



**BOARD OF DIRECTORS AGENDA AND PACKET
Special Meeting
July 29, 2020**

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Board of Directors Special Meeting
Wednesday, July 29, 2020 at 12:00 PM CDT

Note: This meeting will be held by videoconference due to City of Houston Stay Home Work Safe Order, and Governor Abbott's Executive Order regarding Public Meetings during the time of COVID-19. To access and view the meeting online, please go to:

Join Zoom Meeting

<https://us02web.zoom.us/j/83345883783>

Meeting ID: 833 4588 3783

Dial by your location

888 788 0099 US Toll-free

877 853 5247 US Toll-free

Meeting ID: 833 4588 3783

The recording will be posted online after the meeting. 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

Speakers must be registered in advance by 5:00 p.m. on Tuesday, July 28, 2020. To register, please use our online form at www.houstonlandbank.org/resources, e-mail info@houstonlandbank.org or call us at 281-655-4600. The Chair will call upon speakers and allow three minutes per speaker.
- III. Adopt Minutes of June 4, 2020 Budget Workshop and June 11, 2020 Regular Meeting
- IV. Chairman's Greeting: Matt Zeis
- V. Swearing in of Mayoral Appointees to Board of Directors and Advisory Board
 - a. Board of Directors
 1. Position One: David L. Collins, Vice Chair
 2. Position Two: Victor A. Mondragón
 3. Position Three: Matt Zeis (Chair)

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

4. Position Four: Jesus DeAnda
 5. Position Five: Laurie Vignaud
- b. Non-Voting Advisory Board Members
1. Nicholas J. Foran
 2. Elijah J. Williams
 3. Kellen Zale

VI. Board Action Items

- a. Consideration and Possible Action to Direct Staff to Execute an Agreement with the Center for Community Progress to Provide Technical Assistance Relating to Interlocal Agreements and State Legislation for an Amount Not to Exceed \$56,500.00.
- b. Consideration and Possible Action to Clarify the Board Vote (6.11.20 VII b) of 6.11.20, and Confirm Adoption of the FY21 Budget, increased by \$57,200 to accommodate VI.c below.
- c. Consideration and Possible Action to Clarify the Board Vote (6.11.20 VII b) of 6.11.20, and to Extend Current Vendor Contracts for Accounting, Bookkeeping and Legal, Month to Month, until Revised Contracts are Established, no later than December 31, 2020.

VII. Executive Session Items (Discussion may occur in executive session as provided by State law, but all Board actions will be taken in public)

- a. Consideration and possible action to repurchase five lots totaling 19,840 square feet for the price of \$39,680 from Catholic Charities Community Development Corporation
 1. 0 E 39th -- Lot 15, Block 70, Independence Heights Park
 - HCAD 0211350700015
 - 4000 square feet (SF)
 - Price: \$8,000
 2. 0 E 37th Lot 19 Block 64 Independence Heights Park
 - HCAD 0211330640019
 - 4000 SF
 - \$8,000
 3. 0 E 40th Lot 8 Block 67 Independence Heights Park
 - HCAD 0211340670008
 - 3840 SF
 - \$7,680



4. 0 E 39th Lot 12 Block 65 Independence Heights Park
 - HCAD 0211340650012
 - 4000 SF
 - \$8,000
 5. 813 E 37th Lot 24 Block 71 Independence Heights Park
 - HCAD 0211360710024
 - 4000 SF
 - \$8,000
- b. Consideration and Possible Action to Purchase Three Properties Totaling 20,015 Square Feet from Catholic Charities Community Development Corporation for \$200,000.00
1. 0 E 41st -- Lot 2 Block 17 Willadale Section 3
 - HCAD ID#: 0620540170002
 - Size: 5,005 Square Feet (SF)
 - Purchase Price: \$50,000
 2. 509 E 41st -- Lots 12 & 13 Block 14 Willadale Section 3
 - HCAD ID#: 0620540140012
 - Size: 10,010 SF
 - Purchase Price: \$100,000
 3. 0 Neyland -- Lot 4 Block 10 Willadale
 - HCAD ID#: 0620530100004
 - Size: 5,000 SF
 - Purchase Price: \$50,000

VIII. Board Member Comments

IX. Adjournment



**HOUSTON LAND BANK
MINUTES OF THE BOARD OF DIRECTORS
HOUSTON, TEXAS
FY 2021 PROPOSED BUDGET WORKSHOP**

June 4, 2020

A budget workshop 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 videoconference due to City of Houston Stay Home Work Safe Order, and Governor Abbott's Executive Order regarding Public Meetings during the time of COVID-19 pandemic, in Houston, Texas, on Thursday, June 4, 2020 at 12:15 p.m. Written notice of the workshop, which included the date, hour, place and agenda for the workshop, was posted in accordance with the Texas Open Meetings Act.

Board members in attendance were:

Nicholas Hall	Mario Castillo
David Collins	Curtis Lampley
Vincent Marquéz	John David Vasquez
Jesus DeAnda	Matt Zeis
Antoinette Jackson	Christa Stoneham (Ex Officio)

Board members absent were: Carol Galloway, Pastor Steve Hall, Courtney Johnson Rose, and Ana Yáñez-Correa.

Others in attendance included: Anne Haynes, the CEO/President for the Houston Land Bank; Jennifer Allison, Property Operations and Engagement Manager for the Houston Land Bank; Greg Erwin and Mark Glanowski (Paralegal) of Winstead PC, outside legal counsel for the HLB; Gracie Saenz, General Counsel for HLB; Darice Harris, Compliance Officer for HLB; Gonzalo Gonzalez, the Director of Finance and Accounting of HLB; and David Benson.

I. Call to Order and Roll Call

Vice Chairman Collins called the meeting to order at 12:14 p.m. A roll call of the Board members in attendance immediately followed. Vice Chairman Collins noted that a quorum of the Board was present.

II. Public Speakers

Nothing to report.

III. Vice Chairman's Greeting—David Collins, Vice Chairman

Vice Chairman Collins thanked Ms. Haynes and the HLB staff for setting up today's videoconference of this budget workshop meeting.

IV. Comments from the CEO/President

Nothing to report.

V. Presentation and Discussion Regarding Fiscal Year 2021 Houston Land Bank Budget

Anne Haynes stated that this workshop is designed to dig into the details of the proposed budget for Fiscal Year 2021 which was circulated to the Board yesterday and corrected from the version incorrectly sent out the other day. She noted that no vote is expected by the Board today on the proposed budget.

Ms. Haynes presented the first several slides of the PowerPoint presentation which were a broad overview of the budget followed by Gonzalo Gonzalez, who joined HLB about a month ago, who discussed the details of the proposed budget.

She began her presentation with the changes to the organization of HLB from Fiscal Year 2019 to Fiscal Year 2020 such as employing in-house counsel and a maintenance coordinator, handling the first house sales for the New Home Development Program (NHDP), obtaining additional funding from the Operations Grant, and moving the HLB office into the BakerRipley building. Ms. Haynes also noted that a significant amount of work was performed to develop a system to have HLB costs reimbursed effectively and more quickly from the New Home Development Program for its operations activities. The prior budget approved last June was aggressive toward the activity the Houston Housing and Community Development Department believed HLB would be responsible for during 2020. However, certain items budgeted for were not met in terms of expected expenses mostly on the New Home Development Program. Administrative and operational costs were projected carefully for what was anticipated for Fiscal Year 2020 and will be seen in the comparison at the end of Fiscal Year 2021 budget relative to the original budget. She noted that the HLB traditional program was restarted during Fiscal Year 2020 with the selection of qualified home builders and subsequent lot sales to such builders. HLB is looking at the long-term growth strategy from a staffing management perspective. Staffing operations are included in this budget proposal and will be discussed with the Board in July and August to consider the long term sustainability plan as HLB grows its programs and reach within the communities.

Ms. Haynes explained that the Fiscal Year 2021 proposed budget includes advanced legislation for land banks in Houston and alignment of interlocal agreements as previously discussed with the Board. She anticipates increased efficiencies in the sales and the marketing of affordable houses in the NHDP Program which will be helpful to HLB's staff time management and expenses. Also, there will be more revenue associated with increased sales under the HLB traditional program along with continuing to build the inventory of lots in the traditional program. New pilot programs will be discussed during the summer to demonstrate long-term sustainability and projects to accomplish during the 2021 fiscal year.

Ms. Haynes then handed over the PowerPoint presentation to Mr. Gonzalez who presented the projected Fiscal Year 2021 revenue summary which includes revenue from the HLB traditional lot program (\$1,337,634), the operations grant (\$2,082,854), NHDP acquisitions (\$3,988,594), and NHDP dispositions (\$1,049,568) which covers post-construction carrying costs. The total revenue for Fiscal Year 2021 is projected at \$8,458,650. He then explained that the projected expenditures for Fiscal Year 2021 include \$722,592 (for professional services), \$650,981 (for lot maintenance), \$1,300,196 (for staffing), and \$5,782,498 (for acquisition and disposition costs). Therefore, total expenditures for Fiscal Year 2021 are projected to be \$7,871,015.

As for projected professional services, Mr. Gonzales stated that certain legal services currently provided by outside legal counsel will now be handled in-house, therefore reducing the amount of legal fees from \$397,750 (in the Fiscal Year 2020 budget) to \$209,000 (in the Fiscal Year 2021 budget).

He then moved on to the budget numbers for the lot maintenance program which was designed on February 4, 2019 and officially approved on February 1, 2020. There are four vendors which conduct the lot maintenance work under a new pricing schedule for mowing, tire removal, tree cutting, and debris removal services. The total budget for lot maintenance in 2021 is \$583,315 based on the new history after two months of invoices in 2020 for the "accessible lots." The lot maintenance vendors informed HLB that 112 lots are inaccessible for required mowing services. There are 430 accessible lots which will receive regular mowing service per the contracts with the four lot maintenance vendors which were signed in February 2020. Mr. Gonzalez stated that he did not factor weather conditions in the budget proposal for lot maintenance costs therefore the proposal is based on thirteen cuts per year for each accessible lot.

Next Mr. Gonzalez moved on to the costs for staffing which is one of the largest expenses for the organization. The budget proposes a 5% increase of salaries based on each employee's performance evaluation. The impact of this salary increase in the Fiscal Year 2021 budget is \$31,000.00. Also, he noted that HLB is considering the implementation of a retirement system similar to other non-profit organizations and land banks. The retirement plan would have a 3% maximum employer match to employee contributions. The impact on the Fiscal Year 2021 budget for a retirement program match will be approximately \$28,000.00. He informed the Board that HLB intends to employ an in-house accountant to handle all bookkeeping services and quarterly compilation reports which will affect the amount of outside professional accounting services. Mr. Gonzalez stated that employing an in-house accountant will save HLB \$38,000.00 when compared to having an outside bookkeeper and accountant providing these professional services. The impact of employing an in-house accountant will be approximately \$50,000.00. The HLB also intends to employ a maintenance tech position because after reviewing the operations reports it was noted that many houses needed minor work completed before closing the sale. There are 30-40 houses to be sold within the next three months which will require oversight by HLB to address any necessary minor repairs. This position will be fully reimbursed under the Acquisition and Development Grant. The 2021 Fiscal Year budget includes \$39,000.00 for this new position.

Mr. Gonzalez then acknowledged that Vice Chairman Collins previously provided notes with regard to the budget for outside bookkeeping and auditing services. Vice Chairman Collins stated that he would have comments on these matters later in the meeting.

Mr. Gonzalez next presented the PowerPoint slide for the Organizational Chart which identifies the current and proposed positions within the HLB. The chart denotes which employees have salaries which are reimbursed by the NHDP. The budget projects total salaries and fringe costs of \$1,300,196.00 for Fiscal Year 2021. This is \$236,096.00 more than in the Fiscal Year 2020 budget. He noted that the employee salaries are reimbursed between the Operational Grant (67%) and the Acquisition and Development Grant (33%). The employee headcount will change from 12 to 14 as noted in the Fiscal Year 2021 budget.

Ms. Haynes interjected that the positions for a Project Manager and a Communications position are not currently included in the Fiscal Year 2021 budget. Further discussions with regard to strategic planning will determine if current staff can handle these positions, or if additional employees will be needed to cover the workload.

Mr. Gonzalez then proceeded to discuss the NHDP disposition costs which is another large expenditure for the HLB. The NHDP is considered a pass-through program administered through the HLB. All disposition costs are reimbursable to the HLB under the Acquisition and Development Grant which include closing costs, legal fees, post-construction costs, and property insurance. These amounts are subject to change because discussions are continuing with the NHDP regarding the number of houses to be turned over to HLB to sell during the Fiscal Year 2021. It is anticipated that the number of houses to be turned over to HLB for Fiscal Year 2021 is currently 44. The total NHDP disposition cost for Fiscal Year 2021 is \$464,712.00 which will be subsequently reimbursed under the grant after the houses are sold by the HLB.

With regard to the NHDP acquisitions there are currently ongoing discussions and negotiations concerning land located in east Houston totaling approximately \$2,000,000.00, in further east Houston totaling approximately \$1,000,000.00, lots in Independent Heights for \$210,000.00, and 10 other lots in 3 neighborhoods for \$525,000.00 for a total of \$3,657,550.00. These acquisitions are only projections for the NHDP, and ultimately will be decided upon by the HCDD for appropriateness. Mr. Gonzalez reiterated that these acquisition costs are reimbursable under the Acquisition and Development Grant.

The next PowerPoint slide covers the Fiscal Year 2021 budget summary which shows total revenue at \$8,458,650.00 and total expenditures of \$7,871,015.00 providing for a balance increase of \$587,634.00. Ms. Haynes reminded the Board that any budget line items with regard to NHDP acquisitions and dispositions have to be approved by HCDD pursuant to the terms of the grant agreement. The projections by HCDD tend to be higher than what HLB expects to occur as it did not achieve everything that it had hoped to accomplish in 2019.

Vice Chairman Collins requested that his previously submitted questions and notations on the proposed budget be addressed by HLB in a memorandum or an email in order for all Board members to view.

Director Lampley asked how the HLB Program Revenue total of \$1,337,634.00 was determined which includes sales of lots in the traditional program and administrative fees from the disposition of NHDP house sales.

Mr. Gonzalez explained that this revenue total does include the sale of HLB lots in the traditional program and an administrative fee being charged for servicing/brokering the closings of the sales of affordable houses for NHDP. Ms. Haynes noted that the majority of the \$1,337,634.00 is associated with the sale of HLB lots. For each NHDP house sale HLB receives \$3,750.00 as an administrative overhead fee. The projection of the HLB lot sale revenue was calculated for 30 lots at approximately \$20,000.00 per lot. Director Lampley stated that he is interested in discussing the use of this revenue from the sale of the current HLB lots for new initiatives independent of the NHDP. He also requested that a placeholder line item be included in the budget for HLB revenue from sales and all other reimbursements dedicated to HLB for new programs.

Director Lampley then requested more information with regard to the revenues from the NHDP acquisitions and dispositions shown on the slide for Project Fiscal Year 2021 Revenue Summary. Ms. Haynes explained that these revenue streams are merely forecasts for new acquisitions and that future land acquisitions may move to acquiring larger parcels of land because the lot by lot approach is very time consuming.

Director Lampley requested further explanation for the categories of NHDP Acquisitions and NHDP Dispositions on the Fiscal Year 2021 Revenue Summary slide of the PowerPoint presentation. Ms. Haynes agreed to revise this slide to offer more information to better understand the function of the NHDP within the HLB budget.

Director DeAnda requested more clarity regarding the estimates and budget projections for the lot maintenance line item on the slide titled Fiscal Year 2021 Budget Summary. For instance, does the proposed budget of \$536,650.00 for lot maintenance include just the lots in the current inventory or does it also include lots to be acquired. Mr. Gonzalez responded that this estimate is for the current inventory of lots, however, the model used to calculate this estimate allows for a number of lots to be added or removed as the inventory fluctuates. Vice Chairman Collins mentioned to Ms. Haynes that the City of Houston provides heavy trash pickup which should be utilized by the lot maintenance contractors when removing debris from a HLB lot.

Director Castillo asked for breakdowns on the amounts for miscellaneous items and legal fees. Vice Chairman Collins requested Ms. Haynes to provide the general ledger for the prior eleven month period in order that the Board members can view the expenses for bookkeeping fees, accounting fees, legal fees, and fees to other consultants. Mr. Gonzalez stated that he will circulate the general ledger in Quickbooks covering the period from July 1, 2019 – May 15, 2020 to the Board as requested.

VI. Board Member Comments

Chairman Nicholas Hall thanked Vice Chairman Collins for conducting today's meeting and the HLB staff for drafting and preparing the PowerPoint presentation of the Fiscal Year 2021 proposed budget.

VII. Adjournment

Vice Chairman Collins asked if there were any additional matters to be considered by the Board. Hearing none, the Board meeting adjourned at 1:31 p.m. upon the motion of Director Marquéz and duly seconded by Director Lampley.

Minutes Prepared By:

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

Signed on the ____ day of _____, 2020.

President

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

June 11, 2020

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 videoconference due to City of Houston Stay Home Work Safe Order, and Governor Abbott's Executive Order regarding Public Meetings during the time of COVID 19 pandemic, in Houston, Texas, on Thursday, June 11, 2020 at 12:15 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:

Nicholas Hall	Mario Castillo
David Collins	Curtis Lampley
Vincent Marquéz	Courtney Johnson Rose
Jesus DeAnda	Antoinette Jackson
Christa Stoneham (Ex-Officio)	

Board members absent were: Carol Galloway, Pastor Steve Hall, Ana Yáñez-Correa, John David Vasquez and Matt Zeis.

Others in attendance included: Anne Haynes, the CEO/President for the Houston Land Bank; Marye Barba, Administrative Assistant for HLB; Jennifer Allison of the Houston Land Bank; Greg Erwin and Mark Glanowski (Paralegal) of Winstead PC, outside legal counsel for the HLB; Gracie Saenz, General Counsel for HLB; Darice Harris, Compliance Officer for HLB; David Benson, the Director of Organizational Excellence of HLB and Gonzalo Gonzalez, the Director of Finance and Accounting of HLB.

I. Call to Order and Roll Call

Chairman Nicholas Hall called the meeting to order at 12:16 p.m. A roll call of the Board members in attendance immediately followed. Chairman Hall noted that a quorum of the Board was present.

II. Public Speakers

Nothing to report.

III. Adopt Minutes of May 14, 2020 Regular Meeting

Chairman Hall noted that the minutes for the Board of Directors regular meeting held on May 14, 2020 were previously circulated for review and comment. He asked if there were any

discussion and/or comments to the minutes from the Board members in attendance. Hearing none, he then requested a motion to approve the subject minutes. Director Marquéz made a motion to approve the minutes of the Board meeting held on May 14, 2020 as written, which motion was then duly seconded by Director DeAnda.

Afterward the minutes of May 14, 2020 were re-visited because Director Jackson stated she was in attendance at the May meeting however, the minutes reflect she was absent.

Director Marquéz then made an amendment to his earlier motion to approve the minutes of the May 14, 2020 meeting to correctly show that Director Jackson was in attendance at the May meeting, which motion was duly seconded by Vice Chairman Collins and passed by the majority vote of the Board.

IV. Chairman's Greeting—Nicholas Hall, Chair

Chairman Hall thanked Ms. Haynes and the HLB staff for setting up today's videoconference of the regular meeting of the Board of Directors and the budget workshop meeting held on June 4, 2020. He then congratulated Director Yáñez-Correa with regard to her appointment as Deputy Director of the Harris County Justice Administration Department. He then wished Ms. Haynes a happy birthday.

V. Committee Reports

a. Finance Committee: Matt Zeis, Chair

Director Zeis was not present for this meeting, therefore Ms. Haynes informed the Board that the Finance Committee met on Tuesday, June 9, 2020 and noted that the Finance Committee focused on budget matters.

b. Program Committee: Curtis Lampley, Chair

Director Lampley announced that the Program Committee has met on June 2, 2020 and extensively reviewed the current pro forma contract that the builder's use to project their costs for construction. Many suggestions were made so that the pro forma is more detailed and yet accurate. Director Lampley stated that staff has now thoroughly revised the pro forma contract and provided an updated version to be used going forward starting with the second round of lots to be sold to builders.

He informed the Board that HLB has reviewed the builder's applications from the first lot sale and scored the builders based on a variety of factors. Six of the eight builders are being recommended for acquisition of lots on today's agenda. The anticipated revenue from these sales is \$251,000.00. Staff is now working with the Program Committee to select the second round of lots for the builders to bid on.

Director Lampley then read aloud the list of the builders recommended by the Program Committee for the first round of lots to be approved by the Board as noted under Agenda item VII.a. for today's meeting.

He then reported that HLB staff has also reviewed the prior right of first refusal lot program and is now working on a new right of first refuse lot program for those lots in HLB's inventory which may not be able to support construction of affordable housing. He stated that Ms. Haynes will elaborate as to how the new right of first refusal program will be utilized in the Settegast subdivision in her President's report later in this meeting.

Vice Chairman Collins asked how much is the average monthly note? Director Lampley stated that would be difficult to determine because such monthly note amount would be based on each homebuyer's financial arrangements. Vice Chairman Collins requested a synopsis of note amounts to be circulated at a later time.

c. Oversight Committee: Mario Castillo, Chair

Director Castillo announced that the Oversight Committee did not meet in June but instead scheduled six weekly sessions that will be held to review the draft Policies and Procedures document and then produce a recommended version for the Board to adopt at the August Board of Directors meeting. He noted that questions and recommendations are welcome and participation is encouraged.

The six weekly sessions will be as follows:

Week 1 – General Conflict of Interest and Transactional Approval

Week 2 – Property Maintenance and Land Bank Services for Third Parties

Week 3 – Administration

Week 4 – Disposition of Lots and On-Line Transfer of Rehab Properties

Week 5 – Definitions and Acquisitions

Week 6 – Financing

Director Rose asked how long the Board will have to review the revised Policies and Procedures document before it must be approved by the Board. She also requested that the changes in the proposed Policies and Procedures document be highlighted to the prior version for ease of determining the portions so changed.

d. Marketing Committee: Vincent Marquéz, Chair

Director Marquéz stated that the Marketing Committee did not meet during the month of June but rather participated in the meeting concerning the budget. He noted that he and Director Lampley visited the new HLB offices at the BakerRipley building and were excited about the opportunity to hold builder forums, conduct networking sessions, and enjoying the view.

e. Partnerships Committee: Courtney Johnson Rose, Chair

Director Rose informed the Board that the Partnership Committee did not meet during the month of June due to the budget workshop held on June 4, 2020. She anticipates submitting to the Board for review and approval of a new partnership with Hope Farms which conducts urban farming in the Houston area.

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

Ms. Haynes informed the Board that the Houston Land Bank has now moved its offices to 4450 Harrisburg Boulevard.

She mentioned that a portion of the HLB staff continue working remotely and remain productive during the COVID-19 pandemic stay at home order. The staff and officers meet daily via Microsoft Teams, while one to two people work in the office daily to facilitate the necessary in-office tasks.

Ms. Haynes next reported that as of June 5, 2020 the current inventory of HLB properties now totals 558 properties with 240 properties being held for the Houston Housing and Development Department, and 20 of those properties being held for the CHDO program. The remaining lots for disposition remain under review by the Program Committee which are primarily located in the Sunnyside, Trinity Gardens, and Settegast neighborhoods.

She then reported that 59 affordable houses were sold through HLB's traditional program in 2019 and 13 to date in 2020. There are now 48 lots under development related to prior lot purchase contracts which were recently revised under reset agreements. The Lot Maintenance Manager is visiting the properties to verify the status of construction of the affordable houses under the lot acquisition contracts.

She then informed the Board that 25 houses of the 35 made available to the New Home Development Program have been sold to date and 34 are under contract to sell this month. Currently, there are 9 houses listed for sale. Phase 5 and 6 have eight houses for a total of sixteen but no clarification as to when those houses will be available to HLB.

Ms. Haynes then reported there are 2-4 DON violations per month on HLB lots where abandoned vehicles, boats, and tires have been placed over the years. She is working with the Department of Neighborhoods to remove the vehicles and boats from the lots. She stated that these are the types of day to day functions that are part of the property management process. This was expected as a result of the first cut being completed by the lawn maintenance contractors. HLB is increasing its coordination with the Department of Neighborhoods to reduce the number of notices it receives for lots which require attention due to City code violations.

She recalled that in February, Wells Fargo Bank held a national competition for an innovation challenge grant for ideas to support affordable housing throughout the country. 850 applications were submitted and Wells Fargo Bank created a three phase plan the first phase of which was to submit an idea without supportive numbers, when, if selected, you were able to go on to round two. This type of seed funding would provide HLB with available funds for acquiring land and building an inventory of affordable housing. Unfortunately, none of the

applications submitted by applicants from the Houston area were selected in this competition. Two hundred of the 800 applications were focused on financial tools and only 15 applicants went on to round two. She stated that no one way of building an inventory will be enough for the need for affordable housing throughout the city of Houston. HLB will now need to determine which organizations could assist with seed funding to acquire strategic properties when they come up for sale.

Ms. Haynes reported that HLB has approximately 150 lots in the Settegast subdivision however approximately 53 of these lots are in an area which is heavily forested with no utility infrastructure. HLB is working on a development strategy for this area with the Planning Department and the Public Works Department of the City of Houston and with Ex-Officio Board Member Stoneham. Ms. Haynes noted that Settegast is a close-in neighborhood with rising housing prices and is approximate to job centers. HLB is in charge of drafting an RFQ for planning strategies and determining the cost of infrastructure for the necessary utilities. This RFQ does not concern the disposition of lots. There will be a month long time line for responses to the RFQ.

Director Castillo asked if the City asked HLB to put this RFQ together. Ms. Haynes responded that Director Icken was in conversation with a private developer who also owns about 150 lots in Settegast area. Vice Chairman Collins stated that the private developer approached LARA about ten years ago regarding its lots but the price of the houses to be built were in the \$250,000.00 - \$300,000.00 range.

Ms. Haynes informed the Board that HLB is now under a purchase and sale agreement with Catholic Charities to repurchase 5 lots which Catholic Charities purchased from LARA in 2009 but did not develop such lots with affordable houses as required under the LARA agreements. HLB will repurchase these 5 lots from Catholic Charities for the same amount that such lots were sold to Catholic Charities. Lastly, Ms. Haynes stated that HLB staff is drafting contract templates for different types of activities.

VII. Consideration and Possible Action Regarding Contracts for Lot Sales to Approved Builders for the Houston Land Bank Housing Initiative

- i. **MHL PROPERTIES LLC**
Contract # HLB R1 05182020
(4350 Knoxville - 0761950040019; Lot Price - \$23,936)
- ii. **MHL PROPERTIES LLC**
Contract # HLB R1 05182020 – 2
(4354 Knoxville - 0761950040020; Lot Price - \$15,110)
- iii. **NEXT GENERATION DEVELOPMENT LLC**
Contract # HLB R1 05182020 -3
(8610 Amadwe - 0470580000044; Lot Price - \$13,907)
- iv. **NEXT GENERATION DEVELOPMENT LLC**
Contract #HLB R1 05182020 - 4
(4323 Rosemont - 0641550000024; Lot Price - \$20,170)

- v. **SXG CAPITAL GROUP LLC**
Contract # HLB R1 05182020 - 5
(0 Bowen - 0511630000003; Lot Price - \$20,169)
- vi. **SXG CAPITAL GROUP LLC**
Contract # HLB R1 05182020 - 6
(1221 Vera Lou - 0650100130009; Lot Price - \$37,929)
- vii. **SXG CAPITAL GROUP LLC**
Contract # HLB R1 05182020 - 7
(3000 Galesburg - 0641680290019; Lot Price - \$19,225)
- viii. **SXG CAPITAL GROUP LLC**
Contract # HLB R1 05182020 - 8
(4353 Knoxville - 0761950030017; Lot Price - \$16,074)
- ix. **ELEVATE OPPORTUNITY ZONE FUND LLC**
Contract # HLB R1 05182020 -9
(4334 Brinkley - 0690150090005; Lot Price - \$21,129)
- x. **ELEVATE OPPORTUNITY ZONE FUND LLC**
Contract # HLB R1 05182020 -10
(8610 Lee Otis - 0470580000024; Lot Price - \$14,906)
- xi. **SILVER CIRCLE LLC**
Contract # HLB R1 05182020 -11
(4433 Elmwood - 0761950110131; Lot Price - \$17,695)
- xii. **SILVER CIRCLE LLC**
Contract # HLB R1 05182020 - 12
(7822 Jester - 0511540460009; Lot Price - \$16,247)
- xiii. **EMBRACING DESTINY FOUNDATION**
Contract #HLB R1 05182020 - 13
(3910 Lowden - 0641680160004; Lot Price - \$14,903)

Director Lampley made a motion to approve each of the contracts for lot sales to approved builders for the Houston Land Bank Housing Initiative, which motion was duly seconded by Director Marquéz and passed by the unanimous vote of the Board

b. Consideration and Possible Action Regarding Adoption of the Proposed HLB FY 2021 Budget

Ms. Haynes noted that the FY2021 Budget is complex because HLB is running two programs simultaneously and sources of funding are different for each program. The New Home Development Program is a main component of the budget, therefore, HCDD must approve the HLB budget. She noted that adjustments may need to be made in the Fall based on more current information on staffing, maintenance and day-to-day operations. Also, there are some

assumptions in the budget with regard to lot sales that go directly into HLB's own programming. She stated that the goal is to move into the fiscal year on July 1, 2020.

Vice Chairman Collins made a motion to adopt the Fiscal Year 2020 Budget with the condition that the current outside consultants providing services for bookkeeping, accounting and legal be maintained in place at their current levels. Ms. Haynes stated that HLB is spending a lot of funds on external consultants for work which could be accomplished in-house and requested that Director Zeis be involved with this discussion to move some of the external consultant work to be handled in-house. Vice Chairman Collins stated that his motion stands as made. He also suggested that HLB should negotiate to get a better deal with the external consultants.

The motion of Vice Chairman Collins to adopt the proposed HLB Fiscal Year 2021 budget with the condition that the current consultants for bookkeeping, accounting, and legal be retained by HLB at their current levels was then duly seconded by Director Jackson and passed with the unanimous vote of the Board.

c. Discussion and Possible Action to Authorize the Houston Land Bank to Amend Its Governing Documents, Subject to Approval by Houston City Council, to Allow the Houston Land Bank to Borrow Funds

Chairman Hall reiterated that under the current HLB articles of incorporation and by-laws it is not permitted to incur debt. As mentioned by Ms. Haynes earlier, HLB had submitted a response to an affordable housing competition wherein the organization would enter into an agreement for a quick strike fund. Chairman Hall asked that this matter be placed on the agenda for discussion and then submitted to legal counsel for review. He stated that this would give HLB the flexibility to incur debt to move quickly on acquisitions in line with HLB's mission. Vice Chairman Collins asked that the discussions include how the HLB is going to pay the money back to the bank.

Director Castillo made a motion to authorize amending the governing documents of the HLB to allow it to borrow funds, which motion was duly seconded by Director Marquéz and passed by the unanimous vote of the Board.

VIII. Board Member Comments

Director Hall requested input from members of the Board with regard to attending meetings in person or continue with meetings via video conferencing.

IX. Adjournment

Chairman Nicholas Hall asked if there were any additional matters to be considered by the Board. Hearing none, the regular Board meeting adjourned at 1:11 p.m. upon the motion of Vice Chairman Collins and duly seconded by Director Lampley.

Minutes Prepared By:

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

Signed on the ____ day of _____, 2020.

President



REQUEST FOR BOARD ACTION

Meeting Date: July 29, 2020

Agenda Item VI.a.: Consideration and Possible Action to Direct Staff to Execute an Agreement with the Center for Community Progress to Provide Technical Assistance Relating to Interlocal Agreements and State Legislation for an Amount Not to Exceed \$56,500.00.

ACTION SUMMARY

Approval of this item will initiate execution of an agreement with the Center for Community Progress for technical assistance related to updating of HLB's interlocal agreements and to development of revised proposed state legislation regarding land banking; HLB's cost is not to exceed \$56,500.

BACKGROUND/OVERVIEW

Following up on the 2019 Texas legislative session in which HLB successfully sought introduction of land banking legislation, this item proposes a new agreement with the Center for Community Progress (CCP) to support efforts to achieve passage in the 2021 session.

As the national organization representing land banks, CCP is uniquely qualified to support HLB's legislative efforts and has familiarity with HLB based on prior collaborations. Thus, no competitive procurement was conducted for these "sole source" services.

Based on a preliminary scope and budget proposed by CCP, HLB would receive up to 150 hours, with 75 hours each estimated for CCP to support development of revised draft legislation (based on the 2019 proposed legislation) and to support HLB through the legislative process after introduction of the revised proposed legislation. Hours may be shifted between the two phases; the first phase also includes the drafting, review and proposal of changes to interlocal agreements between and among HLB and local taxing entities, along with engagement of City of Houston staff in the legislative initiative.

Each phase is budgeted for \$26,250, yielding a total of \$51,500. An additional \$5,000 is budgeted for reimbursable travel expenses by CCP staff.

Should this proposal receive Board approval, HLB staff will work with Board leadership and members of the CCP team to finalize an agreement as described above by the end of July.



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TO: Anne Gatling Haynes
President and CEO, Houston Land Bank

FROM: Matt Kreis
General Counsel, Center for Community Progress

RE: Preliminary Scope and Budget for Legislative Support

DATE: June 30th, 2020

The Center for Community Progress (“Community Progress”) is pleased to submit this preliminary scope of work and budget to the Houston Land Bank (“Land Bank”) to support the development of and provide education to support the passage of state land bank enabling legislation in the 2021 Texas legislative session. The services described herein are intended to build on Community Progress’ previous work assessing the need and making the case for new legislative authority for the Land Bank, drafting and helping to support the legislative process for new state land bank enabling legislation for the Land Bank introduced in the 2019 Texas legislative session, and working with the Land Bank and its partners to explore ways to scale up the production of affordable housing in Houston. The work will be conducted by up to two senior members of or advisors to the Community Progress National Technical Assistance (“NTA”) team and your point of contact will be Matt Kreis, General Counsel. Matt can be reached at mkreis@communityprogress.net.

Community Progress prides itself on its ability to customize its services based on the unique needs and circumstances of its partner communities. A variety of factors, including the political support of the state legislative houses or Governor’s office, may impact the form and substance of potential state land bank enabling legislation in Texas over the course of this engagement. Therefore, this proposal is structured to provide the parties the ability to quickly and easily tailor the services described in this preliminary scope and budget (or to amend the entire agreement) to meet shifting needs and priorities.

About Us

The mission of Community Progress is to foster strong, equitable communities where vacant, abandoned, and deteriorated properties are transformed into assets for neighbors and neighborhoods. Our expertise is in the systems and policies related to vacancy and abandonment — information management systems, code enforcement systems, property tax enforcement and foreclosure systems—and best practices in the field, from prevention to land banking to the strategic reuse of land in support of community needs and priorities, such as green space, economic opportunity, and safe, quality, affordable housing. With a deep commitment to equity and justice, our customized and state-of-the-art technical assistance has been provided by in-house national experts and practitioners in more than 300 communities in over 35 states. Community Progress also has a rich history supporting the development of state land bank enabling legislation in more than a dozen states.

On-call Services and Estimated Hours

This preliminary scope and budget is structured as an on-call engagement subject to a maximum “do not exceed” cap **of 150 hours**. Services will be provided based on the Land Bank’s need and the mutual availability and capacity of the parties. The work will be conducted in up to two phases (hours includes as estimates and may reallocated between phases as needed):

Phase #1: Support the Development of Draft Legislation (up to 75 hours)

- Briefly review prior research of existing state and local laws and policies related to land banking in Texas and in Houston.
- Conduct monthly stakeholder check-in calls with key Land Bank and City of Houston staff.
- Review and propose potential changes to local agreements between local taxing bodies related to the Land Bank’s ability to access vacant, including vacant and tax foreclosed, land in Houston (e.g., 2014 Interlocal Agreement for tax foreclosed property).
- Review and propose potential minor changes to the state land bank enabling legislation under consideration in the 2019 Texas legislative session.
- Support and participate in a variety of calls with City of Houston, local, and potentially statewide stakeholders interested in state land bank enabling legislation.
- May include up to one site visit to Houston to meet with City, local, and statewide stakeholders or, depending on public health restrictions on travel or group gatherings, a series of virtual conference calls with such stakeholders (hours would include travel time).

Phase #2: Support Legislative Process After Legislation Introduced (up to 75 hours)

- Conduct conference or video calls to educate local and statewide stakeholders on the purpose and effect of the legislation.
- Prepare testimony for legislative committees.
- Consult on the impact of potential amendments.
- May include up to one site visit to Houston to meet with City, local, and statewide stakeholders or, depending on public health restrictions on travel or group gatherings, a series of virtual conference calls with such stakeholders (hours would include travel time).

The services described above contemplate a scenario where the state land bank enabling legislation eventually introduced in the 2021 Texas legislative session is similar to the legislation contemplated by the Texas legislature in 2019. Should the Land Bank wish for Community Progress to do more extensive work redrafting a bill bracketed for Houston or drafting a new statewide land bank enabling bill for cities across the state of Texas, this preliminary scope and budget will require significant amendments.

Either party may terminate this agreement at any time with 30-days written notice to the other.

Timeframe

The engagement will begin on **July 13, 2020**, and conclude on **May 31, 2021**, which is the final day of the 2021 Texas legislative session.

Estimated Budget

The hourly rate of members of the NTA senior team is **\$250 to \$350 per hour**. The number of hours indicated below are included as estimates and unused hours may be allocated between tasks as needed.

Phase #1	Up to 75 hours x \$350/hour	Up to \$26,250
Phase #2	Up to 75 hours x \$350/hour	Up to \$26,250
Travel Expenses	Up to \$1,250/per person Up to 2 staff per trip Up to 2 trips	Up to \$5,000**
TOTAL		Up to \$56,500

*** Community Progress will seek reimbursement only for those expenses actually incurred and will provide receipts for all expenses.*

Community Progress will bill the Land Bank for services completed and expenses actually incurred in up to four installments. Payment of each invoice is due within 30 days of receipt of invoice reflecting hours worked and expenses incurred.

Thank you for the opportunity to submit this preliminary scope and budget and we look forward to discussing your interest.



REQUEST FOR BOARD ACTION

Meeting Date: July 29, 2020

Agenda Item VI.b. and c.:

b. Consideration and Possible Action to Clarify the Board Vote (6.11.20 VII.b.) of June 11, 2020 and Confirm Adoption of the FY21 Budget, increased by \$57,200 to Accommodate VI.c. AND

c. Consideration and Possible Action to Clarify the Board Vote (6.11.20 VII.b.) and to Extend Current Vendor Contracts for Accounting, Bookkeeping and Legal, Month to Month, until Revised Contracts are Established, no later than December 31, 2020.

ACTION SUMMARY

Approval of these items will:

- For VI.b., add \$57,200 to the adopted budget and
- For VI.c., extend current vendor contracts for accounting, bookkeeping and legal services month-to-month until revised contracts are established but no later than December 31, 2020.

BACKGROUND/OVERVIEW

In June 2020, the board unanimously approved the proposed FY 21 budget. This was done via a motion that also referenced procurements of certain professional services. For clarity as to the board's intent, this agenda includes two related items. One affirms the board's intent to adopt the proposed budget as presented in June and amends the budget by adding \$57,200 to address potential expenditure increases related to the second item. The second item clarifies the board's intent with its June vote to extend current vendor contracts for accounting, bookkeeping and legal services on a month-to-month basis ending no later than December 31, 2020. Contracts are to be revised during this time period.

A copy of the June 2020 Request for Board Action on the FY 21 budget is included with this memo.

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REQUEST FOR BOARD ACTION

Meeting Date: June 11, 2020

Agenda Item VII. b.: Consideration and Possible Action Regarding Adoption of the Fiscal Year 2021 Proposed Budget

ACTION SUMMARY

Approval of this item will adopt the Houston Land Bank's Fiscal Year 2021 budget with an increase to fund balance of \$587,634.

BACKGROUND/OVERVIEW

The Proposed Budget for FY 2021 was put together under the collaborative effort of the Houston Land Bank staff members. A budget workshop was held on June 4, 2020 to provide the Board an opportunity to review and discuss the proposed budget.

There are numerous influences on the organization's annual budget including the administrative overhead (staff and expenses) to run a local government corporation, the maintenance of our real estate assets, as well as program specific activity and expenses. There are two major programs for the organization, one of which is the traditional lot sales to builders, and the other is based on a grant with the City of Houston Housing and Community Development Department (HCDD) called New Home Development Program. In the HLB budget includes significant expenses and revenues that are projected based on the activity projected and controlled by the City. Therefore, expense and revenue in the NHDP program activity are subject to change.

After the Board of Directors passes the budget, the budget will be submitted to HCDD for approval as required by our Operational Grant. If necessary, to make adjustments based on their input, the budget will come back to the board for amended consideration.

As with any budget, due to any change to revenue or expense expectations, or other external factors that might adjust the organization's activities and plans, there may be an adjustment to the budget later in the fiscal year.

FY 2021 Proposed Budget highlights include:

- Total projected revenues are \$8,458,650.
- Total projected expenditures are \$7,871,015.
- Projected change in net assets or increase in fund balance is \$587,634.

In addition to the summary table presented below, this Request for Board Action also includes:

- A revised version of the presentation provided at the June 4 budget workshop;
- Responses to questions raised by Board members; and
- General ledger detail as requested during the June 4 budget workshop.

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Proposed Fiscal Year 2021 Budget Summary

	FY2020 YE Estimate	FY2020 Budget	FY2021 Prop. Budget
Funding Source			
Operational Grant Revenue	1,657,843	1,932,000	2,082,854
HLB Dispositions & Admin Fees	-	1,125,020	1,335,000
NHDP Acquisitions	1,433,685	13,789,850	3,988,594
NHDP Dispositions	1,148,274	-	1,049,628
Interest Income	2,634	1,500	2,634
Total Revenue	\$ 4,242,436	\$ 16,848,370	\$ 8,458,710
Expenses			
Employee Costs	752,830	864,140	871,131
Professional Services	332,087	555,000	333,592
Legal Fees	172,373	100,000	69,000
Lot Maintenance	260,163	872,423	536,650
Miscellaneous Other	170,165	217,490	278,145
HLB Traditional Program	18,907	204,600	750,000
Subtotal Administrative Costs	\$ 1,706,525	\$ 2,813,653	\$ 2,838,518
NHDP Dispositions	1,001,790	6,420,310	1,049,567
NHDP Acquisitions	270,732	8,475,500	3,982,931
Subtotal Program Costs	1,272,522	14,895,810	5,032,498
Total Expenditures	\$ 2,979,047	\$ 17,709,463	\$ 7,871,015
Change in Net Assets	\$ 1,263,389	\$ (861,093)	\$ 587,694

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