



houston landbank

BOARD OF DIRECTORS REGULAR MEETING October 20, 2025

Table of Contents

Agenda	Page 3
September 11, 2025, Meeting Minutes	Page 5
Financial Report	Page 17
Swearing in an Oath of Office: Rickie Bradshaw	Page 20
Austin Bank Donation Letter	Page 21

<u>Item VIIIa:</u>	Page 22
--------------------	---------

Consideration and Possible Action to Approve the Successful Bidders (New Community Instruction LLC, Paige Management LLC, Perpetual Development LLC, Remodel HTX and Southern Brothers Property, LLC.) under the Request for Proposals for General Contractor Services as issued on July 01, 2025.

Item VIIIb:

Page 26

Consideration and Possible Action to Approve the Successful Bidders (EnSafe Inc., ESE Partners, GHD Inc., SKA Consulting, L.P., and SSCI Environmental), under the Request for Proposals for Environmental Assessment Professionals for the EPA Brownfield's Assessment Grant as issued on July 01, 2025.

Item VIIIc:

Page 36

Consideration and Possible Action to Approve and Adopt the FY 2025 financial external audit conducted by A Bricks Coggin, CPA PLLC.

Item VIId:

Page 69

Consideration and Possible Action to Approve the agreement to execute the Subrecipient Grant Agreement with Auburn University in the amount of \$100,000 for Phase 1 and to enter into a subsequent Professional Services Contract not to exceed \$50,000 for Phase 2.



BOARD OF DIRECTORS REGULAR MEETING
AGENDA

October 20, 2025 – Noon Central Time

Leonel Castillo Community Center

2101 South Street, Houston, Texas 77009

The meeting will be in person and open to the public but restrictions regarding masks, allowable room capacity, and seating arrangements may be in place.

The public meeting location will be at 2101 South Street, Houston, Texas 77009. The Board Chair, as presiding officer of the Board, will be physically present; Board members will also be physically present.

Please contact info@houstonlandbank.org or call us at 281-655-4600 with any questions.

AGENDA

- I. Call to Order and Roll Call
- II. Public Speakers & Registered Attendees

Speakers must be registered by 5 p.m. on Friday, October 17, 2025. To register, please use the online form at www.houstonlandbank.org/resources, e-mail 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
 - a. September 11th, 2025 Board Meeting
- IV. Chairman's Greeting: Matt Zeis
- V. Swearing in an Oath of Office: Rickie Bradshaw
- VI. Austin Bank Donation Presentation
- VII. Committee Reports:
 - a. Executive Committee: Matt Zeis, Chair
 - b. Finance Committee: Open, Chair
 - c. Partnership and Program Development: Chrishelle Palay, Chair
 - d. Real Estate Acquisition and Disposition: Francisco Castillo, Chair
 - e. Procurement and Oversight: Elaine Morales, Chair
- VIII. Board Action Items
 - a. Consideration and Possible Action to Approve the Successful Bidders (New Community Instruction LLC, Paige Management LLC, Perpetual Development LLC, Remodel HTX and Southern Brothers Property, LLC.) under the Request for Proposals for General Contractor₃ Services as originally issued on July 01, 2025.

- b. Consideration and Possible Action to Approve the Successful Bidders (EnSafe Inc., ESE Partners, GHD Inc., SKA Consulting, L.P., and SSCI Environmental), under the Request for Proposals for Environmental Assessment Professionals for the EPA Brownfield's Assessment Grant as initially issued on July 10, 2025 and re-issued on September 19, 2025.
- c. Consideration and Possible Action to Approve and Adopt the FY 2025 financial external audit conducted by A Bricks Coggin, CPA PLLC.
- d. Consideration and Possible Action to Approve the Houston Land Bank to enter into an agreement to execute the Subrecipient Grant Agreement with Auburn University in the amount of \$100,000 for Phase 1 and to enter into a subsequent Professional Services Contract not to exceed \$50,000 for Phase 2.

IX. 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.

X. Board Member Comments

XI. Adjournment

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

September 11, 2025

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 Leonel Castillo Community Center located at 2101 South Street, Houston, Texas, on Thursday, September 11, 2025 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:

Elaine Morales-Diaz	David Collins
Matt Zeis	Chrishelle Palay
Ge'Juan Cole	Janae Ladet
Francisco Castillo	

Board directors absent were: Thomas Simpson, Marilyn Muguerza and Dwantrina Russell. Others in attendance included: Christa Stoneham, Chief Executive Officer/President of the HLB; LaTosha Okoiron, in-house counsel and Compliance Manager; Isai Mendez, Finance Director for the HLB; Lindsey Williams, Director of Community Development for the HLB; Melanie Young, Director of Operations; Donesha Albrow, Program Manager for the HLB; LeKendra Drayton, Administrative Assistant for the HLB; Graciela Saenz, outside legal counsel to the HLB, and Lindsay Canning and Mark Glanowski (Paralegal) of Winstead PC; Aimee Bertrand; Ricky Bradshaw III with Frost Bank; Glen Austin; and Edwardo _____.

I. Call to Order and Roll Call

Chairman Zeis called this regular meeting to order at 1:11 p.m. A roll call of the Board members attending in person immediately followed. Chairman Zeis then announced that an in-person quorum of the Board was now present for this meeting.

II. Public Speakers & Registered Attendees

Nothing to report.

III. Consideration and Adoption of Meeting Minutes

a. April 10, 2025 Board Meeting

Chairman Zeis noted that the minutes for the April 10, 2025 regular meeting of the Board were previously circulated for review and comment to the Directors.

b. June 12, 2025 Board Meeting

Chairman Zeis noted that the minutes for the June 12, 2025 regular meeting of the Board were previously circulated to the Directors for review and comment.

Director Morales – Diaz made a motion to approve the written minutes for the meetings held on April 10, 2025 and June 12, 2025, which motion was duly seconded by Director Ladet and approved with the unanimous vote of the Board.

IV. Chairman's Greeting: Matt Zeis

Chairman Zeis thanked everyone for attending today's meeting on the 24th anniversary of the September 11 attacks. He then informed the Board that he and Christa Stoneham attended the National Land Bank Summit in Detroit, Michigan, earlier this week. He noted that the Detroit land bank has 80,000 lots in its inventory, however the house construction cost is approximately \$400,000 for an affordable home in Detroit.

V. Committee Reports:

a. Executive Committee: Matt Zeis, Chair

Chairman Zeis reported that the Executive Committee met to discuss the other items on the meeting Agenda. The Committee also discussed the progress with those builders that are out of compliance under their construction contracts.

b. Finance Committee: Open Chair

Chairman Zeis reported that the Finance Committee met monthly with regard to the discussions with the Houston Housing Department Director concerning operating funding for HLB's next fiscal year which began on July 1, 2025. He also noted that this Committee needs a Chair to lead and manage this Committee.

c. Partnership and Program Development Committee: Chrishelle Palay, Chair

Director Palay reported that the Partnership Committee met twice to discuss the following:

- i. the Rice Management Proposal including the 15% administrative fee payable to the HLB;
- ii. the Tejano Center Agreement to manage 40 houses;
- iii. the Consulting Services Agreement with Local Initiatives Support Corporation;
- iv. the Community Wellness Initiative;
- v. the Brownfields ground lease model; and
- vi. Activating land opportunities with HISD.

Also, Chairman Zeis noted that the Harris County Commissioners passed the Interlocal Agreement for disposition of lots to home builders.

d. **Real Estate Acquisition and Disposition Committee: Open Chair**

Chairman Zeis reported that the Real Estate Acquisition and Disposition Committee met to discuss the disposition of lots for the Traditional Builder lots located within the flood plain and the increase in the builder costs associated with construction within the flood plain. The Board may consider utilizing funds from Harris County to cover these additional costs.

He reported that the READ Committee completed the scoring for the submissions from the builders for sale of lots during the recent Round 9 Lot Sales. The scoring results were submitted to the Board for review.

e. **Procurement and Oversight Committee: Elaine Morales-Diaz, Chair**

Director Morales-Diaz reported that the Procurement and Oversight Committee met in late August to discuss the response for the procurement concerning Acres Homes, and to move forward with the three vendors who submitted bids for the RFP for cleaning services.

Lastly, she reported that there are two active procurements open for a general contractor and EPA environmental services relating to the Brownfields program.

Chairman Zeis made a motion to recess the Board meeting at 12:26 p.m. and to reconvene the meeting at 12:45 p.m., which motion was duly seconded by Director Palay and passed with the unanimous vote of the Board.

The Board meeting then reconvened at 1:11pm.

VI. Board Action Items

a. **Consideration and Possible Action to Approve the Houston Land Bank (HLB) Round Nine (9) of Lot Sales to two (2) builders (MH Builder-Houston, LLC & SXG Capital Group LLC) under the Houston Land Bank Builder Traditional Program.**

Ms. Stoneham announced that the approval of this item will accept the READ Committee's recommendations of builder lot selections resulting from the Traditional Program's Round 9 Lot Sales and authorize staff to initiate the execution of contracts for the sale of lots to house builders as noted below.

She then mentioned that The Round 9 Lot Sale opened April 14, 2025 and closed on May 16, 2025. There were 26 builders invited to participate in the lot sale, and of that, 5 builders participated by submitting applications for the preferred lots. There were 12 lots listed for sale and of those, eight lots received submissions and are recommended for contract execution by the Real Estate Acquisition and Disposition Committee in line with the HLB staff review.

The Round 9 Lot Sales were recommended to the home builders as follows:

- MH Builder-Houston, LLC- 2 lots
- SXG Capital Group, LLC - 6 lots

Additionally, the Round 9 Sale Lots awarded are located in the following neighborhoods:

- Acres Homes - 5 lots
- Sunnyside - 3 lots

The proposed Round 9 Lot Sales are further detailed as follows:

HCAD	Lot Address	Lot Size	Bid Price	Builder	Home Size	Bed/Bath/ Garage	Tier	Home Sales Price
0511740170008	8235 Canyon (Sunnyside)	5,512	\$20,001	SXG	1,661	3/2/2	III	\$282,099
0641680160004	3910 Lowden (Sunnyside)	5,000	\$16,000	SXG	1,415	3/2/1	II	\$244,373
0361190070031	0 Sunnyhill (Acres Homes)	5,500	\$20,001	SXG	1,661	3/2/2	III	\$282,099
0361190070032	0 Sunnyhill (Acres Homes)	5,500	\$20,001	SXG	1,661	3/2/2	III	\$282,099
0162760220011	0 Cohn (Acres Homes) 2 Homes	6,000	\$31,000	SXG	1,629	3/2.5/2	III	\$271,125
0162760230019	0 Cohn (Acres Homes) 2 Homes	6,000	\$20,000	MH Builder	1,732	3/2.5/2	III	\$295,900
0162760220013	0 Cohn (Acres Homes) 2 Homes	6,000	\$20,000	MH Builder	1,732	3/2.5/2	III	\$295,900
0511560520016	0 Glenrose (Sunnyside)	2,500	\$16,000	SXG	1,415	3/2/1	II	\$244,373

Director Castillo made a motion to approve the sale of the above lots to MH Builder and SXG Capital Group under the Traditional Builder Program, which motion was seconded by Director Palay and approved with the unanimous vote of the Board.

- b. **Consideration and Possible Action to Approve the Successful Bidders (AD Construction and Development, Pero B LLC, Smartscaping & TransTeq Environmental Solutions, INC.) under the Request for Proposals for Lot Maintenance Services as issued on April 25, 2025.**

Chairman Zeis announced that this Agenda item will authorize the HLB to execute Service Agreements with vendors for lot maintenance services.

Ms. Stoneham noted that the Houston Land Bank's current Lot Maintenance Contract ended on August 31, 2025. To facilitate continued operations, the HLB issued a Lot Maintenance

Services Request for Qualifications (RFQ) on April 25, 2025. The responses to the RFQ were due on May 30, 2025 and seven responses were received from the entities listed below:

- AD Construction & Development Inc.
- AW & D Construction and Maintenance Services, LLC
- Career and Recovery Resources, Inc.
- Pero B LLC
- Smartscaping
- The Woo Group
- Trans Teq Environmental Solution, Inc.

Upon the closing of the RFQ, a three person HLB staff evaluation panel was instituted to evaluate the submittals. Each panel member graded each submittal based on a 100-point scale created from the submission requirements of the RFQ, for a total possible points of 300. The point allocation breakdown is as follows:

- Qualifications and Experience (65 points)
- Pricing/Rate Sheet (25 Points)
- Alignment with HLB's Mission (10 points)

After evaluation of all submissions by each panel member and review of all submissions as an entire panel, the submittals were scored in points as follows:

- AD Construction & Development Inc. (285)
- AW & D Construction and Maintenance Services, LLC (0 points- because it did not submit a complete submission)
- Career and Recovery Resources, Inc. (245)
- Pero B LLC (255)
- Smartscaping (270)
- The Woo Group (0 points because it did not submit a complete submission)
- Trans Teq Environmental Solution, Inc. (280)

Based on the submissions and the scoring of the panel, the HLB staff recommended the following four companies to move forward with contract execution:

1. AD Construction & Development Inc.
2. Pero B, LLC
3. Smartscaping
4. Trans Teq Environmental Solution, Inc.

The HLB decided to set the lot maintenance provider number at four due to its current lot inventory and the number of special projects.

Director Ladet made a motion to accept the proposals of the four highest scoring companies for lot maintenance services contracts, which motion was duly seconded by Director Castillo and approved with the unanimous vote of the Board.

c. **Consideration and Possible Action to Approve the Successful bidder Raestone Holdings Inc., DBA The J Team, under the Request for Proposals for Tree-Trimming and Tree-Removal Service Providers as re-issued on May 30, 2025.**

Chairman Zeis announced that this Agenda action item is necessary to facilitate the tree trimming and tree removal services on the HLB lots which are not handled by the lot maintenance companies currently under contract.

The approval of this agenda item will authorize Houston Land Bank to contract with the successful submitter as described under the Houston Land Bank Request for Proposal (RFP) for Tree Trimming and Tree Removal Services, which was reissued on May 30, 2025.

He stated that the Houston Land Bank sought proposals to provide additional tree-trimming and tree removal services for a two-year period beginning September 1, 2025, with an option to extend for two additional one-year terms.

As a result of the RFP, one submission was received from Raestone Holdings Inc. DBA The J Team Tree Service which passed with a 100/100 score after review by the HLB staff. With Board approval, the Houston Land Bank will proceed with contracting with Raestone Holdings Inc DBA The J Team Tree Service and be added to the Tree Services pool, for current and future tree-trimming and tree-removal services.

Director Collins asked why the current lot maintenance companies handle this tree work. Chairman Zeis stated that those companies do not have the proper equipment and generally quoted higher prices for such tree work projects.

Director Morales-Diaz made a motion to approve Raestone Holdings Inc. DBA The J Team Tree Service for tree trimming and tree removal services, which motion was duly seconded by Director Cole and approved with the unanimous vote of the Board.

d. **Consideration and Possible Action to Authorize the Houston Land Bank to approve the HLB Builder, Houston Habitat for Humanity's New Floor Plan Design and Sale Price Increase Request for 1220 Grove & 1224 Grove (formerly 3306 Market St).**

Chairman Zeis announced that approval of this item will authorize the HLB staff to amend the existing contracts to reflect the recommended sales prices increase and floor plan change for Houston Habitat For Humanity. The request has been reviewed, analyzed, and recommended by HLB staff and the READ Committee.

The lot at 3306 Market St was sold to Houston Habitat for Humanity on October 26, 2020 for \$1, with a maximum house sales price of \$179,216. Chairman Zeis stated that Houston Habitat for Humanity is requesting a post-sale price increase.

Houston Habitat for Humanity presented a modular home floorplan for consideration as part of its effort to address rising construction costs and limited housing affordability. Although modular homes cost more upfront (\$269,000 vs. \$188,000 for traditional builds), they offer long-term savings through energy efficiency, durable materials, and lower maintenance and utility costs.

The homes are also Zero Energy Ready and adaptable for future upgrades. Additionally, modular construction shortens the build timeline from six months to about 60 days, enabling Habitat for Humanity to provide affordable, resilient homes more quickly while reducing future repair and maintenance expenses. Houston Habitat for Humanity will be selling the modular homes at a loss under this pilot program.

Original Design

HCAD	Property Address	Bed/Bath	Total Sq Ft	Construction Costs	Proposed Sales Price
0351900000009	3306 Market St, Houston, Tx 77020	3/2/1 Car Garage	1,623	\$147,293	\$179,216

Director Cole asked what valuation will be shown on the tax roll for these modular houses. The response was that the actual sale price by the purchaser will be shown on the tax roll.

New Design for Consideration

HCAD	Property Address	Bed/Bath	Total Sq Ft	Construction Costs	Proposed Sales Price
0351900000009	1220 Grove St, Houston, Tx 77020	3/2/2 Car Carport	1,718	\$230,160	\$275,611
0351900000016	1224 Grove St, Houston, Tx 77020	3/2/2 Car Carport	1,718	\$230,160	\$275,611

Director Ladet made a motion to adopt the new floor plan for modular houses proposed by the Houston Habitat for Humanity, which motion was duly seconded by Director Morales-Diaz and approved with the unanimous vote of the Board.

e. Consideration and Possible Action to Authorize the Houston Land Bank to Administer the Early Capacity Building Grant Fund in Partnership with Rice Management Company.

Ms. Stoneham announced that this Agenda item relates to approval for the HLB to handle the administration of the Early Capacity Building Grant Fund for the Rice Management Group which includes \$1,000,000 for affordable housing and a stipulation for community benefits.

She noted that approval of this agenda item covers the Houston Land Bank's role as the administrative partner for the Early Capacity Building Grant Fund, a \$1 million, two-year initiative funded by the Rice Management Company includes authorization for the President and CEO to execute all necessary agreements and take required actions to implement and manage the program.

The Rice Management Company has committed \$1 million to support local small businesses, nonprofits, and community-based organizations located in or serving the Third Ward Complete Communities area. The fund is designed to advance community resilience, cultural preservation, economic mobility, and neighborhood-level development.

The Houston Land Bank has been selected as the lead administrative partner for this program and will be responsible for managing all aspects of fund implementation, including

grantee intake, compliance, financial disbursement, program reporting, and capacity-building support. HLB will also coordinate with a Community Advisory Council to align program design and evaluation with the goals of the Third Ward Complete Communities Action Plan.

The program will disburse approximately \$1,000,000 in grants over two funding cycles (2026 and 2027), with tiered awards up to \$75,000. The HLB will retain a 15% administrative allocation to cover staffing, technology, outreach, legal compliance, and reporting. Key outcomes will include funding to over 50 organizations, supporting job creation and revenue growth, and funding community and cultural initiatives.

Director Morales-Diaz asked whether administering this grant will be a distraction for the Houston Land Bank. Chairman Zeis agreed that this project is outside the normal activity mission handled by the HLB.

Director Collins made a motion to approve the HLB to administer the Early Capacity Grant Fund, which motion was duly seconded by Director Palay and approved with the unanimous vote of the Board.

f. Consideration and Possible Action to Approve the Successful Bidders (TCH Development Inc. and Venus Builders) under the Request for Builder and Developer Services as issued on July 01, 2025.

Ms. Stoneham announced that approval of this agenda item will authorize the HLB to contract with the successful bidders as described under the Houston Land Bank Request for Proposals for Builder and Developer Services as originally issued on July 1, 2025.

She noted that the successful bidders will assist the HLB with properties located in the flood plain which the HLB is required to develop.

Ms. Okoiron noted that the original HLB Request for Proposal for Builder and Developer Services was posted on July 1, 2025, and closed on July 29, 2025. There were four submissions under the posting (Alta Homes, TCH Development Inc., Twins Construction & Home Repair Services LLC & Venus Builders). HLB staff presented the results of this procurement to the Procurement and Oversight Committee during the August 27, 2025, committee meeting. The committee approved moving the procurement forward with the successful bidders. The successful bidders for this procurement are those submissions receiving a score of 70% or above. The grading breakdown was as follows:

Alta Homes	Score: 68 % (unsuccessful bidder)
TCH Development Inc.	Score: 71.67 % (successful bidder)
Twins Construction & Home Repair Services LLC	Score: 04 % (unsuccessful bidder)
Venus Builders	Score: 80.33 % (successful bidder)

The Procurement and Oversight Committee recommended proceeding with the two successful highest scoring bidders for advisory services to assist the HLB with access to flood plain development situations.

Director Collins made a motion to proceed with TCH Development Inc. and Venus Builders as the successful bidders, as each meet the prescribed requirements for builder and developer services, which motion was duly seconded by Director Cole and approved with the unanimous vote of the Board.

g. **Consideration and Possible Action to Approve the Successful Bidder (SKA Consulting, L.P.) under the Request for Environmental Services as issued on May 30, 2025.**

Ms. Stoneham announced that approval of this agenda item will authorize the HLB to contract with the successful bidder as described under the Houston Land Bank Request for Proposals for Environmental Services, originally issued on May 30, 2025. This work is imperative as it supports the HLB clean-up efforts for the former City of Houston Velasco Incinerator Project, which the United States Environmental Protection Agency-Brownfields Program funds.

Ms. Okoiron mentioned that the original HLB Request for Proposal for Environmental Services was posted on May 30, 2025, and closed on July 11, 2025. There were four submissions under the posting from Harden Enterprise Services LLC, doing business as " HE Disaster Restoration", SKA Consulting, L.P., UES, and WM Constructors. HLB staff presented the results of this procurement to the Procurement and Oversight Committee at the August 27, 2025, committee meeting and approved moving the procurement forward with the successful bidder. Due to the nature of this project, only one bidder will be chosen. The successful bidder for this procurement will be the bidder that received the highest score on its submission.

Harden Enterprise Services LLC, DBA "HE Disaster Restoration"

Score: 0 % (unsuccessful bidder)

SKA Consulting, L.P.

Score: 100.00 %(successful bidder)

UES

Score: 92.66% (unsuccessful bidder)

WM Constructors

Score 42.00% (unsuccessful bidder)

Director Castillo made a motion to approve SKA Consulting, L.P. for environmental clean-up services, which motion was duly seconded by Director Cole and passed with the unanimous vote of the Board.

h. Consideration and Possible Action to Approve the Execution by the Houston Land Bank CEO of the Amendment, Extension, and Restatement of the Fannie Mae Statement of Work (CTR047468) to the Master Services Agreement (CTR047466).

Ms. Williams stated that the Houston Land Bank requested Board approval to enter into an amended and reinstated Statement of Work (SOW) under Master Services Agreement CTR047466 with Fannie Mae. This contract outlines an extended scope and timeline to continue implementation of the Finding Home Initiative - a pilot housing program aimed at increasing production of resilient, affordable, and energy-efficient homes across historically underinvested Houston neighborhoods.

On August 8, 2024, the HLB Board authorized participation in the Finding Home Initiative, allowing Ms. Stoneham as CEO to execute the corresponding and mandatory agreements. The HLB subsequently entered into a Master Services Agreement (CTR047466) and Statement of Work (CTR047468) with Fannie Mae to implement the initiative.

- The original Statement of Work included Deliverables 1 through 12. The amendment introduces additional Deliverables beginning with Deliverable 13 to include extended program activities such as:
- FORTIFIED Demonstration Home - design and construction of a model home that achieves FORTIFIED Gold certification, serving as a test case for permitting, community education, and resilience demonstration. This deliverable will be completed in collaboration with Auburn University's Rural Studio, leveraging their expertise in resilient, affordable design.
- Plan Catalog Publication and Distribution - completion and release of the Finding Home plan catalog with pre-approved, resilient designs for use across multiple neighborhoods.
- Final Program Evaluation and Closeout Report - capturing program impact, builder education outcomes, sustainability metrics, and recommendations for replication.

In addition, the amendment extends the overall completion date from September 2025 to December, 2026, ensuring adequate time for the demonstration home, catalog launch, and project closeout. Also the total contract amount has been amended from \$220,000 to \$600,000.

Director Cole made a motion to approve the amended and reinstated Statement of Work agreement with Fannie Mae to continue execution of the Finding Home Initiative, which motion was duly seconded by Director Palay and passed with the unanimous vote of the Board.

i. Consideration and Possible Action to Approve the Houston Land Bank to enter into an agreement to provide consulting services to LISC Houston in participation of the LISC Houston RAMP (Resources, Access, Mentorship, and Pathways) Emerging Developer Program.

Ms. Stoneham informed the Board that this action item concerns entering into an agreement to provide consulting services to LISC Houston to educate emerging developers and provide technical assistance. She noted that under this program 50% of the developers must be cohort

HLB builders and 100% of the developers must meet the minimum HLB program requirements. LISC Houston will be funding the grant from its financial partner and the HLB will implement the plan.

Ms. Williams stated that the HLB Staff has recommended approval for the Houston Land Bank to enter into an agreement with LISC Houston to provide consulting services in support of the LISC Houston RAMP Emerging Developer Program. Under this agreement, HLB will provide technical expertise, training alignment, and program support that advances affordable housing goals and developer capacity building across Houston.

The LISC Houston RAMP (Resources, Access, Mentorship, and Pathways) Emerging Developer Program is designed to build the capacity of small and mid-sized developers by providing technical assistance, mentorship, and access to resources to successfully deliver affordable housing projects in Houston.

LISC Houston has invited the Houston Land Bank to participate as a consulting partner, leveraging HLB's expertise in land banking, builder procurement, affordable housing development, and program implementation. HLB's role in implementation of the plan will include:

- Providing structured input into curriculum design and delivery.
- Aligning training modules with the Traditional Home Program and other HLB initiatives.
- Offering technical guidance on land acquisition, pre-development, permitting, and construction processes.
- Supporting emerging developers in navigating systemic barriers and accessing pathways to successful project completion.

Participation in this program will strengthen HLB's partnerships with community-based organizations and align with its mission to expand affordable housing opportunities, foster equitable development, and grow a diverse pipeline of developers.

The agreement with LISC Houston will include compensation to the HLB for staff time and resources dedicated to the program, with terms and scope of work negotiated and defined prior to execution of the proposed agreement.

Director Ladet made a motion to approve entering into an agreement to provide consulting services to Local Initiatives Support Corporation Houston RAMP Emerging Developer Program, which motion was duly seconded by Director Castillo and passed with the unanimous vote of the Board.

VII. Executive Session

No need for any Agenda items to go into Executive Session.

VIII. Board Member Comments

No comments.

IX. Adjournment

Chairman Zeis asked if there were any additional matters to be discussed or considered by the Board. Hearing none, this regular Board meeting then adjourned at 1:58 p.m. upon the motion of Director Ladet which was duly seconded by Director Palay 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 _____, 2025.

Secretary

Houston Land Bank

Balance Sheet

As of August 31, 2025

	<u>Total</u>
ASSETS	
Current Assets	
Bank Accounts	
Total Bank Accounts	\$ 4,282,160
Accounts Receivable	
12100 Accts Receivable	393,449
Total Accounts Receivable	\$ 393,449
Other Current Assets	
Prepaid Expenses	
14100 Prepaid Acquisition Costs	72,116
14200 Prepaid Insurance	143,849
14400 Prepaid Security Deposit	14,865
14500 Prepaid Subscription Services	9,743
Total Prepaid Expenses	\$ 240,573
Total Other Current Assets	\$ 240,573
Total Current Assets	\$ 4,916,182
Fixed Assets	
15100 Equipment	21,905
15900 Accum. Depreciation	-15,110
Total Fixed Assets	\$ 6,795
Other Assets	
16200 Lease Asset	12,313
Total 17100 Investments Held For Sale	10,291,297
Total Other Assets	\$ 10,303,611
TOTAL ASSETS	\$ 15,226,587
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20100 Accounts Payable	96,682
Total Accounts Payable	\$ 96,682
Other Current Liabilities	
21100 Liabilities Due to HCDD	1,174,185
21300 Payroll Liability	29,731
21302 Medical Liability	-8,497
21303 Dental Liability	191
21304 Vision Liability	-656
21305 Disability Liability	-232

Houston Land Bank

Balance Sheet

As of August 31, 2025

	<u>Total</u>
21400 Liabilities Due to HLB Fund	14,450
21600 Lease Liability - Current	3,356
21800 Unearned Revenue	382,549
Total Other Current Liabilities	\$ 1,595,077
Total Current Liabilities	\$ 1,691,760
Long-Term Liabilities	
22600 Lease Liability - Noncurrent	10,395
Total Long-Term Liabilities	\$ 10,395
Total Liabilities	\$ 1,702,154
Equity	
30100 Unrestrict (retained earnings)	13,631,315
Net Income	-106,882
Total Equity	\$ 13,524,433
TOTAL LIABILITIES AND EQUITY	\$ 15,226,587

Houston Land Bank

Income Statement

August 2025

	<u>Total</u>
Income	
40100 Acquisition and Development Agreement	172,060
40500 Outside Sources Contributions	103,924
Total Income	\$ 275,985
Gross Profit	\$ 275,985
Expenses	
60100 Salaries and Fringe	160,786
60200 Legal Fees	32,435
60300 Professional Services	62,872
60400 Property Cost - Lot Maintenance	83,142
60500 Software and Subscriptions	10,628
60600 Rent Expense	8,327
60800 Bank Fees	321
60900 Conference and Meetings	278
61000 Depreciation Expense	330
61200 Insurance	18,645
61300 Membership and Dues	403
61400 Office Expense	48
61500 Phone and Internet	1,938
61700 Travel Expense	3,318
63200 Property Cost Disposition - NHDP	15,715
Total Expenses	\$ 399,185
Net Operating Income	-\$ 123,201
Other Income	
70100 Interest Income	16,318
Total Other Income	\$ 16,318
Net Other Income	\$ 16,318
Net Income	-\$ 106,882



Consent Agenda

4400 WEST 18TH STREET
HOUSTON, TEXAS 77092

9/11/2025

5.

Office of the School Board

Approval Of Appointment Of A Houston Independent School District Representative To The Houston Land Bank Board Of Directors

The Houston Independent School District (HISD) participates in the Houston Land Bank (HLB), a program which provides for transfer of certain foreclosed tax-delinquent properties to the HLB for building affordable housing initiatives.

The HLB is governed by a 13-member board, with three of those members appointed by the HISD School Board. Due to the resignation of Position 10 HISD appointee Tonzaino "Zano" Bailey, it is recommended that the board appoint Rickie Bradshaw to the HLB board to represent HISD, to complete a two-year term ending on December 31, 2026.

COST/FUNDING SOURCE(S): None

STAFFING IMPLICATIONS: None

THIS ITEM DOES NOT ESTABLISH, MODIFY, OR DELETE BOARD POLICY.

RECOMMENDED: That the School Board approves the appointment of Rickie Bradshaw to the board of directors of the Houston Land Bank, effective September 12, 2025.



September 10, 2025

Christa Stoneham, CEO
Houston Land Bank
P O Box 2549
Houston TX 77252

Dear Ms. Stoneham,

Austin Bank requests the donation amount of \$5,000.00 to Houston Land Bank be used to benefit the low to moderate income families of Houston Area with affordable housing needs. (Affordable Housing)

Please sign and date acknowledging the receipt of this letter below and return to the address provided.

We value our partnership with your organization and look forward to learning how the donated funds impact the lives of families in our community. If you have any questions please do not hesitate to contact me.

Sincerely,

Tammy Dosser
Asst. VP, Asst. CRA Officer
(903) 871-2524

Date Received: _____

Acknowledged by: _____

Title: _____

Return Address: **Austin Bank**
CRA Department
P.O. Box 1537
Whitehouse, TX 75791

Return Email Address:
dbraune@austinbank.com
tdosser@austinbank.com

Member FDIC

903.839.5321 Phone
903.839.2745 Fax

AustinBank.com

P.O. Box 1537
Whitehouse, TX 75791



REQUEST FOR BOARD ACTION

Meeting Date: October 20, 2025

Agenda Item VIII a. Consideration and Possible Action to Approve the Successful Bidders (New Community Instruction LLC, Paige Management LLC, Perpetual Development LLC, Remodel HTX and Southern Brothers Property, LLC.) under the Request for Qualifications for General Contractor Services as originally issued on July 01, 2025.

ACTION SUMMARY

Approval of this agenda item will authorize HLB to contract with the successful bidders as described under the Houston Land Bank Request for Qualifications for General Contractor Services as issued originally on July 01, 2025.

BACKGROUND/OVERVIEW (Background of the Agreement and Summary)

The original HLB Request for Qualifications for General Contractor Services was posted on July 01, 2025, and closed on August 29, 2025. There were nine total submissions, four unsuccessful bidders, and five successful bidders. HLB staff presented the results of this procurement to the P & O committee in the October 09, 2025, committee meeting. The committee approved moving the procurement forward with the successful bidders. Successful bidders for this procurement are those submissions receiving a score of 80% or above. The grading breakdown is as follows:

Burnett Unlimited LLC. (Formerly BD Constructors)	Score: 0% (unsuccessful bidder)
Easy Street Construction	Score: 0% (unsuccessful bidder)
New Community Construction LLC	Score: 95% (successful bidder)
Paige Management LLC	Score: 86.67% (successful bidder)
Pangea Commercial Construction LLC	Score: 0% (unsuccessful bidder)
Perpetual Development LLC	Score: 91% (successful bidder)
Remodel HTX	Score: 91.67% (successful bidder)
SOUTHERN BROTHERS PROPERTIES LLC	Score: 93.33% (successful bidder)
Tha Build Up	Score: 0% (unsuccessful bidder)

HLB staff recommend proceeding with New Community Construction LLC, Paige Management LLC, Perpetual Development LLC, Remodel HTX and Southern Brothers Properties LLC as successful bidders. Should the Board of Directors approve this item, HLB will move forward with contracting with the successful bidders.

REQUEST FOR QUALIFICATIONS (RFQ)
General Contractor Services for Site Remediation and Post-Construction Maintenance
Issued by: Houston Land Bank (HLB)

Issue Date: July 01, 2025

Question Submittal Deadline: July 25, 2025 by 5pm CST

*Submission Deadline Extended due to technical issues that temporarily prevented access
to the RFQ and submission portal*

Submission Deadline: August 29, 2025 by 5pm CST

Submission Portal: [HLB Intake Form](#)

I. Introduction

The Houston Land Bank (HLB) is soliciting qualifications from experienced and licensed General Contractors to provide on-call services for property stabilization, site remediation, and post-construction maintenance across its inventory. The selected contractor(s) will assist with mitigating issues that arise due to storms, illegal dumping, neighboring property damage, fence construction, and other conditions impacting site readiness or property maintenance prior to sale.

II. Scope of Services

Qualified contractors may be asked to perform one or more of the following services on an as-needed basis:

A. Predevelopment Site Services

- Debris and illegal dumping removal
- Tree trimming and removal
- Fence repair or installation for safety and security
- Erosion control and drainage solutions
- Site clearing and grading
- Temporary site stabilization post-weather events
- General repairs needed to make lots accessible or construction-ready

B. Post-Construction Services (prior to sale)

- Fence reconstruction or replacement due to vandalism, weather, or neighbor activity
 - Addressing property damage caused by adjacent property owners
 - Site cleanup or maintenance (including mowing, dumping removal, etc.)
 - Minor repairs or stabilization of newly constructed homes while still owned by HLB
 - Coordination with utility companies for site access or restoration, as needed
-

III. Contractor Qualifications

Respondents must demonstrate:

- A minimum of 5 years of experience in general contracting or construction-related services
 - Valid licensing and insurance as required by the State of Texas and the City of Houston
 - Experience working with public agencies, nonprofits, or similar property owners
 - Capacity to respond to urgent work orders within 48–72 hours
 - Familiarity with Houston’s permitting and code enforcement practices (preferred)
-

IV. Submission Requirements

Each response should include the following:

1. **Cover Letter** (1 page max)
 2. **Company Overview**
 - Business name, address, phone, and email
 - Primary point of contact
 - Legal structure and year established
 3. **Relevant Experience**
 - Brief project descriptions demonstrating qualifications for this RFQ
 - Examples of similar emergency response or site remediation services
 4. **Personnel and Capacity**
 - List of key personnel with roles and certifications
 - Description of capacity to manage urgent requests
 5. **Licensing & Insurance**
 - Proof of general contractor license
 - Certificate of insurance (General Liability, Workers’ Comp, Auto)
 6. **References**
 - Three references from similar clients or public agencies
-

V. Selection Criteria

HLB will review qualifications based on:

Criteria	Weight
Experience with similar work	30%
Staff qualifications and capacity	25%
Responsiveness and availability	20%
References and past performance	15%
Demonstrated Local knowledge and permitting	10%

HLB may conduct interviews or request additional information before selecting one or more contractors.

VI. Contract Terms

- The initial term will be one (1) year from full contract execution with the possibility of an additional one-year renewal option.
- Work will be assigned on an as-needed basis through work orders issued by HLB.
- Compensation will be based on mutually agreed-upon rates or quotes per task.

VII. Questions & Submissions

Questions regarding this RFQ must be submitted by **July 25, 2025 by 5pm CST**

to **procurements@houstonlandbank.org**. Responses will be posted on HLB's website.

Please submit your qualifications via [HLB Intake Form](#)

All submissions must be received by the extended deadline of **August 29, 2025 by 5pm**

CST

Incomplete or late submissions will not be considered

REQUEST FOR BOARD ACTION

Meeting Date: October 20, 2025

Agenda Item VIII b. Consideration and Possible Action to Approve the Successful Bidders (EnSafe Inc., ESE Partners, GHD Inc., SKA Consulting, L.P., and SSCI Environmental), under the Request for Proposals for Environmental Assessment Professionals for the EPA Brownfield's Assessment Grant as initially issued on July 10, 2025 and re-issued on September 19, 2025.

ACTION SUMMARY

Approval of this agenda item will authorize HLB to contract with the successful bidder as described under the Houston Land Bank Request for Proposals for Environmental Assessment Services, originally issued on July 10, 2025. This work is imperative as it supports the HLB Brownfield work and is funded by the United States Environmental Protection Agency-Brownfields Program funds.

BACKGROUND/OVERVIEW (Background of the Agreement and Summary)

The original HLB Request for Proposal for Environmental Services was posted on July 10, 2025, and then re-issued on September 05, 2025 due to the HLB website being down. The RFQ closed on September 19, 2025. There were five submissions under the posting (EnSafe Inc., ESE Partners, GHD Inc., SKA Consulting, L.P. and SSCI Environmental). HLB staff presented the results of this procurement to the P & O committee in the October 09, 2025, committee meeting. The committee approved moving the procurement forward with the successful bidders. All submissions under this procurement were successful.

EnSafe Inc.	Score: 100% (successful bidder)
ESE Partners	Score : 94% (successful bidder)
GHD Inc	Score: 90% (successful bidder)
SKA Consulting, L.P.	Score: 94.33% (successful bidder)
SSCI Environmental	Score: 95% (successful bidder)

Should the Board of Directors approve this item, HLB will move forward with contracting with the successful bidders.



Request for Qualifications for Professional Services

Funded by
United States Environmental Protection Agency
Brownfields Program

**Request for Qualifications
Originally Issued: July 10, 2025
Re-Issued: September 05, 2025**

Submission Deadline was extended due to technical issues that temporarily prevented access to the RFQ and submission portal. Re-issued due to a needed adjustment to correct the scoring criteria, to total a maximum of 100 points

**Statement of Qualifications (SOQs) must be received
no later than:
5 p.m. CT on September 19, 2025**

Via the [HLB Intake Form](#)

Houston Land Bank
P.O. Box 2549
Houston, TX 77252

Questions should be emailed to
procurements@houstonlandbank.org; please see RFQ for detailed
instructions.

INVITATION TO SUBMIT STATEMENT OF QUALIFICATIONS (SOQ) HOUSTON LAND BANK

The Houston Land Bank (HLB) is requesting interested parties to submit Statement of Qualifications (SOQ) to provide brownfields technical and project assistance to HLB in support of its FY24 U.S. Environmental Protection Agency (EPA) Community-Wide Assessment Grant. This solicitation is being issued in part to comply with all applicable federal, state and local regulations.

Submissions are due electronically to: [HLB Intake Form](#)

Submission Deadline Extended

SOQs must be received no later than 5:00 PM CT on September 19, 2025.

Contact for this RFQ: procurements@houstonlandbank.org

RFQ Re-Issuance	September 05, 2025
Deadline for Questions	September 12, 2025
Responses to Questions Published on Website	September 15, 2025
Initial SOQ Due Date Extended SOQ Due Date	August 15, 2025 September 19, 2025
Anticipated Selection	October 2025
Desired Commencement of Work	October 2025

PURPOSE

The purpose of the project is to identify and assess brownfield sites for future redevelopment, with a focus on conducting Phase I and Phase II Environmental Site Assessments (ESAs) and engaging the community in planning for the reuse of these sites. All notices related to this RFQ will be posted on HLB's website at www.houstonlandbank.org,

Background/Introduction

The HLB was awarded a Fiscal Year 2024 EPA Brownfields Community-Wide Assessment Grant (Grant) to plan and implement activities related to assessment and reuse activities.

The HLB is a government corporation that promotes workforce development, community development, economic development, and affordable housing through our land inventory

throughout the communities we serve. We acquire vacant, deteriorated, and often contaminated properties and turn them into productive use. In addition, HLB encourages and supports resilient planning and development efforts that create affordable housing units, provide economic opportunity, and encourage community-centric redevelopment in various Houston sub-markets.

The HLB adopts a holistic approach that considers the community's and other stakeholders' needs and aspirations, achieving success through innovative practices that expand the organization's capacity to serve our community. HLB seeks to create an ecosystem of resilient neighborhoods and districts where all individuals have the opportunity to thrive. Our community partners supplement our community-focused approach, which requires empathy and understanding of disinvested neighborhoods' unique challenges and opportunities. Additionally, HLBs align with the goals and objectives of the City of Houston's Complete Communities Plans, which center around a healthy, economically thriving, equitable, and sustainable Houston for everyone. HLB will also work with these partners to create specific program and policy solutions to address development needs in pilot and future neighborhoods and advance public trust and community partnerships.

With a mission to strategically acquire, dispose, and steward vacant, abandoned, and damaged properties into productive use and to catalyze transformative community and economic development in the City of Houston, HLB was awarded an EPA Community-Wide Assessment Grant ("the Grant") for the grant period ending on September 30, 2028.

Scope of Work

HLB seeks SOQs from qualified and experienced individuals and/or firms for professional services related to the Grant. The Grant will fund various activities, including community engagement, brownfields inventory, ESAs, cleanup and reuse planning, and some assistance with programmatic activities. These activities will focus on two areas:

1) **Northeast Target Area** comprising four contiguous neighborhoods northeast of downtown: **Kashmere Gardens, Trinity Gardens, Settegast and East Houston**; and

2) **East End Target Area**, consisting of two contiguous neighborhoods: **Second Ward and Magnolia Park**.

The project will include assessment activities at priority brownfields sites in the target areas, including an estimated 7 Phase I ESAs, 9 Phase II ESAs, 2 Analysis of Brownfields Cleanup Alternatives (ABCAs) and/or Remedy Action Plans (RAPs), one site reuse plan, and a brownfields disposition strategy plan.

Tasks include, but are not limited to, the following activities:

- Conduct Phase I ESAs to identify potential contamination in the Northeast and East End Target Areas.

- Conduct Phase II ESAs, including site investigations with sampling and analysis to assess and characterize contamination levels and determine appropriate remediation measures.
- Maintain and update a brownfields inventory (GIS-based) to identify and prioritize sites for future redevelopment.
- Assist in developing site-specific reuse plans, including assessing the potential for affordable housing, parks or other community assets based on community input.
- Potentially assist with HLB with project management and Grant CA compliance as needed.

Submittal Requirements and Evaluation Criteria

Response Deadline:

All Proposals must be submitted electronically in one combined pdf to the [HLB Intake Form](#) no later than **5:00 Central Time on September 19, 2025. Please note that a \$100 application fee is required at the time of submission.** Submittals that do not include the required application fee will not be considered. Submittals received after the stated deadline will be rejected without review. Submittals that arrive on time, but are incomplete, and/or do not follow the submittal requirements will also be rejected. Please note that the [HLB Intake Form](#) has an attachment size limitation of 25 MB. It is the firm's responsibility to confirm HLB's receipt of its proposal.

Rejection of Submission:

HLB will have the right to reject any and all SOQs and in particular to reject a submission not received by the deadline or any submission that is incomplete or irregular. HLB further reserves the right to accept SOQs that are in the best interest of HLB. HLB reserves the right to reject any submission if it fails to possess to the satisfaction of HLB, in its discretion, the qualifications necessary to fully, properly and timely carry out all obligations described in this RFQ. HLB requires well-managed and financially sound firms with demonstrated skills and technical ability, high levels of customer service, responsiveness, and satisfaction, to fulfill the requirements outlined in this RFQ.

Respondents are advised to adhere to the Submittal Requirements. Failure to comply with the instructions of this RFQ will be cause for rejection of submittals. All submittals will be considered the property of HLB and will not be required to be returned.

Submit the SOQ electronically. Hard copy submissions will not be accepted. The submittal shall be no longer than 10 pages (including any organizational chart, required statement and schedule of fees) and shall include at a minimum all information outlined in this section (Submittal Requirements and Evaluation Criteria) to be considered:

Selection Criteria and Process

Proposals will be evaluated by HLB and its representatives in considering the completeness of the proposal and how well the proposal meets the needs of HLB. Proposals will be evaluated by HLB on the clarity of the proposal, the understanding of the project, the cleanup, its objectives and the responsiveness to the scope of work. Additionally, the degree to which the respondent demonstrates an ability to work effectively and coordinate activities with HLB's project team, EPA, TCEQ and other interested stakeholders. Each proposal will be evaluated against the following criteria:

1. Name, address, telephone number and email address of the designated contact and principal(s) authorized to conduct negotiations for the firm;
2. A statement disclosing any and all lawsuits, debarments, suspensions, decertification's, administrative claims, fine proceedings or responsibility matters that the firm or any of its principals has been a party to in the past five (5) years; and,
3. A statement that the firm will provide certificate(s) of industry standard liability insurance in the minimum amounts of:
 - Professional Liability Insurance - \$1,000,000
 - Comprehensive General Liability Insurance - \$2,000,000 Aggregate, \$1,000,000 Each Occurrence
 - Automobile Liability - \$1,000,000 Combined Single Limit
 - Property Damage - \$1,000,000
4. A current schedule of fees for all individuals involved in performing the subject consulting services; fees shall include all direct and indirect labor expenses, transportation costs, and other reimbursables.

To ensure a fair evaluation, the SOQ should be organized into the following separate sections.

1.0 Experience and Capacity

The SOQ shall include a summary of the following:

- History of the firm's experience providing environmental consulting and professional consulting services as described herein and with particular experience that have led to successful redevelopment of contaminated, abandoned, underutilized or vacant properties.
- Description of the firm's experience working with federal and state agencies and local governments;
- Description of the firm's organizational structure and the names, qualifications and experience of key individuals, including sub-contractors if applicable. The chosen

Contractor shall commit that staff identified in its Proposal will actually perform the assigned work. Any staff substitution must have the prior approval of HLB; and

- Experience working with community outreach, public and stakeholder engagement.

2.0 Cost Proposal

The evaluation process is designed to award this procurement not necessarily to the Respondents that propose the least cost, but rather to those whose submissions meet the requirements of the RFQ. Please submit rate sheets that provide hourly rates for each person included in the submission. Staff costs and any other expenses necessary to accomplish the tasks outlined in the RFQ should be included as well as the reasoning for inclusion.

3.0 Proposed Methodology

The SOQ shall include a complete description of the firm's proposed approach and methodology for the project and the various tasks outlined. This section should convey the firm's understanding of the proposed project and shall contain sufficient detail to convey the firm's knowledge of the subjects and skills necessary to successfully complete the project.

4.0 References

The SOQ shall include at least three (3) references for similar services/projects that have been provided by the firm and the dates of the service. Please include the reference's name, company, email address and phone number and point of contact best to respond to the work. Additionally, please include a brief description of the services and key personnel who were involved in the project, their roles and responsibilities, and how long they were a part of the project.

The following weighting and points will be assigned for evaluation purposes:

Criteria	Points
Experience and Capacity: Demonstrated experience in addressing contaminated properties Demonstrated experience of project team/personnel in successfully completing tasks/projects meeting timelines, scope and budget demands Demonstrated experience in effectively engaging with community members, stake holders, and federal and state agencies	25 20 10
Methodology: Proposed approach in carrying out project deliverables	20
Cost Proposal: Reasonableness of cost/price proposal (e.g., rates) based on a comparison of prices among competing offerors and other available information on market rates for similar services (2 CFR 200.404)	20
References: Quality of references	5
Total Points Possible:	100

A selection committee will review each SOQ for completeness and content. Each SOQ will be evaluated based upon the relevant qualifications and experience of the firm. HLB reserves the right to award this opportunity based on the initial RFQ responses without oral presentations or interviews; however, oral presentations to or interviews with HLB may be requested. HLB may conduct interviews at its sole discretion. If interviewed, respondents will be encouraged to elaborate on their qualifications, performance data, and staff expertise relevant to the proposed contract, among other things. References will also be verified.

HLB reserves the right to reject any and all responses. Firms not selected are anticipated to be notified in writing.

Submittal Requirements

Submissions are due on or before 5:00 PM CT on September 19, 2025, electronically to the [HLB Intake Form](#)

All questions regarding this RFQ shall be sent via email to procurements@houstonlandbank.org no later than 5:00 PM CT July 25, 2025. Questions and answers will be posted to the HLB website for all respondents to review. The email MUST have "HLB Professional Services RFQ" in the subject line. Only emailed questions will be addressed and answered. The issuance of such written responses is the only official method by which interpretation, clarification, or additional information will be provided. Only requests answered by formal written responses submitted electronically will be binding. Oral and other interpretations or clarifications will be without legal effect. No personal inquiry or marketing meetings will be conducted or allowed.

All questions will be answered in writing within five (5) business days after the question deadline and posted at houstonlandbank.org/resources under the Procurement tab.

Late Submittals: Submittals of SOQs received after the deadline will not be opened or considered by HLB. HLB assumes no responsibility for the receipt and return of late submittals.

Cost of Submitting a SOQ: The cost of submittal and any related expenses, including travel and presentations, shall be entirely the responsibility of the Respondent. HLB reserves the right to reject any and all SOQs.

Reservation of Rights: HLB reserves the right to: seek clarifications of each SOQ; negotiate final contract/s that is in the best interest of HLB; reject any or all submitted SOQs; cancel this RFQ at any time, as determined by HLB in its sole discretion; award contracts to any Respondent based on the evaluation criteria set forth in this RFQ; and request any additional information HLB deems reasonably necessary to allow HLB to evaluate, rank and select the most qualified respondent/s to perform the services describe in this RFQ.

HLB reserves the right to procure services by another means.

HLB reserves the right to modify the selection process or project scope.

To the extent permissible by law, HLB will maintain the confidentiality of all SOQs. However, Texas' Public Records Law does apply to this RFQ as well as the Freedom of Information Act for federally funded projects. It is the responder's responsibility to identify any confidential or trade secret information contained in the submittals.

All submitted SOQs in response to this RFQ become the property of HLB.

Acceptance of RFQ Provisions: Submission of a SOQ constitutes express acceptance by the respondent of all provisions of this RFQ.

Signature Requirements

All SOQs must be signed by an officer or other agent of a corporate vendor if authorized to sign contracts on its behalf; a member of a partnership; the owner of a privately-owned vendor; or other agent if properly authorized by a power of attorney or equivalent document. Signature of a cover letter will meet this requirement. Failure to sign the submission is grounds for rejection. The name and title of the individuals signing the submission must be clearly shown immediately below the signature.



REQUEST FOR BOARD ACTION

Meeting Date: October 20th, 2025

Agenda Item VIII c.: Consideration and Possible Action to Approve and Adopt the FY 2025 financial external audit conducted by A BRICKS COGGIN CPA, PLLC.

ACTION SUMMARY

Approval of this agenda item will authorize the HLB Board Chair and Chief Executive Officer to approve and adopt the FY2025 financial external audit as of year-end June 30, 2025, along with the audit management representation letter.

BACKGROUND/OVERVIEW (Background of the Agreement and Summary)

Per HLB organizational documents, the annual FY 2025 Financial Audit was conducted at the fiscal year end (June 30, 2025) by A BRICKS COGGIN CPA, PLLC, and the financial report was submitted on September 17, 2025. In Summary, below are the respective findings of the report:

1. Independent Auditor's Report, Opinion –
 - In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and major fund of HLB as of June 30, 2025, and the respective change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.
2. Management Representation Letter, Financial Statements
 - The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. Management Representation Letter, Government Specific
 - Components of net position (net investment in capital assets; restricted;

and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

- Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
 - Provisions for uncollectible receivables have been properly identified and recorded.
 - Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
 - Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
 - Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
 - Special and extraordinary items are appropriately classified and reported.
 - Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
 - Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated, or amortized.
4. No material misstatements that required corrective action were identified.
 5. No disagreements arose because of the audit with Management and A Bricks Coggin CPA, PLLC.
 6. There were no other significant matters, findings or issues.

Should the Board of Directors approve this item, HLB will adopt the FY2025 financial external audit as of year-end June 30, 2025.

HOUSTON LAND BANK

(A COMPONENT UNIT OF THE CITY OF HOUSTON)

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

JUNE 30, 2025

DRAFT

CONTENTS

	Page
INDEPENDENT AUDITOR’S REPORT.....	1
REQUIRED SUPPLEMENTARY INFORMATION	
Management’s Discussion and Analysis (Unaudited).....	3
FINANCIAL STATEMENTS	
Governmental Fund Balance Sheet and Statement of Net Position.....	6
Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and Statement of Activities.....	7
Notes to Financial Statements	8
SUPPLEMENTARY INFORMATION	
Schedule I – Consolidating Governmental Fund Balance Sheet and Statement of Net Position.....	17
Schedule II – Consolidating Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and Statement of Activities.....	18

INDEPENDENT AUDITOR’S REPORT

To Those Charged with Governance and Management of
Houston Land Bank
Houston, Texas

Opinion

We have audited the financial statements of the governmental activities and each major fund of Houston Land Bank (“HLB”), a component unit of the City of Houston, Texas, as of and for the year ended June 30, 2025, 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 financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and major fund of HLB as of June 30, 2025, and the respective change 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 audit. 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 generally accepted auditing standards 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 and *Government Auditing Standards*, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

A Bricks Coggin CPA, PLLC

Southlake, Texas
September 17, 2025

DRAFT

REQUIRED SUPPLEMENTARY INFORMATION

This section of Houston Land Bank (HLB) financial report presents background information and management's analysis of HLB financial results for the year ended June 30, 2025. This section should be read in conjunction with the HLB's financial statements, including its blended component unit, which begin on page 6.

Financial Highlights

- HLB's net position experienced a decrease in net position of \$868,925 with revenue of \$1.269 million and expenses of \$2.138 million.
- As of June 30, 2025, HLB had cash and cash equivalents of \$3.8 million, of which \$1 million is restricted. This is an overall decrease of 29% due to a decrease in operational grant support and a decrease in property disposition sales.
- As of June 30, 2025, HLB had a liability to HCDD of \$484,229 following the sale of three homes.
- \$552,205 of HLB's revenue was generated from federal grants for pre-development and remediation projects, while \$529,881 came from land acquisition and disposition.

Overview of the Financial Statements

This annual report consists of two parts: management's discussion and analysis (this section) and the basic financial statements. The basic financial statements present a combined government-wide and governmental fund financial statement. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Government-wide financial statements reflect an economic resources measurement focus and are prepared using the accrual basis of accounting. The government-wide financial statements are designed to provide readers with a broad overview of HLB's finances, in a manner similar to a private-sector business.

The statement of net position shows the financial position of HLB at year end by presenting HLB's assets and liabilities, with net position representing the difference between assets and liabilities. The statement of activities presents information showing changes in HLB's net position during the year. Changes in net position are reported when an underlying event giving rise to a change occurs, regardless of the timing of related cash flows. Therefore, revenue and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods.

Governmental fund financial statements reflect a current financial resources measurement focus and are prepared using the modified accrual basis of accounting. Unlike the government-wide financial statements, the governmental fund financial statements present information showing the near-term inflows and outflows of spendable resources and the balances of spendable resources at year end.

Condensed Government-wide Financial Information and Financial Analysis

Condensed Statements of Net Positions

	Governmental Activities			
	FY2025	FY2024	Amount change	% Change
ASSETS				
Current assets and other assets	\$ 14,809,629	\$ 16,264,605	\$ (1,454,976)	-9%
Total assets	14,809,629	16,264,605	(1,454,976)	-9%
LIABILITIES				
Current liabilities	1,100,464	1,697,306	(596,842)	-35%
Long-term liabilities	10,395	-	10,395	100%
Total liabilities	1,110,859	1,697,306	(586,447)	65%
NET POSITION				
Unrestricted	13,679,332	14,518,549	(839,217)	-6%
Invested in capital assets, net of related debt	19,438	48,750	(29,312)	-60%
Total net position	\$ 13,698,770	\$ 14,567,299	\$ (868,529)	-66%

The assets of HLB primarily consist of cash and cash equivalents and investment properties. Liabilities primarily consist of accounts payable to HCDD and unearned revenue. The decrease in total assets is the result of generating less cash from grant awards and from home sales. Concurrently, the decrease in liabilities was from the NHDP home sales during the year and unearned revenue from the decrease in acquisition and development of lands, for which HLB received cash advances.

Condensed Statement of Activities

	Governmental Activities			
	FY2025	FY2024	Amount change	% Change
EXPENDITURES AND EXPENSES:				
Programs expenses	\$ 515,907	\$ 1,222,639	\$ (706,732)	-58%
Management and general	1,622,963	1,834,747	(211,784)	-12%
Total expenditures and expenses	2,138,870	3,057,386	(918,516)	-30%
REVENUES:				
Acquisition and disposition revenues	375,574	673,884	(298,310)	-44%
Other fees and contributions	106,064	114,666	(8,602)	-8%
Revenues from traditional program	154,305	1,229,638	(1,075,333)	-87%
Grants	544,538	958,209	(413,671)	-43%
Total revenues	1,180,481	2,976,397	(1,795,916)	-60%
Changes in net position before other income	(958,389)	(80,989)	(877,400)	1083%
OTHER INCOME:				
Interest income	89,860	79,899	9,961	12%
Change in net position	(868,529)	(1,090)	(867,439)	-79582%
Fund balance and net position, beginning of year	14,567,299	14,568,389	(1,090)	0%
Fund balance and net position, end of year	\$ 13,698,770	\$ 14,567,299	\$ (868,529)	-6%

The statement of activities shows the revenues and expenses of HLB and the corresponding effect on net position. The majority of HLB's revenue is generated from various grants, which decreased by \$1.8 million. The decrease in revenue is primarily due to a \$1.2 million decrease in operational support from the City of Houston's Housing and Community Development Department (HCDD), which resulted in an additional decrease of \$170,253 in sales from the acquisition and disposition of investment properties. Expenses decreased by \$918,516, mainly due to grant support and operational funding from HCDD.

Economic Conditions and Plan for Fiscal 2025

In planning for fiscal 2026, the primary concerns are similar to those of other land banks: the uncertain status of the economy at both the federal and local funding levels and the uncertainty of the housing market.

Economic Factors and Next Year's Budgets and Rates

HLB's elected and appointed officials considered many factors when setting the fiscal year 2026 budget.

Contacting HLB's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of HLB's finances and to show HLB's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Houston Land Bank Director of Finance, PO Box 2549, Houston, Texas 77252.

DRAFT

FINANCIAL STATEMENTS

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 3,544,194	\$ -	\$ 3,544,194
Accounts receivable	67,726	-	67,726
Acquisition and development cost reimbursements (NHDP)	144,204	-	144,204
Prepaid expenses	251,728	-	251,728
Noncurrent assets:			
Computer equipment, net	-	7,125	7,125
Cash subject to restrictions:			
NHDP home sales	484,229	-	484,229
Right-of-use assets	-	12,313	12,313
Investment properties - held for sale	1,139,954	-	1,139,954
Investment properties - designated to the City of Houston	9,158,156	-	9,158,156
TOTAL ASSETS	<u>\$ 14,790,191</u>	<u>\$ 19,438</u>	<u>\$ 14,809,629</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 101,912	\$ -	\$ 101,912
Accrued expense	22,059	-	22,059
Due to HCDD (NHDP)	484,229	-	484,229
Unearned revenue	488,908	-	488,908
Lease liabilities - current portion	-	3,356	3,356
Noncurrent liabilities:			
Lease liabilities - long-term	-	10,395	10,395
TOTAL LIABILITIES	<u>1,097,108</u>	<u>13,751</u>	<u>1,110,859</u>
FUND BALANCE			
Nonspendable - prepaid expenses	251,728		
Unassigned	<u>13,441,355</u>		
TOTAL FUND BALANCE	<u>13,693,083</u>		
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 14,790,191</u>		
NET POSITION			
Unrestricted		5,687	13,679,332
Invested in capital assets, net of related debt		-	<u>19,438</u>
TOTAL NET POSITION		<u>\$ 5,687</u>	<u>\$ 13,698,770</u>

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES AND EXPENSES:			
Programs expenses	\$ 515,876	\$ 31	\$ 515,907
Management and general	<u>1,623,354</u>	<u>(391)</u>	<u>1,622,963</u>
Total expenditures and expenses	<u>2,139,230</u>	<u>(360)</u>	<u>2,138,870</u>
REVENUES:			
Acquisition and disposition revenues	375,574	-	375,574
Other fees and contributions	106,064	-	106,064
Revenues from traditional program	154,305	-	154,305
Grants	<u>544,538</u>	<u>-</u>	<u>544,538</u>
Total revenues	<u>1,180,481</u>	<u>-</u>	<u>1,180,481</u>
CHANGES IN FUND BALANCE / NET POSITION BEFORE OTHER INCOME	(958,749)	360	(958,389)
OTHER INCOME:			
Interest income	<u>89,860</u>	<u>-</u>	<u>89,860</u>
CHANGES IN FUND BALANCE / NET POSITION	(868,889)	360	(868,529)
Fund balance and net position, beginning of year	<u>14,561,972</u>	<u>5,327</u>	<u>14,567,299</u>
Fund balance and net position, end of year	<u>\$ 13,693,083</u>	<u>\$ 5,687</u>	<u>\$ 13,698,770</u>

NOTE 1. DESCRIPTION OF ORGANIZATION

Organization Background

Houston Land Bank (HLB) is a component unit of the City of Houston, Texas. HLB was originally created by the City of Houston in 1999 as the Land Assemblage and Redevelopment Authority. Through an interlocal agreement with Harris County and the Houston Independent School District, the organization acquired lots that either went unsold or were purchased at tax foreclosure auctions and sold them to builders for the development of affordable homes through 2017.

Rising home prices and Hurricane Harvey increased the need for affordable housing options and the impact of development in underserved communities increased the need for community development; as a result, the organization was renamed the Houston Land Bank in 2018 and its articles of incorporation and bylaws were revised to focus its mission on supporting comprehensive community development in line with the City's Complete Communities Initiative. The Houston Land Bank is governed by a thirteen-member board of directors (with a fourteenth ex-officio non-voting member). Board members are appointed by the Mayor of Houston (five appointees who must be confirmed by City Council), Houston City Council (two), Harris County Commissioners Court (three), and the Houston Independent School District Board of Trustees (three).

HLB provides an opportunity for non-profit and for-profit developers to utilize HLB lots to build affordable housing for qualified low and moderate-income households. Certain lots can also be utilized to support other community development activities deemed desirable for neighborhood revitalization purposes.

Under a City of Houston initiative called, "New Home Development Program" ("NHDP") 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.

From time to time, HLB offers incentives to for-profit and non-profit, neighborhood-based, Community Development Corporations to collaborate with HLB to create affordable housing options under challenging markets. In 2022, HLB created HLB Fund, a 501c3 non-profit subsidiary of HLB, to expand its operations of strategically acquiring properties and stimulating affordable housing development.

Reporting Entity

HLB's financial statements include the accounts of all HLB's and HLB's Fund operations. In conformity with generally accepted accounting principles, HLB is considered a component unit of the City of Houston. Additionally, as required by generally accepted accounting principles, these financial statements have been prepared based on consideration regarding the potential for inclusion of other entities, organizations or functions as part of HLB's financial reporting entity in accordance with Section 2100: Defining the Financial Reporting Entity of the Governmental Accounting Standards Board (GASB) Codification.

Federal Income Tax Status

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.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements have been prepared in conformity with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB).

Measurement Focus and Basis of Accounting

Measurement focus refers to *what* is being expressed in reporting financial position and performance, that is, *which* resources are being measured. The financial resources measurement focus measures only financial resources while the economic resources measurement focus measures both financial and capital resources. The measurement focus determines *whether* a fund balance sheet or statement of net position reports financial or economic resources. Basis of accounting refers to *when* those resources and commitments and uses of those resources should be recognized. It relates to the timing of the measurements made regardless of the measurement focus applied. The accrual basis of accounting is used for HLB. Under the accrual basis of accounting, revenues are recognized when they are earned, 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.

Governmental funds in the fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recognized when it is measurable and available. Measurable means the amount of the transaction is known or reasonably estimable. Available refers to amounts collected in the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period, generally within 60 days after year end. Expenditures are recognized when the related liability is incurred.

Governmental funds in the government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenue is recognized when it is earned and becomes measurable, and expenses are recognized in the period incurred.

Cash

Cash consists of demand deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, HLB will be unable to recover deposits. Amounts on deposits that are in excess of the Federal Deposit Insurance Corporation limit of \$250,000 are collateralized by a security agreement with the bank.

Fund Balance

Fund balance is classified based upon the relative strength of spending constraints placed upon the purposes for which resources can be used, as follows:

- *Nonspendable fund balance* includes amounts that are either not in spendable form or are legally or contractually required to be maintained intact.

- *Restricted fund balance* includes amounts constrained to specific purposes by resource providers, through constitutional provisions, or by enabling legislation.
- *Unassigned fund balance* includes amounts that are available for HLB's future use for any purpose.

Net Position

Net position represents the difference between assets and liabilities. HLB reports categories of net position, as follows:

- *Net investment in capital assets* consists of net capital assets reduced by related outstanding debt.
- *Restricted* is constrained to a particular purpose. Restrictions are imposed by external organizations such as City ordinances or grantors.
- *Unrestricted* is available for general use by HLB.

Capital Assets

Capital assets include lease assets and office 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.

Lease Assets and Lease Liabilities

Lease assets include right-to-use assets from lease agreements that exceed one year. The right-to-use asset value equals the lease liability, which is the present value of future lease payments expected to be made during the lease term, plus any prepayments made for future periods and direct costs necessary to place the asset into service. Lease liabilities are reported based on the present value of future lease payments expected to be made during the lease term and include fixed payments, variable payments based on rate or index, and other certain payments.

Grants

Under both the modified accrual and the accrual basis of accounting, receivables from grants are recognized, net of uncollectible amounts, when all applicable eligibility requirements are met provided the commitment is verifiable and the resources are measurable and probable of collection. Revenue recognized as receivable in advance of the time period during which eligibility requirements are met or resources are available, is deferred under the modified accrual basis of accounting, but is recognized as revenue under the accrual basis of accounting and reflected as restricted net position when eligibility requirements are met.

Estimates

Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue, expenditures and expenses and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

Contributions

Contributions received are recognized as revenue at fair value when all eligibility requirements are met, and the contributions are considered measurable and collectible.

Investment Properties Held for Sale

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 by using the specific identification method. During the year ended June 30, 2025, 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. As of June 30, 2025, no impairment was deemed necessary.

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.

Revenues 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.

Acquisition and disposition revenues:

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.

City of Houston support revenues:

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. The operations funding ended in March 2024. HLB is currently negotiating with HCDD to request additional funding.

Grants:

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.

During the fiscal year 2025, HLB has been awarded cost-reimbursable grants of \$500,000 and \$5,000,000 by the U.S. Environmental Protection Agency (EPA). The expenditure for the grant amounted to approximately \$100,000 in fiscal year 2025. Therefore, a Single Audit was not required because the total federal expenditure for the fiscal year was under \$750,000. According to the Uniform Guidance (2 CFR Part 200, Subpart F), entities that expend less than \$750,000 in federal funds during a fiscal year are exempt from the Single Audit requirements.

In addition, during the fiscal year 2025, HLB has also been awarded cost-reimbursable grant of \$658,122 passed through the Harris County Housing & Community Development.

Receivables

Receivables consist of all revenues earned at year end and not yet received. All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Impairment of Long-Lived Assets

HLB reviews the recoverability of its long-lived assets, such as property and equipment and investments held for sale, when events or changes in circumstances occur that indicate the carrying value of the asset or asset group may not be recoverable.

The assessment of possible impairment is based on HLB's ability to recover the carrying value of the asset or asset group from the expected future pre-tax cash flows (undiscounted) of the related operations. If these cash flows are less than the carrying value of such asset, an impairment loss is recognized for the difference between estimated fair value and carrying value. HLB concluded there were no indicators evident or other circumstances present that these assets were not recoverable and accordingly, no impairment losses have been recognized for the year ended June 30, 2025.

Prepaid Expenses

Prepaid expenses are primarily program costs that are not yet expensed and recorded at cost.

New Accounting Pronouncements

GASB Statement No.102

In December 2023, the GASB issued its Statement No. 102, Certain Risk Disclosures. The requirements of Statement 102 are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Governments must "disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints" when specific criteria are met. HLB has elected to adopt GASB Statement No.102 in FY2025.

GASB Statement No.103

In May 2024, the GASB issued Statement No. 103, Financial Reporting Model Improvements (GASB 103). For governments engaged in business-type activities, the primary impact of GASB 103 will be changes to the statement of revenues, expenses, and changes in net position (SRECNP). GASB 103 not only changes the required sections and subtotals to be included in the SRECNP but creates new definitions for subsidies and operating and non-operating revenues and expenses. Upon adoption, the new definitions may cause reclassifications of revenues and expenses within the SRECNP.

GASB 103 also impacts other financial statement presentation requirements, including major component units, unusual or infrequent items, and management's discussion and analysis (MD&A). GASB 103 is effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. HLB has elected to adopt GASB Statement No.103 in FY2025. Upon adoption, HLB must comply with the requirements for changes in accounting principle in accordance with GASB Statement No. 100, Accounting Changes and Error Corrections.

GASB Statement No.104

In September 2024, the GAAS issued Statement No. 104, Disclosure of Certain Capital Assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. This Statement also requires additional disclosures for capital asset held for sale.

The requirements of this Statement are effective for fiscal year beginning after June 15, 2025, and all reporting period thereafter. HLB is evaluating the impact that adoption of this Statement will have on its financial statements.

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.

Included in noncurrent assets, restricted cash owed of \$484,229 to HCDD, which were received but not paid as of June 30, 2025, following the sale of ten NHDP homes.

As of June 30, 2025, the cash and cash equivalents of HLB were held in demand deposits and money market accounts.

NOTE 4. ACCOUNTS RECEIVABLE AND ACQUISITION AND DEVELOPMENT COST REIMBURSEMENTS (NHDP)

Accounts receivable and acquisition and development cost reimbursements (NHDP) as of June 30, 2025, amounted to \$211,930 and consisted of the following:

Acquisition and development cost reimbursements (NHDP)	\$	144,204
Accounts receivable - EPA		13,097
Accounts receivable - ARPA		54,629
Total	\$	211,930

The acquisition and development cost reimbursements (NHPD) 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 HLB. HLB will be reimbursed for all of these costs upon the sale of the property. As of June 30, 2025, the reimbursable cost receivable related to property sales amounted to \$144,204.

NOTE 5. DUE TO HCDD

As noted in the “Acquisition and Development Agreement,” once HLB is reimbursed for pre-development costs upon the sale of the property, the remaining proceeds are to be remitted to HCDD. As of June 30, 2025, the amount to be received and remitted to HCDD amounted to \$144,204 and \$484,229, respectively.

NOTE 6. UNEARNED REVENUE

As of June 30, 2025, unearned revenue consisted of the following:

Velasco Grant	\$	213,908
Houston Community Land Trust		175,000
FHLB Heirs Property Program Grant		<u>100,000</u>
Total unearned revenue	\$	<u>488,908</u>

NOTE 7. CAPITAL ASSETS

Computer equipment at June 30, 2025, had a useful life of 5 years and amounted to \$21,905. As of June 30, 2025, accumulated depreciation of \$14,780 was recorded for a net computer equipment balance of \$7,125.

Depreciation expense amounted to \$1,864 for the year ended June 30, 2025.

A summary of the activity related to capital assets for the year ended June 30, 2025, is as follows:

	BALANCE AT JULY 1, 2024	ADDITIONS	DISPOSALS	BALANCE AT JUNE 30, 2025
Depreciable capital assets:				
Computer equipment	\$ 19,745	\$ 2,160	\$ -	\$ 21,905
Lease right-of-use-asset	<u>82,067</u>	<u>13,050</u>	<u>-</u>	<u>95,117</u>
Depreciable capital assets, at cost	<u>\$ 101,812</u>	<u>\$ 15,210</u>	<u>\$ -</u>	<u>\$ 117,022</u>
Accumulated depreciation and amortization:				
Computer equipment	12,916	1,864	-	14,780
Lease right-of-use-asset	<u>40,146</u>	<u>42,658</u>	<u>-</u>	<u>82,804</u>
Total accumulated depreciation and amortization	<u>53,062</u>	<u>44,522</u>	<u>-</u>	<u>97,584</u>
Capital assets, net of depreciation and amortization	<u>\$ 48,750</u>	<u>\$ (29,312)</u>	<u>\$ -</u>	<u>\$ 19,438</u>

NOTE 8. LEASES

During the fiscal year 2025, HLB was party to two lease agreements for use of office space expiring on June 30, 2025, and printer that will expire on November 30, 2024. The lease agreement includes HLB’s commitment to pay a predetermined monthly amount. As of June 30, 2025, HLB has a new lease agreement for a printer that will expire on December 1, 2029.

The office lease became a month-to-month lease after the lease expired on June 30, 2025. HLB used a discount rate of 6% to calculate the reported lease liability for the printer, respectively, which is its estimated borrowing rate.

Reconciliation of the undiscounted cash flows related to the leases to the discounted amount reported in the Statement of Net Position as of June 30, 2025:

<u>UNDISCOUNTED CASH FLOWS DUE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
FY 2026	\$ 3,356	\$ 696	\$ 4,052
FY 2027	2,764	536	3,300
FY 2028	2,935	365	3,300
FY 2029	3,117	183	3,300
FY 2030	1,579	20	1,599
Total undiscounted cash flows	<u>\$ 13,751</u>	<u>\$ 1,800</u>	
Less present value discount			<u>(1,800)</u>
Total present value of lease liabilities			<u>\$ 13,751</u>

NOTE 9. CONCENTRATIONS OF RISK

All of HLB's annual funding comes from local and federal grants. The majority of HLB's funding is provided by the City of Houston. As such, HLB's ability to generate resources via grants is dependent upon the economic health of the City of Houston area.

NOTE 10. RELATED PARTY TRANSACTIONS

HLB is a component unit of the City of Houston, Texas, therefore there are currently related party transactions between HLB and the City of Houston. As described in Note 1, the programs from the City of Houston finance the majority of HLB's day-to-day activities.

NOTE 11. COMMITMENTS, CONTINGENCIES AND RISKS

HLB is subject to various litigation and other claims in the normal course of business. HLB establishes liabilities in connection with legal actions that management deems to be probable and estimable.

HLB's activities are subject to review by Federal, State and Local agencies and income taxing authorities.

NOTE 12. RISK MANAGEMENT

HLB is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; personal injuries; and nature disasters. The risk of loss is covered by commercial insurance. There have been no significant reductions in insurance coverage and no settlements.

NOTE 13. ADJUSTMENTS BETWEEN THE GOVERNMENTAL FUND STATEMENTS AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

Total fund balances of HLB differ from net position reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus on HLB's governmental fund balance sheet. The provisions of GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, imposed this change in focus.

The adjustments show the differences between the fund financial statements and government-wide financial statements that arise from capital assets and long-term lease liability transactions and depreciation and amortization and the resulting net position.

Capital assets and long-term lease liabilities are not current financial resources; and therefore, are not reported in the fund balance sheet. Expenditures for capital assets are recognized as they use current financial resources. The statement of activities recognizes the cost of capital assets over estimated useful lives as depreciation expense.

Adjustments reported in the statements of net position from the governmental fund balance sheet consist of the following:

Capital assets, including lease assets used in governmental activities are not current financial resources; therefore, are not reported in the fund financial statements.

\$ 19,438

Long-term liabilities, including lease liabilities, are not due and payable in the current period; therefore, are not reported in the fund financial statements.

(13,751)

Net adjustment to fund balance to net position of governmental activities

\$ 5,687

Adjustments reported in the statements of activities from the governmental fund statement of revenues, expenditures, and changes in fund balance consist of the following:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. The statements of activities recognizes the cost of outlays allocated overestimated useful lives as depreciation expense.

Capital outlay

\$ 2,160

Depreciation expense

(1,864)

The statement of activities recognizes amortization expenses and interest expenses for lease liabilities.

64

Net adjustment to decrease net changes in fund balance to change in net position of governmental activities

\$ 360

DRAFT

SUPPLEMENTARY INFORMATION

	<u>General Fund</u>	<u>HLB Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Eliminating Entries</u>	<u>Statement of Net Position</u>
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 3,376,737	\$ 167,457	\$ 3,544,194	\$ -	\$ -	\$ 3,544,194
Accounts receivable	67,726	-	67,726	-	-	67,726
Prepaid expenses	251,728	-	251,728	-	-	251,728
Acquisition and development cost reimbursements (NHDP)	144,204	-	144,204	-	-	144,204
Noncurrent assets:						
Computer equipment, net	-	-	-	7,125	-	7,125
Cash subject to restrictions:						
NHDP home sales	484,229	-	484,229	-	-	484,229
Right-of-use assets	-	-	-	12,313	-	12,313
Investment properties - held for sale	1,139,954	-	1,139,954	-	-	1,139,954
Investment properties - designated to the City of Houston	9,158,156	-	9,158,156	-	-	9,158,156
TOTAL ASSETS	<u>\$ 14,622,734</u>	<u>\$ 167,457</u>	<u>\$ 14,790,191</u>	<u>\$ 19,438</u>	<u>\$ -</u>	<u>\$ 14,809,629</u>
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 101,912	\$ -	\$ 101,912	\$ -	\$ -	\$ 101,912
Accrued expense	22,059	-	22,059	-	-	22,059
Due to HCDD (NHDP)	484,229	-	484,229	-	-	484,229
Unearned revenue	388,908	100,000	488,908	-	-	488,908
Lease liabilities - current portion	-	-	-	3,356	-	3,356
Noncurrent liabilities:						
Lease liabilities - long-term	-	-	-	10,395	-	10,395
TOTAL LIABILITIES	<u>997,108</u>	<u>100,000</u>	<u>1,097,108</u>	<u>13,751</u>	<u>-</u>	<u>1,110,859</u>
FUND BALANCE						
Nonspendable - prepaid expenses	251,728	-	251,728			
Unassigned	13,373,898	67,457	13,441,355			
TOTAL FUND BALANCE	<u>13,625,626</u>	<u>67,457</u>	<u>13,693,083</u>			
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 14,622,734</u>	<u>\$ 167,457</u>	<u>\$ 14,790,191</u>			
NET POSITION						
Unrestricted				5,687		13,679,332
Invested in capital assets, net of related debt				-		19,438
TOTAL NET POSITION				<u>\$ 5,687</u>		<u>\$ 13,698,770</u>

	<u>General Fund</u>	<u>HLB Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Eliminating Entries</u>	<u>Statement of Activities</u>
EXPENDITURES AND EXPENSES:						
Programs expenses	\$ 496,012	\$ 19,864	\$ 515,876	\$ 31	\$ -	\$ 515,907
Management and general	<u>1,623,354</u>	<u>-</u>	<u>1,623,354</u>	<u>(391)</u>	<u>-</u>	<u>1,622,963</u>
Total expenditures and expenses	<u>2,119,366</u>	<u>19,864</u>	<u>2,139,230</u>	<u>(360)</u>	<u>-</u>	<u>2,138,870</u>
REVENUES:						
Acquisition and disposition revenues	375,574	-	375,574	-	-	375,574
Other fees and contributions	45,564	60,500	106,064	-	-	106,064
Revenues from traditional program	154,305	-	154,305	-	-	154,305
Grants	<u>544,538</u>	<u>-</u>	<u>544,538</u>	<u>-</u>	<u>-</u>	<u>544,538</u>
Total revenues	<u>1,119,981</u>	<u>60,500</u>	<u>1,180,481</u>	<u>-</u>	<u>-</u>	<u>1,180,481</u>
CHANGES IN FUND BALANCE / NET POSITION BEFORE OTHER INCOME	(999,385)	40,636	(958,749)	360	-	(958,389)
OTHER INCOME:						
Interest income	<u>89,860</u>	<u>-</u>	<u>89,860</u>	<u>-</u>	<u>-</u>	<u>89,860</u>
CHANGES IN FUND BALANCE / NET POSITION	(909,525)	40,636	(868,889)	360	-	(868,529)
Fund balance and net position, beginning of year	<u>14,535,151</u>	<u>26,821</u>	<u>14,561,972</u>	<u>5,327</u>	<u>-</u>	<u>14,567,299</u>
Fund balance and net position, end of year	<u>\$ 13,625,626</u>	<u>\$ 67,457</u>	<u>\$ 13,693,083</u>	<u>\$ 5,687</u>	<u>\$ -</u>	<u>\$ 13,698,770</u>



September 17, 2025

A Bricks Coggin CPA, PLLC
Southlake, Texas

This representation letter is provided in connection with your audit of the basic financial statements of the Houston Land Bank, which comprise the governmental fund balance sheet and statement of net position as of June 30, 2025, and the related governmental fund statement of revenues, expenditures and changes in fund balance and statement of activities for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of Houston Land Bank in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

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

We confirm, to the best of our knowledge and belief, as of September 17, 2025, the following representations made to you (The "Firm") during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 28, 2025, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria. In addition:
 - Loans to and from all employees and council members have been properly accounted for and disclosed
 - All Bad Debts written off the financial records have been reviewed and approved
 - All Credit Memos adjusting accounts receivable have been reviewed and approved
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the

primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, data and significant assumptions used by us in making accounting estimates, and their related disclosures, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of the applicable financial reporting framework.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- 8) The effects of uncorrected misstatements aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole. All audit adjustments have been approved and recorded in Houston Land Bank's books and records.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which Houston Land Bank is contingently liable, if any, have been properly recorded or disclosed. In addition, we represent that, all covenants on loans, both affirmative and negative, are in compliance per the loan/grant documents.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, meeting minutes, and other matters. Houston Land Bank represents that all officer, council or employee receivables are recorded on the financial statements and agree to hold the Firm harmless should non recorded receivables be found.

- b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within Houston Land Bank and others from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of Houston Land Bank or summaries of actions of recent meetings for which minutes have not yet been prepared. Completeness and availability of all minutes of the meetings of the governing body or summaries of actions of recent meetings for which minutes were not yet prepared.
 - e) Communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements. We agree to hold the Firm harmless should material transactions not be reflected in the financial records.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. Also, due to the inherent limitations of an audit, combined with the inherent limitations of internal control, and because the Firm will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected even though the audit was properly planned and performed in accordance with U.S. generally accepted auditing standards and that management and the council are responsible for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities.
- 14) We have no knowledge of any fraud or suspected fraud that affects Houston Land Bank and involves—
- Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Houston Land Bank's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.



- 18) We have disclosed to you the identity of Houston Land Bank's related parties and the nature of all the related party relationships and transactions of which we are aware.
- 19) Houston Land Bank has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 20) We acknowledge our responsibility for presenting the footnote disclosures in accordance with U.S. GAAP, and we believe the footnotes as presented, including its form and content, are fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the footnotes have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the footnotes.
- 21) Internal Controls are in place for processing payments to vendors, checks issued are reviewed by independent management, any stamps used for check processing are approved by independent management, Accounting Staff are required and do take all vacation earned, bank statements and credit card statements are reviewed by independent management and accounts receivable credit memos are approved by independent management. The Federal Forms W-3 and 1096, representing payroll changes and worker classification, are approved by Management.

Government-specific

- 22) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies, in financial reporting practices.
- 23) We have taken timely and appropriate steps to remedy the Schedule of Findings that you have reported to us.
- 24) We have a process to track the status of audit findings and recommendations.
- 25) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 26) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 27) Houston Land Bank has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
- 28) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 29) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and



regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

- 30) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 31) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 32) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 33) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, within senior management, outside contractor/bookkeeper, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 34) Houston Land Bank has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 35) Houston Land Bank has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 36) The financial statements include all component units as well as joint ventures with an equity interest and properly disclose all other joint ventures and other related organizations.
- 37) The financial statements properly classify all funds and activities in accordance with GASBS No. 34, as amended, and GASBS No. 84.
- 38) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.



- 39) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 40) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 41) Provisions for uncollectible receivables have been properly identified and recorded.
- 42) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 43) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 44) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 45) Special and extraordinary items are appropriately classified and reported.
- 46) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 47) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated, or amortized.
- 48) We have appropriately disclosed Houston Land Bank's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 49) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 50) Representations have been confirmed relating to transactions for which there is no written supporting documentation (Director's Report Adjustments), Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the balance sheet date and have been reduced to their estimated net realizable value, capital assets, including intangible assets, have been evaluated for impairment as a result of significant and unexpected decline in service utility as well as impairment loss and insurance recoveries have been properly recorded.

- 51) No provision has been made for any material loss that is probable from environmental remediation liabilities associated with the Houston Land Bank. We believe that such estimate is reasonable based on available information and that there are no liabilities nor related loss contingencies and accordingly there is no expected outcome of uncertainties which need to be disclosed and described in the financial statements.
- 52) Tax abatement agreements have been properly disclosed in the notes to the financial statements, including the names of all governments involved, the gross amount and specific taxes abated, and additional commitments.
- 53) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 54) We have appropriately disclosed the Houston Land Bank's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

- ⁵⁵⁾ We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

Signature (Board of Directors):

Printed name:

Title:

Date:

Signature (Management):

Printed name:

Title:

Date:





REQUEST FOR BOARD ACTION

Meeting Date: October 20, 2025

Agenda Item VIII d : Consideration and Possible Action to Approve the Houston Land Bank to enter into an agreement to execute the Subrecipient Grant Agreement with Auburn University in the amount of \$100,000 for Phase 1 and to enter into a subsequent Professional Services Contract not to exceed \$50,000 for Phase 2.

Action Summary

Staff requests Board approval for the Houston Land Bank (HLB) to enter into an agreement with Auburn University to serve as a provider of a research-based model to evaluate the cost, policy, and procedural implications of building affordable, resilient housing that meets the Insurance Institute for Business & Home Safety (IBHS) FORTIFIED Gold certification standard through the construction of a demonstration home.

Background/Overview

The Houston Land Bank (HLB), in partnership with Auburn University's Rural Studio, has been selected to advance the development of a FORTIFIED™ Gold Demonstration Home in Houston, Texas. This project will serve as a research-based model to evaluate the cost, policy, and procedural implications of building affordable, resilient housing that meets the Insurance Institute for Business & Home Safety (IBHS) FORTIFIED Gold certification standard.

The project aligns with HLB's Finding Home Initiative and supports the organization's mission to expand access to affordable, sustainable housing while testing replicable strategies for small-lot resilient homebuilding. Auburn University, through its Rural Studio program, will provide architectural and technical expertise, while HLB will serve as the subrecipient and project manager overseeing predevelopment, permitting, and construction coordination.

The Houston Land Bank (HLB) proposes to partner with Auburn University's Rural Studio as a sub-recipient and later as a professional services provider to deliver a FORTIFIED™ Gold demonstration home in Houston, Texas.

The primary focus of this project is research-based:

- To document and evaluate the process, costs, and policy implications of delivering a FORTIFIED Gold–certified home in the affordable housing context.
- To generate replicable pre-development and construction protocols that can be integrated into Houston's Finding Home Initiative and made available for broader adoption.
- To collect and analyze data on permitting timelines, construction sequencing, resilience certification processes, and cost differentials compared to conventional construction.

The project will be broken into two phases—Phase 1 (Sub-Recipient Grant Award) and Phase 2 (Professional Services Contract).

Recommended Action

Staff recommends authorization for the Houston Land Bank to execute the Subrecipient Grant Agreement with Auburn University in the amount of \$100,000 for Phase 1 and to enter into a subsequent Professional Services Contract not to exceed \$50,000 for Phase 2.

P.O. Box 2549, Houston, Texas 77252
281.655.4600

houstonlandbank.org