						
Bill	08/31/2021	2228		The Morton Accounting Services	July and August CPA Services	4,135.67
Total Accounting						4,135.67
Administration						
Bill	08/31/2021	21-0914		Sanford Kuhl Hagan Kugle Parker Ka...	Admin/Meeting through August 2021	990.00
Total Administration						990.00
Auditing						
Bill	08/31/2021	2021 Audit...		McCall Gibson Swedlund Barfoot PLLC	2021 Audit Interim	6,500.00
Total Auditing						6,500.00
Office Expenses						
Bank Service Charges						
Check	07/31/2021				Service Charge	73.46
Check	07/31/2021				Service Charge	20.00
Check	08/17/2021				Service Charge	35.00
Check	08/31/2021				Service Charge	20.00
Check	08/31/2021				Service Charge	21.40
Total Bank Service Charges						169.86
Total Office Expenses						169.86
Tax Consultant						
Bill	07/01/2021	57140		Equi Tax Inc.	July - Dec 2021 Tax Consulting	1,730.40
Total Tax Consultant						1,730.40
Total TIRZ Administration & Overhead						13,525.93
Total Expense						905,350.07
Net Ordinary Income						-1,224,688.61
Net Income						-1,224,688.61

No assurance is provided on these financial statements

Memorial Heights Redevelopment Authority – TIRZ 5

Investment Report

September 2021

TEXPOOL

Date	Balance	Interest	Average Yield
June 30, 2021	\$11,582,140.59	\$124.42	.022%
July 31, 2021	\$19,271,295.89	\$194.10	.0189%
August 31, 2021	\$19,271,659.06	\$363.17	.0131%

Regions Project Fund

Date	Balance	Income	Average Yield at Market
June 30, 2021	\$41,786,806.23	\$926.18	.03%
July 31, 2021	\$41,787,702.56	\$896.33	.03%
August 31, 2021	\$37,549,267.78	\$928.22	.03%

This report and the Authority's investment portfolio are in compliance with the investment strategies expressed in the Authority's Investment Policy and the Public Funds Investment Act.



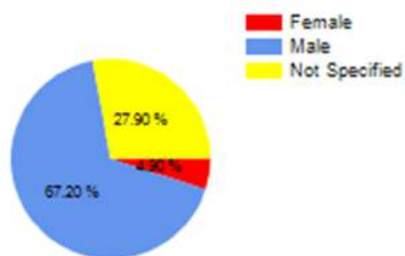
Sherry F. Weesner, Investment Officer

Economic Development Diversity Dashboard Report

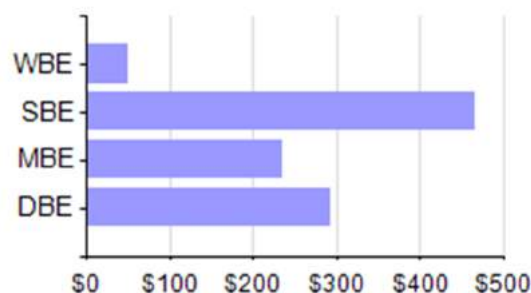
FY2018 (7/1/2017 to 6/30/2018 through FY2022 (7/2/2021 to 6/30/2022))

Contract Type	Total Award	Certified Award	Goal	Total Payments	Payments for Credit	Actual	No. of Contracts
Construction	\$1,791,189	\$298,508	16.7%	\$1,679,152	\$308,192	18.4%	3
Professional Services	\$8,676,200	\$1,707,973	19.7%	\$2,347,032	\$738,539	31.5%	9
Subtotal	\$10,467,389	\$2,006,481	19.2%	\$4,026,184	\$1,046,731	26.0%	12
0% Goal Contracts	\$290,100	\$0	0.0%	\$154,554	\$0	0.0%	4
Grand Total	\$10,757,489	\$2,006,481	18.7%	\$4,180,737	\$1,046,731	25.0%	16

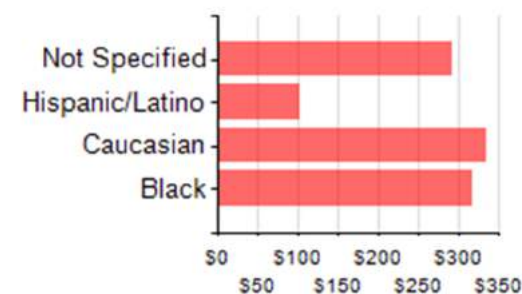
Gender



Certification Type (in Thousands)



Ethnicity (in Thousands)



Gender	Payments For Credit	No. of Vendor
Female	\$51,312	3
Male	\$703,433	10
Not Specified	\$291,987	1
Grand Total	\$1,046,731	14

Certification	Payments For Credit	No. of Cert Types
DBE	\$292,662	2
MBE	\$235,627	5
SBE	\$467,806	5
WBE	\$50,637	2
Grand Total	\$1,046,731	14

Ethnicity	Payments For Credit	No. of Vendor
Black	\$318,294	7
Caucasian	\$334,543	4
Hispanic/Latino	\$101,908	2
Not Specified	\$291,987	1
Grand Total	\$1,046,731	14

Project Name	Contract Name	Total Award	Certified Award	Goal	Total Payments	Payments for Credit	Actual	No. of Contracts
Heights Boulevard Pedestrian and Bicycle Safety	Alternative Analysis	\$10,000	\$0	0.0%	\$0	\$0	0.0%	1
Bryce Street Trailhead Construction	Bryce Street Trailhead Construction	\$165,340	\$165,340	100.0%	\$165,340	\$165,340	100.0%	1

Heights Boulevard Pedestrian and Bicycle Safety	Final Design	\$234,000	\$72,849	31.1%	\$67,405	\$20,384	30.2%	1
Houston Ave/White Oak Intersection	Houston Ave/White Oak Intersection	\$512,580	\$66,528	13.0%	\$353,550	\$41,337	11.7%	1
Houston Ave/White Oak Intersection Construction	Houston Ave/White Oak Intersection Construction	\$1,233,194	\$94,690	7.7%	\$1,122,787	\$101,908	9.1%	1
Little Thicket Park Construction	Little Thicket Park	\$392,655	\$38,478	9.8%	\$391,025	\$40,944	10.5%	1
Pedestrian and Bicycle Safety Improvements - Construction Phase Services	Pedestrian and Bicycle Safety Improvements - Construction Phase Services	\$154,320	\$0	0.0%	\$0	\$0	0.0%	1
Segment of Trail between White Oak Bayou and Memorial Park Project	Segment of Trail between White Oak Bayou and Memorial Park Project	\$90,000	\$0	0.0%	\$63,667	\$0	0.0%	1
Shepherd, Durham, and Selected Cross Streets Reconstruction	Shepherd, Durham, and Selected Cross Streets - Phase 1 Construction Phase Services	\$678,800	\$0	0.0%	\$0	\$0	0.0%	1
Shepherd, Durham, and Selected Cross Streets Reconstruction	Shepherd, Durham, and Selected Cross Streets - Phase 1 Final Design	\$3,008,100	\$733,305	24.4%	\$1,260,796	\$427,655	33.9%	1
Shepherd, Durham, and Selected Cross Streets Reconstruction	Shepherd, Durham, and Selected Cross Streets - Phase 2 Accel. Tasks	\$381,000	\$69,300	18.2%	\$27,974	\$0	0.0%	1
Shepherd, Durham, and Selected Cross Streets Reconstruction	Shepherd, Durham, and Selected Cross Streets - Phase 2 Final Design	\$2,669,300	\$492,758	18.5%	\$171,727	\$0	0.0%	1
Shepherd, Durham, and Selected Cross Streets Reconstruction	Shepherd, Durham, and Selected Cross Streets - Preliminary Engineering	\$1,028,100	\$273,233	26.6%	\$465,580	\$249,162	53.5%	1
West Dallas Restriping Project	West Dallas Restriping Project	\$79,900	\$0	0.0%	\$45,793	\$0	0.0%	1
Zone Wide Localized Stormwater Management	Zone Wide Localized Stormwater Management - Preliminary Engineering	\$60,200	\$0	0.0%	\$7,056	\$0	0.0%	1
Zone Wide Safety and Mobility Project	Zone Wide Safety and Mobility Projects - Preliminary Engineering	\$60,000	\$0	0.0%	\$38,039	\$0	0.0%	1
Total		\$10,757,489	\$2,006,481	18.7%	\$4,180,737	\$1,046,731	25.0%	16

Memorial Heights Redevelopment Authority/TIRZ No. 5

Project Update – September 14, 2021



JC WA	Project Name	CIP Project Number	Status	Work Completed Since August 2021 Board Meeting	Work Anticipated in the Next Month
WA#1	General Consultation	-	In Progress	<ul style="list-style-type: none"> Updated and maintained master schedule. Reviewed draft CIP Updated Story Map Prepared for meetings. 	<ul style="list-style-type: none"> Meet with Projects Committee 9/15/2021. Update COH MWDBE Database for all active CIP projects. Maintain project list and Story Map, as needed. Update and maintain master schedule.
WA#7	Heights Boulevard Safety Improvements	T-0527	Active Design	<ul style="list-style-type: none"> Received final approved plans. 	<ul style="list-style-type: none"> Advertise and bid
WA#8	North Canal Project	T-0525	Planning	<ul style="list-style-type: none"> Began reviewing the preliminary drainage models. 	<ul style="list-style-type: none"> Continue coordination with COH, as needed Meet with TxDOT and HCFCD, as needed.
T-0523A-WA#1	Shepherd and Durham Grant Coordination	T-0523A	Planning	<ul style="list-style-type: none"> Provided final plans for submittal to FHWA. 	<ul style="list-style-type: none"> Continued support of grant administration.
T-0523A-WA#2	Shepherd and Durham PER	T-0523A	Active Design	<ul style="list-style-type: none"> Received environmental clearance. 	<ul style="list-style-type: none"> Close out.
T-0523A-WA#3	Shepherd and Durham - Phase 1 Final Design	T-0523A	Active Design	<ul style="list-style-type: none"> Received final approved plans. Continued coordination with HPW on street lights. Continued coordination with METRO on BOOST and Inner-Katy BRT. 	<ul style="list-style-type: none"> Advertise and prepare to bid project. Complete coordination on street lights. Continue coordination with CenterPoint and AT&T regarding their facilities.
T-0523A-WA#4	Shepherd Durham Phase 2 Accelerated Tasks	T-0523A	Active Design	<ul style="list-style-type: none"> Continued coordination with AT&T and CenterPoint for utility relocations and adjustments. Continued geotechnical investigation 	<ul style="list-style-type: none"> Continue coordination with CenterPoint and AT&T regarding their facilities. Continue geotechnical investigation and draft report.
T-0523A-WA#5	Shepherd Durham - Phase 2 Final Design	T-0523A	Active Design	<ul style="list-style-type: none"> Continued roadway and drainage design. Continued survey updates. Coordinated with HPW on final water and wastewater recommendations. 	<ul style="list-style-type: none"> Continue roadway and drainage design. Complete survey updates. Begin water and wastewater design.
T-0523A-WA#6	Shepherd Durham - Phase 1 Construction	T-0523A	Construction	<ul style="list-style-type: none"> Awaiting bids. 	<ul style="list-style-type: none"> Anticipate Board approval of bidder in November.
T-0528-WA#1	West Dallas Restriping	T-0528	Active Design	<ul style="list-style-type: none"> Updated bus stop location. Submitted to HPW for signatures. 	<ul style="list-style-type: none"> Coordinate HPW signatures.
T-0530-WA#1	White Oak Bayou Trail Connection	T-0530	Active Design	<ul style="list-style-type: none"> Received final approved plans. 	<ul style="list-style-type: none"> Advertise and prepare to bid project.
T-0532-WA#1	Zone Wide Safety and Mobility Study	T-0532	Planning	<ul style="list-style-type: none"> Completed data collection and began analysis of data. Prepared mapping of findings. Began prioritizing areas. 	<ul style="list-style-type: none"> Complete maps. Complete prioritization. Complete report.
T-0533-WA#1	Zone Wide Drainage Study	T-0533	Planning	<ul style="list-style-type: none"> Began data collection. Prepare mapping. Prepared preliminary models. 	<ul style="list-style-type: none"> Complete models. Prepare mapping. Prepare report.



TIRZ 5 Points of Interest

LEGEND

- ★ POI Cat 1
- ★ POI Cat 2
- ★ POI Cat 3
- ★ POI Cat 4
- ★ B-cycle Station

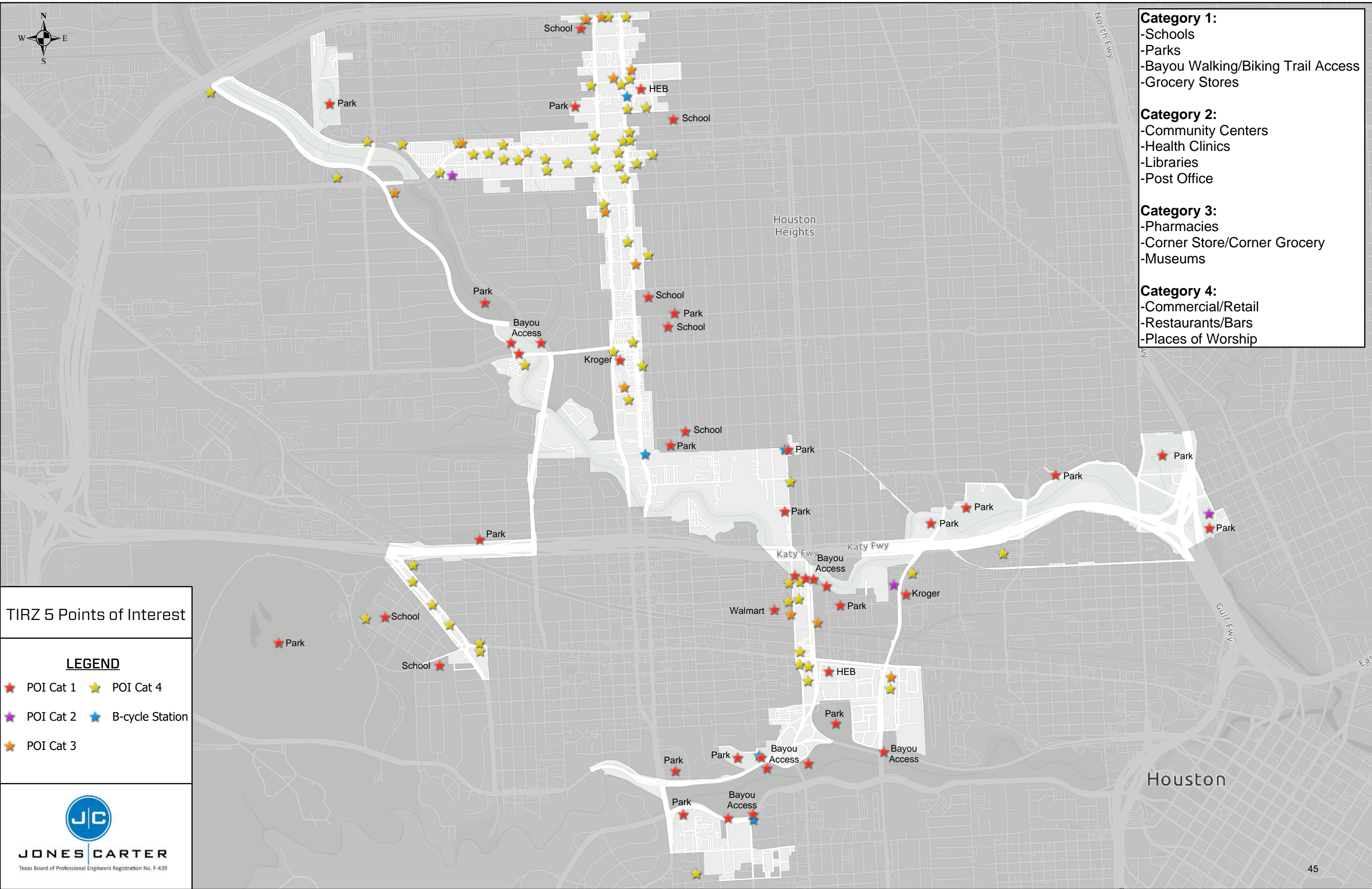


Category 1:
-Schools
-Parks
-Bayou Walking/Biking Trail Access
-Grocery Stores

Category 2:
-Community Centers
-Health Clinics
-Libraries
-Post Office

Category 3:
-Pharmacies
-Corner Store/Corner Grocery
-Museums

Category 4:
-Commercial/Retail
-Restaurants/Bars
-Places of Worship

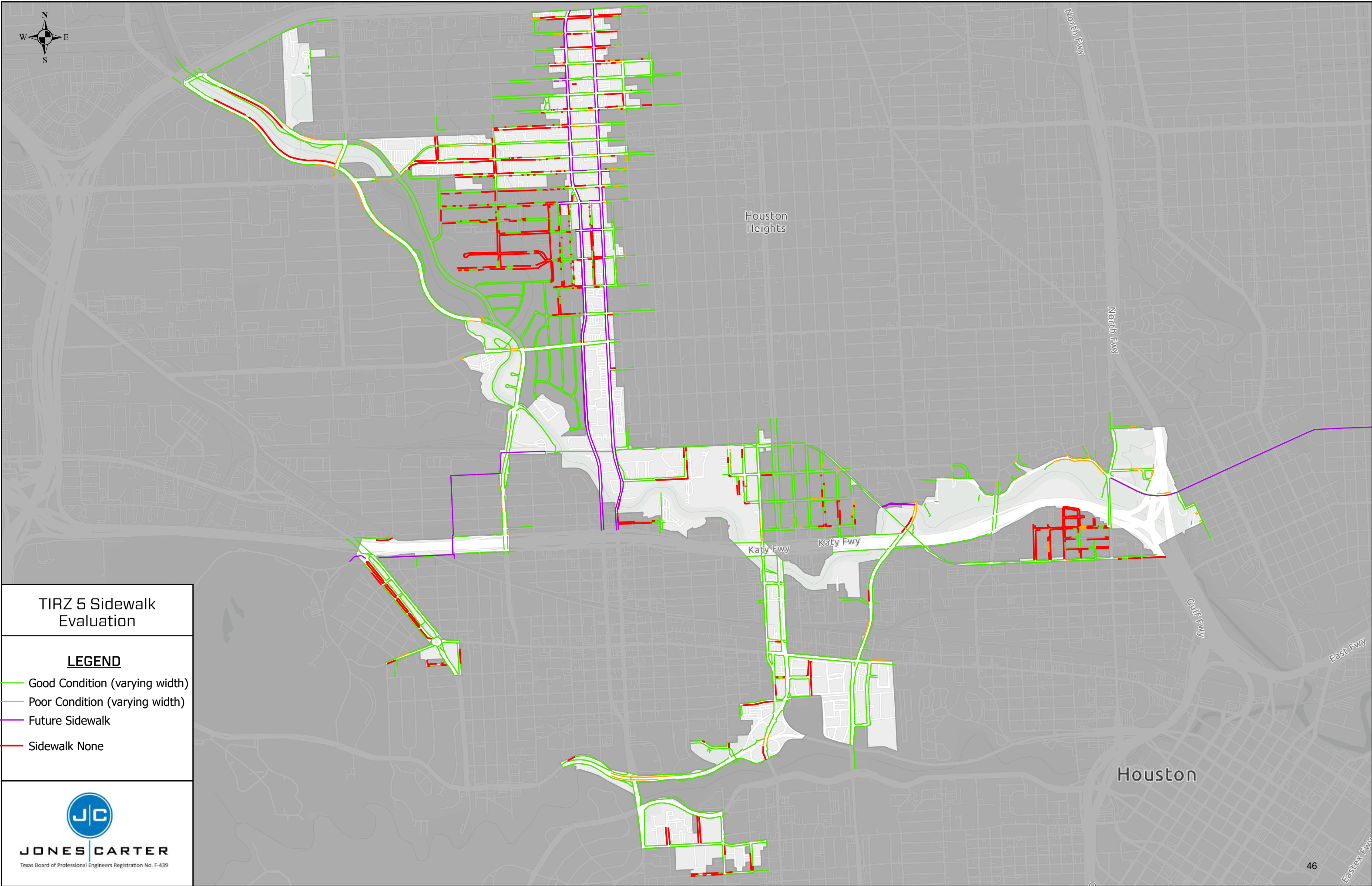




TIRZ 5 Sidewalk Evaluation

LEGEND

- Good Condition (varying width)
- Poor Condition (varying width)
- Future Sidewalk
- Sidewalk None





TIRZ 5 Ramp Evaluation

LEGEND

- Corner - Good
- Directional - Good
- Corner - Poor
- Directional - Poor
- Ramps - Future Projects
- Construction
- Ramps None



TIRZ 5 Houston Bike Plan

LEGEND

HBP Existing High Comfort Bikeways

- Dedicated On-Street
- Off-Street
- Shared On-Street

HBP Programmed Projects

- Dedicated On-Street
- Off-Street

HBP Potential Short Term Projects

- Dedicated On-Street
- Off-Street
- Shared On-Street

HBP Long Term Vision

- Dedicated On-Street
- Off-Street
- Shared On-Street

HBP Key Connections

- HBP Key Connections

POI Cat 1

- POI Cat 1

POI Cat 2

- POI Cat 2

POI Cat 3

- POI Cat 3

POI Cat 4

- POI Cat 4

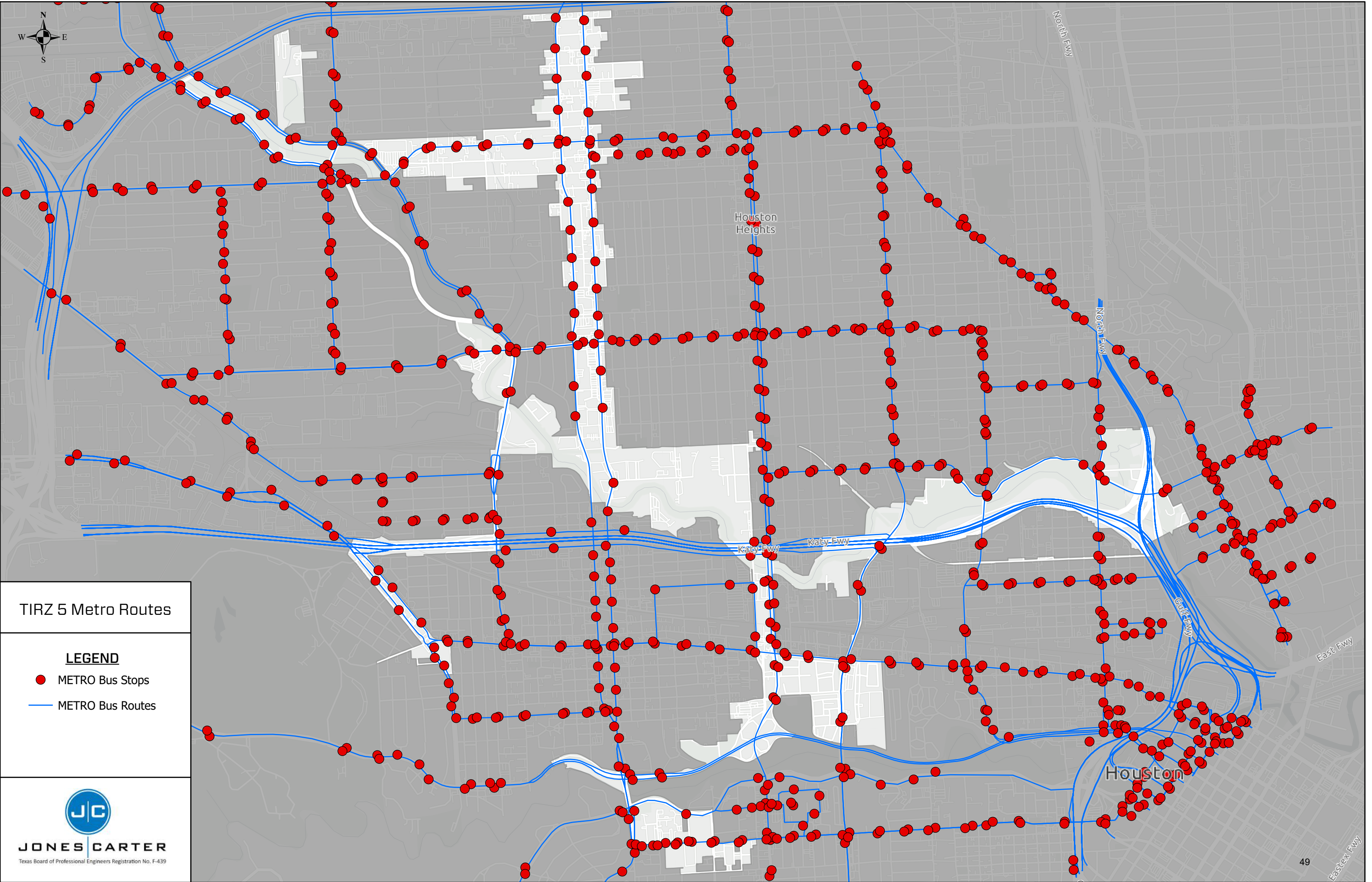
B-cycle Station

- B-cycle Station



JONES CARTER

Texas Board of Professional Engineers Registration No. F-439



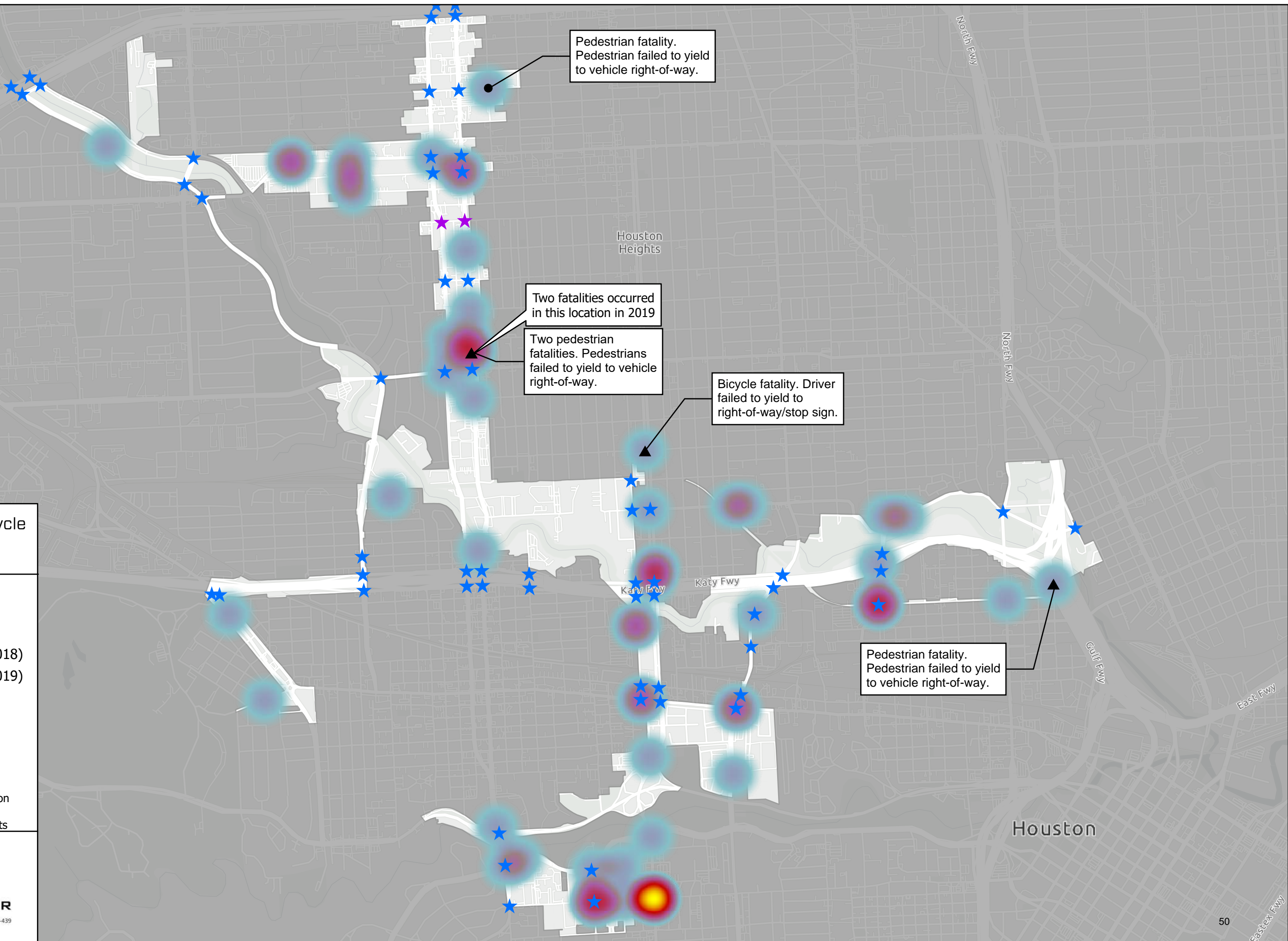
TIRZ 5 Metro Routes

LEGEND

- METRO Bus Stops
- METRO Bus Routes



JONES CARTER
Texas Board of Professional Engineers Registration No. F-439



Pedestrian and Bicycle Crashes (2018-2020)

LEGEND

- ★ Traffic Signal
- ★ Future Traffic Signal
- Fatality Location (2018)
- ▲ Fatality Location (2019)

2018 (19 Total)
2019 (29 Total)
2020 (14 Total)

62 Crashes Total (2018-2020)

NOTE: Crash data information provided by TxDOT Texas Peace Officer's Crash Reports

JONES CARTER

Texas Board of Professional Engineers Registration No. F-439

**MEMORIAL-HEIGHTS
REDEVELOPMENT AUTHORITY**

**Annual Financial Statements
and
Supplementary Information**

**June 30, 2021
(With Independent Auditor's Report Thereon)**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Memorial-Heights Redevelopment Authority
City of Houston, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Memorial-Heights Redevelopment Authority (the "Authority"), a component unit of the City of Houston, Texas, as of and for the year ended June 30, 2021, 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 principles 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.

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 each 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 Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Budgetary Comparison Schedule – All Combined Governmental Funds 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 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 23, 2021

MEMORIAL-HEIGHTS REDEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2021

The discussion and analysis of Memorial-Heights Redevelopment Authority's (Authority or MHRA) financial statements provide an overview of the Authority's financial performance during the years ended June 30, 2021, and 2020. This discussion and analysis includes comparative data for the year ended June 30, 2021, with the year ended June 30, 2020, with a brief explanation for significant changes between fiscal years. Since the Management's Discussion and Analysis is designed to focus on current activities, resulting changes and currently known facts, please read in conjunction with the Authority's financial statements and footnotes.

HIGHLIGHTS

- Since its creation in 1996, Reinvestment Zone Number Five, City of Houston (Zone) has seen an increase in taxable value. As of tax year 2020, the projected taxable value was approximately \$2,541,586,101. This increase in value over the base year value of \$1,529,905,879 was due to multiple factors including annexation of territory into the boundaries of the Zone and subsequent development of multi-family development and commercial projects in the Zone.
- The Authority recorded its annual Municipal Services Payment to the City of Houston in the amount of \$160,652.
- During Fiscal Years 2018, 2019 and 2020, MHRA continued work on the Shepherd/Durham Streets Reconstruction Project and has successfully obtained grant funding. During Fiscal Year 2021, MHRA completed design of Phase 1 (15th Street to 610) and started design on Phase 2 (15th Street to I-10). Construction is expected to start on Phase 1 in Fiscal Year 2022.
- Design was also completed for the Bicycle and Pedestrian facilities at the intersection of Washington/Center and Heights and improvements to the MKT Trail and a section of the trail connection between the White Oak Bayou Trail and Memorial Park. Design for the restriping of West Dallas between Dunlavy and Waugh to add bicycle facilities is expected to be complete in the first quarter of FY 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

Under Governmental Accounting Standards Board (GASB) Statement No. 34, the Authority qualifies as a special purpose government with one program – redevelopment of the Memorial-Heights Area, an area in central Houston consisting of commercial and recreational corridors within an area generally bounded by IH-610 to the North and West, IH-45 to the East, and West Clay Street to the South (the “Memorial-Heights Area”). GASB Statement No. 34 allows such entities to combine the fund financial statements and the government-wide financial statements rather than presenting separate statements.

MEMORIAL-HEIGHTS REDEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-wide statements report information about the Authority as a whole using accounting methods similar to those used in private-sector companies. The Statement of Net Position includes all of the Authority's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities, regardless of when cash is received or paid. The fund financial statements report information about the Authority on the modified accrual basis, which only accounts for revenues that are measurable and available within the current period or soon enough thereafter to pay liabilities of the current period. Adjustments are provided to reconcile the government-wide statements to the fund statements. Explanations for reconciling items in the "Adjustments" column are provided on the face of the statements.

STATEMENT OF NET POSITION

The Statement of Net Position includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. The Authority's cash deposits are collateralized by pledged securities. For a more detailed analysis of assets and liabilities, see the notes to the financial statements. The following table reflects condensed information (rounded to the nearest thousand) on the Authority's net position at June 30:

Summary of Changes in the Statement of Net Position			
	2021	2020	Change Positive (Negative)
ASSETS:			
Cash and Investments	\$ 55,023,000	\$ 12,352,000	\$ 42,671,000
Tax Increments Receivable	7,689,000	4,493,000	3,196,000
TOTAL ASSETS	\$ 62,712,000	\$ 16,845,000	\$ 45,867,000
LIABILITIES:			
Due to Developer	\$ 2,064,000	\$ 2,350,000	\$ 286,000
Long -Term Liabilities	41,876,000	-	(41,876,000)
Other Liabilities	1,600,000	724,000	(876,000)
TOTAL LIABILITIES	\$ 45,540,000	\$ 3,074,000	\$ (42,466,000)
Net Position:			
Restricted	\$ (164,000)	\$	\$ (164,000)
Unrestricted	17,336,000	13,771,000	3,565,000
TOTAL NET POSITION	\$ 17,172,000	\$ 13,771,000	\$ 3,401,000

MEMORIAL-HEIGHTS REDEVELOPMENT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021

STATEMENT OF ACTIVITIES

The Statement of Activities presents the operating results of the Authority. The following table reflects condensed information on the Authority's operations for the years ended June 30:

	Summary of Changes in the Statement of Activities		
	2021	2020	Change Positive (Negative)
REVENUES:			
Tax Increment Revenue	\$ 8,093,000	\$ 6,606,000	\$ 1,487,000
Interest Revenue	17,000	172,000	155,000
Miscellaneous Revenue	-	430,000	(430,000)
TOTAL REVENUES	\$ 8,110,000	\$ 7,208,000	\$ 1,212,000
EXPENSES:			
Project Cost	\$ 2,681,000	\$ 1,845,000	\$ (836,000)
Other Costs	565,000	398,000	(167,000)
Support Services	233,000	216,000	(17,000)
Loan Costs	1,230,000	-	(1,230,000)
TOTAL EXPENSES	\$ 4,709,000	\$ 2,459,000	\$ (2,250,000)
CHANGE IN NET POSITION	\$ 3,401,000	\$ 4,749,000	\$ (1,348,000)
NET POSITION, BEGINNING OF YEAR	13,771,000	9,022,000	4,749,000
NET POSITION, END OF YEAR	\$ 17,172,000	\$ 13,771,000	\$ 3,401,000

Tax Increments

The City has agreed, subject to certain limitations, to deposit to the Tax Increment Fund established for the Authority, a certain percentage of tax collections arising from their taxation of the increase, if any, in the appraised value of real property located in the Zone since a designated base year. The City remits its tax increments on an annual basis.

MEMORIAL-HEIGHTS REDEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2021

Capital Assets

The Authority had no capital assets as of June 30, 2021. Under the Development Agreements, the Authority oversees the construction of certain public improvements in the Memorial-Heights Areas. Upon completion and inspection by the Authority's consultants and the City's inspectors, the public improvements are automatically conveyed to the City. Thus, although it may have obligations to reimburse construction participants, including developers, for the public improvements, the Authority never holds title to any public improvements.

Debt

As of June 30, 2021, the Authority authorized and issued bonds totaling \$40,000,000. As of June 30, 2021, the Authority owed developers \$2,063,861. The Series 2021 Tax Increment Contract Bonds carry an insured rating of "AA" by virtue of bond insurance issued by Assured Guaranty Municipal Corporation. The above ratings reflect changes if any through June 30, 2021.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Authority's overall final budget for 2021 was in excess of \$63.8 million dollars.

Actual tax increments and other income received were more than budgeted. Total expenditures were less than budgeted. See the budget to actual comparison on page 22.

CURRENT AND FUTURE PROJECTS

The Authority is undertaking or considering the following projects in the Memorial Heights Area, including:

- Shepherd/Durham Streets Reconstruction Project including selected cross streets between Shepherd and Durham
- Bicycle and pedestrian facility improvement to improve safety at the intersection of Washington/Center and Heights and at various intersections along the MKT trail
- Selected streets between Shepherd and Durham
- Yale and Center Street Intersection Signalization Improvements
- Participating with the City of Houston, TxDOT, and the Harris County Flood Control District to develop and construct the North Canal Flood Control Project
- Restriping of West Dallas between Dunlavy and Waugh to add bicycle facilities.
- Section of the trail connection from the White Oak Bayou Trail to Memorial Park

This financial report is designed to provide a general overview of the Memorial-Heights Redevelopment Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to John Kuhl, Attorney, SKLaw, 1980 Post Oak Boulevard, Suite 1380, Houston, Texas 77056.

MEMORIAL-HEIGHTS REDEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
JUNE 30, 2021

	General Fund	Capital Projects Fund
ASSETS		
Cash	\$ 1,654,786	\$
Investments	11,582,141	41,786,806
Tax Increment Receivable	7,688,852	
TOTAL ASSETS	\$ 20,925,779	\$ 41,786,806
LIABILITIES		
Accounts Payable	\$ 461,151	\$
Accrued Interest Payable		
Due to Developer		
Long Term Liabilities:		
Due Within One Year		
Due After One Year		
TOTAL LIABILITIES	\$ 461,151	\$ -0-
FUND BALANCE		
Restricted for Authorized Constructio	\$	\$ 41,786,806
Assigned to 2022 Budget Deficit	11,331,339	
Unassigned	9,133,289	
TOTAL FUND BALANCE	\$ 20,464,628	\$ 41,786,806
TOTAL LIABILITIES AND FUND BALANCE	\$ 20,925,779	\$ 41,786,806
NET POSITION		
Restricted for Debt Service:		
Unrestricted		
TOTAL NET POSITION		

The accompanying notes to the financial
statements are an integral part of this report.

Total	Adjustments	Statement of Net Position
\$ 1,654,786	\$	\$ 1,654,786
53,368,947		53,368,947
7,688,852		7,688,852
<u>\$ 62,712,585</u>	<u>\$</u>	<u>\$ 62,712,585</u>
 \$ 461,151	 \$	 \$ 461,151
	164,232	164,232
	2,063,861	2,063,861
	975,000	975,000
	<u>41,876,432</u>	<u>41,876,432</u>
<u>\$ 461,151</u>	<u>\$ 45,079,525</u>	<u>\$ 45,540,676</u>
 \$ 41,786,806	 \$ (41,786,806)	 \$
11,331,339	(11,331,339)	\$
9,133,289	(9,133,289)	
<u>\$ 62,251,434</u>	<u>\$ (62,251,434)</u>	<u>\$ - 0 -</u>
 <u>\$ 62,712,585</u>		
	\$ (164,232)	\$ (164,232)
	<u>17,336,141</u>	<u>17,336,141</u>
	<u>\$ 17,171,909</u>	<u>\$ 17,171,909</u>

The accompanying notes to the financial statements are an integral part of this report.

MEMORIAL-HEIGHTS REDEVELOPMENT AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Total Fund Balance - Governmental Fund \$ 62,251,434

Amounts reported for governmental activities in the Statement of Net Position
are different because:

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 consist of:

Due to Developer	\$ (2,063,861)	
Accrued Interest Payable	(164,232)	
Due Within One Year	(975,000)	
Due After One Year	<u>(41,876,432)</u>	<u>(45,079,525)</u>

Total Net Position - Governmental Activities		<u><u>\$ 17,171,909</u></u>
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The accompanying notes to the financial
statements are an integral part of this report.

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MEMORIAL-HEIGHTS REDEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Capital Projects Fund
REVENUES:		
Tax Increment Revenue	\$ 8,093,529	\$
Investment Revenues	15,543	1,369
TOTAL REVENUES	<u>\$ 8,109,072</u>	<u>\$ 1,369</u>
EXPENDITURES/EXPENSES:		
Service Operations:		
Municipal Services	\$ 160,652	
Administrative Fees-Transfer	404,677	
Project Cost	2,681,038	
Administrative Consultant	88,620	
Accounting and Legal Fees	70,530	
Developer Reimbursement	286,104	
Other Consultants	54,286	
Other Cost	20,049	
Debt Service:		
Loan Interest		
Issuance Costs		1,086,687
TOTAL EXPENDITURES/EXPENSES	<u>\$ 3,765,956</u>	<u>\$ 1,086,687</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	<u>\$ 4,343,116</u>	<u>\$ (1,085,318)</u>
OTHER FINANCING SOURCES (USES)		
Bond Proceeds	\$ -0-	\$ 40,000,000
Bond Premium		2,872,124
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ -0-</u>	<u>\$ 42,872,124</u>
NET CHANGE IN FUND BALANCE	\$ 4,343,116	\$ 41,786,806
CHANGE IN NET POSITION		
FUND BALANCE/NET POSITION - JULY 1, 2020	<u>16,121,512</u>	
FUND BALANCE/NET POSITION - JUNE 30, 2021	<u>\$ 20,464,628</u>	<u>\$ 41,786,806</u>

The accompanying notes to the financial
statements are an integral part of this report.

Total	Adjustments	Statement of Activities
\$ 8,093,529	\$	\$ 8,093,529
16,912		16,912
<u>\$ 8,110,441</u>	<u>\$ - 0 -</u>	<u>\$ 8,110,441</u>
\$ 160,652	\$	\$ 160,652
404,677		404,677
2,681,038		2,681,038
88,620		88,620
70,530		70,530
286,104	(286,104)	
54,286		54,286
20,049		20,049
	143,540	143,540
1,086,687		1,086,687
<u>\$ 4,852,643</u>	<u>\$ (142,564)</u>	<u>\$ 4,710,079</u>
\$ 3,257,798	\$ 142,564	\$ 3,400,362
\$ 40,000,000	\$ (40,000,000)	\$ -0-
2,872,124	(2,872,124)	
<u>\$ 42,872,124</u>	<u>\$ (42,872,124)</u>	<u>\$ -0-</u>
\$ 46,129,922	\$ (46,129,922)	\$
	3,400,362	3,400,362
16,121,512	(2,349,965)	13,771,547
<u>\$ 62,251,434</u>	<u>\$ (45,079,525)</u>	<u>\$ 17,171,909</u>

The accompanying notes to the financial statements are an integral part of this report.

MEMORIAL-HEIGHTS 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, 2021

Net Change in Fund Balance - Governmental Fund \$ 46,129,922

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report bond premiums as other financing sources in the year paid. However, in the Statement of Net Position, the bond premiums are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities. (2,872,124)

Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end. (143,540)

Governmental funds report developer reimbursements as expenditures. Developer reimbursements decrease long-term liabilities in the Statement of Net Position. 286,104

Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position. (40,000,000)

Change in Net Position - Governmental Activities \$ 3,400,362

The accompanying notes to the financial
statements are an integral part of this report.

MEMORIAL-HEIGHTS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1. DESCRIPTION OF ORGANIZATION

Description of Organization

Memorial-Heights Redevelopment Authority (the Authority) is a nonprofit local government corporation, incorporated December 11, 1997 under the laws of the State of Texas, and operating under Chapter 431, Texas Transportation Code. On December 10, 1997, the City of Houston (the City) adopted Resolution No. 97-67, which authorized the Authority to aid, assist and act on behalf of the City, in the performance of the City's obligation with respect to Reinvestment Zone Number Five, City of Houston, Texas (Memorial-Heights TIRZ or TIRZ).

City of Houston Reinvestment Zone Number Five

Memorial-Heights TIRZ was created pursuant to Chapter 311, Texas Tax Code, by City Ordinance No. 96-1337, effective December 24, 1996, as a tax incremental reinvestment zone. The TIRZ is authorized to provide new capital for public works and public improvements in specified corridors and areas in the Memorial-Heights Area. The TIRZ will provide a source of funding through the tax increments generated by redevelopment of those areas within the Memorial-Heights TIRZ.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements represent all of the funds of Memorial-Heights Redevelopment Authority. The Authority is a component unit of the City of Houston. Component units are legally separate entities for which the primary government is financially accountable. There are no separate legal entities that are a part of the Authority's reporting entity.

Tax Increments and Participation Agreements

The City has agreed to deposit to the Tax Increment Fund established for the TIRZ (the Tax Increment Fund) a certain percentage of the tax collections arising from its taxation of the increase, if any, in the appraised value of real property located in the TIRZ since January 1, 1996 (the Tax Increments). The City is required to collect taxes on real property located within the TIRZ in the same manner as other taxes are collected by the City. The City is then required to pay the Tax Increment Fund the Tax Increments, as agreed upon in accordance with the City's agreement with the TIRZ (the Participation Agreement). Thus, Tax Increments are due to be deposited from the Tax Increment Fund to the Authority's account by the end of each quarter in which they are collected in the Tax Increment Fund. The City has agreed to pay 100% of their Tax Increments to the Tax Increment Fund. During the current fiscal year, tax increments of \$8,093,529 were collected by the City of which \$404,677 was withheld to cover administrative costs.

MEMORIAL-HEIGHTS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting:

Government-Wide Financial Statement

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. The Statement of Net Position and the Statement of Activities were prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred.

Government-wide statements distinguish between governmental-type and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues, and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds. The Authority does not have any business-type activities.

Fund Financial Statements

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus and have been prepared using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction that can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Authority considers all revenue available if it is collected within 60 days after the year end. Expenditures are recorded when the related fund liability is incurred. The Authority only has two major funds, the General Fund, which accounts for resources not required to be accounted for in another fund, tax increment revenues, costs and general expenditures, and the Capital Projects Fund to account for resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

Fund Balances

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.

MEMORIAL-HEIGHTS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting: (Continued)

Fund Balances (Continued)

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 has not adopted a formal policy regarding the assignment of fund balances. The Authority assigned \$11,331,339 of its General Fund fund balance to offset a fiscal year 2022 budgeted deficit.

Unassigned - all other spendable amounts in the General Fund.

When an expenditure is 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.

Federal Income Taxes

The Authority is exempt from Federal income taxes as an organization described in Section 501(c) (3) of the Internal Revenue Code. Under Section 6501 (c) (4), the Authority has also requested an advance ruling allowing it to be treated as a publicly supported organization under Section 170 (b) (1) (A) (vi) of the Internal Revenue Code. Furthermore, as an adjunct of local government, the Authority is exempt from Federal income taxes under Section 115 (2) of the Internal Revenue Code and qualifies as a publicly supported organization within the meaning of Section 509 (a) of the Internal Revenue Code.

Use of Estimates

The preparation of the Authority's financial statements in conformity with accounting principles generally accepted in the United States of America requires the Authority's management to make estimates and assumptions that affect the amounts reported in these financial statements and accompanying notes. Actual result could differ from those estimates.

MEMORIAL-HEIGHTS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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, 2021, none of the Authority's bank balances were exposed to custodial credit risk.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at June 30, 2021, as listed below:

	Cash
GENERAL FUND	<u>\$ 1,654,786</u>

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. Authority's investments must be made "with 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.

The Board of Directors has adopted a written investment policy regarding the investments of its funds as defined in the Public Funds Investment Act of 1997 (Chapter 2256, Texas Government Code). Such investment include (1) obligations of the United States or its agencies; (2) direct obligations of the State of Texas or its agencies; (3) 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 of Texas or the United States or their respective agencies; (4) certificates of deposit, and (5) commercial paper that complies with the Public Funds Investment Act.

MEMORIAL-HEIGHTS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool meets the criteria established in GASB Statement No. 79 and measures all of its portfolio assets at amortized cost. As a result, the Authority also measures its investments in TexPool at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from TexPool.

The District invests in Goldman Sachs Financial Square Government Fund-Institutions Share (FGTXX). The fund normally invests at least 99.5% of the fund's total assets in cash, U.S. Government securities and/or repurchase agreements that are fully collateralized. The fund invests in compliance with industry-standard regulatory requirements for money market funds for the quality, maturity, liquidity and diversification of investments. The fund seeks to maintain a net asset value (NAV) of \$1.00 per share. NAV is calculated daily. The fund's assets are managed by Goldman Sachs Liquidity Solutions Team.

As of June 30, 2021, the Authority had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities in Less Than 1 Year
<u>GENERAL FUND</u>		
TexPool	\$ 11,582,141	\$ 11,582,141
<u>CAPITAL PROJECTS FUND</u>		
FGTXX	<u>41,786,806</u>	<u>41,786,806</u>
TOTAL INVESTMENTS	<u>\$ 53,368,947</u>	<u>\$ 53,368,947</u>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2021, the Authority's investment in TexPool, an external investment pool, and FGTXX were rated AAAM by Standard & Poor's.

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 and FGTXX 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.

MEMORIAL-HEIGHTS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4. LONG-TERM DEBT

A summary of changes in the Authority's long-term debt follows:

	July 1, 2020	Additions	Retirements	June 30 2021
Loans Payable	\$	\$ 40,000,000	\$	\$ 40,000,000
Unamortized Discounts		2,872,124	20,692	2,851,432
Total Long-Term Liabilities	\$ -0-	\$ 42,872,124	\$ 20,692	\$ 42,851,432
		Amount Due Within One Year		\$ 975,000
		Amount Due After One Year		41,876,432
		Total Long-Term Liabilities		\$ 42,851,432

The District's bonds payable at June 30, 2021, consist of the following:

	Series 2021 Tax Increment Contract and Revenue Bonds
Amounts Outstanding – June 30, 2021	\$ 40,000,000
Interest Rates	3.0% - 5.0%
Due Dates – Serially Beginning/Ending	September 1, 2021/2048
Interest Payment Dates	September 1/ March 1
Callable Dates	September 1, 2030*

*Or on any date thereafter in whole or in part at a price of par plus accrued interest on the date of redemption. Series 2021 term bonds maturing September 1, 2039, September 1 2043, and September 1, 2048 are subject to mandatory redemption on September 1, 2038, September 1, 2040, and September 1, 2044, respectively.

MEMORIAL-HEIGHTS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4. LONG-TERM DEBT (Continued)

As of June 30, 2021, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2022	\$ 975,000	\$ 1,145,309	\$ 2,120,309
2023	835,000	1,284,350	2,119,350
2024	880,000	1,241,475	2,121,475
2025	925,000	1,196,350	2,121,350
2026	970,000	1,148,975	2,118,975
2027-2031	5,665,000	4,944,250	10,609,250
2032-2036	6,880,000	3,729,872	10,609,872
2037-2041	7,775,000	2,836,684	10,611,684
2042-2046	9,005,000	1,605,075	10,610,075
2047-2049	6,090,000	153,150	6,243,150
	\$ 40,000,000	\$ 19,285,490	\$ 59,285,490

NOTE 5. DEVELOPER ADVANCES AND INTEREST PAYABLE

The Authority and Memorial-Heights TIRZ have executed a development agreement with ArchStone Smith to provide funding for all reasonable and necessary expenses for the maintenance, operation and administration of the Authority and Memorial-Heights TIRZ. ArchStone Smith has agreed to extend a loan not to exceed the aggregate principal amount of \$16,706,921. The loan shall bear interest on the unpaid principal amount at the Base Rate (the prime rate of J.P. Morgan Chase Bank) plus 1% per annum until maturity. If applicable, the interest rate shall be adjusted quarterly based on any changes in the Base Rate. Principal and interest shall be repaid from the deposits made by the participating taxing entities to the Tax Increment Fund until the obligation is retired. Providing the availability of funds in the Tax Increment Fund, scheduled payments shall commence on April 1, 1998, with subsequent payments to be made annually each July. Accordingly, \$167,382 and \$49,052 of principal and interest, respectively, was paid during the fiscal year ended June 30, 2009. At the end of the fiscal years 2010 through 2021 the balance due was zero on the loan.

The Authority has also entered into a reimbursement agreement with Legacy Partners Memorial Houston, L.P. (Legacy). In accordance with this agreement, Legacy has agreed to fund various right-of-way improvements on behalf of the Authority. As of June 30, 2009, Legacy has funded \$192,294 in reimbursable costs. This amount was recorded as a liability in the Statement of Net Position for 2009 and paid in 2010. The Authority also accrued and paid an additional \$28,000 in 2010 making the total paid to Legacy Partners in 2010 \$220,294. There were no payments made to Legacy in 2011 through 2021 and no amount due as of June 30, 2021.

MEMORIAL-HEIGHTS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5. DEVELOPER ADVANCES AND INTEREST PAYABLE (Continued)

In addition, the Authority has also entered into a reimbursement agreement with Regent Square AB LLC, Regent Square CD LLC, and AH Borrower LLC (Regent). In 2012, a partial assignment of the reimbursement agreement was made by Regent to Sovereign Regent Square LLC (Sovereign). In accordance with the reimbursement agreement, Regent and Sovereign have agreed to fund on behalf of the Authority certain design and construction costs for public infrastructure improvements in connection with a mixed-use development. As of June 30, 2021, the Developer has reported expenditures of \$71,676,614, of which \$3,211,252 is reimbursable under the agreement. This amount, less \$884,826 reimbursed in prior fiscal years and \$286,104 reimbursed in the current fiscal year, is recorded as an expense in the Statement of Activities.

During 2019 MHRA entered into a Development Agreement which will improve the intersections at Allen Parkway and a new public street within the development, at Dallas and the new public street, Shepherd and Allen Parkway, Shepherd and Memorial, West Dallas and Shepherd. Marston Street will be extended to Allen Parkway and a new street will be constructed from Allen Parkway to West Dallas. Streetscapes will be improved on Marston, the new public street, West Dallas, Shepherd, Allen Parkway, Tirell and West Dallas. The work on West Dallas will include separated bike lanes. There were no payments made and no amount due as of June 30, 2021.

NOTE 6. 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's 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. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 7. ECONOMIC UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the COVID-19 virus a global pandemic. Since that time, the District has not experienced any decrease in property values, unusual tax delinquencies, or interruptions to service as a result of COVID-19. The District will continue to carefully monitor the situation and evaluate the financial statement impact, if any, that results from the pandemic.

MEMORIAL-HEIGHTS REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8. BOND SALE

On April 20, 2021, the Authority issued \$40,000,000 of Tax Increment Contract Revenue Bonds, Series 2021. The bonds were issued to fund projects included in the Authority's five-year capital improvements program, to satisfy the reserve requirement for the debt reserve fund and pay certain costs of issuance. Those projects include Houston Avenue and White Oak Drive intersection improvements, Little Thicket park improvements, Shepherd, Durham and selected cross street reconstruction project, North Canal project, Heights Boulevard pedestrian and bicycle safety improvements, West Dallas restriping project. Yale and Center intersection, segment of trail between White Oak Bayou and Memorial Park, and safe sidewalk program.

The bonds were issued on April 20, 2021, with \$20,115,000 of serial bonds maturing annually starting September 1, 2021, and ending September 1, 2030 with an interest rate of 5.0%. Term bonds in the amount of \$3,145,000 mature on September 1, 2039, with an interest rate of 3.0%, term bonds in the amount of \$6,885,000 mature on September 1, 2043, with an interest rate of 3.0%, and term bonds in the amount of \$9,855,000 mature on September 1, 2048, with an interest rate of 3.0%.

MEMORIAL-HEIGHTS REDEVELOPMENT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
Budgetary Fund Balance - Beginning of Year	\$ 18,921,162	\$ 16,121,512	\$ (2,799,650)
Resources:			
Tax Increments	\$ 6,877,206	\$ 8,093,529	\$ 1,216,323
Contract Revenue Bond Proceeds	40,000,000	40,000,000	
Bond Premium		2,872,124	2,872,124
Investment Revenues	29,210	16,912	(12,298)
Total Available Resources	<u>\$ 65,827,578</u>	<u>\$ 67,104,077</u>	<u>\$ 1,276,499</u>
Expenditures:			
Maintenance and Operations	\$ 426,000	\$ 233,485	\$ 192,515
Capital Expenditures and Developer	17,371,000	2,967,142	14,403,858
Transfers	504,512	565,329	(60,817)
Bond Costs		1,086,687	(1,086,687)
Total Expenditures	<u>\$ 18,301,512</u>	<u>\$ 4,852,643</u>	<u>\$ 13,448,869</u>
Budgetary Fund Balance - End of Year	<u>\$ 47,526,066</u>	<u>\$ 62,251,434</u>	<u>\$ 14,725,368</u>
Explanation of Differences between Budgetary Inflow and Outflows and GAAP Revenues and Expenditures			
Sources/Inflows of Resources			
Actual amounts (budgetary basis)			\$ 67,104,077
Differences - Budget to GAAP:			
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes			(16,121,512)
Total Revenues above but are reported as Other Financing Sources in the State of Revenues, Expenditures and Changes in Fund Balances.			<u>(42,872,124)</u>
Total revenue as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund			<u>\$ 8,110,441</u>

See accompanying independent auditor's report.

MEMORIAL-HEIGHTS REDEVELOPMENT AUTHORITY
SCHEDULE OF ESTIMATE OF PROJECT COSTS TO ACTUAL COSTS
PERIOD FROM DECEMBER 11, 1997 (DATE OF INCORPORATION)
THROUGH JUNE 30, 2021
(UNAUDITED)

Vendor	Estimated Total Costs	Total Expenditures	Variance Positive (Negative)
Public Utility Improvements	\$ 138,144,635	\$ 2,893,549	\$ 135,251,086
Roadway and Sidewalk Improvements	131,738,100	13,601,491	118,136,609
Parks and Park Improvements	88,499,375	10,414,387	78,084,988
Professional Services/TIRZ Administration	11,513,853	7,007,949	4,505,904
Property Assemblage/Clean-up	52,100,000	882,382	51,217,618
Financing Cost	29,879,513	3,428,907	26,450,606
Creation Costs	175,300	175,300	0
School and Educational Facilities	23,123,754	12,705,295	10,418,459
Affordable Housing	<u>33,332,210</u>	<u>7,262,210</u>	<u>26,070,000</u>
Total Reimbursement	<u><u>\$ 508,506,740</u></u>	<u><u>\$ 58,371,470</u></u>	<u><u>\$ 450,135,270</u></u>

See accompanying independent auditor's report.

MEMORIAL-HEIGHTS REDEVELOPMENT AUTHORITY
SCHEDULE OF OPERATING EXPENDITURES AND CAPITAL EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2021

Category	Vendor	Budget	Actual Expenditure	Variance Positive (Negative)
ADMINISTRATION AND OVERHEAD				
Administration Support	SKLaw/SMW Principle eLsqrd Media Group, Texas	\$ 120,000	\$ 88,620	\$ 31,380
Office Administration	Comptroller	20,000	19,084	916
Insurance	TML Insurance	1,000	965	35
Accounting	The Morton Accounting Services	25,000	19,705	5,295
Auditor	McCall Gibson Swedlund Barfoot PLLC	10,000	8,500	1,500
Tax Consultant	Equi-Tax, Inc.	25,000	2,400	22,600
SUBTOTAL		<u>\$ 201,000</u>	<u>\$ 139,274</u>	<u>\$ 61,726</u>
PROGRAM AND PROJECT CONSULTANTS				
Legal-General Matters	SKLaw Goodman Corp, McCall Gibson Swedlund Barfoot	\$ 100,000	\$ 50,825	\$ 49,175
Planning Consultants	PLLC	50,000	11,854	38,146
Engineering Consultants	Jones & Carter	75,000	31,532	43,468
SUBTOTAL		<u>\$ 225,000</u>	<u>\$ 94,211</u>	<u>\$ 130,789</u>
TOTAL MANAGEMENT/CONSULTING SERVICES		<u>\$ 426,000</u>	<u>\$ 233,485</u>	<u>\$ 192,515</u>
Regents Square GID	Sovreign Regent Square	<u>\$ 306,000</u>	<u>\$ 286,104</u>	<u>\$ 19,896</u>
Municipal Services	City of Houston	<u>\$ 160,652</u>	<u>\$ 160,652</u>	<u>\$ -0-</u>

See accompanying independent auditor's report.

MEMORIAL-HEIGHTS REDEVELOPMENT AUTHORITY
SCHEDULE OF OPERATING EXPENDITURES AND CAPITAL EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2021

Category	Vendor	Budget	Actual Expenditure	Variance Positive (Negative)
CAPITAL EXPENDITURES				
Project T-0511-MKT Hike & Bike Trail	SKLaw	\$ - 0 -	\$ 41	\$ (41)
Project T-0512-White Oak Bayou Trail System	SKLaw	\$ - 0 -	\$ 40	\$ (40)
Project T-0520-Houston Ave & White Oak Dr Intersection	SKLaw/Jones & Carter/SMW/RAC Industries	\$ 300,000	\$ 8,414	\$ 291,586
Project T-0521-Little Thicket Park Improvements	SKLaw/Jones & Carter/SMW	\$ 300,000	\$ 2,968	\$ 297,032
Project T-0523A-Shepherd/Durham Reconstruction	SKLaw/Jones & Carter/SMW/The Goodman Corp	\$ 1,500,000	\$ 2,588,484	\$ (1,088,484)
Project T-0525-North Canal Project	SKLaw/SMW	\$ 13,000,000	\$ 8,321	\$ 12,991,679
Project T-0527-Heights Boulevard Pedestrian and Bicycle Safety Improvements	SKLaw/Jones & Carter/SMW	\$ 1,220,000	\$ 16,927	\$ 1,203,073
Project T-0528-Selected Streets Between Shepherd and Durham	Jones & Carter/SMW	\$ 500,000	\$ 12,795	\$ 487,205
Project T-0530-Segment of Trail Between White Oak Bayou and Memorial Park	Jones & Carter/SMW	\$ 220,000	\$ 43,048	\$ 176,952
Project T-0599-Safe Sidewalk Program		\$ 25,000	\$ - 0 -	\$ 25,000
TOTAL CAPITAL EXPENDITURES		<u>\$ 17,065,000</u>	<u>\$ 2,681,038</u>	<u>\$ 14,383,962</u>

See accompanying independent auditor's report.

McCALL GIBSON SWEDLUND BARFOOT PLLC

Certified Public Accountants

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Suite 235
Houston, Texas 77065-5610
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September 23, 2021

Board of Directors
Memorial-Heights Redevelopment Authority
City of Houston, Texas

We have audited the financial statements of the governmental activities and major fund of Memorial-Heights Redevelopment Authority (the "Authority") for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated April 25, 2019. Professional standards also require that we communicate to you the following information related to our audit. For the purposes of this letter, the term "management" refers to the Board of Directors and/or Authority consultants.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. Significant accounting policies used by the Authority, including new accounting policies, if any, that have been adopted and implemented during the current fiscal year, are discussed in Note 2. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. The financial statement disclosures are neutral, consistent, and clear.

Accounting estimates are an integral part of the financial statements and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. If applicable, we evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The Authority's bookkeeper will be provided with all such adjustments.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 23, 2021.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis and the budgetary comparison schedule for the General Fund, which are required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information required by the City of Houston, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Directors of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

MEMORIAL-HEIGHTS REDEVELOPMENT AUTHORITY
CITY OF HOUSTON, TEXAS
SEPTEMBER 23, 2021

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 of Memorial-Heights Redevelopment Authority, (the "Authority"), which comprise the respective financial position of the governmental activities and each major fund as of June 30, 2021, 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 23, 2021, 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 April 17, 2019, 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 District 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.

MEMORIAL-HEIGHTS REDEVELOPMENT AUTHORITY

Signatures of the Board of Directors

_____	_____
_____	_____
_____	_____
_____	_____

D-007

CERTIFICATE FOR ORDER

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I, the undersigned officer of the Board of Directors of the Memorial-Heights Redevelopment Authority do hereby certify as follows:

1. The Board of Directors of the Memorial-Heights Redevelopment Authority convened in Regular Session on the 23rd day of September, 2021, at a meeting place outside the boundaries of Reinvestment Zone No. 5 of the City of Houston, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Ann Lents	Chair
Alejandro Colom	Vice Chair
Janice Hale-Harris	Secretary
Bryan Brown	Director
Dr. Robert Stein	Director
Christopher David Manriquez	Director
Marvin Pierre	Director

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

**ORDER EVIDENCING REVIEW OF AMENDED AND RESTATED
ORDER DESIGNATING INVESTMENT OFFICER AND
ESTABLISHING RULES, POLICIES, AND CODE OF ETHICS FOR THE INVESTMENT
OF AUTHORITY FUNDS AND REVIEW OF INVESTMENTS**

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

2. That a true, full and correct copy of the aforesaid Order adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that the Order 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 Order 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; and that public notice of the time, place and subject of the meeting was given pursuant the Governor's actions, and by Chapter 551, Texas Government Code.

PASSED AND APPROVED the 23rd day of September, 2021.

Secretary

**ORDER EVIDENCING REVIEW OF AMENDED AND RESTATED
ORDER DESIGNATING INVESTMENT OFFICER AND
ESTABLISHING RULES, POLICIES, AND CODE OF ETHICS FOR THE INVESTMENT
OF AUTHORITY FUNDS AND REVIEW OF INVESTMENTS**

WHEREAS, the Memorial-Heights Redevelopment Authority (the "Authority"), by resolution dated September 26, 2019, has adopted an Amended and Restated Order Designating Investment Officer and Establishing Rules, Policies, and Code of Ethics for the Investment of Authority Funds and Review of Investments (the "Policy") as required by Chapter 2256 of the Texas Government Code (the "Public Funds Investment Act"); and

WHEREAS, the Public Funds Investment Act requires that the Board of Directors of the Authority (the "Board") review the Policy and any investment strategies contained therein not less than annually; and

WHEREAS, the Public Funds Investment Act further requires that the Board adopt a rule, order, ordinance, or resolution stating that it has reviewed the Policy and any investment strategies contained therein and that the instrument so adopted shall record any changes made to the Policy or investment strategies; NOW, THEREFORE,

BE IT ORDERED BY THE BOARD OF DIRECTORS OF MEMORIAL-HEIGHTS REDEVELOPMENT AUTHORITY, THAT:

Section 1. The Board has conducted a review of the Policy and the investment strategies contained therein at its regular meeting held on September 23, 2021.

Section 2. No changes were made to the Policy or the investment strategies contained therein.

ADOPTED this 23rd day of September, 2021.

Chairman, Board of Directors

Secretary, Board of Directors

(SEAL)

CERTIFICATE FOR ORDER

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I, the undersigned officer of the Board of Directors of the Memorial-Heights Redevelopment Authority do hereby certify as follows:

1. The Board of Directors of the Memorial-Heights Redevelopment Authority convened in Regular Session on the 23rd day of September, 2021, at a meeting place outside the boundaries of Reinvestment Zone No. 5 of the City of Houston, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Ann Lents	Chair
Alejandro Colom	Vice Chair
Janice Hale-Harris	Secretary
Bryan Brown	Director
Dr. Robert Stein	Director
Christopher David Manriquez	Director
Marvin Pierre	Director

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

ORDER ADOPTING LIST OF QUALIFIED BROKERS

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

2. That a true, full and correct copy of the aforesaid Order adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that the Order 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 Order 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; and that public notice of the time, place and subject of the meeting was given pursuant the Governor's actions, and by Chapter 551, Texas Government Code.

PASSED AND APPROVED the 23rd day of September, 2021.

Secretary

ORDER ADOPTING LIST OF QUALIFIED BROKERS

This Order Adopting List of Qualified Brokers (the "Order") is adopted by the Board of Directors of Memorial-Height Redevelopment Authority (the "Authority") pursuant to Section 2256.025 of the Texas Government Code.

ARTICLE I

GENERAL

SECTION 1.1. Unless the context requires otherwise, the terms and phrases used in this Order shall have meanings as set forth in Section 1.2 of this Order.

SECTION 1.2. DEFINITIONS:

(a) The term "Board" means the Board of Directors of the Authority.

(b) The term "Qualified Broker" means those entities and/or individuals authorized by the Board of Directors of the Authority to engage in investment transactions with the District.

SECTION 1.3. PURPOSE. This Order has been adopted by the Authority for the following purposes: (1) to comply with Section 2256.025 of the Texas Government Code; and (2) to ensure that the Authority engages in investment transactions only with Qualified Brokers that have been previously approved by the Board.

ARTICLE II

LIST OF QUALIFIED BROKERS

SECTION 2.1. QUALIFIED BROKERS. The Qualified Brokers authorized to engage in investment transactions with the Authority are those entities and/or individuals listed in Exhibit A attached hereto.

Adopted this 23rd day of September, 2021.

Chairman, Board of Directors

Secretary, Board of Directors

EXHIBIT A

Allegiance Bank
Amegy Bank
Bancorp South
Bank of America
Bank of New York – Mellon
Bank of Texas
Cadence Bank
Capital Bank of Texas
Capital One
Central Bank
Chasewood Bank
Citibank
Comerica Bank
Comerica Securities
Commercial State Bank
Community Bank of Texas
Community Trust Bank
FHN Financial
First Bank Texas
First Citizens Bank
First Financial Bank
First National Bank Texas
First Texas Bank
Frontier Bank of Texas
Frost Bank
Green Bank
Hancock Whitney Bank
Herring Bank
Hilltop Securities
Hometown Bank
Independent Financial
Integrity Bank & Trust
International Bank of Commerce
JP Morgan Chase
Lone Star National Bank
Lone Star Investment Pool
Metro Bank
Moody Bank
NewFirst National Bank
North Star Bank
NewOmniBank
Pioneer Bank
PlainsCapital Bank
Plains State Bank
PNC
Preferred Bank
Prosperity Bank
R Bank
Regions Bank
Spirit of Texas Bank
State Bank of Texas

State Street Bank
Stifel
Tex Star Investment Pool
Texan Bank
Texas Capital Bank
Texas Class
Texas Citizens Bank
Texas Exchange Bank
Texas First Bank
Texas Gulf Bank
Texas Regional Bank
TexPool/TexPool Prime
TIB Bank
Third Coast Bank
Truist
Trustmark
United Bank of El Paso Del Norte
United Texas Bank
Unity National Bank
U.S. Bank
Vantage Bank Texas
Wells Fargo Bank
Wells Fargo Brokerage Services
Wells Fargo Trust
West Star Bank
Woodforest National Bank