



BOARD OF DIRECTORS REGULAR MEETING

September 12, 2024

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BOARD OF DIRECTORS REGULAR MEETING
AGENDA

Thursday, September 12, 2024 – Noon Central
Time

United Way of Greater Houston

50 Waugh Drive, Houston Texas 77007

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 50 Waugh Drive Houston, Texas 77007. 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 Wednesday, September 11, 2024. 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. August 08, 2024 Board Meeting
- IV. Chairman's Greeting: Matt Zeis
- V. Committee Reports:
 - a. Executive Committee: Matt Zeis, Chair
 - b. Finance Committee: Danielle Keys-Bess, Chair
 - c. Partnership and Program Development: Chrishelle Palay, Chair
 - d. Real Estate Acquisition and Disposition: Open Seat, Chair
 - e. Procurement and Oversight: Open Seat, Chair
- VI. Board Action Items
 - a. Consideration and Possible Action to Approve the Houston Land Bank (HLB) Round Eight (8) of Lot Sales to multiple builders under the Houston Land Bank Builder Traditional Program.
 - b. Consideration and Possible Action to Approve the Land Banking Interlocal

Agreement between Harris County and the Houston Land Bank.

VII. 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.

VIII. Board Member Comments

IX. Adjournment

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

houstonlandbank.org

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

August 8, 2024

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 50 Waugh Drive, Houston, Texas, on Thursday, August, 8 2024 at 12:00 p.m. Written notice of the rescheduled 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 | Francisco Garcia |
| Matt Zeis | Danielle Keys Bess |
| Chrishelle Palay | Janae Ladet |
| Tonzaino Bailey | David Collins |

Board directors absent were: Marilyn Muguerza and Dwantrina Russell. Others in attendance included: Christa Stoneham, Chief Executive Officer/President of the HLB; Isai Mendez, Finance Director for the HLB; Lindsey Williams, Director of Community Development for the HLB; Donesha Albrow, Operations Manager for the HLB; Charles Keys, Asset and Disposition Manager for the HLB; LeKendra Drayton, Administrative Assistant for the HLB; Graciela Saenz, outside legal counsel to the HLB, and Annalise, the granddaughter of Ms. Saenz.

I. Call to Order and Roll Call

Chairman Zeis called this regular meeting to order at 12:15p.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 present for this meeting.

II. Public Speakers

Nothing to report.

III. Consideration and Adoption of Meeting Minutes

a. June 20, 2024 Board Meeting

Chairman Zeis then announced that the minutes for the June 20, 2024 regular meeting of the Board were previously circulated for review and comment. He asked if there were any comments and/or changes for discussion to such minutes.

Director Bess then made a motion to approve the minutes as of the Board meeting held on June 20, 2024, as amended to delete the names of certain Board members who are no longer on the Board, which motion was duly seconded by Director Bailey and passed with the unanimous vote of the Board.

IV. Chairman's Greeting: Matt Zeis

Chairman Zeis expressed hope that everyone survived the hurricane last month which showed how important it is where and how the HLB constructs affordable houses. He then stated that the Harris County special purpose entity recently closed on the remaining Yellow Cab parcel. He then stated that he recently contacted the Mayor's Office with regard to the appointment of Board members and suggested candidates to be considered for the Board. Director Garcia asked whether solar panels and home batteries are being considered for the affordable houses constructed under the HLB Traditional Housing Program. Chairman Zeis responded that solar panels and home batteries are not being considered at this time due to cost to provide them for the affordable houses being constructed by HLB. However, he noted that the HLB houses are ADA compliant including wide doorways.

V. Committee Reports:

a. Executive Committee: Matt Zeis, Chair

Chairman Zeis reported that the Executive Committee met last week to discuss the status of the Round 8 Lot Sales, the RFP issued on the middle tract of the former Yellow Cab site, and the EPA training by HLB Staff.

b. Finance Committee: Danielle Keys-Bess, Chair

Director Bess reported that the Finance Committee met on July 30, 2024 to discuss the NHDP program, the budget for Fiscal Year 2025, and the Fifth Ward Relocation Program. She stated that the Houston Housing Department has exceeded its budget, therefore the HLB will need to use its reserve funds to operate the organization. Mr. Mendez will send HLB invoices to the Houston Housing Department to prove up its balance moving forward. Currently, the 2023 non-funded dollars for operational activity were exhausted in mid-March 2024, therefore the HLB is in need of a grant or gap funding in excess of \$500,000.00. Lastly, Director Bess mentioned that the NHDP is carrying an inventory of six lots.

Director Collins arrived at 12:25pm

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

Director Palay reported that the Partnership and Program Committee meet to discuss the proposed program updates, the community purpose lots, the Juice & Justice meeting, and the Round 8 Lot Sales.

d. **Real Estate Acquisition and Disposition Committee: [Open Seat], Chair**

Chairman Zeis reported that the READ Committee held a meeting last week to discuss the Round 8 Lot Sales which is scheduled to close next month, and lot maintenance and clean-up activities including one lot located in the Fifth Ward where someone dumped a significant amount of dirt on it. The committee also discussed resolutions for lot buy backs with Mayberry Homes, one lot acquisition in Settegast, and a request for purchase of lots in Acres Home from the Methodist Church.

e. **Procurement and Oversight Committee: [Open Seat], Chair**

Chairman Zeis reported that the Procurement and Oversight Committee did not meet this month.

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

Ms. Stoneham announced that the HLB was selected by the U.S. Environmental Protection Agency funding in the amount of \$500,000 for community-wide environmental assessments. The HLB will now need to determine how to engage the community and map out who is doing what with regard to Brownfields redevelopment.

Ms. Stoneham stated that the Center for Community Progress has been overseeing land banks over the past 20 years and has recommended the HLB to the Environmental Protection Agency for its Brownfields work at the Velasco incinerator site, the former Yellow Cab site, and the Fifth Ward plume. The Center for Community Progress visited Houston to study the HLB Brownfield Program and aims to introduce communities to land banks as a tool for revitalization.

Ms. Stoneham then stated that Lindsey Williams attended the Equitable Housing Finance Plan Community Convening Session in Washington, D.C. hosted by Fannie Mae and noted that the HLB was the only group from the South invited to attend this session. Ms. Williams summarized the Fannie Mae session which featured discussions, networking opportunities, and planning sessions to accelerate development initiatives forward.

She also mentioned that she attended the interagency fair at the Federal Reserve Bank to discuss pollution matters and make strides in community development. This event included speaking on a panel and promoting upcoming HLB events.

Ms. Williams stated that she attended the quarterly board meeting of the Texas Society of Architects in Austin, Texas which included a tour of an elementary school for its unique design process and discussions on state of Texas policy changes with regard to affordable housing.

Ms. Stoneham noted that the Builder Procurement closes tomorrow at 5 p.m., and that there is an open call for community members to join the Neighborhood Advisory Committee to chime in on overall community development projects.

Lastly, Ms. Stoneham mentioned that there are 48 houses in the Traditional Builder program currently in development, and 38 lots reserved for the New Home Development Program.

VII. Board Action Items

- a. **Consideration and Possible Action to Authorize the Houston Land Bank to approve the release of HLB affordability restrictions for the land parcel sold to Lovett/Citi Homes located at 4605 Market Street and in exchange for the fair market value of the land, appraised at \$93,600.**

Chairman Zeis announced that he will need to leave the Board meeting during any discussion on this agenda item because of a conflict with his employer having Lovett/Citi Homes as a client. He then requested Vice Chairman Collins to conduct the Board meeting during his absence. Ms. Stoneham stated that Lovett/Citi Homes owns six lots and informed the HLB that one of these lots is better suited for commercial development rather than residential because of its location near the East Freeway.

Ms. Stoneham announced that approval of this item will authorize the Houston Land Bank to release its affordability restrictions recorded in the real property records against the lot sold to Lovett/Citi Homes located at 4605 Market Street in exchange for the fair market value of the lot (\$90,000) plus closing costs (\$3,600), totaling \$93,600.

Upon Board approval of this agenda item, the affordability restrictions placed on the lot located at 4605 Market Street will be released of record and Lovett/New Citi Homes will remit to HLB the amount of \$93,600.00 in exchange for the release of the restrictions with regard to affordability requirements affecting this lot.

Director Bess made a motion to approve the exchange of releasing the HLB affordability restrictions on the lot located at 4605 Market Street for the fair market value of such lot, which motion was duly seconded by Director Garcia and approved with the unanimous vote of the Board.

- b. **Consideration and Possible Action to Authorize the Houston Land Bank to approve Lovett/New Citi Homes to construct five duplexes on property located at 2101 Sakowitz, 2524 Sam Wilson, 2308 Noble, 2017 West and 2501 Noble under the HLB Traditional program guidelines.**

Ms. Stoneham announced that approval of this item will authorize HLB staff to approve Lovett/New Citi Homes to construct five duplexes on the properties listed below under the HLB Traditional Program guidelines. The duplex floor plans have been reviewed, analyzed, and the recommended by both the READ and the Executive Committees.

In 2010, LARA, now known as HLB, sold seven lots in the Fifth Ward neighborhood to Lovett/New Citi Homes. Subsequently, Lovett/New Citi Homes sold one lot in 2011, leaving six vacant lots. In September 2023, the READ committee mandated that Lovett/New Citi Homes develop affordable housing on the remaining lots. Lovett/New Citi Homes has since submitted 5 out of 6 floor plans, each featuring two 3 bedroom/2 bathroom homes (duplexes) per lot. The proposed sales price for each duplex unit is \$225,000, aligning with the HLB Tier II/Mid sales price range.

| HCAD | Address | Sold Date | Sold Price | Home Sales Price |
|---------------|------------------------|------------------|-------------------|-------------------------|
| 0092350000006 | 2101 Sakowitz (Duplex) | 2/15/2010 | \$5,000 | \$225,000.00 |

| | | | | |
|---------------|--------------------------|-----------|---------|--------------|
| 0092590000012 | 2524 Sam Wilson (Duplex) | 2/15/2010 | \$5,000 | \$225,000.00 |
| 0151990000010 | 2308 Noble (Duplex) | 2/15/2010 | \$6,175 | \$225,000.00 |
| 0151990000009 | 2017 West (Duplex) | 2/15/2010 | \$6,250 | \$225,000.00 |
| 0091420000001 | 2501 Noble (Duplex) | 2/15/2010 | \$3,800 | \$225,000.00 |

Director Morales made a motion to approve the construction of five duplexes on the remaining lots owned by Lovett/New Citi Homes, which motion was duly seconded by Director Palay and passed by the unanimous vote of the Board.

Chairman Zeis returned to the Board meeting at 12:46 p.m.

c. Consideration and Possible Action to Adopt the Proposed Fiscal Year 2025 Budget for the Houston Land Bank.

Chairman Zeis stated that approval of this item will officially adopt the proposed Fiscal Year 2025 Budget which has been previously reviewed by the Finance Committee and the Board and is based on the 2024 fiscal year budget.

The Proposed Fiscal Year 2025 Budget anticipates expenditures of \$3.2 million against projected revenues of \$4.0 million generating an expected \$795,874 increase to fund balance. This budget will be revisited once the final TIRZ allocation funding is confirmed, and HCDD support is confirmed, during late 2024.

The Proposed Budget for FY 2025 (July 1, 2024, through June 30, 2025) was under the collaborative effort of the Houston Land Bank staff members, and discussions with HCDD; a preliminary version of the draft budget was reviewed in the March 2024 regular Board meeting.

The proposed budget for Fiscal Year 2024 includes significant expenses and revenues that are projected based on construction activity controlled by the City of Houston. Therefore, expenses and revenues in the NHDP program activity will be subject to change.

After the Board of Directors passes the budget, the budget will be submitted to HCDD for approval as required by the agreement between HLB and the City regarding Operational Agreement funding. If necessary to make adjustments based on input from the City, or in response to unanticipated circumstances during the fiscal year, the budget can be amended by board action.

The Fiscal Year 2025 Proposed Budget includes the highlights noted below:

- Total projected revenues are \$4,075,236.
- Total projected expenditures are \$3,279,362.
- Total projected net income is \$795,874
- Total projected capitalized expenditures are \$1,300,000
- Projected net change in fund balance is -\$504,126

Director Bess then made a motion to adopt the Proposed Fiscal Year 2025 Budget, which motion was duly seconded by Director Ladet and passed with the unanimous vote of the Board.

d. **Consideration and Possible Action to Authorize the Houston Land Bank to participate in the Finding Home Initiative allowing the HLB CEO to execute the corresponding and mandatory agreements for participation.**

Ms. Stoneham announced that approval of this agenda item will authorize HLB to contract with Fannie Mae & Auburn University Rural Studio/Front Porch Research Initiative. This action is necessary to facilitate the HLB Finding Home Initiative and develop the HLB's small parcel inventory.

Houston is susceptible to natural disasters, and has a critical shortage of affordable housing. At the same time, developers have historically overlooked many small buildable land parcels (2,500-5,000 square feet) due to construction costs. These lots disproportionately impact communities marginalized by historical disinvestment, predatory lending, redlining, and lack of community input. Low to moderate-income households struggle to find accessible homes, preventing the opportunity to age in place, and often lack the support necessary to recover fully from natural disasters. During inventory analysis, the Houston Land Bank identified seven target neighborhoods where it currently holds small parcel inventory and multiple Qualified Census Tracts.

Director Bess a motion to discuss this agenda item in Executive Session which motion was duly seconded by Director Morales and passed with the unanimous vote of the Board. The meeting then entered into Executive Session at 12:29 p.m.

Ms. Stoneham noted that in response to the community's most pressing concerns and to activate viable inventory, the HLB created the Finding Home Initiative. The initiative, led by HLB, will implement a community-engaged design process to create a catalog of pre-approved house plans to expedite small parcel housing construction that fits the city's neighborhood contexts. HLB has secured partnerships with the Houston Community Land Trust (HCLT) and CenterPoint Energy to engage the community and initiate professional services with HLB-procured architects. With the additional support and partnership of Fannie Mae and Rural Design Studios, HLB will have the opportunity to promote and incorporate resilience into our home designs and expand the catalog plan quantity. Additionally, with the expansion of these partnerships, the initiative will include homebuyer education, homebuyer guidance on the HCLT model, homebuyer financial counseling, and resilience education for homeowners, designers, and contractors.

HLB seeks for this initiative to serve as a local and national concept for building small, energy-efficient, resilient, accessible, and affordable homes. HLB seeks to incorporate the plan catalog into future HLB inventory lot sales to procured builders which will result in expediting construction time, reducing builder-incurred soft costs, and the activation of underutilized HLB land inventory. Should the Board of Directors approve this item, HLB will move forward with contracting with Fannie Mae and the Auburn University Rural Studio/Front Porch Research Initiative.

The meeting reconvened to open session at 1:13 p.m.

Director Garcia made a motion to authorize the HLB to participate in the Finding Home Initiative and approve the CEO/President to execute the corresponding and mandatory agreement

for participation, which motion was duly seconded by Director Palay and passed with the unanimous vote of the Board.

It was noted that Director Ladet left the meeting at 1:16 pm.

e. **Consideration and Possible Action to Approve Houston Land Bank CEO and President to execute a Memorandum of Understanding with the Kinder Institute for Urban Research implementing the Community Bridges Program.**

Approval of this agenda item will authorize the Houston Land Bank to enter a Memorandum of Understanding (MOU) with the Kinder Institute for Urban Research at Rice University. The MOU aims to implement the Community Bridges program, which will facilitate collaboration among Rice University students and the Greater Houston community, including neighborhoods like the Fifth Ward, Third Ward, Settegast Near Northside, and the East End.

The Kinder Institute for Urban Research and HLB have identified mutual goals in fostering community development and socioeconomic mobility through sustainable and collaborative efforts. The Community Bridges program will allow Rice University undergraduates to engage with community leaders and participate in projects that promote long-term community benefits. Through academic courses, fieldwork, and summer internships, students will gain an understanding of community needs, engage in active reflection, and learn from both academic literature and their peers.

Key Components of the MOU:

- Program Administration: The Kinder Institute will manage the selection, training, and academic coursework for students, while HLB will oversee on-site supervision and project management.
- Student Engagement: Students will complete coursework in the fall semester, engage in project work during the spring semester, and potentially participate in summer internships.
- Collaboration and Support: Both organizations will provide necessary training, workspace, and support to ensure successful project implementation.

IMPACT OF APPROVAL

Approval of this MOU will enable HLB to:

- Strengthen partnerships with the Kinder Institute for Urban Research.
- Enhance capacity for sustainable development and community engagement.
- Facilitate projects that promote upward socioeconomic mobility within the community.

Should the Board of Directors approve the Memorandum of Understanding with the Kinder Institute for Urban Research to advance HLB's mission of providing affordable housing and sustainable community development.

Director Garcia made a motion for the CEO and President of the HLB to execute the Memorandum of Understanding with the Kinder Institute for Urban Research implementing the Community Bridges Program which motion was duly seconded by Director Bess and passed with the unanimous vote of the board.

VIII. Executive Session

Director Bess made a motion to close the open session of this meeting at 12:29 pm and enter into Executive Session to discuss the value of real property in Agenda item VII(d), which motion was duly seconded by Director Morales and passed with the unanimous vote of the Board. The open session of the meeting reconvened at 1:13 pm.

IX. Board Member Comments

Nothing to report.

X. 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 1:18 p.m. upon the motion of Director Bailey which was duly seconded by Director Morales 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 _____, 2024.

Secretary

Houston Land Bank

Balance Sheet

As of July 31, 2024

| | Total |
|--|----------------------|
| ASSETS | |
| Current Assets | |
| Bank Accounts | |
| 10100 Chase - Operating 8465 | 337,994 |
| 10200 UNB - Operating MM 4992 | 109,544 |
| 10300 Chase - Lot Acquisition MM 7058 | 1,737,575 |
| 10400 Chase - Unrestricted MM 7066 | 3,061,503 |
| 10500 Chase - Unrestricted Reserve 5577 | 188,157 |
| 10600 Susser Bank - MM 7878 | 249,529 |
| 10700 Susser Bank - Savings Sweep 78781 | 63,114 |
| 1072 Bill.com Money Out Clearing | 0 |
| Total Bank Accounts | \$ 5,747,415 |
| Accounts Receivable | |
| 12100 Accts Receivable | 466,964 |
| Total Accounts Receivable | \$ 466,964 |
| Other Current Assets | |
| Prepaid Expenses | |
| 14200 Prepaid Insurance | 176,427 |
| 14300 Prepaid Rent | 3,689 |
| 14400 Prepaid Security Deposit | 13,789 |
| 14500 Prepaid Subscription Services | 15,029 |
| Total Prepaid Expenses | \$ 208,933 |
| Undeposited Funds | |
| Total Other Current Assets | \$ 213,388 |
| Total Current Assets | \$ 6,427,767 |
| Fixed Assets | |
| 15100 Equipment | 19,745 |
| 15900 Accum. Depreciation | -13,070 |
| Total Fixed Assets | \$ 6,675 |
| Other Assets | |
| 16200 Lease Asset | 41,921 |
| Total 17100 Investments Held For Sale | 10,201,876 |
| Total Other Assets | \$ 10,243,797 |
| TOTAL ASSETS | \$ 16,678,239 |
| LIABILITIES AND EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |

Houston Land Bank
Balance Sheet
As of July 31, 2024

| | Total |
|--|----------------------|
| 20100 Accounts Payable | 46,441 |
| Total Accounts Payable | \$ 46,441 |
| Other Current Liabilities | |
| 21100 Liabilities Due to HCDD | 1,729,760 |
| 21400 Liabilities Due to HLB Fund | -5,000 |
| 21500 Accrued Expense | 0 |
| 21600 Lease Liability - Current | 21,300 |
| 21800 Unearned Revenue | 275,559 |
| 21900 Other Liability - Current | -1,000 |
| Total Other Current Liabilities | \$ 2,020,619 |
| Total Current Liabilities | \$ 2,067,059 |
| Long-Term Liabilities | |
| 22600 Lease Liability - Noncurrent | 22,123 |
| Total Long-Term Liabilities | \$ 22,123 |
| Total Liabilities | \$ 2,089,183 |
| Equity | |
| 30100 Unrestrict (retained earnings) | 14,540,478 |
| Net Income | 48,578 |
| Total Equity | \$ 14,589,056 |
| TOTAL LIABILITIES AND EQUITY | \$ 16,678,239 |

Houston Land Bank

Budget vs. Actuals Summary

July 2024

| | Total |
|---|-------------------|
| Income | |
| 40100 Acquisition and Development Agreement | 151,178 |
| 40200 Administrative Fees | 15,000 |
| 40500 Outside Sources Contributions | 6,908 |
| Total Income | \$ 173,087 |
| Gross Profit | \$ 173,087 |
| Expenses | |
| 60100 Salaries and Fringe | 53,500 |
| 60300 Professional Services | 11,922 |
| 60400 Property Cost - Lot Maintenance | 31,028 |
| 60500 Software and Subscriptions | 3,764 |
| 60600 Rent Expense | 4,290 |
| 60700 Advertising and Marketing | 2,040 |
| 60800 Bank Fees | 73 |
| 61000 Depreciation Expense | 153 |
| 61200 Insurance | 7,239 |
| 61400 Office Expense | 579 |
| 61500 Phone and Internet | 333 |
| 61700 Travel Expense | 1,857 |
| 61800 Other Miscellaneous Expense | 100 |
| 62200 Property Cost Disposition - HLB Traditional | 4,194 |
| 63200 Property Cost Disposition - NHDP | 11,011 |
| Net Operating Income | \$ 132,084 |
| Net Operating Income | \$ 41,003 |
| Other Income | |
| 70100 Interest Income | 7,575 |
| Total Other Income | \$ 7,575 |
| Net Other Income | \$ 7,575 |
| Net Income | \$ 48,578 |



REQUEST FOR BOARD ACTION

Meeting Date: September 12, 2024

Agenda Item VI: (a). Consideration and Possible Action to Approve the Houston Land Bank (HLB) Round Eight (8) of Lot Sales to multiple builders under the Houston Land Bank Builder Traditional Program.

ACTION SUMMARY

Approval of this item will accept READ Committee recommendations of builder lot selections resulting from the Traditional Program's Round 8 Lot Sales. Approval of this item will authorize staff to initiate the execution of contracts for the sale of lots to builders as described below.

BACKGROUND/OVERVIEW

Under the HLB Traditional Homebuyer Program, Approved Builders may acquire properties from HLB to construct quality affordable homes, with price and design approved by HLB during our lot sale process. HLB has recently ended Round 8 of its lot sale under the HLB Traditional Homebuyer Program.

Round 8 Lot Sale opened May 14, 2024 and closed on July 19, 2024. There were 13 builders invited to participate in the lot sale, and of that, 13, 4 builders participated by submitting for their desired lots. There were 24 lots listed for sale and of those 24 lots, 12 of those lots received submissions and 11 of those lots are recommended for contract execution by the Real Estate Acquisition and Disposition Committee in line with HLB staff proposals.

Round 8 will be awarded by the builders as follows:

- Europa - 8 lot
- MH Builder - 2 lots
- Texas Gateway Construction - 1 lots
- Titanium Builders - 0 lots

Additionally, Round 8 awards are broken down by neighborhood as follows:

- Acres Homes - 6 lot
- Clinton Park - 2 lots
- Sunnyside - 3 lots

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

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

houstonlandbank.org

| HCAD | Property Address | Area | Lot Size | Lot Sale Price | Builder | Bed/Bath | Tier | Home Sales Price |
|---------------|------------------|--------------|----------|----------------|---------------|----------|------|------------------|
| 0162730050014 | 0 Apollo | Acres Homes | 3000 | \$14,108 | Europa Homes | 3/2 | II | \$197,620 |
| 0730510050021 | 0 Clover | Sunnyside | 5000 | \$20,174 | Texas Gateway | 3/2 | II | \$225,000 |
| 0162740110004 | 0 Couch | Acres Homes | 3001 | \$10,890 | Europa Homes | 3/2 | II | \$193,858 |
| 0141090030007 | 0 Mascot | Clinton Park | 5000 | \$11,880 | MH Builder | 4/2 | I | \$279,900 |
| 0162770280070 | 0 Radcliffe | Acres Homes | 3002 | \$14,850 | Europa Homes | 3/2 | II | \$198,487 |
| 0162740120029 | 0 Tuskegee | Acres Homes | 3000 | \$14,108 | Europa Homes | 3/2 | II | \$197,620 |
| 0162750150018 | 0 Tuskegee | Acres Homes | 3000 | \$14,108 | Europa Homes | 3/2 | II | \$197,620 |
| 0162760190005 | 0 Utah | Acres Homes | 3000 | \$12,623 | Europa Homes | 3/2 | II | \$195,884 |
| 0141180380007 | 311 Tennessee | Clinton Park | 5000 | \$12,540 | MH Builder | 4/2 | I | \$279,900 |
| 0761950080098 | 4418 Aledo | Sunnyside | 5200 | \$17,556 | Europa Homes | 3/2 | II | \$201,650 |
| 0511710920002 | 8305 Brandon | Sunnyside | 5000 | \$23,513 | Europa Homes | 3/2 | II | \$208,614 |



REQUEST FOR BOARD ACTION

Meeting Date: September 12, 2024

Agenda Item VI b: Consideration and Possible Action to Approve the Land Banking Interlocal Agreement between Harris County and the Houston Land Bank.

ACTION SUMMARY

Approval of this agenda item will authorize HLB to execute a Land Banking Interlocal Agreement with the Harris County local government.

Approval of this agenda item will authorize the HLB Chief Executive Officer to execute the following agreement (***Interlocal Agreement***); which is necessary in order for the Houston Land Bank to avail itself to conduct land banking in Harris County under the authorization of Texas Senate Bill 1679 ("SB 1679").

BACKGROUND/OVERVIEW (Background of each of the Agreement and the Administrative Procedures)

The Interlocal Agreement: Background

Pursuant to the 87th Texas State Legislature, Texas Senate Bill 1679 ("SB 1679"), passed on June 16, 2021, and became effective September 1, 2021. SB 1679 relates to the creation of urban land banks for certain municipalities. HLB qualifies as an urban land bank under SB 1679. Per SB 1679, HLB may provide land banking services for other governmental entities via Interlocal Agreement. Harris County and HLB wish to enter into a land banking agreement via an Interlocal Agreement in compliance with SB 1679.

The Interlocal Agreement: Summary

The agreement is an original one-year term to provide land banking services per the attached agreement. Should the Board of Directors approve this item, agreement will be fully executed and implemented by all parties.

Interlocal Agreement

This Interlocal Agreement ("Agreement") is entered into this day of [Date], ("Effective Date") between Harris County, a political subdivision of the State of Texas, hereinafter referred to as "Harris County," and the Houston Land Bank, a Texas nonprofit corporation and a Texas local government corporation created pursuant to Tex. Transp. Code Ann. § 431.101 (Vernon 2000) ("HLB," f/k/a the Land Assemblage Redevelopment Authority and Texas State Bill SB 1679 , hereinafter referred to as "HLB." Collectively, the parties are referred to as the "Parties."

WHEREAS, HLB is committed to community development for communities:

WHEREAS, Harris County recognizes the importance of land banking activities as a means to support community development, with a particular focus on affordable housing, food insecurity, brownfield redevelopment, and community engagement within the geographic boundary of Harris County.

WHEREAS, HLB and Harris County are committed to collaborating on these mission-aligned projects to improve the quality of life for Harris County's residents:

NOW, THEREFORE, in consideration of the premises, covenants, and agreements contained herein, HLB and Harris County agree as follows:

Section 1: Purpose

HLB is a land bank created under State Bill 1679: Urban Land Bank exists to acquire, manage, and disposing of vacant, abandoned, deteriorated, non-revenue generating, and non-tax producing properties and converting those properties to productive uses. For purposes of this subsection, productive uses of a property include the development of housing that serves a wide range of local needs, including affordable housing, long-term affordable housing, workforce housing, public service housing, mixed-income housing, community-based economic development, food desert solutions, parks and recreation, flood reduction and storm resiliency, and other uses necessary and appropriate to return properties to the tax rolls, stabilize communities, improve living conditions, and protect against the displacement of residents of the municipality served by the land bank.

The purpose of this Agreement is to establish a framework for cooperation and collaboration between HLB and Harris County to facilitate the execution of land banking activities within the geographic boundary of Harris County.

HLB may receive and retain payments for services, rendered, for rents and leasehold payments received, for consideration for disposition of real and personal property, for proceeds of insurance coverage for losses incurred, for income from investments, and for any other asset or activity permitted under this agreement. A land bank may receive funding through grants and loans from the municipality that, created the land bank, other municipalities, this state, the federal government, and other public or private sources.

These activities are in alignment with HLB's mission of community development, with a focus on the following areas:

1) Development of Housing:

- a) Single-Family: HLB shall develop single-family housing using procured developers/builders.

- b) **Community Land Trust:** HLB is committed to building homes on behalf of Harris County's Community Land Trust (CLT) program, thereby expanding affordable housing opportunities for communities.
 - c) **Multi-family:** HLB will actively engage in land banking activities within Harris County, utilizing procured brokers for both Harris County and HLB programs. Harris County shall fund the purchase and administrative fees for County projects in collaboration with HLB.
- 2) **Brownfield Redevelopment:** HLB, in partnership with Harris County, shall explore brownfield redevelopment opportunities within the County. HLB's expertise in land banking will be leveraged to identify, acquire, and manage land parcels suitable for brownfield redevelopment projects that align with the mission of community development.
- 3) **Expedited Disposition & Development:** HLB will expedite the disposition and development of land for mission-aligned activities, such as addressing food insecurity, within Harris County. The land can include Harris County surplus sites or HLB acquired sites.
- 4) **Land Banking:** To hold and assemble one or more parcels of real property, for a period that is longer than five years for the purpose of, fulfilling specific program or funding goals related to creating or developing affordable housing, supporting community-based economic, development, creating parks and other public places, or supporting other goals required by Harris County
- 5) **Professional Services:**
- a) **Real Estate:** HLB, on behalf of Harris County but at HLB's expense unless a fee for any such service has been approved, prior to the commencement of such services by Harris County's Commissioners Court, shall provide realty and consulting professional services that align with the mission of community development.
 - i) **Market Analysis:** Realty professionals can conduct market analyses to understand property values, rental rates, and housing trends in target communities to assist with determining the feasibility of development projects and setting appropriate pricing structures.
 - ii) Realty professionals can support HLB in efficiently managing its property portfolio, including renting, selling, or leasing properties to generate revenue for further community development initiatives.
 - iii) **Neighborhood Revitalization:** Realty professionals can work with HLB to identify blighted properties or vacant lots in distressed communities. They can assess the market conditions and consult on the best uses for these properties, such as affordable housing, community centers, or green spaces.
 - iv) **Affordable Housing Programs:** HLB can collaborate with real estate professionals to acquire, rehabilitate, and sell affordable housing properties in underserved neighborhoods. Realty experts can help identify suitable properties, evaluate their potential, and advise on effective strategies to make housing affordable while maintaining quality.

- b) Community Engagement: HLB shall actively engage in community development activities outside of the City of Houston but within Harris County on behalf of the County, focusing on community engagement programs.
 - i) Realty and consulting professionals can aid in community engagement efforts, helping HLB connect with local residents, neighborhood organizations, and stakeholders. They can facilitate meetings, gather input, and conduct outreach to ensure that development plans align with community needs and expectations. Realty and consulting professionals will not be paid by the County in any event other than as a standard broker earning a standard brokerage commission in the instance where the County is the Seller in a single-family transaction.
- c) Architecture:
 - i) Partnerships with Architectural Firms: HLB can procure and enter into partnerships with architectural firms in the Houston area. These firms can provide a range of architectural services, including designing residential, commercial, or community development projects that align with HLB's goals.
 - ii) Request for Proposals (RFPs): HLB can release RFPs to solicit architectural firms' proposals for specific projects. The RFPs will outline the project's scope, objectives, and any specific requirements. Interested architectural firms can then submit their proposals, and HLB can select the most suitable firm based on their qualifications, experience, and proposed design concepts.
 - iii) Design Competitions: HLB can organize design competitions for specific projects. This approach encourages creativity and innovation in architectural designs. Design professionals can submit their ideas, and the winning design, based on objective criteria and compliance with applicable County standards, can be selected for implementation.
- d) Engineering:
 - i) Collaboration with Engineering Firms: For engineering services, HLB can procure and collaborate with engineering firms specializing in various fields, such as civil, structural, environmental, or geotechnical engineering. These firms can offer their expertise on specific aspects of development projects.
 - ii) RFPs for Engineering Consultants: Similar to architectural services, HLB can issue RFPs for engineering services when needed. The RFPs will detail the project requirements, and engineering firms can respond with proposals outlining their qualifications, relevant experience, and project approaches.

Section 2: Budget and Staffing

The Parties shall collaboratively define and approve the budget necessary to support the activities outlined in this Agreement. HLB and Harris County staff shall work together to ensure the efficient allocation of resources and the successful implementation of land banking activities.

Section 3: Term

This Agreement shall commence on the Effective Date and shall remain in force for a period of 12 months unless terminated earlier by either Party pursuant to Section 4 below.

Section 4: Termination

Either Party may terminate this Agreement upon written notice to the other Party in the event of a breach of the terms and conditions outlined herein. In any termination, the other party agrees to continue working with the terminating Party for the lesser of (a) the date which is 60 days following the effective date of the termination, or (b) the date upon which the terminating Party advises the other Party that it no longer requires its services. The continuation of such work is to ensure a smooth transition on any transactions or jobs currently in process. If, at the time of termination, HLB is working on any jobs or transactions that are either (a) outside the City of Houston or (b) were funded primarily using County funds, then the title of such property will be passed to Harris County in fee simple, but HLB is authorized to retain any funds for portions of work or any jobs for which the respective vendor or contractor(s) are entitled, but any funds received that are not yet obligated to any vendor or contractor(s) will be returned to Harris County within twenty (20) days following HLB's receipt of the termination notice.

Section 5: Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

Section 6: Entire Agreement

This Agreement constitutes the entire understanding between the Parties with respect to its subject matter and supersedes all prior and contemporaneous agreements and understandings, whether oral or written.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

By signing below, the Parties acknowledge their commitment to the terms and conditions outlined in this Agreement.

Approved as to Form:
Christian D. Meneffee, Harris County

Harris County:

By: _____
**Randy Keenan, Sr. Assistant
County Attorney**
CACI ID#: _____

By: _____
**Lina Hidalgo, Harris County
Judge**

Date: _____

Houston Land Bank

By: _____

Date: _____