

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

February 11, 2021

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 by video conference due to the City of Houston Stay Home Work Safe Order, and Governor Abbott's Executive Order Regarding Public Meetings during the time of the COVID 19 pandemic, in Houston, Texas, on Thursday, February 11, 2021 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:

Matt Zeis	Curtis Lampley
David Collins	Jesus DeAnda
Carol Galloway	Courtney Johnson Rose
Christa Stoneham	Antoinette Jackson
Pastor Steve Hall	

Board members absent were: Mario Castillo, Laurie Vignaud, John David Vasquez and Victor A. Mondragón. Others in attendance included: Anne Haynes, the CEO/President for the Houston Land Bank; Jennifer Allison, Vice President of Operations and Programs for HLB; David Benson, Director of Organizational Excellence for HLB; Marye Barba, Manager–Inventory and Administration for HLB; Ivan Zapata, Manager of Real Estate and Acquisitions for HLB; Greg Erwin and Mark Glanowski (Paralegal) of Winstead PC, outside legal counsel for the HLB; Gonzalo Gonzalez, Vice President of Finance and Accounting for HLB; Gracie Saenz, In-house counsel for HLB; Darice Harris, Vice President, Legal Counsel and Program Director for HLB; Vincent Marquéz, of the HLB Advisory Board; Kellen Zale, of the HLB Advisory Board, Nicholas Foran of the HLB Advisory Board; Elijah Williams of the HLB Advisory Board; Anderson Stoute of the Houston Housing and Community Development Department; Jeri Brooks, CEO of One World Strategy Group, LLC; Josh Sanders, One World Strategy Group/Joshua Sanders LLC; Ron Butler, Manager–Property Maintenance for HLB; and Matt Kreis of _____.

I. Call to Order and Roll Call

Chairman Matt Zeis called the regular meeting to order at 12:06 p.m. A roll call of the Board members in attendance immediately followed. Chairman Zeis noted that a quorum of the Board was present.

II. Public Speakers

Chairman Zeis then requested Ms. Haynes to introduce any persons who registered to address the Board today. Ms. Haynes announced that no public speakers registered to attend today's meeting.

III. Swearing in of Board Members

- a. Position 8: Carol Mims Galloway (reappointment – HISD Board of Trustees)
- b. Position 9: Courtney Johnson Rose (reappointment – HISD Board of Trustees)
- c. Position 10: Tonzaino "Zano" Bailey (new appointment – HISD Board of Trustees)
- d. Position 11: Antoinette "Toni" Jackson (reappointment – Harris County)
- e. Position 12: Janae Ladet (new appointment – Harris County)
- f. Position 13: Juan Cardoza-Oquendo (new appointment – Harris County)

Ms. Saenz conducted the swearing in of each of the above named individuals with regard to their respective appointment or reappointment to the Board. Ms. Haynes then noted that each of the appointed Board members will need to execute the oath of office document to file with the City of Houston.

IV. Consideration and Adoption of Meeting Minutes

a. January 14, 2021 Board Meeting

Chairman Zeis noted that the minutes for the January 14, 2021 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 he requested a motion on this Agenda item.

Director Galloway made a motion to adopt the minutes, as written, of the January 14, 2021 regular Board meeting, which motion was then duly seconded by Director DeAnda. Director Collins then requested that the reference to C5 be deleted from the third paragraph on page 8 of the January minutes. The amended minutes were then passed with the unanimous vote of the Board.

V. Chairman's Greeting: Matt Zeis

Chairman Zeis thanked the Board members in attendance for volunteering and being available for this meeting. Chairman Zeis then announced that Mario Castillo has resigned from the Board and as Chairman of the Oversight Committee. He noted that Director Castillo worked on the Policy and Procedures document which will govern how this organization will operate for years to come, and provided valuable guidance during the last Texas legislative session. He then

announced that Curtis Lampley has also resigned from the Board of Directors after twelve years of service and as Chairman of the Program Committee. Directors Galloway and Johnson Rose thanked and complimented Curtis Lampley for his many years of service on the Board and committees.

Chairman Zeis then congratulated Director Galloway for receiving a distinguished service award from Mayor Turner as one of the Black History Month Honorees.

Chairman Zeis announced that pursuant to the Strategic Plan approved last month HLB re-organized its committees slightly. He informed the Board that there will now be five committees as follows:

- (1) Executive Committee
- (2) Finance Committee
- (3) Partnership Committee
- (4) Real Estate Acquisition Committee
- (5) Procedures and Oversight Committee

He then requested each of the newly appointed Board members to choose one or more committees to work on.

VI. Committee Reports:

a. Executive Committee: Matt Zeis, Chair

Chairman Zeis announced that the Executive Committee met last week to discuss the analysis of the Lot Maintenance Contract over the preceding 18 months and recommended that the Board approve an extension of the Lot Maintenance Contract with the current vendors at the current rate. The approval to extend the Lot Maintenance Contract is on today's meeting Agenda under item X(c).

b. Finance Committee: Laurie Vignaud, Chair

Chairman Zeis noted that Ms. Vignaud was not present for today's meeting and therefore requested Mr. Gonzalez to report on the recent meeting of the Finance Committee.

Mr. Gonzalez addressed the Board and stated that at yesterday's meeting of the Financial Committee, the December 2020 financial position of the HLB was discussed and was determined to be in good standing with a strong cash standing. The Committee also discussed the acquisition of the two tracts of land comprising the former Yellow Cab site, which was the largest acquisition to date by the HLB.

Mr. Gonzalez then reminded the Board that the first key date with regard to the HLB Fiscal Year 2022 Budget will be on March 11, 2021 at the regular Board meeting wherein the

Board will be requested to approve the preliminary numbers for the Fiscal Year 2022 Budget as required by the operations agreement between HLB and the City of Houston. He noted that the Finance Committee also discussed the acquisition of two tracts of land comprising a portion of the former Yellow Cab site which is the largest land acquisition to date by the HLB.

c. Program Committee: Curtis Lampley, Chair

Director Lampley reported that the Program Committee met on February 2, 2021 to discuss the update on the Round 3 Lot Sales, revisions to the Limited Alternative Land Use Program which was previously operated as the Right of First Refusal Program, and the Round 4 Lot Sales.

1. Update on Round 3 Lot Sales

Director Lampley reported that 23 lots have now closed with eight more anticipated to close this month.

2. Update and Recommendation to Establish a Limited Alternative Land Use Program

Director Lampley then stated that the Program Committee also has been working with HLB staff to create a revised program to address outstanding lots remaining from the previous Right of First Refusal Program. The details of the revised program will be provided under Agenda item X.b. for approval by the Board.

3. Update on Round 4 Lot Sales

Lastly, Director Lampley mentioned that the Program Committee is now working on assembling the lot sales for this round which will begin March 1, 2021 and include lots in Settegast to accommodate affordability.

d. Partnerships Committee: Courtney Johnson Rose, Chair

Chairman Zeis requested Director Johnson Rose to report on the recent activities being pursued by the Partnerships Committee.

Director Johnson Rose stated that there would be no report for this meeting. She thanked the Board for passing the Subgrant Agreement with JPMorgan Bank Foundation last month.

VII. President's Report: Anne Gatling Haynes, CEO/President

Ms. Haynes stated that the HLB is operating on all cylinders and wished everyone a happy Black History Month to learn more about black history in the United States. She then acknowledged Director Galloway for the Mayor's History Makers Award she received for her lifetime of volunteer service to the community. Director Galloway was nominated by the NAACP for this award. She then made a special mention to Director Lampley and offered him a seat at the offices of HLB for spending the most time in committee meetings of any Board member ever especially with regard to the audit of properties along with Director Marquéz. She

then thanked Director Castillo for his time and effort on the Policy and Procedures document which will remain a part of this institution.

Ms. Haynes announced that she was invited to participate in a nationwide convening of affordable housing providers and financing organizations to discuss best practices in providing affordable housing and ways to leverage different types of funding, including philanthropic and local investment dollars, to increase impact. The Lincoln Institute's Accelerating Community Investment Community of Practice meeting included people from all over the country and will have additional topic based meetings during the next year. In particular, through the workshop, HLB connected directly in a breakout group with Build Baton Rouge which is a land bank/redevelopment corporation with similar scale and engagement, and also with a representative of Texas State Affordable Housing Corporation.

Ms. Haynes informed the Board that the Center for Community Progress conducted another national conversation with land bank leaders on February 8, 2021, which focused on national legislation that has been introduced for a Land Bank Network.

She then stated that the HLB Year End Summary was distributed to over 1100 recipients on its mailing list, and received a 29% open rate, which is consistent with the newsletter sent out last summer. Based on conversations with the Board of Directors last November, and HCDD, HLB has advanced partnering with Houston LISC for a revolving acquisition loan by using HLB existing assets as collateral. This could be used in the NHDP program or for the HLB programs. HLB has received a formal letter of intent and "hard underwriting" is now underway. She noted that any formal loan received would need City Council and Board approval.

a. **Homeowner Report (Video)**

Ms. Haynes then provided the Board with a video of Mr. and Mrs. Ray Menifee who live at 6809 Bethune in a house built by Crown Ridge/Phase II of IV. Ms. Jen Allison recently visited the Menifees and shot a video tour of their home. The Menifees purchased the house via the Standard Purchase Buyers (non CLT) Program. He is a retired military veteran and she is originally from the Virgin Islands and closed the purchase of their home on October 16, 2019. The Menifees did not believe they could afford a home but with the HLB affordable home programs they were able to purchase this house.

Ms. Haynes also provided the Board with a video tour of an HLB standard purchase house sold to Mr. and Mrs. Victor Cantu located at 6805 McWilliams. Ms. Jen Allison shot the video and mentioned that their son Asah Hugo read a flyer he found at the library and became informed of the HLB home purchase program. He brought the flyer to his parents and told them this is how we can buy a house. They purchased their new home under the Standard Purchase Buyers/Non CLT program on December 30, 2019.

Ms. Haynes mentioned that these videos may be added to the HLB website. Director Jackson stated that before the videos are uploaded onto the HLB website, a signed release from Mr. and Mrs. Victor Cantu and Mr. and Mrs. Menifee will need to be obtained and retained for the HLB records. Mr. Anderson stated that the City of Houston has a form of release that can be utilized by HLB.

VIII. Mayor's Office/Complete Communities Report: Ex Officio Director Christa Stoneham

Director Stoneham noted that the three part "Designing for Impact: Building Hubs and Corridors in the Complete Communities" presented by AIA Houston and the National Organization of Minority Architects in partnership with the City of Houston's Complete Communities Initiative started last Tuesday. She thanked Director Collins for attending the first presentation among 300 others to hear about community led design. She noted that the community workshop will be held on February 20, 2021.

In connection with the revitalization strategy, the community designing initiative will be expanded to all of the Complete Communities, rather than the initial five communities, along with the Yellow Cab site recently acquired.

Director Stoneham announced that through the action planning process for Acres Homes it was agreed to move forward with the revitalization of Bethune Academy Middle School which will be converted into an economic development and workforce hub. This acquisition was passed last week by Houston City Council to purchase this property from the Aldine Independent School District. City Council also approved \$4 Million of CDC funds to order a Phase I report. The operator of this hub will be Houston Business Development, Inc. which will manage the facility located in Acres Homes and close to numerous HLB lots and homes developed in its affordable home programs. She stated that this hub should be a huge catalyst for the Acres Homes community.

IX. Legislative Affairs Update and Introduction to Legislative Services Team: One World Strategy Group including Jeri Brooks and Josh Sanders

Ms. Brooks stated that she was more than excited for this opportunity to serve the HLB and work has already started in Austin which Josh Sanders will update the Board on regarding meetings held with legislators, the city of Houston, and the Governor's Office. She requested a document from the HLB Board of its member relationships for building teams, lobbying, advocating the issues, and engaging the Board.

Mr. Sanders stated that he would be reaching out to the Board to better understand the relationships the directors have with people in Austin. He noted that during the last legislative session Directors Lampley and Castillo attended hearings in Austin and gave written and verbal testimony to support the land bank legislation.

Mr. Sanders noted that in 2007 the state passed land bank statutes for the city of Houston with a bracketed bill. LARA, the predecessor to the HLB, was created in 1999 prior to the Code, and has never operated under that section of the Code at the state level.

The proposal now is to scrap that section of the Code that the HLB has never operated under and doesn't use and replace it with the structure and powers the HLB currently operates under. This will provide clarity for the legislators and for HLB. In addition, there may be additional uses for land owned by HLB such as flood control, open space and food deserts which legislation is needed to dispose of that land and enter into partnerships and agreements with other organizations and individuals.

Mr. Sanders stated that a similar bill will be filed this year along with the changes suggested by the Governor's Office. During the last legislative session S.B. 1918 was passed with the help of Carol Alvarado, however, the bill was held up in the House Committee process for further review and discussion at the request of the Governor's Office.

The Bill has to be revised to address the concerns of the Governor's Office and he will then begin moving the revised Bill through the process over the next couple of weeks. He will need the Board to tell of story of the Houston Land Bank to key legislators during this session. He is working on a new draft of the Bill but can send Director Galloway a copy of the bill passed during the last legislative session which will be the starting point for the new Bill.

X. Board Action Items

a. Consideration and Possible Action to Accept Program Committee and Staff Builder Lot Selection Recommendation for a Round 3 Lot Sale Under the HLB Traditional Home Building Initiative [Address - HCAD# - Proposed Price (Builder) Listed Below]

1. 8414 Safeguard - 0761490010003 - \$73,459 (Cole Klein Builders)

Ms. Harris stated that this item covers the sale of 21,798 square feet comprised of three lots at 8414 Safeguard for \$73,459 to Cole Klein Builders for construction of six two-story townhomes to be sold to income-qualified purchasers. The Program Committee has recommended that approved builder Cole Klein Builders be awarded this 21,798 square foot lot (currently 3 lots under 1 HCAD) located in Sunnyside to build six 1,750 square foot two story townhomes. This development would require the larger lot to then be subdivided into 6 separate lots with their own separate HCAD tax account numbers. The total price would be \$73,459 for the entire lot, and after subdividing would equal \$12,243 per lot. Each town house would be sold for \$212,000. By subdividing this property, HLB will be able to double the number of affordable houses it can construct on these lots. The neighborhood is already an area where there have been subdivided lots, and increased density of housing, which is appealing to a variety of existing Sunnyside residents and new residents. Cole Klein Builders has worked in this neighborhood for years, and knows the local market and the desirability of this price point and product.

Director Galloway made a motion to approve the sale of three lots under HCAD No. 0761490010003 to Cole Klein Builders for \$73,459, which motion was duly seconded by Director Johnson Rose and and passed with the unanimous vote of the Board.

b. Consideration and Possible Action to Accept Program Committee Recommendation to Establish a Limited Alternative Land Use Program

Ms. Harris stated that this item will allow staff to institute a limited alternative land use program to provide for sale of four lots to faith-based organizations previously approved under the prior Right of First Refusal (ROFR) Program which concluded in 2017.

After receiving requests from community faith-based organizations who had prior contractual offers from the LARA Board of Directors based on the prior ROFR program, staff

researched the lots labeled "ROFR" in the HLB property database. Staff has also researched the old HLB hard drive to gain valuable insight and records of the lots in question. Based on the prior ROFR program, there are four lots that were fully vetted and approved to be purchased under the prior Right of First Refusal Program, but the faith based organizations did not have the funds at the time to close the purchase. The pastors for these organizations have been periodically calling HLB to see if they can still purchase the lots. Due to these requests, staff has created a revised Alternative Land Use Program to suit the specific needs of the sale of these four lots to those organizations but limits the exposure to reviving the prior ROFR program to prioritize lot development for affordable housing. Staff is recommending that these organizations be able to purchase these four lots because the lots are unable to support affordable housing due to either their close proximity to the churches, or being within the actual church property complex.

Throughout the revision process HLB staff addressed some of the problems with the old ROFR program, such as receiving development plans upfront to ensure that HLB is aware of what the purchaser will be doing with the lot and enforcing compliance throughout the process. Staff has also written into the program a provision which ensures that each entity is providing an added benefit to the community as it relates to housing such as requiring home purchase educational classes be conducted at their facilities.

Director Galloway asked for the square footage of the lots to be sold to the churches. Ms. Harris indicated she did not have those numbers at the moment but would send that information after the meeting.

Director Johnson Rose made a motion to establish the Limited Alternative Land Use Program, which motion was duly seconded by Director Hall and passed with the unanimous vote of the Board.

c. Consideration and Possible Action to Extend Lot Maintenance Contracts with EA Professional Services, Smartsaping, TransTeq, and AD Construction & Development Through the End of FY 2022 (June 30, 2022)

David Benson introduced himself to the Board and noted that he has been working for HLB since late 2018 in the capacities of communications, procurement, and continuous improvement. He mentioned that in early 2020 HLB instituted a new approach to lot maintenance to treat the lots like we do our own yards. The HLB instituted a four week maintenance cycle on all of the lots that are accessible and employing four contractors instead of two. The two initial contractors remain along with two new contractors through an RFQ process. Mr. Benson stated that after one year this new lot maintenance program is working well and is under budget based on the first six months of the fiscal year. He informed the Board that the lot maintenance contract expires at the end of this month and is recommending that the contract be extended an additional sixteen months until the end of the next fiscal year.

Ron Butler then introduced himself to the Board and stated that he is the Manager for Property Maintenance for the HLB. He noted that there are approximately 500+ lots which equates to about 78 acres scattered over Houston in Acres Homes, Fifth Ward, Settegast, Third Ward and Sunnyside. The four vendors were given specific geographically locations to maintain

so that they would not cross paths while conducting their work. Mr. Butler stated that he also has to address the illegal dumping situations on HLB lots before the City issues a notice for clean-up. The other goal is to build community engagement during maintenance of the HLB lots. He then presented several slides to depict the difference of the before and after conditions of certain lots.

Director Johnson Rose left the meeting at 12:55 pm. Director Jackson left the meeting at 1:00 p.m.

Mr. Butler requested assistance to determine where the lots are in Settegast are located.

Director Galloway made a motion to extend the Lot Maintenance Contracts, which motion was duly seconded by Director Hall. Director Collins and Bailey requested copies of the contracts. Mr. Butler stated that he would send them copies of the contracts. Director Galloway requested Mr. Butler to send all of the Board members copies of the contracts.

Chairman Zeis then requested a vote on this motion which was then conducted and the motion passed with the unanimous vote of the Board.

d. Consideration and Possible Action to Delegate Authority and Direct Staff to Acquire 1.67 Acres at 7811 Harrisburg in the Magnolia Park/East End Area for a Price Not to Exceed \$1.9 Million for the City of Houston's New Home Development Program Under the Auspices of the Amended and Restated Acquisition Agreement with the City of Houston (HCAD #s Listed Below)

1. **0250950000034**
2. **0250950000033**
3. **0250950000031**
4. **0250950000029**
5. **0250950000027**
6. **0250950000025**
7. **0250950000022**
8. **0250950000020**
9. **0250950000018**
10. **0250950000015**

Ivan Zapata introduced himself as Manager of Real Estate and Acquisitions for HLB and then gave a brief description of this acquisition of 1.67 acres. He noted that one of the major directives from the Houston Housing Department is to provide inventory for them. Therefore, HLB is actively pursuing properties and in particular, larger tracts in the Complete Communities. This tract is located at 7811 Harrisburg in the east end of Houston and would become the second largest acquisition after the Yellow Cab site which closed on December 31, 2020.

Director Collins asked if there were any environmental issues with this land. Mr. Zapata stated that the due diligence reports including the Phase I environmental have been examined and determined to be satisfactory for development of affordable housing. He further mentioned mentioned that the Housing Department is ready to proceed with closing the acquisition of this tract.

Director Galloway asked who's money will be used to make this acquisition and if 80% of the buildings for this project will be affordable housing for low income families with the other 20% at cost? Mr. Zapata responded that the Housing Department will provide the funds for this purchase. The Housing Department has prepared several scenarios for this development and ultimately it will be the Housing Department that determines the number of affordable units for low income families. Ms. Hayes stated that the affordable units will be reaching those families with 80% of AMI. The majority of units will be affordable low income qualified applicants for the funding source.

Director Cardoza-Oquendo made a motion to acquire the 1.67 acres at 7811 Harrisburg for a price not to exceed \$1.9 Million for the City of Houston's New Home Development Program which motion was seconded by Director Ladet and passed with the majority vote of the Board. Director Galloway voted against passage of this motion.

XI. Executive Session

The Board did not meet in Executive session during this meeting.

XII. Action Items from Executive Session.

Nothing to report.

XIII. Board Member Comments

Director Hall acknowledged the work of the Board during the past eleven months in moving the organization forward during the pandemic. He then welcomed and congratulated the new Board members and hoped to meet each of them in person soon.

Director Hall congratulated Director Galloway on her award from the Mayor of Houston.

Director Galloway then congratulated the new Board members appointed today and looks forward to working with them to further the mission of the HLB.

XIV. Adjournment

Chairman Zeis asked if there were any additional matters to be considered by the Board. Hearing none, the regular Board meeting adjourned at 1:48 p.m. upon the motion of Director Galloway, which was 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 _____, 2021.

Jesus A. DeAnda

03 / 17 / 2021

Secretary

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