



## **BOARD OF DIRECTORS REGULAR MEETING**

**November 10, 2022**

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BOARD OF DIRECTORS REGULAR MEETING  
AGENDA

Thursday, November 10, 2022 – Noon Central  
Time Baker Ripley Building  
4450 Harrisburg  
Boulevard Second Floor  
Houston, Texas 77011

Due to health and safety concerns related to COVID-19, this meeting will offer participation by videoconference or in person. The meeting will be open to the public but restrictions regarding masks, allowable room capacity, and seating arrangements may be in place.

The public meeting location will be the Baker Ripley Building, 4450 Harrisburg Boulevard, 2nd Floor, Houston, Texas 77011. The Board Chair, as presiding officer of the Board, will be physically present; some Board members may also be physically present. Other Board members will be participating by videoconference in accordance with the provisions of Section 551.127 of the Texas Government Code applicable to a governmental body that extends into three or more counties. To join by videoconference, please go to: <https://us02web.zoom.us/j/87966649887> Or join by phone by calling:

877-853-5247 or

888-788-0099

Meeting ID: 879 6664 9887

**Please contact [info@houstonlandbank.org](mailto:info@houstonlandbank.org) or call us at 281-655-4600 with any questions.**

AGENDA

- I. Call to Order and Roll Call
- II. Public Speakers

***Speakers must be registered by 5 p.m. on Wednesday, October 12, 2022. To register, please use the online form at [www.houstonlandbank.org/resources](http://www.houstonlandbank.org/resources), e-mail [info@houstonlandbank.org](mailto:info@houstonlandbank.org) or call 281-655-4600. The Chair will call on speakers and allow three minutes per speaker.***

- III. Consideration and Adoption of Meeting Minutes

P.O. Box 131106, Houston, Texas 77219  
281.655.4600

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- a. October 13, 2022 Board Meeting
- IV. Chairman's Greeting: Matt Zeis
- V. Committee Reports:
  - a. Executive Committee: Matt Zeis, Chair
  - b. Finance Committee: Laurie Vignaud, Chair
  - c. Partnership and Program Development: Courtney Johnson-Rose, Chair
  - d. Real Estate Acquisition and Disposition: Victor Mondragón, Chair
  - e. Procurement and Oversight: Jesus DeAnda, Chair
- VI. President's Report: Christa Stoneham, CEO/President
- VII. Board Action Items
  - a. Consideration and Possible Action to Approve Round Seven (7) Lot Sales as Recommended by the HLB Accept Real Estate Acquisition and Disposition Committee.
    - 1. ATTACHMENT 1: ROUND 7 LOT SALE TABLE
  - b. Consideration and Possible Action to Approve the Houston Land Bank to enter an affordable housing Consortium with Invictus DG Inc., Elysian X Incorporated, Community Works CDC and Faith Works with the mission of obtaining funding for affordable housing per the Proposed MOU.
    - 1. ATTACHMENT 2: PROPOSED MOU STRUCTURE FOR CONSORTIUM SHOP FUNDS APPLICATION
  - c. Consideration and Possible Action to Approve and Adopt the Houston Land Bank FY2022 Financial external audit.
    - 1. ATTACHMENT 3: HLB FINANCIAL FY 2022 AUDIT
  - d. Consideration and Possible Action Regarding to Accept Real Estate Acquisitions and Development (READ) Committee Recommendations of Contract Amendments for Maximum Sales Price Increase Requests under the Houston Land Bank Builder Traditional Program.
    - 1. ATTACHMENT 4: NELROD HOME PRICE INCREASE SUBMITTAL
- VIII. Executive Session

**NOTE: The Houston Land Bank Board may go into executive session, if necessary, pursuant to Chapter 551 of the Texas Government Code, for one or more of the following reasons: (1)**

*consultation with its legal counsel to seek or receive legal advice or consultation regarding pending or contemplated litigation; (2) discussion about the value or transfer of real property; (3) discussion about a prospective gift or donation; (4) consideration of specific personnel matters; (5) discussion about security personnel or devices; or (6) discussion of certain economic development matters. The Board may announce that it will go into executive session on any item listed on this agenda if the subject matter is permitted for a closed session by provisions of Chapter 551 of the Texas Government Code.*

*Discussion may occur in executive session as provided by State law, but all Board actions will be taken in public.*

IX. Board Member Comments

X. Adjournment

**HOUSTON LAND BANK  
MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING  
HOUSTON, TEXAS**

**October 13, 2022**

A regular meeting of the Board of Directors ("Board") of the Houston Land Bank ("HLB"), a Texas non-profit corporation created and organized by the City of Houston as a local government corporation pursuant to the Texas Transportation Code Annotated, Section 431.101, *et seq.*, and the Texas Local Government Code Annotated, Section 394.001 *et seq.*, was held at the Baker Ripley Building, 4450 Harrisburg Boulevard, 2<sup>nd</sup> Floor, Houston, Texas, on Thursday, October 13, 2022 at 12:00 p.m. Written notice of the regular meeting, which included the date, hour, place and agenda for the regular meeting, was posted in accordance with the Texas Open Meetings Act.

Board members in attendance were:

Tonzaino Bailey	Jesus DeAnda
David Collins	Janae Ladet
Courtney Johnson Rose	Matt Zeis
Victor A. Mondragón	Elaine Morales
Marilyn Muguerza	Laurie Vignaud
	Antoinette Jackson

Board directors absent were: Carol Galloway and Dwantrina Russell. Others in attendance included: Christa Stoneham, Chief Executive Officer/President of the HLB; Jennifer Allison, Vice President of Operations and Programs for HLB; Mark Glanowski (Paralegal) of Winstead PC, outside legal counsel for the HLB; Graciela Saenz, outside legal counsel for the HLB; Gonzalo Gonzalez, Vice President of Finance and Accounting for HLB; Ron Butler, Manager – Property Maintenance for HLB; Kellen Zale of the HLB Advisory Board; LaTosha Okoiron, In-house Legal Counsel and Compliance Director for the HLB; and; Lynn Henson, Ex-Officio Board appointee.

**I. Call to Order and Roll Call**

Chairman Zeis called this regular meeting to order at 12:04 p.m. A roll call of the Board members in attendance immediately followed. Chairman Zeis announced that a quorum of the Board was present.

**II. Public Speakers**

No public speaker registered to address the Board.

**III. Consideration and Adoption of Meeting Minutes**

**a. August 11, 2022 Board Meeting**

Chairman Zeis noted that the minutes for the August 11, 2022 regular meeting of the Board of Directors were previously circulated for review and comment. He asked if there were any

comments for discussion to such minutes. Hearing none, Chairman Zeis then requested a motion to approve and adopt such minutes as written.

Director Collins made a motion to adopt the minutes of the August 11, 2022 Board meeting as written, which motion was then duly seconded by Director Mondragón and passed with the unanimous vote of the Board.

**IV. Chairman's Greeting: Matt Zeis**

Chairman Zeis announced that Director Galloway has decided to resign from the Board effective as of October 1, 2022, and Gonzalo Gonzalez will be leaving the HLB in a few weeks to take a position at another business. He then thanked Carol Galloway who was a founding member of LARA, and Gonzalo Gonzalez for their numerous contributions over many years in guiding the mission of LARA and now HLB forward.

**V. Committee Reports:**

**a. Executive Committee: Matt Zeis, Chair**

Chairman Zeis then announced that the Executive Committee met last week to discuss the Round 7 Lot sales and the requests from certain builders to increase the sales price for the affordable house. The committee also discussed refining the housing program with HCDD, and the upcoming builder forum. He then announced that this meeting will need to also have an Executive Session to discuss assigning the contract for the purchase of the remaining tract of land at the former Yellow Cab site in north Houston.

**b. Finance Committee: Laurie Vignaud, Chair**

Director Vignaud stated that the Finance Committee meet this week. She then thanked Gonzalo Gonzalez for his years of work and service to the HLB. She also thanked Director Galloway who she met some 20 years ago when she arrived in Houston. The monthly financial report is included in the meeting packet distributed to the Board.

**1. Monthly Financial Report**

Mr. Gonzalez announced that he will be leaving his position at HLB to take employment at another firm within the next several weeks.

**c. Partnership and Program Development Committee: Courtney Johnson Rose, Chair**

Director Johnson Rose stated that the Partnership and Program Development Committee met to discuss the Builder Forum to be held on November 3<sup>rd</sup> as an opportunity to invite homebuilders into the HLB program, and the assignment of the contract to purchase the remaining tract at the former Yellow Cab site. She then thanked Director Galloway and Gonzalo Gonzalez for their service to the mission of providing affordable houses in the strategic neighborhoods selected by the City.

d. **Real Estate Acquisition and Disposition Committee: Victor Mondragón, Chair**

Director Mondragón reported that the READ Committee met last week to discuss the results of the Round 7 Lot Sales and requests by certain homebuilders to increase the sales price, the assignment of the contract to purchase the middle tract at the former Yellow Cab site, and the lot at 2477 Chew Street which will be recommended for green space rather than affordable housing due to recent reports.

e. **Procurement and Oversight Committee: Jesus DeAnda, Chair**

1. **Procurements Overview**

Director DeAnda reported that the Procurement and Oversight Committee met last week to discuss the procurements for title company services, and a temporary contract for a part-time paralegal with Collier Legal Services. He stated that HLB will move forward with the contract with Collier Legal Services for a part-time paralegal. He then noted that the procurement for a fundraising consultant fell through and therefore this RFP will need to be re-opened. Lastly, Director DeAnda mentioned that the RFQ for homebuilders will open on November 7, 2022.

**VI. President's Report: Christa Stoneham, CEO/President**

a. **Progress Report**

Ms. Stoneham stated that there are 99 affordable houses in development with 20 houses completed and ready for buyers, and that the Round 7 Lot Sales closed at the end of August. She mentioned that construction contracts with certain homebuilders in the Round 7 Lot Sales were amended to increase the sales price due to the new requirements instituted recently by the HLB. Director Vignaud stated that the City may have closed down its down payment assistance program. Director Morales agreed that the down payment assistance program is now closed to HLB homebuyers. Mr. Gonzalez noted that governmental assistance to homebuyers is now very limited as well as being faced with higher mortgage interest rates. Recently, the HLB staff attended several sessions at the Reclaiming Vacant Properties' national conference to receive input from other land banks.

Ms. Stoneham noted that a report appeared on the local television channel with regard to a sanitation problem concerning a lot used for a community garden. Several adjacent lot owners have filed complaints with the City concerning the odor, high weeds, and numerous flies on the garden lot. HLB staff and the City of Houston Department of Neighborhoods will inspect the garden lot to confirm it is now in compliance with City and HLB regulations. HLB has applied for a WORTH grant as Houston is the first of eight markets in the US to launch a \$7.5 million Wealth Opportunities Restored Through Homeownership grant to create 5,000 new homeowners of color in Harris County by 2025. Lastly, she noted that the HLB staff prepared and sent an RFQ for homebuilders which will open on November 7, 2022 and hold a forum for the homebuilders in the HLB Traditional Home Program.

## VII. Board Action Items

### a. **Consideration and possible action to approve the assignment of the Yellow Cab Development Middle Tract (Tract 3) to a mission aligned third-party governmental entity in order to prevent the loss of the purchase option**

Chairman Zeis announced that approval of this agenda item will authorize the Board to authorize the Director Chair or Chief Executive Officer to execute an assignment agreement that would allow for the assignment of the purchase contract of the middle tract of Land (Tract 3) in the Yellow Cab development project to a mission aligned governmental entity. This action is necessary in order to prevent the loss of the right to purchase, and the forfeiture of earnest monies deposited in consideration of this contract by the City of Houston's Housing and Community Development Department (HCDD).

The Yellow Cab Development Contract Amendment was executed on December 21, 2020 memorializing the terms of the agreement with regard to the middle tract of the land (Tract 3). In summary, the pertinent key factors are described below:

- ✓ Purchase of the middle tract is subject to the successful completion of the feasibility period as required by Section 2 of the Exhibit A attached to the Agreement Amendment.
- ✓ The trigger event that sets the closing date for the purchase is the expiration of the feasibility period, pursuant to Section 3 of the agreement. The only remaining portion of the feasibility period that I yet to be completed, is the receipt of the TCEQ report with a no further action determination. Once HLB receives the report with that determination, it will have to obtain a new appraisal of the property and close within 30 days. It is expected to that the TCEQ report will be received in a matter of days.
- ✓ The City of Houston's Housing and Community Development Department (HCDD) deposited \$125,000.00 in earnest money in consideration of the agreement. However, if the purchase of the middle tract does not close, only \$50,000.00 is required to be refunded.
- ✓ HLB has assignment rights under the Amendment Agreement pursuant to Section 6.

HLB staff along with several Board members are diligently working to locate an acceptable mission aligned assignee. Should the Board approve this action item, then HLB staff will continue such efforts and move forward with the assignment process. Director Collins asked what will happen if no acceptable assignee is found. Chairman Zeis responded that the HLB will then have to attempt to negotiate a new purchase agreement with the land owner, otherwise the land will be placed on the open real estate market.

Director Johnson Rose made a motion to approve assigning the Purchase and Sale Agreement covering the middle tract of the former Yellow Cab site to a third-party governmental entity, which motion was duly seconded by Director Ladet. Chairman Zeis then requested Director Rose to amend her motion to require that the assignment documents must be signed by both Christa Stoneham and Matt Zeis in their respective capacities with the HLB. Director Johnson Rose then amended her motion to also require that the assignment documents be executed by both Christa

Stoneham and Matt Zeis in their respective capacities with the HLB, which amended motion was duly seconded by Director Ladet and passed with the unanimous vote of the Board.

**VIII. Executive Session**

Director Vignaud made a motion for the Board to enter into Executive Session, which motion was duly seconded by Director Ladet and passed with the unanimous vote of the Board. The Board entered into Executive Session at 12:35 p.m. to discuss assigning the contract covering the Yellow Cab middle tract. Thereafter, upon motion of Director DeAnda to conclude the Executive Session and return to the open meeting session, which motion was duly seconded by Director Vignaud the Board voted unanimously to return to the open session of the regular meeting at 12:46 p.m.

**IX. Board Member Comments**

Director Collins asked about the status of the Interlocal Agreement among the City of Houston and Harris County. Director Ladet stated that she would follow up with the City's legal department as the person working on it was out of the office due to illness.

**X. Adjournment**

Chairman Zeis asked if there were any additional matters to be considered by the Board. Hearing none, the regular Board meeting adjourned at 12:51 p.m. upon the motion of Director Collins to adjourn the meeting, which was duly seconded by Director Mondragón and passed with the unanimous vote of the Board.

Minutes Prepared By:

Mark Glanowski (Paralegal) of Winstead PC and  
Graciela Saenz of Law Offices of Graciela Saenz, PLLC

Signed on the \_\_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Secretary



# Houston Land Bank

## Balance Sheet

As of September 30, 2022

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
Chase-Operations - 8465	216,946.15
Money Market - Lot Acquisition - 7058	390,346.85
Money Market Unrestricted - 7066	3,104,210.09
MoneyMarket-Unrstr.C Resev 5577	18,042.17
Petty Cash	12.63
Susser Money Market - 7878	250,636.98
Susser Savings Sweep - 78781	50,247.14
Unity National Bank PMM - 4992	216,597.64
<b>Total Bank Accounts</b>	<b>\$4,247,039.65</b>
Accounts Receivable	
Accts Receivable	737,184.50
<b>Total Accounts Receivable</b>	<b>\$737,184.50</b>
Other Current Assets	
Prepaid Expenses	
Prepaid Acquisition Costs	3,700.00
Prepaid Insurance	14,528.54
Prepaid Subscription Services	10,158.44
<b>Total Prepaid Expenses</b>	<b>28,386.98</b>
<b>Total Other Current Assets</b>	<b>\$28,386.98</b>
<b>Total Current Assets</b>	<b>\$5,012,611.13</b>
Fixed Assets	
Equipment	12,005.12
xAccum. Depreciation	-8,128.31
<b>Total Fixed Assets</b>	<b>\$3,876.81</b>
Other Assets	
Earnest Fee	125,100.00
Investments Held For Sale	9,702,625.16
Security Deposit	4,875.00
<b>Total Other Assets</b>	<b>\$9,832,600.16</b>
<b>TOTAL ASSETS</b>	<b>\$14,849,088.10</b>



# Houston Land Bank

## Balance Sheet

As of September 30, 2022

	TOTAL
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	56,975.42
<b>Total Accounts Payable</b>	<b>\$56,975.42</b>
Other Current Liabilities	
Liabilities Due to HCDD	389,333.93
<b>Total Other Current Liabilities</b>	<b>\$389,333.93</b>
<b>Total Current Liabilities</b>	<b>\$446,309.35</b>
<b>Total Liabilities</b>	<b>\$446,309.35</b>
Equity	
Retained Earnings-1	14,227,619.56
Net Income	175,159.19
<b>Total Equity</b>	<b>\$14,402,778.75</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$14,849,088.10</b>



# Houston Land Bank

## Profit and Loss by Month

July - September, 2022

	JUL 2022	AUG 2022	SEP 2022	TOTAL
<b>Income</b>				
Acquisition and Development Agreement				\$0.00
Disposition of Lots	17,400.00		53,100.00	\$70,500.00
Disposition Proceeds	5,558.25		17,703.38	\$23,261.63
<b>Total Acquisition and Development Agreement</b>	<b>22,958.25</b>		<b>70,803.38</b>	<b>\$93,761.63</b>
Administrative Fees	3,750.00		7,500.00	\$11,250.00
HLB Program Revenue				\$0.00
Disposition Proceeds	123,076.00		2,000.00	\$125,076.00
<b>Total HLB Program Revenue</b>	<b>123,076.00</b>		<b>2,000.00</b>	<b>\$125,076.00</b>
Operations Agreement	148,606.38	137,223.68	121,469.04	\$407,299.10
Outside Sources Contributions		242.28	15,320.00	\$15,562.28
<b>Total Income</b>	<b>\$298,390.63</b>	<b>\$137,465.96</b>	<b>\$217,092.42</b>	<b>\$652,949.01</b>
<b>GROSS PROFIT</b>	<b>\$298,390.63</b>	<b>\$137,465.96</b>	<b>\$217,092.42</b>	<b>\$652,949.01</b>
<b>Expenses</b>				
Admin - Other				\$0.00
Advertising & Marketing	1,603.75	352.00		\$1,955.75
Bank Service Charges	266.85	225.87	442.13	\$934.85
Company Insurance				\$0.00
General Liability	1,943.78	1,943.78	1,943.78	\$5,831.34
Officers & Directors Liability	644.15	644.15	239.41	\$1,527.71
<b>Total Company Insurance</b>	<b>2,587.93</b>	<b>2,587.93</b>	<b>2,183.19</b>	<b>\$7,359.05</b>
Computer and Internet Expenses	11.99	11.99	11.99	\$35.97
Conference & Meeting	623.00			\$623.00
Depreciation Expenses	200.09	200.09	200.09	\$600.27
Dues and Subscription	2,209.37	1,586.89	1,385.55	\$5,181.81
Filing Fees			36.10	\$36.10
Office Expenses				\$0.00
Leasing Office Equipment	508.50	280.25	319.30	\$1,108.05
Meals & Entertainment	2,586.25	85.00		\$2,671.25
Office Supplies	333.76	725.00	35.99	\$1,094.75
Postage and Delivery	471.61		8.53	\$480.14
<b>Total Office Expenses</b>	<b>3,900.12</b>	<b>1,090.25</b>	<b>363.82</b>	<b>\$5,354.19</b>
Rental and Lease Expense	3,900.00	3,900.00	3,900.00	\$11,700.00
Software Usage	1,577.34	1,577.34	1,577.34	\$4,732.02
Storage Rental	80.00	80.00	80.00	\$240.00
Telephone Expense	555.68	597.30	597.30	\$1,750.28



# Houston Land Bank

## Profit and Loss by Month

July - September, 2022

	JUL 2022	AUG 2022	SEP 2022	TOTAL
Travel and Lodging Expenses				\$0.00
Lodging Expense		5,515.34	354.10	\$5,869.44
Mileage Expense	127.71	491.16	161.43	\$780.30
Parking		145.00	96.00	\$241.00
Travel Expense	82.67	3,634.76	397.74	\$4,115.17
<b>Total Travel and Lodging Expenses</b>	<b>210.38</b>	<b>9,786.26</b>	<b>1,009.27</b>	<b>\$11,005.91</b>
<b>Total Admin - Other</b>	<b>17,726.50</b>	<b>21,995.92</b>	<b>11,786.78</b>	<b>\$51,509.20</b>
Employee Cost				\$0.00
Health Insurance	8,545.64	10,834.91	6,493.26	\$25,873.81
Payroll Services Fee	133.22	133.22	131.09	\$397.53
Payroll Taxes	3,999.07	4,969.68	4,426.38	\$13,395.13
Retirement	1,116.05	1,395.06	1,242.76	\$3,753.87
Wages and Salary	53,841.86	67,302.32	60,339.67	\$181,483.85
<b>Total Employee Cost</b>	<b>67,635.84</b>	<b>84,635.19</b>	<b>72,633.16</b>	<b>\$224,904.19</b>
Legal Fees	4,292.96	5,510.00	4,447.50	\$14,250.46
Professional Services				\$0.00
Accounting Fee	4,500.00	4,940.00	3,000.00	\$12,440.00
Audit Fees	8,000.00		9,136.00	\$17,136.00
Consulting Fee	1,546.25	2,002.50	2,132.50	\$5,681.25
Contract Work		1,800.00		\$1,800.00
<b>Total Professional Services</b>	<b>14,046.25</b>	<b>8,742.50</b>	<b>14,268.50</b>	<b>\$37,057.25</b>
Property Cost - Maintenance				\$0.00
Property Expenses				\$0.00
Clearing of Land Cost		12,800.00	20,102.24	\$32,902.24
ESA	480.97			\$480.97
Special Lawn Mowing	1,200.00			\$1,200.00
Standard Lawn Mowing	32,645.99	28,915.62	14,693.73	\$76,255.34
<b>Total Property Expenses</b>	<b>34,326.96</b>	<b>41,715.62</b>	<b>34,795.97</b>	<b>\$110,838.55</b>
<b>Total Property Cost - Maintenance</b>	<b>34,326.96</b>	<b>41,715.62</b>	<b>34,795.97</b>	<b>\$110,838.55</b>
Property Cost - Disposition HLB				\$0.00
Clearing and Lawn Maintenance	775.00	0.00		\$775.00
Closing Cost	7,757.00			\$7,757.00
Lots COGS	7,846.04			\$7,846.04
Property Taxes	4,435.87			\$4,435.87
Utilities and Drainage Expenses	45.60			\$45.60
<b>Total Property Cost - Disposition HLB</b>	<b>20,859.51</b>	<b>0.00</b>		<b>\$20,859.51</b>



# Houston Land Bank

## Profit and Loss by Month

July - September, 2022

	JUL 2022	AUG 2022	SEP 2022	TOTAL
Property Cost -Disposition NHDP				\$0.00
Cleaning and Supplies	455.00	320.00	165.00	\$940.00
Clearing and Lawn Maintenance - NHDP	300.00	300.00	150.00	\$750.00
Legal Fees - NHDP	2,020.00	250.00	700.00	\$2,970.00
Lots Sold - NHDP				\$0.00
Initial Cost of Lot	2,975.00		9,475.00	\$12,450.00
Impairment on Lot Sold - (Contra)	-2,737.00		-7,971.75	\$ -10,708.75
<b>Total Lots Sold - NHDP</b>	<b>238.00</b>		<b>1,503.25</b>	<b>\$1,741.25</b>
Repair and Maintenance	116.88	4,978.00	9,800.00	\$14,894.88
Water and Utilities	530.50	364.07	413.45	\$1,308.02
<b>Total Property Cost -Disposition NHDP</b>	<b>3,660.38</b>	<b>6,212.07</b>	<b>12,731.70</b>	<b>\$22,604.15</b>
Property Signs	750.00	0.00		\$750.00
<b>Total Expenses</b>	<b>\$163,298.40</b>	<b>\$168,811.30</b>	<b>\$150,663.61</b>	<b>\$482,773.31</b>
NET OPERATING INCOME	<b>\$135,092.23</b>	<b>\$ -31,345.34</b>	<b>\$66,428.81</b>	<b>\$170,175.70</b>
Other Income				
Interest Income	1,033.04	1,330.61	2,619.84	\$4,983.49
<b>Total Other Income</b>	<b>\$1,033.04</b>	<b>\$1,330.61</b>	<b>\$2,619.84</b>	<b>\$4,983.49</b>
NET OTHER INCOME	<b>\$1,033.04</b>	<b>\$1,330.61</b>	<b>\$2,619.84</b>	<b>\$4,983.49</b>
NET INCOME	<b>\$136,125.27</b>	<b>\$ -30,014.73</b>	<b>\$69,048.65</b>	<b>\$175,159.19</b>

# Banking on the Future of Communities

## Houston Land Bank: October President's Report



# CHRISTA D. STONEHAM, CEO AND PRESIDENT

## HLB Mission:

Strategically acquire, dispose, and steward vacant, abandoned, and damaged property into productive use to catalyze transformative community and economic development for the City of Houston.



Report of the President & CEO to the Board of Directors

November 10, 2022

October shared the HLB mission at the local, state and national levels:

- Urban Land Institute (ULI) Fall Session: ULI connects the world of real estate, but my focus was to attend sessions focused on equitable development. Sessions explored the causes and consequences of property valuation depression, affordable housing, recent federal government actions, the role of the real estate industry, and what steps are being taken to ensure that property valuation challenges don't hold back the economic potential of BIPOC communities.
- Texas American Planning Association (APA): Hosted by the Texas Chapter of the American Planning Association, APATX22 attracted not only planners, but participants from diverse professions, including engineers, architects, landscape architects, public health professionals, economists, appointed and elected officials. I spoke at a session with representation from the City's Planning and Development Department about turning the HLB mission into action
- The Houston Association of Realtors (HAR) hosted a housing symposium to address issues impacting housing in the Houston area, including affordability and inventory. Speakers included Housing and Community Affairs Chair, Tiffany Thomas, Director Keith Bynum from the Housing and Community Development Department, and President David Northern from the Houston Housing Authority.
- Black Spaces and Places: Black Spaces and Places gathered grassroots leaders, academic scholars, students, advocates, historians and others who are concerned about place-based injustice and its impact on cultural sustainability and the preservation of African American cultural heritage. I presented with Ashley Allen, the Executive Director of the Houston Community Land Trust on preservation-based revitalization strategies that encourage equitable growth and development
- Houston Housing Collaborative Conference: HHC hosted its first conference to provide a better understanding of the current affordable housing situation, options for financing, what a good local housing plan looks like, and actionable steps to advocate for better results. I presented our impact and intent for the HLB Fund.

P.O. Box 131106, Houston, Texas 77219  
281.655.4600

[houstonlandbank.org](http://houstonlandbank.org)

# CEO AND PRESIDENT OUTCOMES

The monthly president's report serves as a showcase to highlight the priorities of the past month and includes a section touching on the focus for months to come. Below is a summary of the strategic priorities to assess, align and accelerate the growth of the Houston Land Bank's mission provided to the CEO by the HLB Board of Directors BOD).



## ACQUIRE & ASSEMBLE

Implement a strategy to maintain subsequently increase the number of affordable housing units by identifying new properties and new partners

- Define HLB's core competencies to understand how we can become a conduit for public/private partnerships
- Begin a process to increase affordable housing stock and decrease barriers to affordability
- Streamline land bank processes to ensure the timely production of affordable housing
- Contribute to the continued success and growth of HLB's programs
- Start developing realistic financial models of typically affordable buyer transactions (ie, a capital stack demonstrating the buyer's /lender's positions, where subsidies come in, HLB's role, and any existing gaps)



## PARTNERS & POLITICS

Cultivate a strong partnership between Houston Land Bank and the City of Houston Housing Department, Harris County, and Houston ISD

- Forge/reboot strong relationships with the mayor and new housing department leadership
- create priorities that include all stakeholders buy in
- align board and COH on the goals of HLB
- increase collaboration with the county
- work with COH to ensure success/output of NHDP



## TEAMWORK & TALENT

Develop a strong, cohesive HLB team of talented people in the right roles that are energized, accountable, and appreciated while ensuring a smooth transition in leadership

- Retain and reinvigorate staff
- Clarify role and responsibilities
- Support strong team culture that encourages others to lead in their area of accountability
- Celebrate organizational and individual successes
- Supervise, guide, and mentor staff to meet priorities and goals
- Ensure crucial conversations with employees as needed
- Advance a culture that appreciates diversity within staff and organization



## MEET & GREET

Demonstrate HLB's value to its partners in the broader Houston community

- Leverage opportunities to strengthen relationships with Harris County and Houston ISD
- Continue collaborations with affordable housing, community, and economic development organizations
- Cultivate whole neighborhood strategies to improve/ expand community engagement in HLB brand recognition



## BOARD & OVERSIGHT

Establish a strong bond with the board collectively and nurture individual board relationships

- Prioritize engagement of the board to ensure a sense of commitment to the organization
- Communicate effectively to the board about organizational results, events and needs
- Help lead board meetings



# ACQUIRE & ASSEMBLE



Progress

## Action Steps

## Progress

## Update

Define and confirm HLB mission and goals with staff and board members. Identify SWOT, processes, and benchmarks for each HLB program



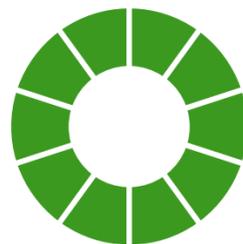
HLB CEO has been publicly sharing HLB priorities and projects with community, nonprofit, private and governmental leaders.

Conduct property owner analysis by utilizing HCAD and GIS data in LMI area such as the Complete Communities. Identify surplus property owned by COH, Harris County, Houston Housing Authority, redevelopment authorities, TIRZ, and public entities. Prioritize the acquisition of tax delinquent parcels in high value neighborhoods

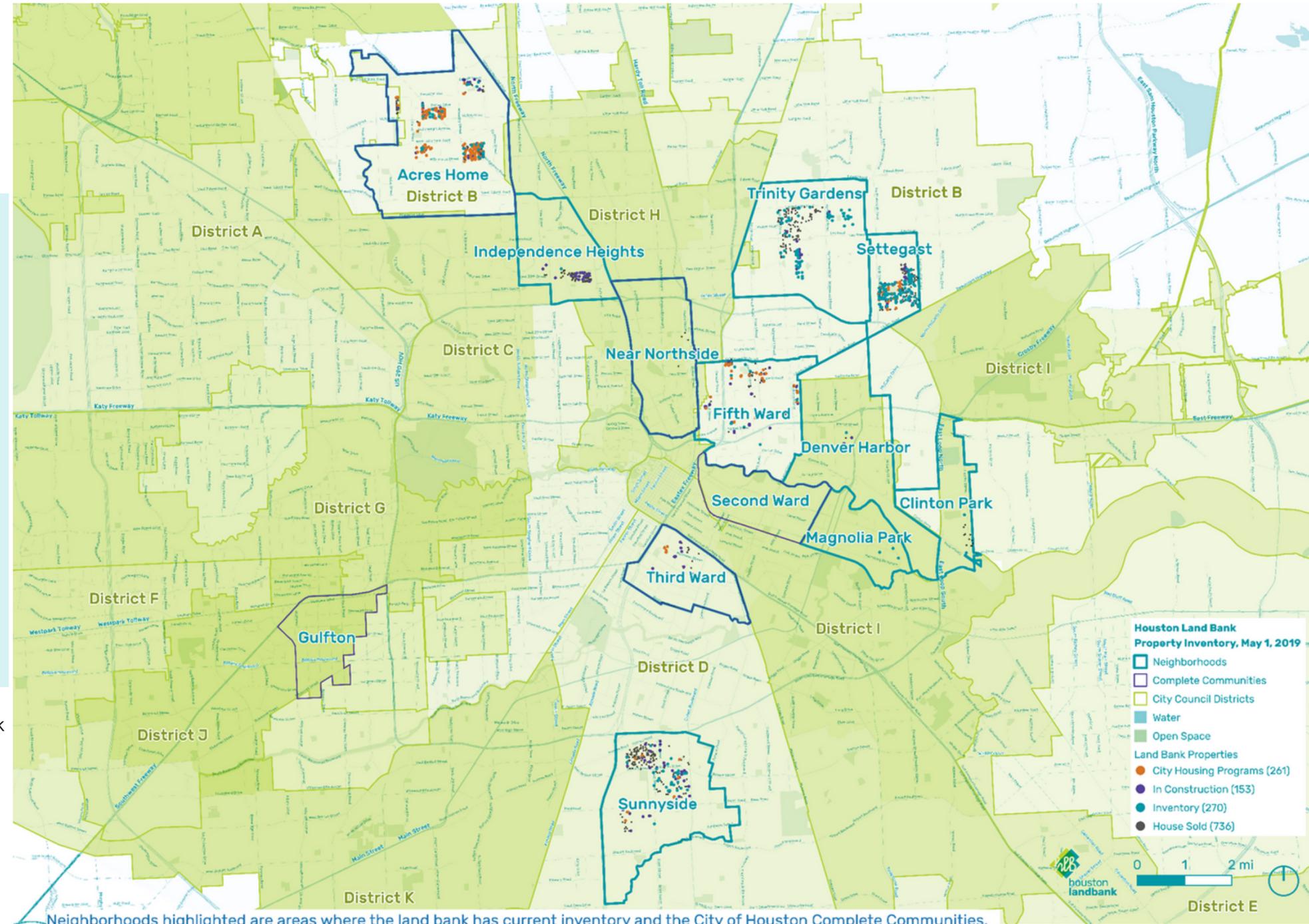


The HLB Team is prioritizing the status of the tax delinquent property interlocal agreement between the required public entities. The Team will be meeting and coordinating throughout the remainder of the year and seeks to secure an interlocal agreement for property activation by the end of the year.

Create housing solutions and programs for all generations and Houstonians. Create "fast track" master permit procedure with COH.



The launch of the fast track system occurred in July 2022. The team is coordinating with HCDD team to align HLB builders.



Neighborhoods highlighted are areas where the land bank has current inventory and the City of Houston Complete Communities



# TEAMWORK & TALENT



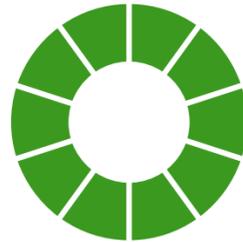
Progress

## Action Steps

## Progress

## Update

Listen and learn to staff's strengths, goals and skills. Assess operational gaps. and unfulfilled FTEs. Activate teambuilding activities. Determine HLB's SWOT with staff and identify resources needed for each team member



HLB CEO attended 5 conferences in October, of which 4 were also presentations.:

- Texas APA,
- ULI conference,
- HAR symposium
- Affordable Housing Conference
- Black Spaces and Places



Schedule reoccurring meetings and mentorship trainings for all HLB staff. Schedule quarterly progress reports for HLB staff.



The HLB CEO attended final Local Stakeholder Group meeting for the 2022 Houston Market Value Analysis (MVA) and Economic Development Investment (EDI) study, which together use data to explore the city's residential markets and commercial corridor activity in great depth.



APATX\*22

BUILDING COMMUNITY IN A TIME OF DEEP DIVIDES

Designing and Implementing for Impact - Case Study on Community Engaged Design



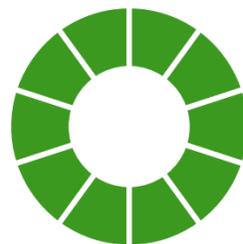
Christa Stoneham  
Houston Land Bank



Lindsey Williams  
City of Houston

TEXAS APA CONFERENCE 2022  
OCTOBER 20, 2022- EL PASO

Publicly spotlight milestones, mission, board members and staff



HLB Team has been structuring outreach sessions to publicly share opportunities and accomplishments for the remainder of the year and 2023

**HAR.com** HAR Housing Symposium  
OCTOBER 27 | 9:30a.m. - 2:30p.m.  
Hyatt Regency Galleria

REGISTER NOW!

Featuring Keynote Speakers:

**State of Housing in Houston**

**TIFFANY THOMAS**  
Houston City Council  
Chair of Housing and Community Affairs

**KEITH BYNAM**  
City of Houston  
Housing Director

**Informative Panel Discussions on Housing Issues:**

- Affordable Housing, Fair Housing, and Barriers to Homeownership
- Credit Worthiness, the journey to getting a home loan
- Lack of Inventory, Supply Chain Issues, Oh My!
- Collaboration is Key: Let's fix this together

Featuring Industry Experts:

 Laurie Benner National Fair Housing Alliance	 Aimee Bertrand Greater Houston Builders Association	 Darren Blakemore Houston Fair Community Land Trust	 Alyson Griffin Crosscountry Mortgage	 Sharon Kane Credit Beginning	 Monica La Crue Freddie Mac
 Keith Luechtefeld Shea Homes	 Hannah Mannion NestQuest	 David A. Northern Houston Housing Authority	 Christa Stoneham Houston Land Bank	 Alan Watkins Houston Housing Collaborative	 Lindsey Williams City of Houston Planning & Devel.



# BOARD & OVERSIGHT



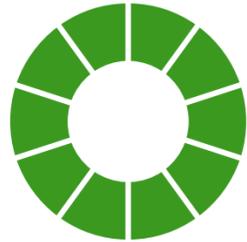
Progress

## Action Steps

## Progress

## Update

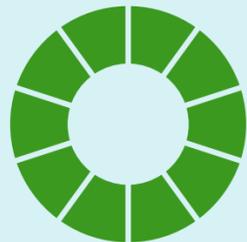
Listen to Board's concerns and aspirations. Enhance transparency and increase understanding about productivity, policies, and operations. Make recommendations to tailor and fine-tune solutions such as acquisition and disposition policies. Evaluate and revisit the annual targets for acquisition and disposition



The HLB CEO connected with several leaders in housing with Program Chair Courtney Johnson Rose:

- TSAHC ( Texas State Affordable Housing Corporation)
- JPMorgan Chase
- HAR (Houston Area Realtors)

Update 2022 plan of action and host HLB orientation. Purchase online engagement tools such as Menti to improve input and collaboration of board



The FY 22 plan was improved by 65% from January to June 2022.

The HLB Team is planning to host a HLB Fund launch in 2023





# MEET & GREET



Progress

## Action Steps

## Progress

## Update

Identify HLB lead and introduce HLB Team to community



The HLB Team also kicked off the 1st NAC committee meeting to score round 7. HLB also hosted the annual builder's forum in November 2022.



Host call to action and open house with potential aligned partners. Attend and present HLB mission at conferences, ULI luncheons, Bisnow, Houston Business Journal, etc



In October, the HLB CEO attended sessions, mixers, and conferences with government officials, non-profits, realtors, developers, and planners.

HLB is also applying to be a GHBA member to connect with the construction community.





# PARTNERS & POLITICS



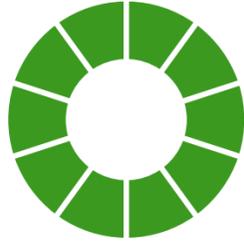
Progress

## Action Steps

## Progress

## Update

Share 2022 HLB plan and quarterly updates with COH & HLB leadership



After the adoption of the strategic plan, the HLB CEO shared the HLB priorities with public agencies and potential partners

Identify aligned programs at Harris County, HISD and public entities



HLB Team met with the CSD director to follow up on aligned opportunities and priorities for Houston.

The Team is also scheduling meetings with partners from the TIRZ and school districts

Establish a standard process for the transfer of surplus property at the City and County



The HLB Team is exploring solutions with agencies and legal to confirm the route forward. The team has initiated contact for the 75% property tax accumulation and seeks to follow up on COH properties.

**HAR.com** **houstonlandbank** | Presented by HAR in partnership with the Houston Land Bank

## Community Design Workshop for Acres Home Town Center Concept

Please join us for a community design workshop to explore the opportunity for beautification projects and a mixed-use development project along the West Montgomery Rd. economic corridor (prospective site adjacent to 6806 Tuskegee Street).

**\*\*We want to hear from you!\*\***

**Tuesday, November 15 | 6 – 8 p.m.**

Acres Homes Center for Business and Economic Development, Inc.  
6112 Wheatley St., Houston, Texas 77091



PLANNING & DEVELOPMENT DEPARTMENT



Houston Complete Communities



# Our Next Steps

Timeline for the upcoming quarter

Tasks	November	October
● HLB Team to partner with HAR and the City of Houston for Acres Home workshop		
● HLB team to strategize 2023 goals and fill vacant FTEs		
● Launch Builder RFQ and Forum for Traditional Home Program		
● Continue to meet with public agencies		



## REQUEST FOR BOARD ACTION

**Meeting Date: November 10, 2022**

**Agenda Item VIIa: Consideration and Possible Action Regarding Acceptance of the Real Estate Acquisitions and Development (READ) and Executive Committee Recommendation of Round 7 of Lot Sales to multiple builders under the Houston Land Bank Builder Traditional Program.**

---

### **ACTION SUMMARY**

Approval of this item will accept READ Committee recommendations of builder lot selections resulting from the Traditional Program's Round 7 of Lot Sales—Sales Price Revisions. Approval of this item will authorize staff to initiate the execution of contracts for the sale of lots to builders as described below.

### **BACKGROUND/OVERVIEW**

Under the HLB Traditional Homebuyer Program, Approved Builders may acquire properties from HLB to construct quality affordable homes, with price and design approved by HLB during our lot sale process. HLB has recently ended Round 7 of its lot sale program under the HLB Traditional Homebuyer Program.

Round 7 of lot sales ended on August 31<sup>st</sup>, 2022, and extended to October 14, 2022 to allow revisions that would reflect the current building and program standards. There were thirty-seven planned lot sales for Round 7 in HLB's Traditional Homebuyer Program. Of those thirty-seven, twenty-four of those lots are recommended for contract execution by the Real Estate Acquisition and Disposition Committee in line with HLB staff proposals.

There was a total of 130 Submissions amongst twelve HLB builders by August 31<sup>st</sup>, 2022 and seven of those builders resubmitted revisions by 10/14/2022. Fifty-five percent or 72 submissions were scored as eligible from seven builders. Of that breakdown, Round 7 will be awarded by builder as follows:

- Nelrod Homes - 1 lot
- Burghli - 11 lots
- MHL - 4 lots
- SXG - 8 lots

Additional, Round 7 is broken down by neighborhood as follows:

- Fifth Ward - 1 lot
- Settegast - 21 lots
- Trinity Gardens - 2 lots

The proposed lot sales are further detailed in the Attachment 1 as follows:

P.O. Box 131106, Houston, Texas 77219  
281.655.4600

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[houstonlandbank.org](http://houstonlandbank.org)

## ATTACHMENT 1

Builder Address	Bed/Bath	Lot Price	Lot Size	Home Sales Price	TIER	Address Verification
Nelrod 1410 Worms Fifth Ward	4/2	\$13,000	5,000 SF	\$279,204	I	HCAD # <b>0260990000010</b>
SXG 7975 Kenton Settegast	3/2	\$1.00	4,200 SF	\$190,000	II	HCAD# <b>0300170120033</b>
SXG 0 Sparta (0038) Settegast	3/2	\$1.00	4,080 SF	\$190,000	II	HCAD# <b>0300180020038</b>
SXG 0 Sparta (0005) Settegast	3/2	\$1.00	4,200 SF	190,000	II	HCAD# <b>0300180030005</b>
SXG 0 Tommye (0011) Settegast	3/2	\$1.00	5,000 SF / <b>4,200</b>	190,000	II	<b>HCAD# 0300180030011</b>
SXG 5529 Bacher Settegast	3/2	\$2.00	10,000 SF	190,000	II	HCAD# <b>0381770000032</b>
SXG 0 Tommye (0047) Settegast	3/2	\$1.00	5,000 SF	190,000	II	HCAD# <b>0381780000047</b>
SXG 8984 Booker Settegast	3/2	\$1.00	5,000 SF	190,000	II	<b>HCAD#</b>
SXG 8050 Fields Settegast	3/2	\$1.00	7,150 SF	190,000	II	HCAD# <b>0751120050098</b>
Burghli 0 Hanna (0021) Settegast	3/2	\$2.00	8,800	190,000	II	HCAD# <b>0300180010021</b>
Burghli 0 Tommye (0006) Settegast	3/2	\$1.00	5,000 SF	190,000	II	<b>HCAD#</b>
Burghli 5517 Tommye Settegast	3/2	\$1.00	5,000 SF	190,000	II	HCAD# <b>0381770000038</b>
Burghli 0 Bacher (0040)	3/2	\$1.00	5,000 SF	190,000	II	HCAD# <b>0381770000040</b>
Burghli 5426 Tommye Settegast	3/2	\$1.00	5,000 SF	190,000	II	HCAD# <b>0381780000002</b>
Burghli 0 Tommye (0034) Settegast	3/2	\$1.00	5,000 SF	190,000	II	<b>HCAD#</b>
Burghli 0 Tommye (0050) Settegast	3/2	\$1.00	5,000 SF	190,000	II	HCAD# <b>0381780000050</b>
Burghli 0 Eastland (0004) Settegast	3/2	\$1.00	5,300 SF	190,000	II	HCAD# <b>0520840030004</b>
Burghli 7976 Booker Settegas	3/2	\$1.00	5,000 SF	190,000	II	HCAD# <b>0862340000048</b>
Burghli 0 Fields (0051) Settegast	3/2	\$2.00	10,000 SF	190,000	II	HCAD# <b>0862340000051</b>

MHL 0 Sparta (0031) Settegast	3/2	\$1.00	4,080 SF	190,000	II	HCAD# <b>0300180020031</b>
MHL 0 Sparta (0007) Settegast	3/2	\$1.00	4,200 SF	190,000	II	HCAD# <b>0300180030007</b>
MHL 6506 Hoffman Trinity Gardens	3/2	\$10,411.20	10,296 SF	\$225,000	II	HCAD# <b>0660250110892</b>
MHL 6524 Hoffman Trinity Gardens	3/2	\$10,411.20	10,320 SF	\$225,000	II	HCAD# <b>0660250110896</b>



## **REQUEST FOR BOARD ACTION**

**Meeting Date: November 10, 2022**

**Agenda Item VII.b: Consideration and Possible Action to Approve the Houston Land Bank to enter an affordable housing Consortium with Invictus DG Inc., Elysian X Incorporated, Community Works CDC and Faith Works with the mission of obtaining funding for affordable housing per the Proposed MOU.**

---

### **ACTION SUMMARY**

Approval of this agenda item will authorize the HLB Board of Director Chairman or the HLB Chief Executive Officer to execute the following agreement (***PROPOSED MOU STRUCTURE FOR CONSORTIUM SHOP FUNDS APPLICATION***); which is necessary in order to move forward with the Consortium and submit a joint application for the U.S Department of Housing and Urban Development (HUD)'s Self-Help Homeownership Opportunity Program (SHOP) Grant.

### **BACKGROUND/OVERVIEW (Summary)**

HLB was invited by Invictus Development Group LLC (IDG) to become apart of a consortium of affordable housing organizations with the purpose of obtaining funding for projects that contribute to solutions of creating affordable homes. The included organization would be Invictus DG Inc., Elysian X Incorporated, Community Works CDC, Faith Works and the HLB. In addition to the attached MOU and project scope (Attachment 2), Habitat for humanity is on board for the vertical construction and sweat equity component of the project. Also, Allison Hayes on behalf of Habitat for Humanity has agreed to write a letter of support if needed.

Should the Board of Directors approve this item, staff will continue its efforts in creating solutions of affordable housing per the Proposed MOU.

## PROPOSED MOU STRUCTURE FOR CONSORTIUM SHOP FUNDS APPLICATION

### Overview

WHEREAS, Invictus Development Group LLC (IDG) is a for-profit developer seeking to rebuild historically black and brown neighborhoods before the negative impacts of gentrification happen;

WHEREAS, IDG seeks to work with non-profit organizations with similar missions;

WHEREAS, IDG has hired Elysian (Elysian X Inc.) to pursue funding for projects that contribute to the solutions for creating affordable home ownership and community redevelopment without displacement of existing residents;

WHEREAS, IDG has assembled a multi-state non-profit consortium of experienced affordable housing entities to apply for and receive funding to create affordable housing for deserving residents;

WHEREAS, IDG intends to partner with these organizations by bringing private capital to leverage grant awards to maximize the impact of the funds collectively;

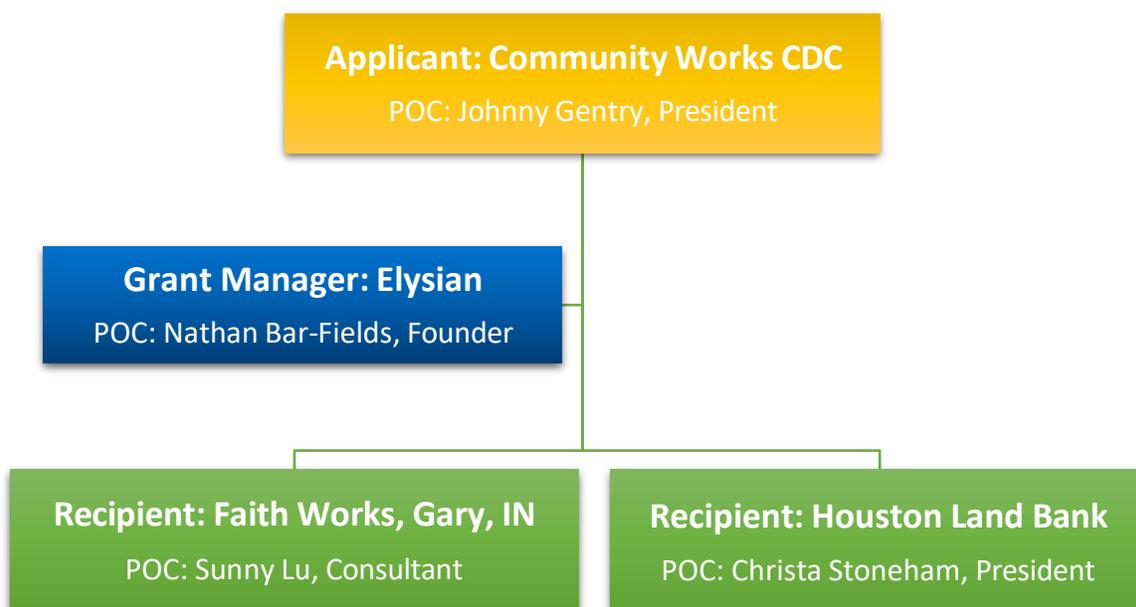
WHEREAS, the current SHOP Fund grant requires all applicants to use the awarded dollars for acquisition/ infrastructure, and; both Faith Works and The Houston Land Bank have lots and land parcels that need infrastructure improvements to accommodate new home construction;

WHEREAS, Community Works CDC has the ability and experience to receive funding and allocate funds to other in-state and out-of-state non-profit organizations;

WHEREAS, The Houston Land Bank and Faith Works are not chartered to allocate funds to other non-affiliated out-of-state organizations that do not further their direct mission and target area of impact;

WHEREAS, Elysian has the capacity to administer the back-office support and compliance reporting for the grant allocations;

### Proposed Organization Structure



# PROPOSED MOU STRUCTURE FOR CONSORTIUM SHOP FUNDS APPLICATION

## Track Records, Roles, and Responsibilities

### Consultants

Elysian's leadership team, Elizabeth Ringlee and Nathan Bar-Fields, has consulted and facilitated more than \$35 million in successful grant applications. <https://www.elysiantrust.org/grantworkerteam/>

### Consortium Members

**Community Works CDC (CWCDC)** has received and deployed millions of dollars in grant funds from several local, state, and federal entities. The organization has partnered with groups like Habitat for Humanity to build more than 200 single-family homes, while also facilitating entrepreneurship, job readiness, and first-time homebuyer programs in the Northeast Houston community. CWCDC also works closely with city council members to be the fiduciary manager of funds allocated to organizations selected by elected officials.

*Location: Houston, TX*

*Responsibilities:* Applicant of record in SAM.gov. Will work closely with Elysian to ensure the application is completed in a timely manner. Elysian will develop the grant application that CWCDC will submit on behalf of the consortium. CWCDC will be the liaison between Elysian and the end receivers of the awards. CWCDC may also work with the Houston Land Bank to provide community outreach to recruit and train prospective homeowners on skills that will allow the consortium to meet the required sweat equity component of the SHOP grant. CWCDC will borrow from and implement the trade certification program Sunny Lu and Faith Works have in Gary, Indiana.

*Website:* <https://communityworkscdc.org/>

**Houston Land Bank (HLB)** has focus areas that are traditionally underserved neighborhoods. In many of these communities, desirability, and proximity, which lead to gentrification, make homes harder to afford for low- and moderate-income buyers. Meanwhile, rising property values can drive tax bills higher, making it difficult for long-time residents to remain in their homes. To mitigate this, HLB looks for properties to reposition that are vacant, abandoned, damaged, or have other challenges that can hinder their development and be detrimental to the community's quality of life. The organization has been responsible for hundreds of single-family homes coming to fruition through its builder partners.

*Location: Houston, TX*

*Responsibility:* Agree that CWCDC will be the primary applicant for the consortium and will provide needed organizational and program information to CWCDC or Elysian in a timely manner. Identify lots and/or land parcels in HLB inventory that need infrastructure work and submit this information to the consortium. *Note: Lots near TSU will bolster the grant application.* HLB will secure the required board approval to participate in the grant application and collaborate with CWCDC and Sunny Lu to create a training program for the sweat equity requirements. HLB will determine housing types to be constructed with other capital resources. Options: Standard 1200-1500 SF homes or 600-800 SF tiny homes like the homes Faith Works will be building.

*Website:* <https://houstonlandbank.org/programs/>

## PROPOSED MOU STRUCTURE FOR CONSORTIUM SHOP FUNDS APPLICATION

**Faith Works Network (FWN)** provides safe, affordable, quality housing that is accessible to the residents of a community is crucial to building the wealth and security of a community. They intend to make homeownership and access to housing attainable for the residents of Gary through the redevelopment of existing homes and the construction of new housing. The goal of the business growth team is to develop and support innovative projects that not only make the city of Gary more economically prosperous but create opportunities for ownership and wealth building for residents. These projects span sectors including construction, real estate development, tourism, hospitality, and film. By empowering Gary residents to claim ownership through entrepreneurship and community development corporations, FWN can ensure that residents have an opportunity to voice their concerns and ideas while sustaining the community for years to come.

*Location:* Gary, Indiana

*Responsibility:* FWN will provide needed organizational and program information in a timely manner. Identify lots and/or land parcels contributed by the city of Gary that need infrastructure work and submit this information to the consortium. Give detailed information about the construction trade certification program to the consortium. Identify training for home assembly that will bolster the SHOP Fund sweat equity requirements. Distribute technical information on the tiny home company and specs on the products. Assist Elysian Trust with the grant application details and provide input based on experience, as needed. FWN will also be responsible for sharing their certification program with the rest of the consortium.

*Website:* [https://faithworksnetwork.org/business\\_growth/](https://faithworksnetwork.org/business_growth/)

### Partner

**Invictus Development Group (IDG)** focuses on real estate projects in revitalizing areas that can be developed with displacement of existing residents. IDG is changing the narrative on gentrification by acquiring rental portfolios to protect long term tenants, while simultaneously providing new construction that attracts the workforce and middle-class community back to the areas they grew up in. This mission is achieved by offering low-income and moderately priced homes comparable to the suburbs. The company has created a passion for affordable inner-city living and has partnerships with many organizations, including the Houston Housing Authority. IDG is proposing a program that will allow Section 8 voucher holders to use their vouchers for mortgage payments to create equitable ownership in their community. IDG also raises investment dollars from within the community to purchase real estate and create collective ownership.

*Location:* Houston, TX

*Responsibility:* Assist all parties involved with the grant application process. Provide development services, construction management, and identify private debt and equity to leverage the grant funds allocated by the SHOP Fund administrators. Oversee construction, homeowner training, and identify construction opportunities to meet the sweat equity requirements of the grant.

*Website:* [www.invictusdg.com](http://www.invictusdg.com)

# PROPOSED MOU STRUCTURE FOR CONSORTIUM SHOP FUNDS APPLICATION

## The Project Scope

- The project consortium will identify sites and develop or improve the infrastructure needed at or below \$25,000 per site.
- After vertical construction leveraging other funding sources, the homes will be offered at affordable prices in exchange for sweat equity with volunteer-based homeownership programs for low-income persons and families.
- If awarded \$1,400,000, the project will develop a minimum of 48 units, with 24 units developed in Indiana through FWN and 24 units developed in Texas via CWCDC coordinating with HLB. If awarded more or less than \$1,400,000, the project will develop more home sites equally in Indiana and Texas in \$25,000 increments.
- These units will adhere to the energy efficiency and climate mitigation standards outlined in the HUD SHOP grant's full announcement.
- The consortium will meet the HBCU participation requirement by including Texas Southern University and Prairie View University students that have an interest in learning about community impact projects.
- The consortium will strive to incorporate solar power and water conservation efforts into the project in some capacity.
- All participants will adhere to their project timelines to the best of their ability and will inform Elysian of any delays in a timely manner for follow-up program evaluation services.
- All members of the consortium agree to a certified 3<sup>rd</sup> party inspector identified by Invictus Development Group inspecting the developed units to ensure all units are satisfactory and up to code. There will be a line item within the grant's operating budget to cover costs that will not exceed 3% of the overall proposed budget.
- All members of the consortium agree to Elysian operating as the program evaluation service for the grant report, and the program evaluation line item will not exceed 3% of the overall proposed budget.
- All members of the consortium agree to Elysian operating as the grant manager for the HUD SHOP grant and the line item for this role will not exceed 4% of the overall proposed budget.
- 20% of the funding from the HUD SHOP grant will be allocated to planning and administrative costs. This budget will be split equally; 5% of the funding from this segment of the budget will be allocated to CWCDC, 5% to HLB, 5% to FWN and IDG as a partner over construction management will be paid the remaining 5% of the planning and administrative costs line item by CWCDC.
- The amount of grant money that the consortium will request from the HUD SHOP grant will be no less than \$1,400,000 and no more than \$3,000,000, unless a strong case is presented to apply for more funds.

SIGNATURE PAGE BELOW

**PROPOSED MOU STRUCTURE FOR CONSORTIUM SHOP FUNDS APPLICATION**

**AGREED AND ACCEPTED**

By: \_\_\_\_\_  
Christopher Senegal  
Invictus DG Inc  
President  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Nathaniel Bar-Fields  
Elysian X Incorporated  
Founder and CVO  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Johnny Gentry, President  
Community Works CDC  
President  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Sunny Lu, Consultant  
Faith Works  
Consultant  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Christa Stoneham  
Houston Land Bank  
President  
Date: \_\_\_\_\_



## **REQUEST FOR BOARD ACTION**

**Meeting Date: November 10th, 2022**

**Agenda Item: Consideration and Possible Action to Approve and Adopt The FY 2022 financial external audit conducted by DOREN MAYHEW CPAs AND ADVISORS.**

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### **ACTION SUMMARY**

Approval of this agenda item will authorize HLB Board of Director Chair or Chief Executive Officer to approve and adopt the FY2022 financial external audit as of year-end June 30, 2022 and submitted to HLB on October 25, 2022.

### **BACKGROUND/OVERVIEW (Background of the Agreement and Summary)**

**Per HLB organizational documents, the annual FY 2022 Financial Audit was conducted at the fiscal year end (June 30, 2022) by DOREN MAYHEW CPAs AND ADVISORS and the subsequent financial report was submitted on October 25, 2022. In Summary, below are the respective findings of the report:**

- 1.** Professional standards were adhered to regarding the communication, scope, and timing of the audit.
- 2.** HLB did designate a staff member with the requisite skill, knowledge, and experience to oversee and review the financial statements and reports in connection with this audit.
- 3.** There was one significant risk identified: Management override of controls and improper revenue recognition.
- 4.** There were no changes to the Qualitative Aspects of the Entity's Significant Accounting Practices.
- 5.** There were no significant unusual transactions identified during the audit.
- 6.** There were no significant difficulties in dealing with management related to the performance of the audit.
- 7.** There were no material misstatements identified that required corrective action.
- 8.** No disagreements arose because of the audit with Management and DOREN MAYHEW.
- 9.** Management did not include a management discussion and analysis, but the financial statements are not affected by the lack of management discussion and analysis.
- 10.** There were no other significant matters, findings or issues.

Should the Board of Directors approve this item, HLB will adopt and integrate the findings of the report.

To the Board of Directors  
of **Houston Land Bank**

We have audited the financial statements of Houston Land Bank (HLB) as of and for the year ended June 30, 2022, and have issued our report thereon dated October 25, 2022. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated June 13, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Houston Land Bank solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

You have designated an individual, with suitable skill, knowledge, or experience to oversee the financial statement preparation services and any other non-attest services we provide, evaluate the adequacy and results of the services, and accept responsibility for them.

### **Significant Risks Identified**

We have identified the following significant risks:

Management override of controls and improper revenue recognition. These risks are considered pervasive to the overall financial statements and were considered in the design and performance of our audit procedures.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Houston Land Bank is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Houston Land Bank's financial statements relate to revenue recognition and fair value estimates.

## **Significant Unusual Transactions**

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. There were no significant unusual transactions identified as a result of our audit procedures.

## **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no such misstatements requiring communication.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

## **Disagreements With Management**

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

### **Circumstances that Affect the Form and Content of the Auditor's Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report.

Management has chosen to omit a management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Our opinion on the basic financial statements is not affected by the missing information.

### **Representations Requested from Management**

We have requested certain representations from management, which are included in the management representation letter dated October 25, 2022.

### **Management's Consultations With Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with Houston Land Bank, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Houston Land Bank's auditors.

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



Houston, Texas  
October 25, 2022

**HOUSTON LAND BANK**  
(A Component Unit of the City of Houston, Texas)

FINANCIAL STATEMENTS

JUNE 30, 2022  
*(With Independent Auditor's Report Thereon)*

**Insight. Oversight. Foresight.<sup>SM</sup>**

 **DoerenMayhew**  
CPAs AND ADVISORS

**HOUSTON LAND BANK**  
**(A Component Unit of the City of Houston, Texas)**

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
of **Houston Land Bank**

### **Opinion**

We have audited the financial statements of the governmental fund of Houston Land Bank (HLB), a component unit of the City of Houston, Texas, which comprise the accompanying financial statements as of June 30, 2022, and the related notes to the financial statements, which collectively comprise HLB's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the governmental activities and major fund of HLB as of June 30, 2022, 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.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of HLB and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about HLB's ability to continue as a going concern for one year after the date that the financial statements are issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 HLB's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about HLB's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Other Matters**

Management has omitted a management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.



Houston, Texas  
October 25, 2022

**HOUSTON LAND BANK**  
**(A Component Unit of the City of Houston, Texas)**

**GOVERNMENTAL FUND BALANCE SHEET**  
**AND STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

<u>Assets</u>	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Cash and cash equivalents (Note 3)	\$ 4,335,581	\$ -	\$ 4,335,581
Investment properties held for sale (Note 2)	554,057	-	554,057
Investment properties - designated to the City of Houston (Note 2)	9,158,153	-	9,158,153
Prepaid expenses and other assets	169,873	-	169,873
Accounts receivable (Note 4)	453,236	-	453,236
Acquisition and development cost reimbursements (Notes 4 and 5)	17,330	-	17,330
Computer equipment, net (Note 7)	4,477	-	4,477
 Total assets	 <u>\$ 14,692,707</u>	 <u>\$ -</u>	 <u>\$ 14,692,707</u>
 <b><u>Liabilities and Fund Balance</u></b>			
Liabilities:			
Accounts payable	\$ 65,229	\$ -	\$ 65,229
Escrow funds payable (Note 6)	378,520	-	378,520
Accrued liabilities	21,342	-	21,342
 Total liabilities	 <u>465,091</u>	 <u>-</u>	 <u>465,091</u>
Fund balances:			
Unreserved	14,227,616	(14,227,616)	-
 Total fund balance	 <u>14,227,616</u>	 <u>(14,227,616)</u>	 <u>-</u>
 Total liabilities and fund balance	 <u>14,692,707</u>	 <u>(14,227,616)</u>	 <u>465,091</u>
Net position:			
Unrestricted	-	14,227,616	14,227,616
 Total net position	 <u>\$ -</u>	 <u>\$ 14,227,616</u>	 <u>\$ 14,227,616</u>

See accompanying notes to financial statements.

**HOUSTON LAND BANK**  
**(A Component Unit of the City of Houston, Texas)**

**GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES AND STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022**

	General Fund	Adjustments	Statement of Activities
<b>Revenues:</b>			
Grants - Acquisition and development funds	\$ 1,422,006	\$ -	\$ 1,422,006
Grants - Operations funds	1,767,913	-	1,767,913
Grants - Non-governmental funds	9,948	-	9,948
Revenue from traditional program	480,624	-	480,624
<b>Total revenues</b>	<b>3,680,491</b>	<b>-</b>	<b>3,680,491</b>
<b>Expenditures:</b>			
Advertising costs	8,262	-	8,262
Bank charges	2,117	-	2,117
Closing costs	9,864	-	9,864
Computer/internet	64,764	-	64,764
Conference & meetings	1,447	-	1,447
Contract work	2,578	-	2,578
Depreciation expense	2,401	-	2,401
Health insurance	74,201	-	74,201
Insurance	44,873	-	44,873
Land trust fees	3,500	-	3,500
Lawn maintenance	399,291	-	399,291
Legal fees	125,753	-	125,753
Loss on disposition of investment properties held for sale	76,928	-	76,928
Marketing and showcasing	8,200	-	8,200
Meals and entertainment	1,458	-	1,458
Office expenses/supplies	37,381	-	37,381
Payroll processing fees	1,830	-	1,830
Payroll taxes	57,678	-	57,678
Professional fees	342,853	-	342,853
Property taxes	18,863	-	18,863
Real estate commission	-	-	0
Rental and leasing	52,891	-	52,891
Repair and maintenance	1,208	-	1,208
Retirement	13,867	-	13,867
Salaries and wages	757,590	-	757,590
Security and secure property	7,117	-	7,117
Travel/lodging expense	6,312	-	6,312
Utilities	13,066	-	13,066
<b>Total expenditures</b>	<b>2,136,293</b>	<b>-</b>	<b>2,136,293</b>
<b>Excess of revenues over expenditures</b>	<b>1,544,198</b>	<b>-</b>	<b>1,544,198</b>
<b>Other income (expense):</b>			
Interest income	2,755	-	2,755
<b>Excess of revenue and other income over expenditures</b>	<b>1,546,953</b>	<b>-</b>	<b>1,546,953</b>
<b>Change in net position</b>	<b>1,546,953</b>	<b>-</b>	<b>1,546,953</b>
Fund balance/net position, beginning of year	12,680,663	-	12,680,663
Fund balance/net position, end of year	14,227,616	-	14,227,616
<b>Net change in fund balance of governmental fund</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,546,953</b>

See accompanying notes to financial statements.

**HOUSTON LAND BANK**  
**(A Component Unit of the City of Houston, Texas)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**Note 1 - Description of Organization**

Houston Land Bank (HLB) is a component unit of the City of Houston, Texas. It was organized on October 27, 1999 as a local municipal, non-profit corporation for the purpose of overseeing the redevelopment of foreclosed tax delinquent property in certain targeted Houston neighborhoods. HLB was formed under the provisions of an Inter-local Agreement entered into by all of the (Houston/Harris County) local tax jurisdictions. The Board of Directors is represented by seven members appointed by the City of Houston and three members each appointed by Harris County Commissioners Court (Harris County) and by the Trustees of the Houston Independent School District (HISD). HLB obtains tax delinquent properties through the State of Texas property tax foreclosure procedures. Non-profit and for-profit developers enter into agreements to build affordable housing for qualified low- and moderate-income households on these properties. Certain lots can also be utilized to support other community development activity deemed desirable for neighborhood revitalization purposes.

Under the auspices of a City of Houston initiative called, “Houston Hope”, this venture was created to arrest blight, further community development and support the development of new single-family affordable housing. Neighborhoods participating in this initiative include (designated areas in) Acres Home, Denver Harbor, Fifth Ward, Independence Heights, Near Northside, Settegast, Trinity Gardens, Clinton Park and Sunnyside.

Under a City of Houston initiative called, “New Home Development Program” created to provide newly constructed, affordable single-family homes for low and moderate-income homebuyers, the City and the Houston Housing and Community Development Department of the City of Houston (HCDD) requested under the “Acquisition and Development Agreement” that HLB acquires certain properties at the City’s expense and sets aside, at the City’s request, certain properties previously acquired. HLB holds said properties for the development of new homes which are constructed by HCDD and sold to eligible homebuyers. HLB holds title for constructed homes and the City of Houston reimburses HLB for all reasonable costs associated with acquisition and maintenance of properties.

HLB, from time-to-time, offers incentives to both for-profit as well as non-profit, neighborhood-based, Community Development Corporations to collaborate with HLB to create opportunities for affordable housing options in difficult markets. In the past, HLB offered an Energy Star reimbursement and a water and sewer tap reimbursement. HLB is reviewing its options and may announce possible new programs as demand arises and funding permits.

**Reporting Entity**

As required by accounting principles generally accepted in the United States of America, these financial statements represent all of the funds of Houston Land Bank. HLB 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 HLB’s reporting entity.

**HOUSTON LAND BANK**  
**(A Component Unit of the City of Houston, Texas)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**Note 2 - Summary of Significant Accounting Policies**

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements include solely the accounts of HLB, which include all programs, activities and functions relating to the accumulation and investment of the assets and related income necessary to provide the service required under the terms of the Governing Statutes and amendments thereto.

Basis of Accounting

Basis of accounting is the method by which revenues and expenses are recognized in the accounts and are reported in the financial statements. The accrual basis of accounting is used for HLB. Under the accrual basis of accounting, revenues are recognized when they are earned, and collection is reasonably assured, and expenses are recognized when the liability is incurred. Gains and losses on sales of investment properties are recognized on the date of sale.

Measurement Focus

*Government-fund financial statements*

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-fund 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 HLB does not have any business-type activities.

Under the government-fund financial statements, net position is classified into three components as follows:

Invested in capital assets, net of related debt - This component of net position consists of capital assets, net of accumulated depreciation and reduced by any bonds, notes, or other borrowings.

**HOUSTON LAND BANK**  
**(A Component Unit of the City of Houston, Texas)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

Measurement Focus (Continued)

*Government-fund financial statements (Continued)*

Restricted - This component of net position consists of constraints on use placed on net position through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through contractual provisions or enabling legislation.

Unrestricted - This component of net position consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

*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. HLB 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.

*Fund accounting*

In government, the basic accounting and reporting entity is a “fund.” A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording financial resources together with all related liabilities, obligations, reserves and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

HLB only has one governmental fund, the general fund, which accounts for all financial resources.

Fund Balances

Fund Balance Reporting and Governmental Fund Type Definitions establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The initial distinction that is made in reporting fund balance information is identifying amounts that are considered non-spendable, such as inventories. The Fund Balance Sheet and Statement of Net Position also provides for additional classification as restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

**HOUSTON LAND BANK**  
**(A Component Unit of the City of Houston, Texas)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

Fund Balances (Continued)

In the fund financial statements, HLB reserves or designates all or portions of fund balance in the various governmental fund financial statements. The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The assigned fund balances for governmental funds represent amounts that have been legally identified for specified purposes as determined by HLB's Board of Directors.

Cash and Cash Equivalents

HLB considers all highly liquid investments with maturity of three months or less at date of purchase to be cash equivalents.

Investment Properties Held for Resale

Investment properties held for resale are properties in certain targeted Houston neighborhoods, which are purchased at foreclosure auctions by HLB in order to manage, operate, develop and subsequently sell, lease or otherwise convey the properties solely to induce the development of affordable housing. Investment properties held for sale are valued at the lower of cost or net realizable value. Cost is determined using the specific identification method. During the year ended June 30, 2022, HLB evaluated these properties for impairment and no impairment was deemed necessary.

Investment Properties - Designated for the City of Houston

HLB is currently holding plots of land that are purchased through the New Home Development Program. The City and the Houston Housing and Community Development Department of the City of Houston (HCDD) requested under the "Acquisition and Development Agreement" that HLB acquires certain properties at the City's expense and sets aside, at the City's request, certain properties previously acquired. HLB holds said properties for the development of new homes which are constructed by HCDD and sold to eligible homebuyers. HLB holds title for constructed homes. During fiscal year 2022, no impairment was deemed necessary.

Equipment

Equipment is recorded at cost less accumulated depreciation. Depreciation expense is computed using the straight-line method over the estimated useful lives of the related assets. Individual items of equipment valued at less than \$500 are expensed. Any gain or loss on the retirement of assets is recognized currently.

Revenue Recognition

HLB records earned revenues on an accrual basis. Contributions are recorded as revenues when an unconditional promise to give is received. Contributions received with conditions are recognized as revenue when the conditions have been substantially met. HLB records the following types of contributions at fair value: cash and promises to give.

**HOUSTON LAND BANK**  
**(A Component Unit of the City of Houston, Texas)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

Revenue Recognition (Continued)

*Revenue from traditional programs:*

Revenue from conveyed struck-off property is recognized at foreclosure sales. If no one bids the opening bid then the designated properties are “struck off” to the HLB in trust for all the taxing entities that participated in the judgment of foreclosure.

Revenue from repossession of lots is earned and recognized when the lots are reverted to HLB by the builder for not meeting the building requirements. Grant revenue is earned and recognized when funds are spent as stipulated by the agreement.

*Grants:*

Acquisition and development funds are local grants that reimburse pre-development costs expended on lots designated for the City of Houston and owned by HLB. Revenue is earned and recognized as pre-development costs are incurred.

Operations funds are reimbursements related to the operation of the New Home Development Program, as well as operations costs that were from the new Operational Grant for the HLB through the City of Houston. This revenue is earned and recognized as operational costs are incurred.

Federal Grants represent cost-reimbursable contracts and grants, which are conditioned upon the incurrence of allowable qualifying expenses. Amounts are recognized as revenue when HLB has incurred expenditures in compliance with specific contract or grant provisions. HLB has been awarded cost-reimbursable grants of \$600,000 that have not been recognized at June 30, 2022 because qualifying expenditures have not yet been incurred.

Federal Income Tax

HLB is exempt from Federal income taxes under section 501(a) as an organization described in Section 501(c)(3) of the Internal Revenue Code. Furthermore, the Internal Revenue Service has ruled that HLB is a publicly-supported organization and is not a private foundation. Under the provisions of Internal Revenue Procedure 95-48, HLB is not required to file public information returns on Form 990.

Use of Estimates

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

**HOUSTON LAND BANK**  
**(A Component Unit of the City of Houston, Texas)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**Note 3 - Cash and Cash Equivalents**

Credit risk for deposits with financial institutions is the risk that in the event of a bank failure, HLB's deposits may not be returned to it. HLB has collateral for all bank balances in excess of Federal Deposit Insurance Corporation (FDIC) limits to the extent of the fair market value of the amount not insured. Deposits with financial institutions that are uninsured and uncollateralized are invested overnight in AAA rated U.S. treasury money market funds, which further mitigates the credit risk. As of June 30, 2022, HLB held a balance of \$204,179 uninsured with one financial institution.

Included in cash balances are escrow funds owed of \$378,520, which were received but not paid as of June 30, 2022.

The Board of Directors has not yet adopted a formal investment policy regarding the investment of its funds as defined in the Public Funds Investment Act of 1997 (Chapter 2256, Texas Government Code).

As of June 30, 2022, HLB held the following investments which mature in less than one year:

<u>Type of Investment</u>	<u>Fair Value</u>
US Treasury Notes	<u>\$ 3,676,018</u>

HLB limits its exposure to interest rate risk by investing in securities that assure safety of public funds, maintain liquidity and achieve the highest rate of return. HLB's policy limits the maximum maturity on any security to five years. HLB places no limit on the amount that may be invested in any investment authorized within HLB's investment policy.

**Note 4 - Accounts Receivable**

Accounts receivable balance at June 30, 2022 amounted to \$470,566 and consisted of reimbursements to HLB from the Grantor: City of Houston HCDD. The reimbursements relate to administration program and operation costs of HLB as defined in the Acquisition and Development Agreement related to the operation of the New Home Development Program, as well as operations costs that were from the new Operational Grant for the HLB.

**Note 5 - Acquisition and Development Cost Reimbursements**

Acquisition and development costs are customary pre-development costs expended on lots designated for the City of Houston and owned by HLB. As noted in the "Acquisition and Development Agreement", HLB will be reimbursed for all of these costs upon the sale of the property. At June 30, 2022, the reimbursable cost receivable related to property sales amounted to \$17,330.

**HOUSTON LAND BANK**  
**(A Component Unit of the City of Houston, Texas)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**Note 6 - Escrow Funds Receivable and Payable**

As noted in the “Acquisition and Development Agreement”, once HLB is reimbursed for pre-development costs upon sale of the property, the remaining proceeds are to be remitted to HCDD. As of June 30, 2022, the amount to be received and remitted to HCDD amounted to \$-0- and \$378,520, respectively.

**Note 7 - Computer Equipment**

Computer equipment at June 30, 2022 had a useful life of 5 years and amounted to \$12,005. At June 30, 2022 accumulated depreciation of \$7,528 was recorded for a net computer equipment balance of \$4,477.

Depreciation expense amounted to \$2,401 for year ended June 30, 2022.

**Note 8 - Subsequent Events**

Management has evaluated subsequent events through October 25, 2022, the date which the financial statements were available to be issued. Management has determined that no other subsequent events require disclosure in these financial statements.

**\* \* \* End of Notes \* \* \***



## REQUEST FOR BOARD ACTION

Meeting Date: November 10, 2022

**Agenda Item VIII. c.: Consideration and Possible Action Regarding to Accept Real Estate Acquisitions and Development (READ) Committee Recommendations of Contract Amendments for Maximum Sales Price Increase Requests under the Houston Land Bank Builder Traditional Program.**

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### **ACTION SUMMARY**

Approval of this item will authorize staff to amend existing contracts to reflect the recommended sales prices for Nelrod Homes. This application has been reviewed, analyzed, and recommended by both READ and Executive Committees.

### **BACKGROUND/OVERVIEW**

Given the continued increase in both land and construction costs in Houston, Nelrod Homes, a HLB approved builder has requested sales price increases based on increased construction cost, material and labor cost volatility for 5731 Haight Street and 5801 Haight Street in the Settagast Community. These homes were sold to Nelrod Homes on 06/07/2021 for \$6500.00 each, with a maximum sales price of \$179,990. Nelrod Homes, initially submitted a price increase in the amount of \$196,499 @1401 SF (\$140/SF) and was denied as pricing was out of alignment with the maximum sales for that neighborhood. Nelrod Homes, then submitted a subsequent sales price increase request in the amount of \$189,900 @1403 SF (\$135.00 SF) which was aligned with the maximum sales price in that area. This request and its supporting documentation were reviewed by staff and assessed against both current construction costs per square foot and the recently approved pricing ranges and found to be conforming. Additionally, The READ committee considered this subsequent request and approved it to move out of committee for a larger board vote.

P.O. Box 131106, Houston, Texas 77219  
281.655.4600

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[houstonlandbank.org](http://houstonlandbank.org)



Corporate Headquarters  
3301 West Freeway  
Fort Worth, Texas 76107

OFFICE: 817.922.9000  
FAX: 817.922.9100  
www.nelrod.com

October 21, 2022

Houston Land Bank  
P.O. Box 131106  
Houston, TX 77219  
ATTN: READ Committee

RE: Price Increase Request for 5801 and 5731 Haight Street

Dear READ Committee Members:

On behalf of Nelrod Homes, LLC, we respectfully re-submit the following amended sales price increase requests for the following projects currently in production under the Houston Land Bank (HLB) Traditional Homebuyer Program.

- **5731 Haight Street** (Settegast Community, Price Increase of \$16,509; Home Sales Price from \$179,990 to \$189,990, Tier 1 Construction, 1403 sf)
- **5801 Haight Street** (Settegast Community, Price Increase of \$16,509; Home Sales Price from \$179,990 to \$189,990, Tier 1 Construction, 1416 sf)

We are aware of and appreciate the sensitivity of sales price caps specific to the Settegast Community. However, we are requesting these very minor price increases to offset a portion of our company's losses as construction costs realized to date on these projects have already exceeded current sales cap values. Further, this revised proposal is **LESS THAN** the current allowances in the HLB Traditional Program Guidelines for Settegast community established in round 7 lot sales (i.e., \$1 lot prices, \$190,000 sales price cap). These lots were originally purchased for \$6500 each (not including closing costs) and began construction near the peak of lumber market price inflation. Additionally, these lots on Haight St are oversized lots (9762sf) versus the most lots in the Settegast community (4000sf), thus site prep, grading, fencing and landscaping costs are double those incurred to build on traditional 4000sf Settegast lots.

Both homes are nearing completion and have qualified homebuyers that submitted offers and were approved for purchase of these homes at the previously requested sales price value of \$196,499. We also believe that it is important to emphasize that Nelrod Homes are constructed to HLB's Tier I standards, while still being offered at a Tier II sales price level. HLB's Tier I standards are our current minimum standards at Nelrod Homes. We have intentionally chosen to maintain a Tier I standard as our company's mission is to elevate HLB communities by placing qualified homebuyers into a home that provides instant equity and lays a solid foundation for generational wealth.

We have attached all the necessary documents to support these requests (HLB request form, New/Old proformas) as well as an additional detailed ledger of itemized expenses to date, as we are confident that construction costs for both projects will be similar upon completion.

We thank you for the opportunity to partner with HLB as a traditional home builder within your program, and hope to be able to complete several more projects within the HLB program. If you have any questions, please do not hesitate to contact me directly at the phone number and email provided below.

Respectfully,

A handwritten signature in blue ink, appearing to read 'JR', is placed above the typed name.

James Rodriguez, Chief Operating Officer  
713-280-3668 ext.159 [james@nelrod.com](mailto:james@nelrod.com)



## Houston Land Bank Builder and Program Committee Request Form

1. Builder Name Nelrod Homes, LLC
2. Builder Address 3301 West Freeway, Fort Worth, TX 76107
3. Contract Number & Date HLB R4 04062021 - 4 Closing Date: 06/07/2021
4. Property Description (Address & HCAD) 5801 Haight Street, Houston, TX 77028 HCAD# 0300180400011
5. Type of Request Sales Price Increase Original Sales Price: \$179,990. Proposed Sales Price: \$189,990.
6. Reason for Request This request is to help offset inflated construction costs incurred to date. Examples include lumber, concrete, finish materials and privacy fencing cost due to the lot depth. This request is consistent with the current HLB Traditional Program Guidelines and new Settegast community sales price caps established in round 7 lot sales (i.e., \$1 lot prices, \$190,000 sales price cap). These lots were originally purchased for \$6500 each (not including closing costs), which is the basis for the \$189,990 equitable adjustment request.
7. Projected Timeline Projected November completion date.
8. Permit or Project Number Permit # 21085615
9. Qualified Homebuyer Certification Owner Name Pending Qualified Homebuyer Contract

Please check the boxes below that apply.

Document Types	Previous Enclosed	Proposed Enclosed
Plans and Specs	X	
Bid Cost Pro Forma/Pricing	X	X
Miscellaneous - <u>Detailed Expense Report of 5801 Haight St.</u>		X

In addition to this form, please email to [info@houstonlandbank.org](mailto:info@houstonlandbank.org) your **PREVIOUS AND PROPOSED** documents listed above 3 days before the next scheduled meeting so that your request can be considered for review.

P.O. Box 131106, Houston, Texas 77219  
281.655.4600



**houston  
landbank**

Committee Members in Attendance on ____, _____ 20__	Vote

BUILDER: \_\_\_\_\_

HOUSTON LAND BANK

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Christa Stoneham, CEO and President

Title: \_\_\_\_\_

In Partnership with:



houston  
landbank



# Plan 1416

## RESIDENTIAL PLANS

### INDEX OF DRAWINGS

TITLE	SHEET
SITE PLAN	2
ARCHITECTUAL PLANS	3-6
MEP'S	7
FOUNDATION DETAILS	8
FOUNDATION PLAN	9
FRAMING & WIND BRACING	10-14



FOR COMPLIANCE  
The applicant from full  
responsibility to comply with all  
applicable code and regulations  
11/23/21

RAYBURN  
DRAFTING SERVICES  
21485615  
12237 VALLEY LODGE PKWY  
HUMBLE, TEXAS 77346  
(713) 851-7075

APPLIED BUILDING CODE: 2012  
IRC/2012 IMC/2012 IPC NEC  
2020/2015 IECC/LOCAL  
AMENDMENTS

Address: 5801 Haight Street  
Houston, TX 77088  
Lot 11, Block 1,  
Liberty Terrace



DATE  
19 MAR 2021

REVISIONS  
2 APR 2021  
26 JUL 2021

SHEET  
COVER  
SHEET



RAYBUR DRAFTING SERVICES  
 12237 VALLEY LODGE PKWY  
 HUMBLE, TEXAS 77346  
 (713) 851-7075

APPLIED BUILDING CODE: 2012  
 IRC/2012 IMC/2012 IPC NEC  
 2020/2015 IECC/LOCAL  
 AMENDMENTS

Address: 5801 Haight Street  
 Houston, TX 77088  
 Lot 11, Block 1,  
 Liberty Terrace



DATE  
 19 MAR 2021

REVISIONS  
 2 APR 2021  
 26 JUL 2021

SHEET  
**3**

**FLOOR PLAN NOTES:**

1. PROVIDE 5/8" TYPE "X" GYPSUM WALLBOARD ON ALL WALLS AND CEILINGS IN GARAGE AND IN ANY USABLE SPACE UNDER STAIRS IN ACCORDANCE WITH 2012 I.R.C. SECTION R302.6.
2. ATTIC PULL-DOWN STAIR SHALL COMPLY WITH 2012 I.R.C. SECTION M1303.1.9 AND SHALL HAVE A CLEAR OPENING OF NOT LESS THAN 22" IN WIDTH AND PROVIDE A LOAD CAPACITY OF NOT LESS THAN 350 POUNDS.
3. DISAPPEARING STAIRS AND CEILING SCUTTLES IN THE GARAGE SHALL BE PROTECTED BY **THE GARAGE SIDE. Per R302.6 of City of Houston Residential Building Code. Pull down stairs in garage ceiling will be 3/8" fire retardant panel.**
4. PROVIDE 1 1/2" MIN. SOLID WOOD OR 20-MINUTE FIRE-RATED SELF-CLOSING DOOR BETWEEN GARAGE AND RESIDENCE IN ACCORDANCE WITH 2012 I.R.C. SECTION R302.5.1.
5. THE REQUIRED EXIT DOOR SHALL BE A SIDE-HINGED DOOR NOT LESS THAN 32" WIDE X 6'-8" TALL IN ACCORDANCE WITH 2012 I.R.C. SECTION R311.2. OTHER DOORS SHALL NOT BE REQUIRED TO COMPLY WITH THESE MINIMUM DIMENSIONS.
6. SMOKE DETECTORS REQUIRE 110V CONNECTION TO HOUSE WIRING WITH BATTERY BACKUP. LOCATIONS SHALL COMPLY WITH 2012 I.R.C. SECTION R314.4.
7. ALL BEDROOM WINDOWS SHALL BE 44" AFF (MAX) WITH 24" HIGH (MIN.) X 20" WIDE (MIN.) OPENING AND 5.7 SQ.FT. (MIN.) NET CLEAR OPENING AS PER 2012 I.R.C. SECTION R310.1.1.
8. LOCATE GAS WATER HEATER AS INDICATED ON THE FLOOR PLANS IN PAN WITH RELIEF DRAIN LINE TO EXTERIOR. INSTALLATION MUST COMPLY WITH 2012 I.R.C. SECTION P280.1.
9. PROVIDE VENTILATION AT ALL BATHS AND UTILITY ROOMS THRU NATURAL OR MECHANICAL MEANS IN ACCORDANCE WITH 2012 I.R.C. SECTION R303.4.
10. USE 1 3/8" MASONITE SOLID-CORE 3 PANEL DOORS AT INTERIOR U.O.N.
11. USE 1 3/4" MAHOGANY SOLID-CORE DOORS AT EXTERIOR (REFER TO ELEVATIONS FOR STYLE).
12. FINAL LOCATION OF AVG COMPRESSORS, ELECTRIC METER, GAS METER, PHONE, CABLE, ETC., MAY VARY DUE TO FIELD CONDITIONS.
13. SHOWER STALLS AND TUB WALLS SHALL BE FINISHED WITH NON-ABSORBENT SURFACE TO A HEIGHT NOT LESS THAN 6 FEET ABOVE THE FLOOR AS PER 2012 I.R.C. SECTION R307.2. NO GREEN BOARD SHALL BE USED AS A TILE BACKER.
14. ALL GLASS AT TUBS AND SHOWERS SHALL BE TEMPERED SAFETY GLASS AND MUST COMPLY WITH 2012 I.R.C. R308.4. REFER TO FLOOR PLANS FOR SAFETY GLASS LOCATIONS.
15. LOCATE ALL SHOWER HEADS AT 78" AFF TYP.
16. RETURN AIR LOCATIONS SUBJECT TO FIELD VERIFICATION AND ARE ULTIMATELY THE RESPONSIBILITY OF THE HVAC CONTRACTOR. ADDITIONAL RETURNS MAY BE REQUIRED FOR THE PERFORMANCE OF THE SYSTEM. ADDITIONAL RETURNS MAY BE LOCATED IN THE CEILINGS AS REQUIRED.
17. EXHAUST DUCTS SHALL TERMINATE AT THE OUTSIDE OF THE BUILDING AS PER 2012 I.R.C. M1502.3.
18. MAXIMUM DUCT LENGTH SHALL BE 35 FEET. FITTINGS REDUCE THE DUCT LENGTH AS PER TABLE M1502.4.4.1.

WINDOW ABBREVIATIONS:

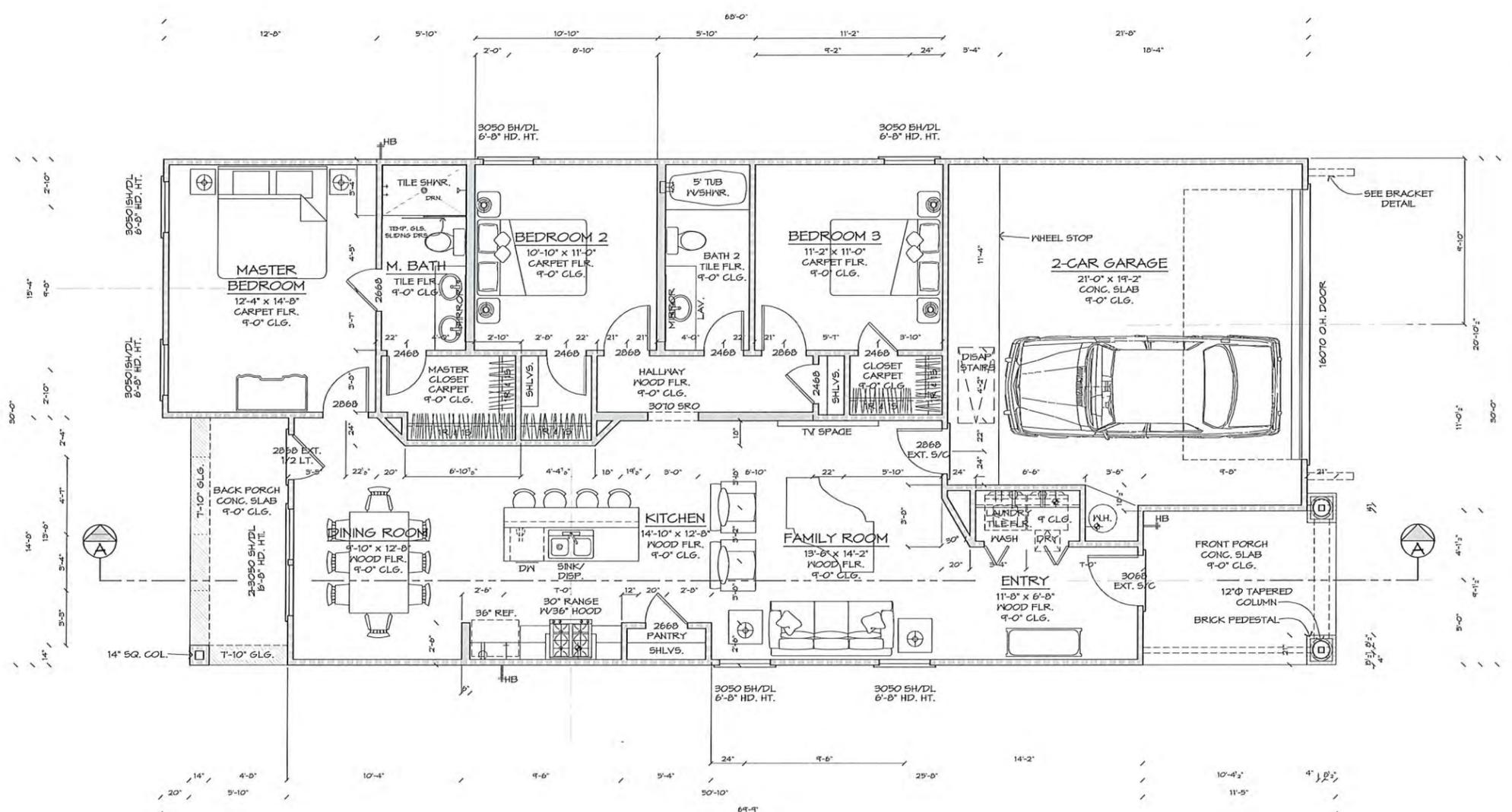
SH	= SINGLE-HUNG
DH	= DOUBLE-HUNG
HS	= HORIZONTAL SLIDER
CSMT	= CASEMENT
DL	= DIVIDED LIGHT
FG	= FIXED GLASS
AT	= ARCH TOP
RT	= ROUND TOP
HD, HT.	= HEADER HEIGHT

**AREA CALCULATIONS**

TOTAL LIVING AREA:	1416 SQ.FT.
2-CAR GARAGE:	442 SQ.FT.
FRONT PORCH:	108 SQ.FT.
BACK PORCH:	86 SQ.FT.
TOTAL COVERED AREA:	2052 SQ.FT.

**WALL TYPE SCHEDULE:**

- ===== = 2X4 STUDS AT 16" O.C.
- ===== = 2X4 STUDS AT 16" O.C. WITH BRICK/STONE LEDGE
- ===== = MIN. 2X6 STUDS AT 16" O.C.
- ===== = MIN. 2X6 STUDS AT 16" O.C. WITH BRICK/STONE LEDGE



**FIRST FLOOR PLAN**  
 1/8"=1'-0" ALL ANGLES 45° U.O.N.





RAYBURN DRAFTING SERVICES  
27085615

FOR COMPLIANCE  
this review does  
not constitute an  
approval of the  
applicant from the  
City of Houston  
responsibility to comply with all  
applicable codes and regulations  
11/23/21

12237 VALLEY LODGE PKWY  
HUMBLE, TEXAS 77346  
(713) 851-7075

APPLIED BUILDING CODE: 2012  
IRC/2012 IMC/2012 IPC NEC  
2020/2015 IECC/LOCAL  
AMENDMENTS

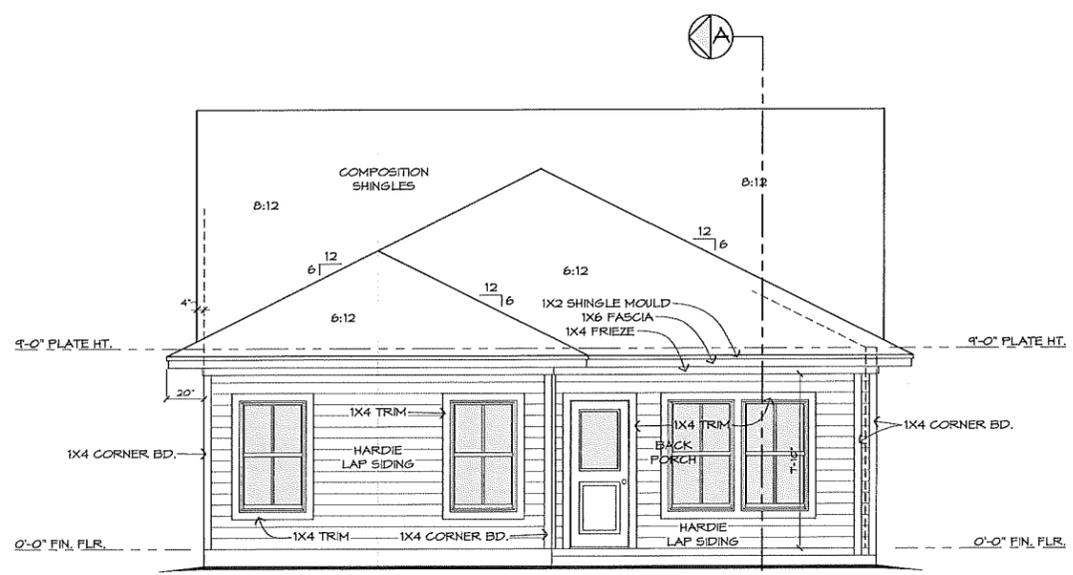
Address: 5801 Haight Street  
Houston, TX 77088  
Lot 11, Block 1,  
Liberty Terrace



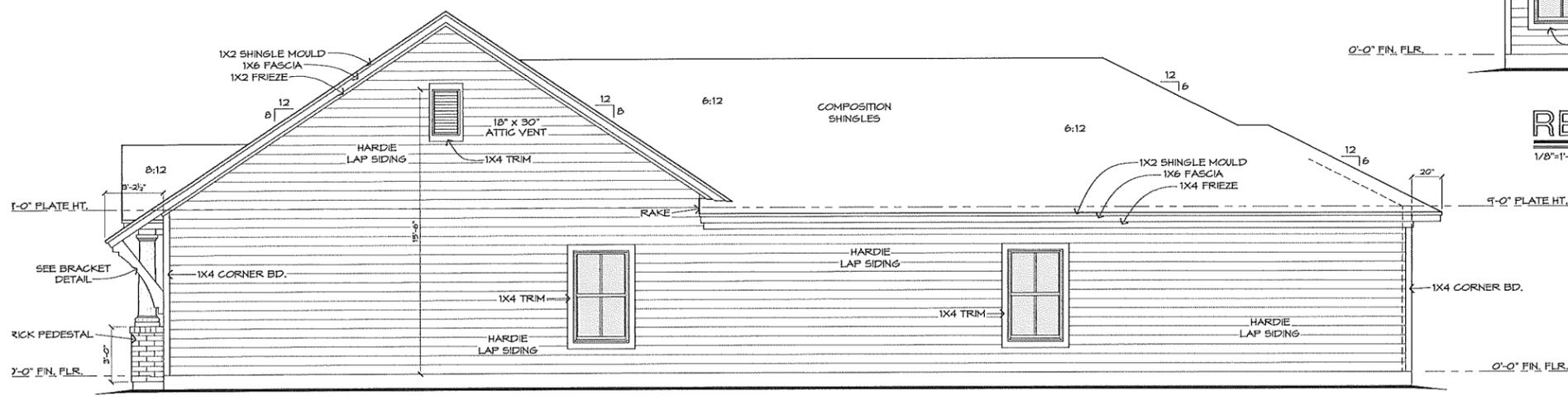
DATE 19 MAR 2021

REVISIONS 2 APR 2021  
26 JUL 2021

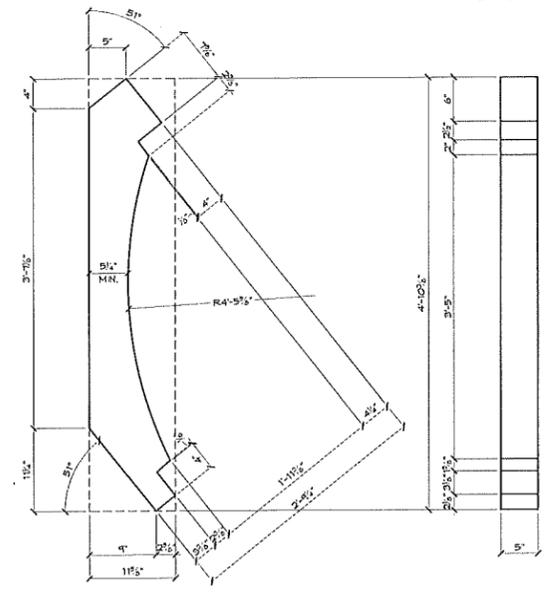
SHEET 5



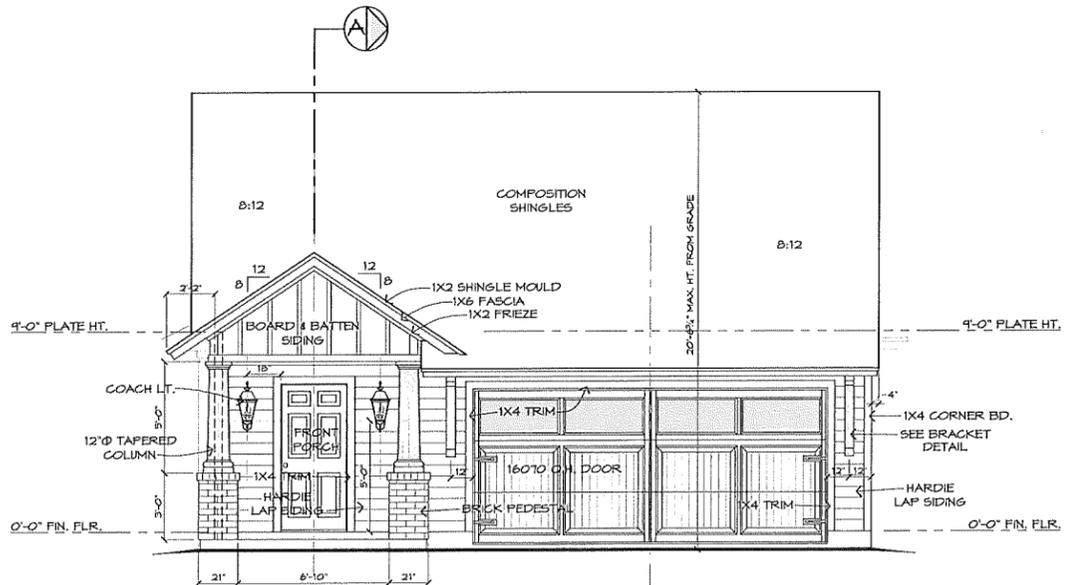
REAR ELEVATION  
1/8"=1'-0"



RIGHT ELEVATION  
1/8"=1'-0"



BRACKET DETAIL  
1/2"=1'-0"



FRONT ELEVATION  
1/8"=1'-0"

2 EA. REQ'D AT GARAGE OVERHANG



RAYBURN DRAFTING SERVICES  
21085615

FOR COMPLIANCE  
Since this review does not constitute a warranty, the applicant from full responsibility to comply with all applicable codes and regulations.  
11/23/21

12237 VALLEY LODGE PKWY  
HUMBLE, TEXAS 77346  
(713) 851-7075

APPLIED BUILDING CODE: 2012  
IRC/2012 IMC/2012 IPC NEC  
2020/2015 IECC/LOCAL  
AMENDMENTS

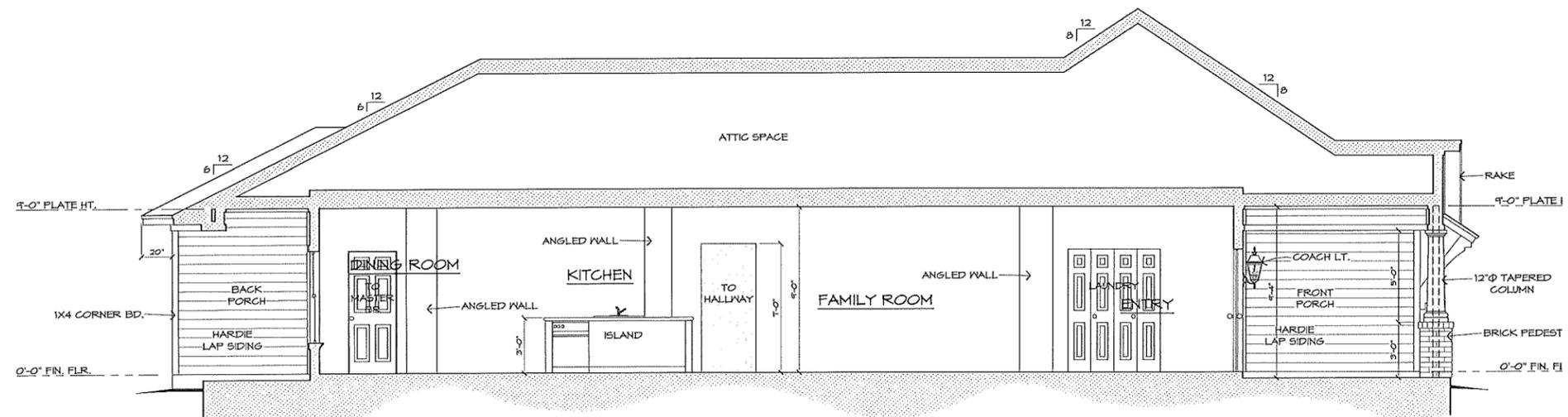
Address: 5801 Haight Street  
Houston, TX 77088  
Lot 11, Block 1,  
Liberty Terrace



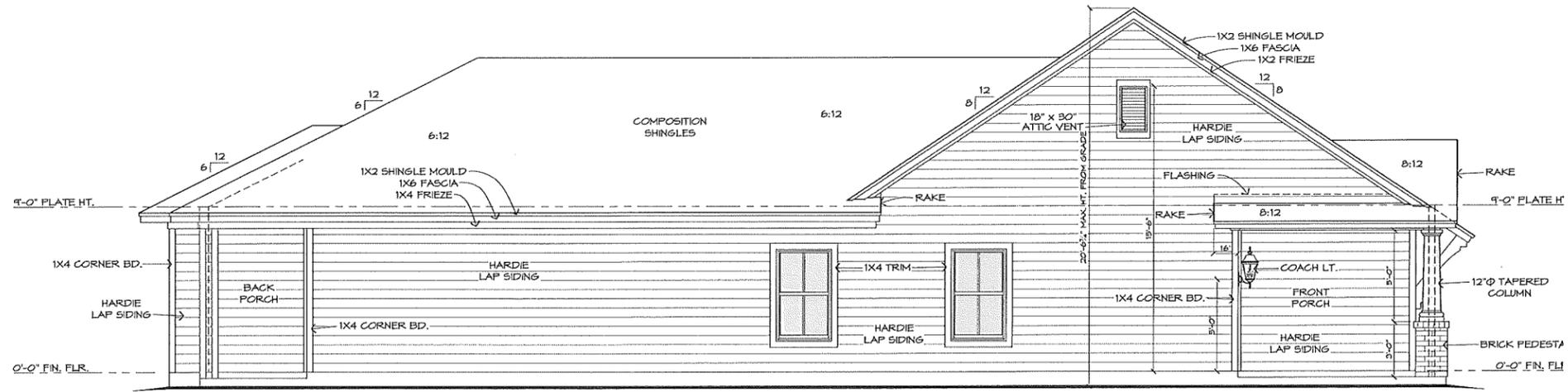
DATE 19 MAR 2021

REVISIONS 2 APR 2021  
26 JUL 2021

SHEET 6



SECTION A-A  
1/8"=1'-0"



LEFT ELEVATION  
1/8"=1'-0"

TRACT 23  
CALLED LOTS 23  
TO JOHNNY D. ULRICH  
H.C.C.F. NO. 20110486430

TRACT 22  
CALLED LOTS 22  
TO LEE RENDLER &  
CAROLYN ASKEW  
H.C.C.F. NO. 1320844  
N 00°31'08" E 50.00'

TRACT 21  
CALLED LOTS 20 & 21  
TO L.R. & CAROLYN ASKEW  
H.C.C.F. NO. 971482

BLOCK (42)  
QUINNBYN'S  
ADDITION PG.  
A 16 C.D.R.  
40 L. H.

TRACT 11  
0.2214 ACRES  
9,643 SQ. FT.  
CALLED LOT 11 OF LIBERTY  
TERRACE UNIT TO LAND  
ASSEMBLERS  
REDEVELOPMENT  
AUTHORITY MAYORS OFFICE  
H.C.C.F. 2008038513 SEE  
VOL 1862, PG. 715 H.C.D.R.

TRACT 10  
CALLED LOT 10  
FRANCISCO J. ZAMORA &  
MARIA DARRIOS  
H.C.C.F. NO.  
20120111380

TRACT 10  
CALLED LOT 10  
FRANCISCO J. ZAMORA &  
MARIA DARRIOS  
H.C.C.F. NO.  
20120111380

LIBERTY TERRACE  
UNIT 1  
(UNRECORDED)

APPROVED  
Traffic Design  
Yemisirach Welde  
11/22/2021

S 89°45'32" W 193.13' <193.52>  
N 89°45'30" E 192.66' <193.03>

SCALE: 1"=30'

0' 15' 15' 30'

LEGEND/ABBREVIATIONS

- ASPHALT
- TOP OF BANK
- FL OF DITCH
- CONCRETE
- COVERED
- SANITARY MANHOLE
- COVERED
- STORM MANHOLE
- TREE WITH SIZE
- EA = EDGE OF ASPHALT
- FL = FLOW LINE
- RCP = SANITARY MANHOLE
- SAN MH = SANITARY MANHOLE
- RCP = REINFORCED CONCRETE PIPE

TREE SURVEY KEY:

- HARDWOOD
- SOFTWOOD

TREES SPECIES (IF SHOWN) WERE IDENTIFIED BY A SURVEY CREW AT THE TIME OF SURVEY TO THE BEST OF OUR ABILITIES. A CERTIFIED ARBORIST SHOULD BE CONSULTED FOR FINAL DETERMINATION AND VERIFICATION OF SPECIES.

X = TREES TO BE REMOVED

LOT COVERAGE

- SLAB= 1,846 SQ.FT.
- COVERED PORCH= 103 SQ.FT.
- COVERED PATIO= 86 SQ.FT.
- DRIVEWAY/WALK= 1004 SQ.FT.
- TOTAL= 3,039 SQ.FT.
- LOT= 9,643 SQ.FT.
- COVERAGE= 31 %

CONCRETE IN R.O.W.  
DRIVEWAY = 201 SQ. FT.

FINISH FLOOR CALCULATIONS

- 12" x 38.6" (50.7' x 0.02) = 40.61
- 12" ABOVE RIM ELEVATION OF NEAREST SANITARY MANHOLE = 43.00
- 4" ABOVE CROWN OF STREET = 42.53

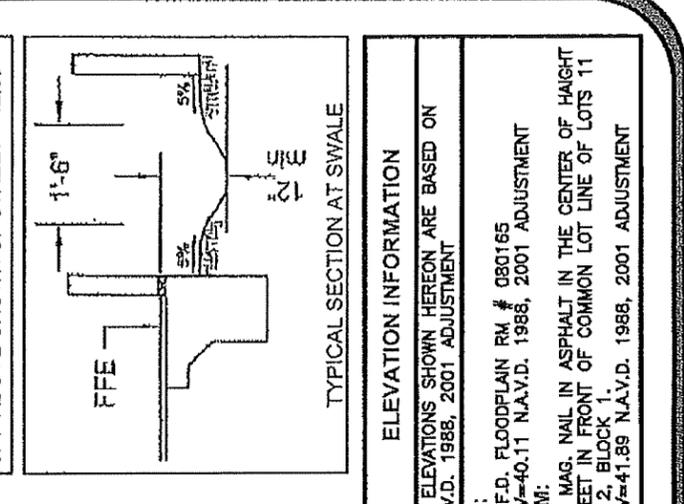
TYPICAL SECTION AT SWALE

ELEVATION INFORMATION

ALL ELEVATIONS SHOWN HEREON ARE BASED ON N.A.V.D. 1988, 2001 ADJUSTMENT

BM:  
H.C.F.D. FLOODPLAIN RM # 080165  
ELEV=40.11 N.A.V.D. 1988, 2001 ADJUSTMENT

SET MAG. NAIL IN ASPHALT IN THE CENTER OF HAIGHT STREET IN FRONT OF COMMON LOT LINE OF LOTS 11 & 12, BLOCK 1.  
ELEV=41.89 N.A.V.D. 1988, 2001 ADJUSTMENT



Line Table

Line #	Length	Direction
L1	50.00'	S 00°01'39" E

5801 HAIGHT STREET  
HOUSTON, HARRIS COUNTY, TEXAS 77028

- NOTES:
1. SEE ATTACHED DWG. NO. 12-01-R FOR A RESIDENTIAL EXAMPLE. ANY DEVIATIONS OF SLOPE MUST BE APPROVED BY THE BUILDING OFFICIAL OR DESIGNEE.
  2. ALL EASEMENTS AND BUILDING LINES SHOWN ARE PER THE RECORDED PLAT UNLESS OTHERWISE NOTED.
  3. SUBJECT TO A DRAINAGE EASEMENT ON EACH SIDE OF THE CENTERLINE OF ALL NATURAL DRAINAGE COURSES.
  4. THIS SURVEY WAS PREPARED WITHOUT THE BENEFIT OF A TITLE REPORT AT THE REQUEST OF NELROD HOMES AND MAY NOT SHOW ALL ENCUMBRANCES OF RECORD. THE BUILDER MUST VERIFY ALL BUILDING LINES, EASEMENTS, RESTRICTIONS AND ORDINANCES, IF ANY, THAT MAY AFFECT SUBJECT PROPERTY PRIOR TO STARTING CONSTRUCTION. THIS SURVEY DOES NOT CONSTITUTE A TITLE SEARCH BY THE SURVEYOR. SURVEYOR RECOMMENDED THAT A CURRENT TITLE REPORT SHOULD HAVE BEEN OBTAINED.
  5. BUILDER TO VERIFY ALL REQUIREMENTS IMPOSED BY GOVERNING MUNICIPALITIES PRIOR TO PLANNING OR CONSTRUCTION.
  6. MINIMUM FINISH FLOOR REQUIREMENTS, IF SHOWN, ARE PER RECORDED PLAT AND/OR DEED RESTRICTIONS ONLY AND NOTED AS SUCH. ADDITIONAL FINISHED FLOOR REQUIREMENTS MAY BE REQUIRED BY F.E.M.A. AND/OR LOCAL GOVERNING AUTHORITIES.
  7. SURFACE OR SUBSURFACE FAULTING, HAZARDOUS WASTE, MINERAL RIGHTS, WETLAND DESIGNATION OR OTHER ENVIRONMENTAL ISSUES AND ARCHEOLOGICAL ISSUES HAVE NOT BEEN ADDRESSED WITHIN THE SCOPE OF THIS SURVEY.
  8. AN EXISTING DRIVEWAY OR WALKWAY NOT PROVIDING ACCESS TO THE PROPERTY MUST BE REMOVED AND REGRADED TO THE OPEN DITCH WITH SOD/GRASS FOR POSITIVE DRAINAGE FLOW.
  9. BURIED UTILITIES HAVE NOT BEEN SHOWN. VERIFY ALL UTILITIES PRIOR TO CONSTRUCTION.
  10. DRAINAGE ARROWS SHOWN ARE PROPOSED DRAINAGE FLOW AND DOES NOT CONSTITUTE OR REPLACE AN ENGINEERED DRAINAGE PLAN.

11. THIS SITE PLAN DOES NOT ADDRESS ARCHITECTURAL PROTRUSIONS SUCH AS EAVES, OVERHANGS, WINDOW LEDGES, ETC. IN RELATION TO EASEMENTS AND/OR BUILDING LINES.
12. THE SURVEY COMPANY IS NOT RESPONSIBLE OR LIABLE FOR ANY CONSTRUCTION COST OR REIMBURSEMENT TO BUILDER FOR ADDITIONAL IMPROVEMENTS SHOWN OR NOT SHOWN ON THIS PLOT PLAN. THE MAIN PURPOSE OF A PLOT PLAN IS TO ESTABLISH PLACEMENT OF THE DWELLING ON THE SUBJECT PROPERTY TO AVOID ENCROACHMENTS. BUILDER SHOULD VERIFY ALL QUANTITIES AND PLACEMENT OF ALL IMPROVEMENTS.
13. THE ELEVATIONS SHOWN HEREON WERE DEVELOPED FROM A SURVEY OF THIS PROPERTY, PERFORMED ON 06-14-21
14. ANY EXISTING DRIVEWAY OR WALKWAY NOT PROVIDING ACCESS TO THE PROPERTY MUST BE REMOVED AND REGRADED TO THE OPEN DITCH WITH SOD/GRASS FOR POSITIVE DRAINAGE FLOW.
15. A PROPOSED 5" WALK WAS NOT ADDED AS THERE IS INSUFFICIENT SPACE BETWEEN PROPERTY LINE AND TOP OF BANK, AND THERE ARE NO SIDEWALKS ON EITHER SIDE OF THE PROPERTY.

SITE PLAN

LOT SEE LEGAL DESCRIPTION BLOCK 42  
SUBDIVISION QUIMBY'S ADDITION  
RECORDING VOLUME 167, PAGE 88  
DEED RECORDS HARRIS COUNTY, TEXAS

BORROWER N/A  
TITLE CO: N/A  
G.F. NO: N/A  
G.F. EFFECTIVE DATE: N/A

SURVEYED FOR: NELROD HOMES

FLOOD INFORMATION

F.I.R.M. NO. 46201C PANEL: 0685L  
REVISED DATE 6-18-2007 ZONE: 'X'

FLOOD INFORMATION PROVIDED HEREON IS BASED ON SCALING THE LOCATION OF THE SUBJECT TRACT ON THE FLOOD INSURANCE RATE MAPS. THE INFORMATION SHOULD BE USED TO DETERMINE FLOOD INSURANCE RATES ONLY AND IS NOT INTENDED TO IDENTIFY SPECIFIC FLOODING CONDITIONS. WE ARE NOT RESPONSIBLE FOR THE F.I.R.M.'S ACCURACY.

DRAWING INFORMATION

ENCUMBRANCE STUDY: N/A  
CALCULATED BY: M. COX

DRAWN BY: SM/CLD  
CHECKED BY: DS/MCG

BEARING BASE: TX STATE PLN COORD. S. CENTRAL ZONE 4204  
DRAWING TEMPLATE: RLS.dwt  
DRAWING PEN TABLE: TRI-TECH.CTB  
COGO SOFTWARE: ADESK C3D 2015

JOB NO.: M3610-21

REVISIONS

NO.	DATE	REASON	BY
1	08-16-21	REVISED PLAN	CLD
2	10-13-21	REV. PER COMMENTS	CLD

TRI-TECH  
SURVEYING COMPANY, L.P.

10401 WESTOFFICE DR.  
HOUSTON, TEXAS 77042  
PH: 713-667-0800

www.tritechtx.com

TBPLS #10115900

THIS IS NOT A BOUNDARY SURVEY  
© 2021, TRI-TECH SURVEYING COMPANY, L.P.



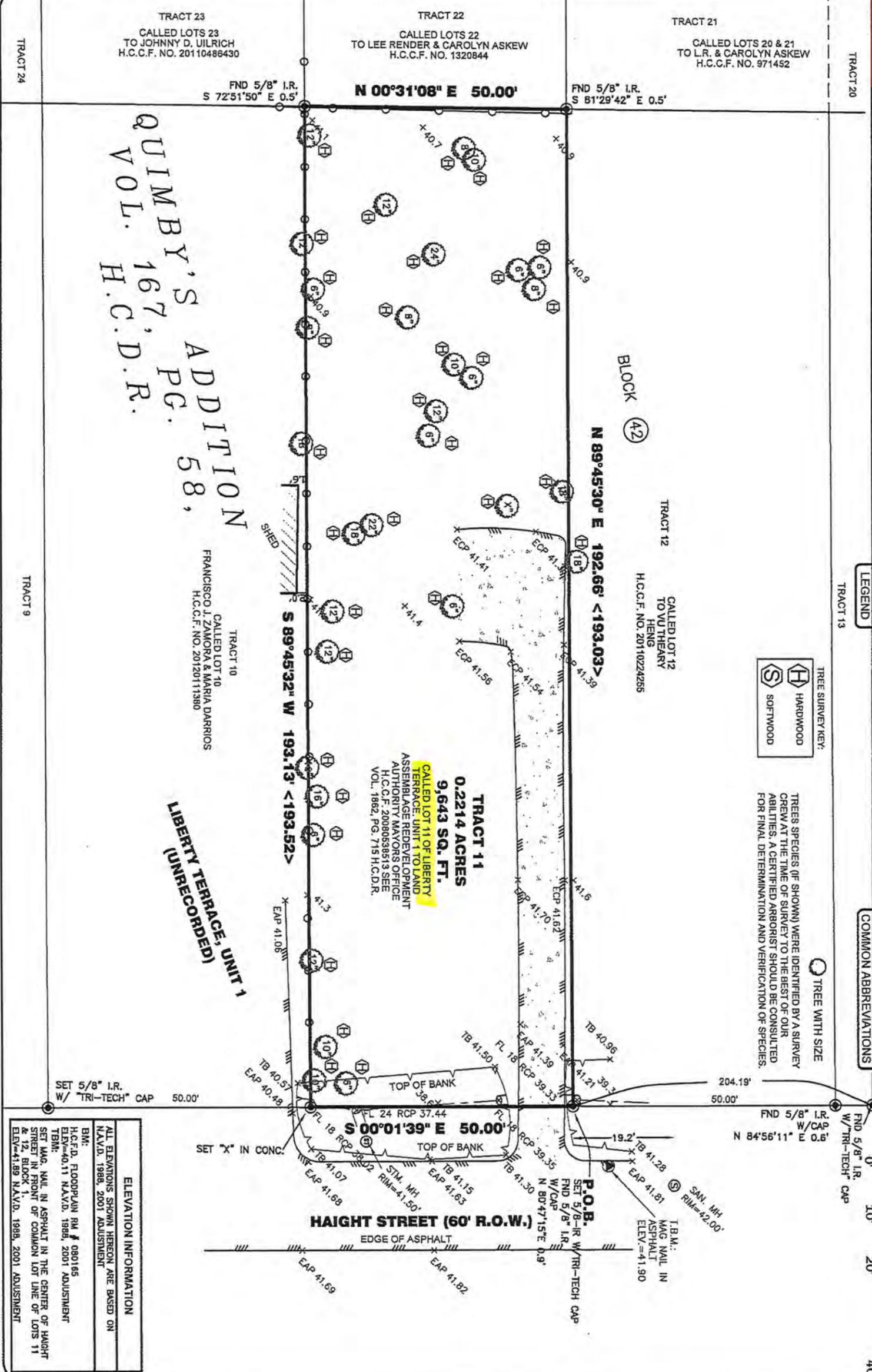
10/28/2015  
 REVIEWED FOR COMPLIANCE  
 Performance in this review does not relieve the applicant from full responsibility to comply with all applicable code and regulations.  
 11/23/21

**TRI-TECH**  
 SURVEYING COMPANY, L.P.  
 10401 WESTOFFICE DR.  
 HOUSTON, TEXAS 77042  
 PH: 713-667-0800  
 www.tritech.com  
 TBPLS #10115900

5801 HAIGHT STREET  
 HOUSTON, HARRIS COUNTY, TEXAS 77028

**BOUNDARY, TOPO & TREE SURVEY**  
 LOT: SEE LEGAL DESCRIPTION  
 BLOCK: 42  
 SUBDIVISION: QUIMBY'S ADDITION  
 RECORDING: VOLUME 167, PAGE 58, H.C.D.R.  
 HARRIS COUNTY, TEXAS  
 BORROWER: N/A  
 TITLE CO.: N/A  
 FIELD CREW (S): N/A  
 FIELD DATE: 06-14-2021  
 G.F. EFFECTIVE DATE: N/A  
 SURVEYED FOR: NEIROD HOMES

JOB NO.: M3610-21  
 ENCUMBR. STUDY: N/A  
 CALC BY: M. COX  
 DRAWN BY: S. MILLS  
 CHECKED BY: D. SULLIVAN  
 BEARING BASE: TX. STATE PLAN COORD. S. CENTRAL ZONE 4204  
 FIELD CREW (A): I. THURMOND / G. BARRERA  
 FIELD CREW (B): N/A  
 FIELD DATE: 06-14-2021  
 COGO VER.: ADESK C30 2015

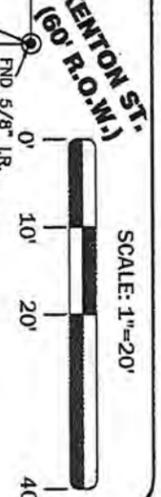


**ELEVATION INFORMATION**

ALL ELEVATIONS SHOWN HEREON ARE BASED ON N.A.V.D. 1988, 2001 ADJUSTMENT

BM: H.C.F.D. FLOODPLAIN RM # 080165  
 ELEV=40.11 N.A.V.D. 1988, 2001 ADJUSTMENT  
 TBM: SET MAG. NAIL IN ASPHALT IN THE CENTER OF HAIGHT STREET IN FRONT OF COMMON LOT LINE OF LOTS 11 & 12, BLOCK 1.  
 ELEV=41.89 N.A.V.D. 1988, 2001 ADJUSTMENT

- LEGEND**
- LIGHT STANDARD
  - WATER VALVE
  - CLEAN OUT
  - SANITARY MANHOLE
  - IRON FENCE
  - WOOD FENCE
  - POWER LINE
  - WATER METER
  - ELECTRIC BOX
  - POWER POLE
  - GUY ANCHOR
  - CONCRETE COVERED CALL
  - CONTROLLING MONUMENT (6-14-21)
  - CHAIN/LINK FENCE
  - FIRE HYDRANT
  - OVERHEAD UTILITIES
  - UTILITY EASEMENT
  - AERIAL EASEMENT
  - WATERLINE EASEMENT
  - STORM SEWER MANHOLE
  - SANITARY SEWER MANHOLE
  - BUILDING LINE
  - BOUNDARY LINE
  - POWER POLE
  - MANHOLE
  - IRON ROD
  - IRON PIPE
  - FENCE
  - REINFORCED CONCRETE PIPE
  - POLYVINYL CHLORIDE PIPE
  - TREE SURVEY KEY: HARDWOOD, SOFTWOOD
  - TREE WITH SIZE
  - TRESSES SPECIES (IF SHOWN) WERE IDENTIFIED BY A SURVEY CREW AT THE TIME OF SURVEY TO THE BEST OF OUR ABILITIES. A CERTIFIED ARBORIST SHOULD BE CONSULTED FOR FINAL DETERMINATION AND VERIFICATION OF SPECIES.
- COMMON ABBREVIATIONS**
- OHU = OVERHEAD UTILITIES
  - UE = UTILITY EASEMENT
  - AE = AERIAL EASEMENT
  - WLE = WATERLINE EASEMENT
  - SSM MH = STORM SEWER MANHOLE
  - SSN MH = SANITARY SEWER MANHOLE
  - BL = BUILDING LINE
  - PL = BOUNDARY LINE
  - PP = POWER POLE
  - MH = MANHOLE
  - IR = IRON ROD
  - IP = IRON PIPE
  - FNC = FENCE
  - R.C.P. = REINFORCED CONCRETE PIPE
  - P.V.C. = POLYVINYL CHLORIDE PIPE



6-28-21

**DANIEL S. SULLIVAN**  
 REGISTERED PROFESSIONAL LAND SURVEYOR  
 5828

**SURVEYOR REGISTRATION**

**CERTIFICATION**

I, the undersigned registered professional land surveyor, do hereby state that the plat shown hereon represents a boundary survey made on the ground under my supervision of the tract or parcel of land, according to the map or plat and/or deeds thereof, indicated hereon.

THIS SURVEY IS VALID FOR THE TRANSACTION ONLY.  
 © 2021, TRI-TECH SURVEYING COMPANY, L.P.

NO.	DATE	REASON	BY
1			

**REVISIONS**

- FLOOD INFORMATION**
- F.I.R.M. NO. 48291C PANEL: 0999L  
 REVISED DATE 8-18-2007 ZONE: X\*
- FLOOD INFORMATION PROVIDED HEREON IS BASED ON SCALING THE LOCATION OF THE SUBJECT TRACT ON THE FLOOD INSURANCE RATE MAPS. THE INFORMATION SHOULD BE USED TO DETERMINE FLOOD INSURANCE RATES ONLY AND IS NOT INTENDED TO IDENTIFY SPECIFIC FLOODING CONDITIONS. WE ARE NOT RESPONSIBLE FOR THE F.I.R.M.'S ACCURACY.
- ALL EASEMENTS AND BUILDING LINES SHOWN ARE PER THE RECORDED PLAT UNLESS OTHERWISE NOTED.
  - SUBJECT TO A DRAINAGE EASEMENT ON EACH SIDE OF THE CENTERLINE OF ALL NATURAL DRAINAGE COURSES.
  - THIS SURVEY WAS PREPARED WITHOUT THE BENEFIT OF A TITLE REPORT AT THE REQUEST OF NEIROD HOMES AND MAY NOT SHOW ALL ENCUMBRANCES OF RECORD. THE BUILDER MUST VERIFY ALL BUILDING LINES, EASEMENTS, RESTRICTIONS AND ORDINANCES, IF ANY, THAT MAY AFFECT SUBJECT PROPERTY PRIOR TO STARTING CONSTRUCTION. THIS SURVEY DOES NOT CONSTITUTE A TITLE SEARCH BY THE SURVEYOR. SURVEYOR RECOMMENDED THAT A CURRENT TITLE REPORT SHOULD HAVE BEEN OBTAINED.
  - ABSTRACT INFORMATION PROVIDED HEREON IS BELIEVED TO BE SUFFICIENT AND CORRECT BY THE UNDERSIGNED SURVEYOR. THIS SURVEY DOES NOT CONSTITUTE A TITLE SEARCH BY THE SURVEYOR. THE ENCUMBRANCES OF RECORD AS REFLECTED ON THIS SURVEY ARE BASED ON THE RECORDED MAP OR PLAT AND/OR DEEDS. TITLE INFORMATION AND INFORMATION PROVIDED BY OWNER/BUILDER.
  - BUILDER TO VERIFY ALL REQUIREMENTS IMPOSED BY GOVERNING MUNICIPALITIES PRIOR TO PLANNING OR CONSTRUCTION.
  - MINIMUM FINISH FLOOR REQUIREMENTS, IF SHOWN, ARE PER RECORDED PLAT AND/OR DEED RESTRICTIONS ONLY, AND NOTED AS SUCH. ADDITIONAL FINISHED FLOOR REQUIREMENTS MAY BE REQUIRED BY F.E.M.A. AND/OR LOCAL GOVERNING AUTHORITIES.
  - SURFACE OR SUBSURFACE FAULTING, HAZARDOUS WASTE, MINERAL RIGHTS, WETLAND DESIGNATION OR OTHER ENVIRONMENTAL ISSUES AND ARCHEOLOGICAL ISSUES HAVE NOT BEEN ADDRESSED WITHIN THE SCOPE OF THIS SURVEY.
  - A PRESCRIPTIVE GROUND AND/OR AERIAL EASEMENT MAY EXIST ADJACENT TO EXISTING UTILITIES NOT LOCATED WITHIN A RECORDED EASEMENT DEDICATED TO THAT UTILITY. OWNER/BUILDER MUST VERIFY CLEARANCE OF UTILITIES AND EASEMENTS WITH APPLICABLE UTILITY COMPANIES PRIOR TO PLANNING AND/OR CONSTRUCTION.
  - BURIED UTILITIES HAVE NOT BEEN SHOWN. VERIFY ALL UTILITIES PRIOR TO CONSTRUCTION.
  - THIS SURVEY DOES NOT ADDRESS ARCHITECTURAL PROVISIONS SUCH AS EAVES, OVERHANGS, WINDOW LEDGES, ETC. IN RELATION TO EASEMENTS AND/OR BUILDING LINES.

# DEVELOPMENT COST PRO-FORMA-TEMPLATE

1. Summarize your cost breakdowns using the following spreadsheet.
2. Type Only in the **blue** boxes below.
3. Return your completed excel files with your RFQ Submission

Revised: 05/18/2020

***This form is being used to evaluate your projected construction costs.***

<b>ORIGINAL PROFORMA - 5801 Haight Street</b>	<b>NOTE: PLEASE ONLY FILL IN NUMBERS IN BLUE BOXES</b>	Please Provide additional detail/assumptions here
<b>Name of Builder:</b>	<b>Nelrod Homes, LLC</b>	
<b>Offer Submission Date:</b>	<b>April 2, 2021</b>	
<b>Plan number/name (Please attach plan if applicable)</b>	<b>Plan #1416</b>	
<b>Square Footage of Plan</b>	<b>1,416</b>	sq. ft
<b>Estimated Days to Complete</b>	<b>210</b>	Days

LAND DEVELOPMENT COSTS	COST	NOTES
Lot Acquisition Cost	\$ 6,500	
Lot Development Cost/Site Prep (clearing, grading, etc.)	\$ 5,500	
Water/Sewer Impact Fees & Taps	\$ 2,000	Per CoH Permit Center listed rates: <a href="https://www.ho">https://www.ho</a>
Soft Costs (survey, environmental, design/permitting)	\$ 4,425	Engineering, Surveys, Geotech, etc.
	\$ 18,425	total
<b>Subtotal - Land Development Costs</b>	\$ 13.01	per sq. ft.

BUILDER HARD COSTS	COST	NOTES
Foundation/Flatwork	\$ 24,025	
Framing	\$ 22,500	
MEP	\$ 19,500	
House Envelope/Dry In	\$ 17,250	
Finishes (include drywall, paint, trim, cabinet, appliances)	\$ 18,250	
Landscaping	\$ 6,165	Includes Fencing
	\$ 107,690	total
<b>Sub Total - Builder Hard Costs</b>	\$ 76.05	per sq. ft.

BUILDER SOFT COSTS	COST	NOTES
Insurance/Builder's Risk	\$ 1,100	\$400 in BR, \$700 GL/PL
Builder Financing Costs	\$ 3,375	Assumes 6 months of financing on LOC.
Purchaser Closing Fees	\$ -	
Overhead & Supervision (security/theft)	\$ 4,000	
Property Taxes	\$ 205	
Contingency/Carrying Costs (up to 10% of total builder hard costs)	\$ 10,769	
Seller Closing Fees (possible buyer contribution)	\$ 2,300	
Homeowner Warranty	\$ 400	1-2-10 Warranty
	\$ 22,149	total
<b>Sub Total - Builder Soft Costs</b>	\$ 15.64	per sq. ft.

<b>Base Price</b>	<b>\$ 148,264.00</b>	
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PROFIT/COMMISSION	COST	NOTES
Builder Profit (up to 20% of total builder hard costs)	\$ 21,538	
Realtor Commission (marketing) (up to 6% of base price)	\$ 10,188	
	\$ 31,726	total
<b>Sub Total - Profit/Commission</b>	\$ 22.41	per sq. ft.
<b>Final Maximum Sales Price of Home</b>	\$ 179,990	total
	\$ 127.11	per sq. ft.

All homes built by Nelrod Homes will pursue **ENERGY STAR and EPA Indoor AirPLUS Certification**. Proforma pricing reflects cost estimates to those feature upgrades, including but not limited to advanced HVAC systems, increased insulation r-values, high performance windows, ENERGY STAR appliances, etc. The 7 month projected build cycle is with preconstruction/permitting milestones factored.

# DEVELOPMENT COST PRO-FORMA-TEMPLATE

1. Summarize your cost breakdowns using the following spreadsheet.
2. Type Only in the **blue** boxes below.
3. Return your completed excel files with your RFQ Submission

Revised: 05/01/2022

***This form is being used to evaluate your projected construction costs.***

<b>PROPOSED PROFORMA - 5801 Haight Street</b>	<b>NOTE: PLEASE ONLY FILL IN NUMBERS IN BLUE BOXES</b>	Please Provide additional detail/assumptions here
<b>Name of Builder:</b>	<b>Nelrod Homes, LLC</b>	
<b>Offer Submission Date:</b>	<b>October 21, 2022</b>	
<b>Plan number/name (Please attach plan if applicable)</b>	<b>Plan #1416</b>	
<b>Property HCAD Number</b>	<b>HCAD# 0300180400011</b>	
<b>Square Footage of Conditioned Space (Living Area)</b>	<b>1,416</b>	sq. ft.
<b>Total Square Footage of Plan (include garage, patio, etc.)</b>	<b>2,052</b>	sq. ft.
<b>Estimated Days to Complete</b>	<b>365</b>	Days

LAND DEVELOPMENT COSTS	COST	NOTES
Lot Acquisition Cost	\$ 6,612	
Lot Development Cost/Site Prep (clearing, grading, etc.)	\$ 5,100	
Water/Sewer Impact Fees & Taps	\$ 2,828	
Soft Costs (survey, environmental, design/permitting)	\$ 4,574	
	\$ 19,114	total
<b>Subtotal - Land Development Costs</b>	\$ 13.50	per sq. ft.

BUILDER HARD COSTS	COST	NOTES
Foundation/Flatwork	\$ 28,583	
Framing	\$ 28,786	
MEP	\$ 28,798	Same estimated costs as 5731 Haight
House Envelope/Dry In	\$ 15,988	Same estimated cost as 5731 Haight
Finishes (include drywall, paint, trim, cabinet, appliances)	\$ 40,000	Many materials pre-ordered but trying to capture some savings
Landscaping	\$ 7,500	175 LF of Fencing @ \$20/LF
	\$ 149,656	total
<b>Sub Total - Builder Hard Costs</b>	\$ 105.69	per sq. ft.

BUILDER SOFT COSTS	COST	NOTES
Insurance/Builder's Risk	\$ 3,250	
Builder Financing Costs	\$ 3,375	
Purchaser Closing Fees	\$ -	
Overhead & Supervision (security/theft)	\$ 18,000	
Property Taxes	\$ 205	
Contingency/Carrying Costs (up to 10% of total builder hard costs)	\$ -	
Seller Closing Fees (possible buyer contribution)	\$ 2,300	
Homeowner Warranty	\$ 500	
	\$ 27,630	total
<b>Sub Total - Builder Soft Costs</b>	\$ 19.51	per sq. ft.

<b>Base Price</b>	<b>\$ 196,399.41</b>
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PROFIT/COMMISSION	COST	NOTES
Builder Profit (up to 20% of total builder hard costs)	\$ (17,809.41)	9.4% loss
Realtor Commission (marketing) (up to 6% of base price)	\$ 11,400	
	\$ (6,409.41)	total
<b>Sub Total - Profit/Commission</b>	\$ (4.53)	per sq. ft.
	\$ 189,990	total
<b>Final Maximum Sales Price of Home</b>	\$ 134.10	per sq. ft. w/out land acquisition
	\$ 138.77	per sq. ft.

Notes: Factors that might affect cost of home (Please identify anything major that would affect your assumptions above)

**Nelrod Homes, LLC**  
**General Ledger - 5801 Haight Street**  
**For the Period From Jun 1, 2021 to Aug 31, 2022**

Filter Criteria includes: 1) IDs from 1554 to 1554. Report order is by ID. Report is printed with shortened descriptions and in Detail Format.

Date	Reference	Trans Description	Debit Amt	Credit Amt	Balance
6/1/21		Beginning Balance			
7/1/21		Beginning Balance			
7/9/21	667946	Tri-Tech Engineering, L.P. - 5801 Haight-Site Plan	250.00		
7/28/21	072821	American Express	690.00		
7/31/21	NH- Earnest Money	To allocate Earnest Money to each address	1,000.00		
		Current Period Change	1,940.00		1,940.00
8/1/21		Beginning Balance			1,940.00
8/16/21	NH-ADJE	Purchase 5801 Haight (Lot Closing)	5,612.50		
8/25/21	NH-ADJE 8-25	Reclassify Soft Costs to BS by address (Arch Design, surveying, Engineering, etc.)	4,323.75		
		Current Period Change	9,936.25		9,936.25
9/1/21		Beginning Balance			14,657.58
9/28/21	E0928	American Express	1,262.88		
		Current Period Change	1,262.88		1,262.88
10/1/21		Beginning Balance			15,920.46
11/1/21		Beginning Balance			15,920.46
11/30/21	NEL2021-04BOYL	Karla S. Canada - SW Modification Permit	125.00		
11/30/21	NEL2021-04BOYL	Karla S. Canada - 5801 Haight Permit 21085616	750.00		
		Current Period Change	875.00		875.00
12/1/21		Beginning Balance			16,795.46
12/7/21	1048	Cat Attack Land Services LLC - Home site preparation	500.00		
12/15/21	121521-2	Stephen Fransaw/Fransaw Concre - Slab/Sidewalk/Driveway- 5801 Haight	4,116.67		
12/29/21	122921-1	Stephen Fransaw/Fransaw Concre - Removal of existing driveway	4,600.00		
12/31/21	123121	AMEX	792.00		
		Current Period Change	10,008.67		10,008.67
12/31/21		Fiscal Year End Balance			26,804.13
1/1/22		Beginning Balance			26,804.13
1/11/22	BR73954582	US Assure Insurance Services - 5801 Haight St (Builders Risk)	819.00		
1/12/22	122921-2 slab	Stephen Fransaw/Fransaw Concre	4,116.66		
		Current Period Change	4,935.66		4,935.66
2/1/22		Beginning Balance			31,739.79
2/18/22	84840	Higginbotham & Associates, Inc - GL Policy	2,411.18		
2/28/22	022822	AMEX - 5801 Haight- BR Insurance	839.00		
		Current Period Change	3,250.18		3,250.18
3/1/22		Beginning Balance			36,159.97
3/2/22	310	Oak Tree Service - Tree/stump removal-5801 Haight St.	2,000.00		
		Current Period Change	2,000.00		2,000.00
4/1/22		Beginning Balance			39,084.97
4/19/22	1118	Stephen Fransaw/Fransaw Concre - 5801 Haight- Foundation rework	3,000.00		
4/27/22	042522	American Express	1,606.97		
		Current Period Change	4,606.97		4,606.97
5/1/22		Beginning Balance			43,691.94
5/12/22	1129	Stephen Fransaw/Fransaw Concre - 2nd draw-5801 Haight	8,233.33		
5/18/22	1131	Stephen Fransaw/Fransaw Concre - 5801 Haight St- Foundation- Final Payment	8,233.33		
5/25/22	1139	Best Friend Plumbing/Genaro E. - Phase Two- Plumbing Top Out	2,980.00		
5/25/22	1139	Best Friend Plumbing/Genaro E. - Phase One- Plumbing Ground	2,235.00		
5/25/22	1139	Best Friend Plumbing/Genaro E. - Phase Three- Plumbing Trim	2,235.00		
5/25/22	052522	American Express (Lumber Pack #1)	15,995.96		
		Current Period Change	39,912.62		39,912.62
6/1/22		Beginning Balance			83,604.56
6/7/22	1141	Stephen Fransaw/Fransaw Concre - 5801 Haight- grading and clean up Front	1,500.00		
6/7/22	1142	Stephen Fransaw/Fransaw Concre - 5801 Haight- grade and clean up Back	1,500.00		
6/13/22	633	Best Friend Plumbing/Genaro E. - 5801 Haight- water meter long tap	1,800.00		
6/21/22	4	Scottie Barragan - 5801 Haight- Windstorm inspection/framing	5,494.50		
6/21/22	4	Scottie Barragan - 5801 Haight- Cornice, eaves, soffit, siding,trim and doors	5,495.50		
6/25/22	062522	American Express (Pre-Order of Cabinets, Countertops, Doors, Millwork, etc.)	21,519.56		
6/27/22	5	Scottie Barragan - 5801 Haight- roofing	1,800.00		
6/27/22	1147	Stephen Fransaw/Fransaw Concre - 5801 Haight- Construction site clean up	250.00		
		Current Period Change	39,359.56		39,359.56
7/1/22		Beginning Balance			122,964.12
7/23/22	CM1139-40	Best Friend Plumbing/Genaro E.		5,215.00	
7/23/22	1137-38	Stephen Fransaw/Fransaw Concre		2,000.00	
7/26/22	072622	American Express (Pre-Order of Tile, Flooring, Carpet, fixtures, etc.)	10,328.60		
7/28/22	86465	Houk Air Conditioning Inc. - 5801 Haight- HVAC	5,214.00		
		Current Period Change	15,542.60	7,215.00	8,327.60
8/1/22		Beginning Balance			131,291.72
8/19/22	2205270548	CJ's Builder Service - 5801 Haight- Insulation	825.00		
8/22/22	167203	J.T. Lanehart Electric Co., In - Rough Electric - 5801 Haight	5,460.00		
8/25/22	082522	American Express	3,441.68		
8/30/22	059342	Charter Drywall Houston, Inc - 5801 Haight- Drywall installation	8,561.00		
		Current Period Change	18,287.68		149,579.40
9/1/22		Beginning Balance			
9/7/22	E0907	AMEX - Appliances	1,361.90		
9/8/22	13791	William C. Nash/Legacy Garage - 5801 Haight	1,460.00		
9/13/22	196	Salazar Painting Co., Inc - 5801 Haight- Exterior Paint	3,617.50		
9/22/22	59360	Charter Drywall Houston, Inc - 5801 Haight- Generator Use: Hanger Finisher	150.00		
9/28/22	E0928	American Express (cabinet and counters installation, finish out fixtures, fence material)	9,356.04		
		Current Period Change	15,945.44		165,524.84
10/1/22		Beginning Balance			
10/2/22	002	Anibal Anselmo - 5801 Haight - Trim work	2,050.00		
		Current Period Change	2,050.00		167,574.84
8/31/22		<b>Ending Balance</b>	<b>169,913.51</b>	<b>7,215.00</b>	<b>162,698.51</b>

## 5801 Haight St Progress Photos

