

Mayor and Council Communication

DATE: 04/12/22

M&C FILE NUMBER: M&C 22-0267

LOG NAME: 17AMEND EVANS ROSEDALE ARPA AND EDPA

SUBJECT

(CD 8) Amend Mayor and Council Communications 21-0810 and 21-0812 to Extend the Deadline to Complete the Property Purchases for the Evans and Rosedale Redevelopment and Affordable Housing Project with Hoque Global, LLC and Affiliates

RECOMMENDATION:

It is recommended that the City Council:

1. Amend Mayor and Council Communication 21-0810 to split the closing of Phase I and Phase II properties into two phases, extend the deadline to complete the Phase I property purchase until December 14, 2022, with the option of two, 90-day extensions if the developer demonstrates a good faith effort, as determined by City of Fort Worth staff, to begin the project and gives a community update at or before each extension, and extend the deadline to complete the Phase II property purchase until December 31, 2023; and
 2. Amend Mayor and Council Communication 21-0812 to extend the deadline for the developer's acquisition of 912 Missouri Avenue from a private owner and closing on 722 E. Rosedale until December 14, 2022, with the option of two, 90-day extensions if the developer demonstrates a good faith effort, as determined by City of Fort Worth staff, to begin the project and gives a community update at or before each extension.
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DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to revise M&C 21-0810 (ARPA) & M&C 21-0812 (EDPA) to extend the deadlines for the Evans and Rosedale Redevelopment and Affordable Housing Project (Project) with Hoque Global, LLC and affiliates (Hoque) for:

1. The completion of the purchase of properties within the Evans & Rosedale Development, and;
2. The purchase of 722 E. Rosedale to facilitate the swap of the property for 912 Missouri Avenue owned by a private entity within the Evans and Rosedale Development.

An extension is requested in order to produce the final designs and to secure the construction financing necessary to begin the Project.

On October 19, 2021, the City Council approved M&C 21-0810 (ARPA), which allocated up to \$4,245,533.42 from the American Rescue Plan Act for the Project to pay fair market value to the Fort Worth Local Development Corporation, the Fort Worth Housing Finance Corporation, and the City of Fort Worth for the 36 properties on which the Project will occur. The City would acquire 35 properties from the FWHFC and FWLDC to then sell these and the City's one parcel to Hoque for a nominal monetary consideration of \$1.00 per parcel with deeds of trust to ensure that the property is used for the development and continued operation of affordable housing for at least fifteen years.

On February 22, 2022, a minor technical amendment was made to M&C 21-0810 to clarify that the agreements could be with Hoque or its affiliates. (M&C 22-0112)

As adopted, M&C 21-0810 (ARPA) anticipated the purchase of all properties to be completed by March 31, 2022; however, to provide sufficient time to complete final design and to provide the appropriate time for Hoque to secure construction loans for the Project, an extension is requested of the March 31, 2022 deadline to December 14, 2022 with two 90-day options to extend upon Hoque's showing of a good faith effort, as determined by the City staff, for Phase I and a deadline of December 31, 2023 for Phase II. If an extension is required for Phase I, Hoque will be required to hold a community meeting at or before each extension. City Council action would be required to extend beyond the extensions for Phase I or past the December 2023 deadline for Phase II.

As adopted, M&C 21-0812 (EDPA) required any transactions to secure 912 Missouri Avenue, which is owned by a private entity, to be completed by March 31, 2022. In order to secure the 912 Missouri Avenue property, Hoque, or an affiliate, intends to purchase 722 E. Rosedale from the Fort Worth Local Development Corporation and then trade it for the 912 Missouri Avenue property. Due to the time needed to complete due diligence on 722 E. Rosedale, an extension of this deadline has been requested. In order to close on this property concurrently with the other Phase I properties, an extension is needed of the March 31, 2022 deadline to December 14, 2022 with two 90-day options to extend upon Hoque's showing of a good faith effort, as determined by the City staff. If an extension is required for the deadline to acquire 722 E. Rosedale, Hoque will be required to hold a community meeting at or before each extension. City Council action would be required to extend beyond the extensions.

Other contracts associated with the Project—including with the Tax Increment Reinvestment Zone, City, and Central City Local Government Corporation (CCLGC)—have already been executed. With the approval of this M&C, the EDPA (380 master agreement) and the property and sales contracts will be finalized and signed. With execution of these documents, Hoque will begin all necessary steps to move forward to financial closing for the construction of the first phase of the Project.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of these recommendations will have no material effect on City funds.

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Expedited