

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

February 9, 2023

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, February 9, 2023 at 12:00 p.m. Written notice of the regular meeting, which included the date, hour, place and agenda for the regular meeting, was posted in accordance with the Texas Open Meetings Act.

Board members in attendance were:

Tonzaino Bailey	Matt Zeis
David Collins	Elaine Morales
Jesus DeAnda	Chrishelle Palay
Danielle Keys Bess	Victor A. Mondragón
	Dwantrina Russell

Board directors absent were: Antoinette Jackson, Janae Ladet, Marilyn Muguerza, Courtney Johnson Rose, and Laurie Vignaud. Others in attendance included: Christa Stoneham, Chief Executive Officer/President of the HLB; Jennifer Allison, Vice President of Operations and Programs for HLB; Mark Glanowski (Paralegal) of Winstead PC, outside legal counsel for the HLB; Graciela Saenz, outside legal counsel for the HLB; Ron Butler, Director of Maintenance; Kellen Zale of the HLB Advisory Board; LaTosha Okoiron, In-house Legal Counsel and Compliance Director for the HLB; Lynn Henson, Ex-Officio Board appointee; Isai Mendez, Accounting Manager; Lindsay Williams, the Director of Community Development for the HLB; and James Southerland of A&D Inspections.

I. Call to Order and Roll Call

Chairman Zeis called this regular meeting to order at 12:02 p.m. A roll call of the Board members in attendance immediately followed. Chairman Zeis then announced that a quorum of the Board is present for this meeting.

II. Public Speakers

James Southerland, with A&D Inspections, addressed the Board pursuant to a complaint he received from a home builder with regard to construction of handicap accessible features in a house for the HLB. Mr. Southerland informed the Board that he has worked as a house inspector for thirty years. The home builder was required by the HLB to construct the handicap features pursuant to the ADA requirements. Mr. Southerland advised that the ADA guidelines have nothing to do with housing, but rather it is the Fair Housing Act that mandates the accessibility requirements for houses. Mr. Southerland stated that the houses the HLB has constructed are not

compliant with the Fair Housing Act. He then informed the Board that there will be an online training class offered through HUD on February 14, 2023 and provided pamphlets to the Board members in connection with the online training class.

III. Consideration and Adoption of Meeting Minutes

a. November 10, 2022 Board Meeting

Chairman Zeis noted that the minutes for the November 10, 2022 regular meeting of the Board of Directors were previously circulated for review and comment. He asked if there were any comments for discussion to such minutes. Hearing none, Chairman Zeis then requested a motion to approve and adopt such minutes as written.

Director Bailey made a motion to approve the minutes of the Board of Directors meeting held on November 10, 2022, which motion was duly seconded by Director DeAnda and passed with the unanimous vote of the Board.

IV. Chairman's Greeting: Matt Zeis

Chairman Zeis thanked the Directors for attending this Board meeting, and introduced the two new Board members who were recently appointed. He then requested Gracie Saenz to swear in Danielle Bess and Chrishelle Palay as directors to the Board. Ms. Saenz then performed the swearing in ceremony for Danielle Bess and Chrishelle Palay to the office of director of the Board.

V. Committee Reports:

a. Executive Committee: Matt Zeis, Chair

Chairman Zeis reported that the Executive Committee met last week to discuss the agenda for this meeting and the legislation in order for the HLB to receive a portion of the ad valorem taxes from the City of Houston on land it develops. He then informed the Board that Jen Allison has been promoted to the position of Chief Operating Officer.

b. Finance Committee: Laurie Vignaud, Chair

Nothing to report because the Finance Committee did not meet.

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

Ms. Stoneham reported that the Partnership and Program Committee met a couple of weeks ago to discuss the design workshop plan to activate the community site located on W. Montgomery Road in Acres Home.

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

Director Mondragón reported that the READ Committee met on February 5, 2023, to discuss the request of Nelrod Homes LLC for the HLB to buy back 4 lots because it will take a

financial loss at the agreed \$180,000 sale price, the proposed development plans for the former Yellow Cab site, staff member updates, and the relocation of the HLB office.

e. Procurement and Oversight: Jesus DeAnda, Chair

Director DeAnda states that the Procurement Committee met last week to discuss the results of the RFP for engineering services relating to the Settegast project for which only one submission was received, and the results of the RFQ submissions for Title Services Contracts which the Board will vote on later in this meeting. Director DeAnda then reported that there were 18 submissions for the RFP for Homebuilders which are now under review.

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

Ms. Stoneham reported that Donald Hughes has been employed as the Real Estate Director for HLB and is scheduled to start on March 20, 2023. Mr. Hughes is currently the Assistant Director of Planning Development for Harris County. She then reported that the final draft of the HLB 2022 Annual Report has been completed and will be sent to the Board. Ms. Stoneham noted that the Board has two new directors to replace Carol Galloway and Courtney Johnson Rose. Lastly, she mentioned that the Board retreat has been scheduled for May 19, 2023.

VII. Board Action Items

a. Consideration and Possible Action to Approve the Nelrod Homes, LLC lot buy back request for lots purchased in the Settegast neighborhood during the Houston Land Bank Lot Sale Round Five.

Ms. Stoneham informed the Board that approval of this agenda item will authorize HLB to approve the lot buy back request for Nelrod Homes, LLC submitted in January 2023. This action is necessary in order to facilitate the termination of the purchase contract between the Houston Land Bank and Nelrod Homes, LLC and the subsequent lot buy back.

Nelrod Homes, LLC purchased the following four Settegast lots for \$6,500.00 each during the December 2021 Round Five Houston Land Bank Lot Sale:

0 Fields: 0752470030015

0 Fields: 0752470030016

0 Fields: 0752470030017

0 Fields: 0752470030018

In January 2023, Nelrod Homes, LLC contacted the HLB and expressed its desire to sell back the above-mentioned lots. It is Nelrod's position that it cannot effectively build the single-family houses at the sales point price of \$180,000.00 as required under the contracts without taking a significant financial loss to the company. Therefore, Nelrod Homes, LLC requested that HLB buy back the subject lots and terminate the purchase contract.

Director Collins made a motion to approve the lot buy back request of Nelrod Homes, LLC, which motion was duly seconded by Director Mondragón and passed with the unanimous vote of the Board.

b. Consideration and Possible Action to Approve the four highest scoring title company submissions under the Houston Land Bank Title Company Services RFQ issued on September 16, 2022.

Ms. Stoneham announced that approval of this agenda item will authorize HLB to enter into a Title Company Service contract with the highest scoring title company submissions under the Houston Land Bank Title Company Service RFQ as issued on September 16, 2022. This action is necessary to facilitate the title work for the next round of lot sales.

The current title services contracts expired in November 2022. The previous title services contract holders were Ashizawa, LLC, Commonwealth Title, Infinity Title and Post Oak Title. In anticipation of the expiration of those title services contracts, HLB issued a new RFQ on September 16, 2022 that closed on October 17, 2022. As a result of the RFQ, five submissions were received. An HLB procurement panel of three staff members was created to review and evaluate the top four submissions based on the evaluation criteria based the review and evaluation of the submissions, the following is a breakdown of the points received out of a possible three-hundred (300). The four highest scoring submissions will be the companies that HLB is requesting Board action on to contract with for title services for the next two years.

1.	Allegiance Title Company	267.50
2.	Williston Financial Group	263
3.	Valero Title Company	254
4.	Ashizawa, LLC	241
5.	Law Office of Phillip E. Parker	241

The four highest scoring submissions will be the companies that HLB is requesting Board action on to contract with for title services for the next two years. Due to two submissions receiving the same exact number of points, the title service contract pool will consist of all five offers. Upon the Board of Directors approving this item, HLB will enter into service contracts with these five title companies for the next two years.

Director DeAnda made a motion to approve each of the five title company submissions as evaluated under the criteria of the RFQ, which motion was duly seconded by Director Russell and passed with the unanimous vote of the Board.

c. Consideration and Possible Action to Approve the participation of the Houston Land Bank in the National Community Stabilization Trust ("NCST") Program that seeks to serve as the bridge between financial institutions and local housing providers to stabilize neighborhoods.

Ms. Stoneham informed the Board that the National Community Stabilization Trust ("NCST") invited the Houston Land Bank to apply and participate in NCST's REO acquisition programs. This is a national program to acquire foreclosed properties between participating

financial institutions and eligible local housing providers and is typically open to governmental entities. This action is necessary to permit the HLB to submit an application for this program and enable the Chief Executive Officer to execute a Memorandum of Understanding and a corresponding Resolution after acceptance into the program. Once in the program HLB will be permitted to view the properties on the portal and examine the pertinent background information for the property before following up with acquisition of the property. Also, the HLB would have access to the property to conduct its own internal review as some of these properties maybe in need of repairs. The review period is estimated to be 7-10 days, therefore HLB staff may have to close on a purchase before receiving Board approval at the next scheduled Board meeting.

The NCST coordinates the transfer of abandoned and foreclosed property from various participating financial institutions nationwide to local housing providers and assist in increasing access to flexible financing. Examples of participating providers are CUSP/Wells Fargo, Community Restoration Corporation and Mr. Cooper.

Qualified properties are available for purchase by housing providers at discounted rates based on the Net Present Value model. These properties are accessible to the housing providers in the program prior to the properties being listed on the open market. Ms. Stoneham noted that there is not a large inventory located in Houston.

Other initiatives of the programs include neighborhood stabilization initiatives, second look properties that allow for properties on the market for more than 90 days to be purchased at reduced prices and Freddie Mac Early Access/HUD property initiatives.

Should the Board of Directors approve this item, HLB will submit an application to the NCST and subsequently enter into negotiations for the Chief Executive Officer to execute a memorandum of understanding and a corresponding resolution.

Director Mondragón asked if it was not HLB's mission to improve vacant lots and will HLB lose the support of the neighborhoods. He then asked if the HLB was built for re-modeling houses. Ms. Stoneham noted that the TCST did not have a large inventory in Houston.

Director Mondragón made a motion to approve the participation of the HLB in the National Community Stabilization Trust Program, which motion was duly seconded by Director DeAnda, and passed with the unanimous vote of the Board.

VIII. Executive Session

Nothing to report.

IX. Board Member Comments

Nothing to report.

X. Adjournment

Chairman Zeis asked if there were any additional matters to be considered by the Board. Hearing none, the regular Board meeting then adjourned at 12:56 p.m. upon motion by Director Mondragón and duly seconded by Director Bailey.

Minutes Prepared By:

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

Signed on the _____ day of 10 / 06 / 2023, 2023.

Jesus DeAnda

Secretary