

# houston land bank



## **BOARD OF DIRECTORS**

Regular Meeting

14 May 2020

- |      |                           |         |
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Separate Documents:

- VII. Executive Session
- VIII. President's Report - Powerpoint





**Board of Directors Regular Meeting  
Thursday, May 14, 2020 at 12:15 PM CST**

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 please go to:

<https://us02web.zoom.us/j/8761523043>

Meeting ID: 876 152 3043

And/or dial in by telephone at:

888 788 0099 US Toll-free

877 853 5247 US Toll-free

*The recording will be posted online after the meeting. Please contact [info@houstonlandbank.org](mailto: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 11:30 a.m. on Thursday, May 14, 2020, To register, please use our online form at [www.houstonlandbank.org/resources](http://www.houstonlandbank.org/resources), e-mail [info@houstonlandbank.org](mailto: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 April 9, 2020 Regular Meeting
- IV. Chairman's Greeting: Nicholas Hall
- V. Committee Reports:
  - a. Finance Committee: Matt Zeis, General Update
  - b. Program Committee: Curtis Lampley, General Update
  - c. Oversight Committee: Mario Castillo, General Update
- VI. President's Report: Anne Gatling Haynes, CEO/President
- VII. Consideration and Possible Action to Ratify Month-to-Month Lease Office Space Contract from BakerRipley for Houston Land Bank Operations at 4450 Harrisburg (Lease Effective Date May 18, 2020, \$4,875 monthly)
- VIII. Consideration and Possible Action to Accept Program Committee Builder Selection Recommendations for Lot Sales for the HLB Housing Initiative
  - a. 3910 Lowden – HCAD# 0641680160004 (Sales Price \$14,903)
  - b. 4433 Elmwood – HCAD# 0761950110131 (\$17,695)

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

- c. 7822 Jester – HCAD# 0511540460009 (\$16,247)
- d. 4323 Rosemont – HCAD# 0641550000024 (\$20,170)
- e. 8610 Amadwe – HCAD# 0470580000044 (\$13,907)
- f. 4334 Brinkley – HCAD# 0690150090005 (\$21,129)
- g. 1221 Vera Lou – HCAD# 0650100130009 (\$37,929)
- h. 3000 Galesburg – HCAD# 0641680290019 (\$19,225)
- i. 4353 Knoxville – HCAD# 0761950030017 (\$16,074)
- j. 4350 Knoxville – HCAD# 0761950040019 (\$23,936)
- k. 4354 Knoxville – HCAD# 0761950040020 (\$15,110)
- l. 0 Bowen – HCAD# 0511630000003 (\$20,169)
- m. 4401 Sterling – HCAD# 0761950140161 (\$10,673)
- n. 8610 Lee Otis – HCAD# 0470580000024 (\$14,990)

IX. EXECUTIVE SESSION (All Actions To Be Taken in Public Session)

- a. Consideration and Possible Action for Sales Price Modifications for contracts with Mayberry Homes
  - 1. 9 Hoffman Street: Contract # 071317-04; 0 Hoffman – HCAD# 0660250080805, 0 Hoffman - 0660250080810, 0 Hoffman - 0660250080811, 0 Hoffman - 0660250080813, 7135 Hoffman 0660250080812, 0 Hoffman - 0660250080814, 0 Hoffman - 0660250080817, 0 Hoffman - 0660250080821, 0 Hoffman - 0660250090934)
  - 2. 2208 Sam Wilson: Contract # 092716-01; HCAD# 0092410000006
  - 3. Salina & 0 Amboy Street: Contract # 100917-09; HCAD#s 0040360000004 and 0393430000009
- b. Consideration and Possible Action Regarding Program Committee Recommendation of New Agreement Regarding Reverted Lots for Houston Business Development, Inc., Including Updated Timeline, Plans and Specifications, and Pricing [HBDI Contract Number – 102417-01 (0 Dewalt – HCAD# 0710900190026, 6718 Carver – 0162720030001, 7700 Dyer – 0162530010001, 7900 Dyer – 0162610190006, 7900 Tower – 0162560080016)]

X. Board Member Comments

XI. Adjournment



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

**April 9, 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, in Houston, Texas, on Thursday, April 9, 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	Antoinette Jackson
David Collins	Mario Castillo
Ana Yáñez-Correa	Curtis Lampley
Vincent Marquéz	Courtney Johnson Rose
Carol Galloway	Matt Zeis

Board members absent were: Pastor Steve Hall, John Vasquez and Jesus DeAnda.

Others in attendance included: Anne Haynes, the CEO/President for the Houston Land Bank; Jennifer Allison of the Houston Land Bank; Ivan Zapata, Real Estate Manager of HLB; Marye Barba, Administrative Assistant for HLB; Greg Erwin and Mark Glanowski (Paralegal) of Winstead PC, outside legal counsel for the HLB; Sam Dike, Vice President of Community and Partnerships for HLB; Gracie Saenz, In-house counsel for HLB; Darice Harris, Compliance Officer for HLB; Christa Stoneham – Mayor's Appointment for Board Liaison Ex-Officio Board Member; Sharone Mayberry and Stacie Flores of Mayberry Homes, Inc.; Barbara Bushong of Sterling Nonprofits; and Sharhonda Spates with Astute Realty.

**I. Call to Order and Roll Call**

Chairman Nicholas Hall called the meeting to order at 12:20 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. Adopt Minutes of Regular Meeting on February 13, 2020**

Chairman Hall noted that the minutes for the Board of Directors regular meeting held on February 13, 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 Castillo made a

motion to approve the minutes of the Board meeting held on February 13, 2020 as written, which motion was then duly seconded by Director Zeis and passed by the unanimous vote of the Board.

**III. Swearing in of Christa Stoneham, Mayor's Appointment for Board Liaison Ex-Officio Board Member, by Director Courtney Johnson Rose. Ms. Stoneham is the Division Director of the City of Houston's Complete Communities.**

Chairman Hall introduced Christa Stoneham to the Board who is the Division Director of the City of Houston's Complete Communities. Director Rose mentioned that Ms. Stoneham has three degrees from Prairie View A&M University being a Masters in Architecture, a Bachelor of Science in Architecture, and a Masters in Community Development. Director Rose also mentioned that she was one of Ms. Stoneham's professors at Prairie View A&M University and is pleased to conduct the swearing in ceremony for her appointment to the Houston Land Bank.

Director Rose then conducted the swearing in ceremony for Ms. Stoneham as required by law for her appointment as Board Liaison Ex-Officio Board Member to the Houston Land Bank.

**IV. Public Speakers**

Ms. Haynes then introduced Sharonne Mayberry of Mayberry Homes, Inc. to the Board which has constructed affordable housing for fifteen years under the City's LARA programs. Mr. Mayberry also prepared a letter which had been previously circulated with regard to eleven lots in the Fifth Ward and Trinity Gardens neighborhoods. Mayberry Homes, Inc. has held on to these 11 lots for several years but has not completed construction of the affordable houses due to bank partners' reluctance to finance construction due to the reverter rights in favor of HLB in the closing documents. Mr. Mayberry stated his bank partners are not willing to finance construction unless the reverter rights are waived by HLB. He mentioned that HLB does not provide any financing which is something that could be discussed at another meeting since it is not on the agenda for this meeting. Mr. Mayberry stated that without the requested waivers his lenders will not provide the necessary funds for construction of the affordable houses.

Mr. Mayberry informed the Board that the last round of construction funding received from the Neighborhood Stabilization Program was used to complete the last four houses. This funding was obtained with the assistance of HCDD. Mayberry Homes, Inc. will be providing the financing to close the lots in question and therefore taking all the risk. Four of the houses are already under contract and construction plans have been submitted to the City of Houston Permit Department for the others.

**V. 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. He then thanked the mayor and city council for approving the two new grants funding the operation costs of the HLB.

## **VI. Committee Reports**

### **a. Finance Committee: Matt Zeis, General Update**

Director Zeis stated that the Finance Committee met on Tuesday, April 7, 2020 and noted that the grants were approved by city council last week which means the operational invoices for July-March can now be submitted. This will provide a little over \$700,000.00 back to HLB. He did not have an updated financial position for March 2020 but when received he will distribute it to the Board.

Next he mentioned that Glass Ratner, the Financial Consultant, conducted a comprehensive examination of HLB's financial and accounting practices and recommended employing a full time finance and accounting individual, provide for a permanent backup for the financial books and supporting documentation, and re-configure the asset inventory management program.

He stated that Ms. Haynes has prepared an outline for the budget for the next two fiscal years. The Finance Committee will meet in May to gather input from the various HLB programs and committees before presenting the final budget to the Board for approval in June 2020.

Lastly, Director Zeis reported that he has been working with HLB staff to produce invoices with the information and in the format required by the Houston Housing Department to obtain reimbursement of the cost to maintain properties sooner which will eliminate cash flow issues in the future.

### **b. Program Committee: Curtis Lampley, General Update and Program Recommendation Regarding Agenda Items X, XII**

Director Lampley stated that the Program Committee met on March 26, 2020 and reviewed an update from HLB staff on the status of the administrative review of the builder proposals from the newly selected builders in the latest RFQ. The next round of reviews by the Program Committee will be to determine the final selection of builders and final contracts to be approved by the Board.

The Program Committee and HLB staff reviewed three requests for contract modifications from Mayberry Homes, Inc. with regard to pricing and changes to plans and specifications of the houses to be constructed. The Program Committee reviewed the information submitted by HLB on these three contracts and determined it would be necessary to conduct a telephone conference with Mayberry Homes, Inc. to discuss the requested changes. The telephone conferences were conducted on April 2, 2020 to discuss the significant changes to the builder contracts regarding pricing and construction specifications. The Program Committee decided to move the builder requests forward to the Board for its review and approval.

Director Lampley then stated that the Program Committee discussed the request of Mayberry Homes, Inc. for a waiver of HLB's reverter rights because its lenders will not accept the closing documents with the reverter rights. He noted that HLB staff has prepared a pilot amendment for the waiver of reverter rights which the Program Committee has approved. The

Program Committee recommended that the Board approve the pilot amendment to waive the reverter rights for this builder only.

Director Lampley also noted that the Program Committee reviewed two (2) encroachment issues affecting a lot on Brinkley in Sunnyside and one at 2208 Sam Wilson in Trinity Gardens. Director Lampley stated that both encroachment issues have been addressed and worked out with the builder. He thanked Mayberry Homes, Inc. for its work to address the encroachment affecting the lot at 2208 Sam Wilson and making it ready for construction. The encroachment caused an impact to the lot size and therefore the builder has requested amendments to the contract which will be addressed by the Board later in this meeting.

**c. Partnership Committee: Courtney Johnson Rose, General Update**

Director Rose reported that the Partnership Committee met and discussed updates to the HLB website and announced that she is pleased with how that is coming along. Director Rose then mentioned that the Program Committee had an introductory telephone conference with Lisa Love of the Houston Independent School District. Director Rose informed her of the activities of the HLB to familiarize Ms. Love with the mission of the HLB. Director Rose believes there may be opportunities for potential partnerships in the future for affordable housing with properties HISD has in its inventory.

Director Marquéz announced that he also participated in the conference call with the Partnership Committee and was interested in the properties HISD may have within the Complete Communities. He also noted that HLB was excited about the 3013 Bolt virtual ribbon cutting ceremony proposed. He recommended creating a garden from which a welcome basket of fruits and vegetables could be presented to the new home buyers.

**d. Marketing Committee: Vincent Marquéz, General Update**

Director Marquéz informed the Board that the Marketing Committee joined with the Partnership Committee to discuss partnership opportunities with the Houston Independent School District with regard to properties in the Complete Communities which could be developed for affordable homes.

**e. Oversight Committee: Mario Castillo, General Update**

Director Castillo reported that the Oversight Committee met on March 10, 2020 to discuss the new Lot Acquisition Contract template. The Committee proposed to review how the changes to the Lot Acquisition Contract are performing in 6 months to determine if any adjustments are needed. The Committee also reviewed the outstanding lot summary for contract compliance and will continue to examine it on a monthly basis moving forward.

Director Castillo noted that the Oversight Committee also discussed the Policies and Procedures document to determine how to provide input to the Ad Hoc Committee to complete the document. HLB staff will set up telephone conferences with regard to key sections of the document that need to be reviewed and then move forward with finalizing the Policies and Procedures document.



Director Castillo stated that the Oversight Committee also met on April 3, 2020 to discuss the requests from Mayberry Homes, Inc. for waiver of the HLB reverter rights and modifications to three of its construction contracts which items are also on the agenda for today's meeting.

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

Ms. Haynes announced that she and a few others had a great conversation with Councilmember Thomas who is the head of the Housing Committee a couple of weeks ago which was very productive. Regular updates of the HLB construction and sales status reports will be made available to the Housing Committee as requested by Councilmember Thomas.

She then reported that the house at 3013 Bolt has been completed and the Certificate of Occupancy has been received from the City of Houston. The closing of the sale of this house will be conducted with the homebuyer in the next few weeks. She will then schedule a virtual ribbon cutting ceremony for this house later this month.

Next, Ms. Haynes stated that HLB is working with HCDD to address the contract terms with regard to the 20 lots reserved for the CHDO program.

Ms. Haynes next reported that the current inventory of HLB properties as of April 1, 2020 now totals 557 properties with 245 properties being held for the Houston Housing and Development Department, and 20 of those properties being held for the CHDO program. The remaining properties for disposition are still 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 in 2019 and 11 to date in 2020. There are now 43 houses under development related to prior lot purchase contracts which were recently revised under reset agreements including 2 contracts to be discussed at today's meeting. 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 18 houses of the 35 made available to the New Home Development Program have been sold to date and 6 are under contract to sell this month. Currently, there are 11 houses listed for sale and 4 houses remaining to be transferred by HCDD. Ms. Haynes then reported that the applications for purchase of lots in the New HLB Home Initiative was closed to the builders on March 4, 2020 and staff is now reviewing the applications submitted by 8 builders for about one-half of the lots HLB listed for sale.

**VIII. Presentation - Recommendations for Financial System Improvements for the Houston Land Bank by Susan Smith, Glass Ratner, Financial Consultants.**

Chairman Hall announced that this item has been pulled from the Agenda for today's meeting.

## **IX. Consideration and Possible Action for Lot Disposition Contract Template-New HLB Housing Initiative**

Mr. Dike then addressed the Board to discuss the New HLB Housing Initiative which launched in mid-February and closed acceptance of applications on March 4, 2020. This pilot initiative was formed to sell 26 lots in the Sunnyside subdivision to the approved builders in the HLB program. The initiative was also formed to intensify affordable pricing with through managed competition. It will also be an opportunity to test new program guidelines that reflect HLB's values and contracts that insure builder compliance. Mr. Dike noted that to date HLB Housing Initiative has received 8 applications on 14 of the 26 lots. The applications are now in an extensive review period which will be followed by recommendations to the Program Committee for its review.

Mr. Dike then requested Ms. Harris to report on the Form Lot Purchase and Development Contract revisions. Ms. Harris stated that the LARA program had two contract lot disposition contracts over the many years of the program. Although they were updated every few years, over time, these contracts reflected the prior LARA programs (the Standard Purchase and the Dollar Lot Programs). All lot sales in the past two years of the organization were limited to Board approved contracts that occurred prior to August 2018, and followed the prior programs under which the lots were approved. These contracts were edited over the years by Winstead PC, and issued by Winstead PC on behalf of LARA for each lot sale.

In the past few months, the Program Committee has worked closely with the staff to update the core template of the lot purchase contract to reflect the guidelines and values of the new HLB lot disposition program, as well as reflect all the compliance issues staff has observed on all contracts to date. The improvements have been made to assure a better contract vehicle under which builders will be responsible to the ultimate goals of the program.

This lot purchase contract will be used for each individual lot sale, and will be introduced to the builder in an in-person meeting, and a term sheet signed. Additionally, there will be staff oversight (through monthly reporting and site visits), and penalties assigned for any out-of-compliance issues. The key to a successful program requires both a solid contract, clear terms and communication with the builder, and staff oversight.

The key changes to the previous form – Lot Purchase and Development Contract – and the rationale behind their proposed implementation are as follows:

1. **Closing** – Builders will no longer be able to select lots to hold and pay later. All lot purchases must be made at the time of closing.
2. **Deed of Trust** – This instrument will be used to secure the performance of the builder pursuant to the program guidelines and contract. It will be recorded at the time of closing with the builder in favor of HLB, and released upon a satisfactory builder closing to the homebuyer.
3. **Monetary Damages** – Damages will be assessed against builders who do not abide by the contract terms and program guidelines.
4. **Earnest Money** – This tool would be utilized to ensure that the builder is serious about the purchase of the lot and will encourage them to do due diligence before purchasing.

5. **Administrative Fee** – This fee, which will apply to each additional house being built per lot, would be instituted to cover the extra staff work hours that it takes to facilitate the construction/administrative process to closing. This is not anticipated on all or numerous lots, just some of the larger lots.
6. **Program Guidelines** – Vice President Dike has drafted a comprehensive set of guidelines that were developed to problem-solve some of the key compliance issues such as property taxes, qualified homebuyer certification, and mowing/maintaining lots after closing. These guidelines should provide the builders with more detailed information about the entire lot disposition process and requirements from purchase to sale.
7. **Residence Definition/Minimum Residential Construction Standards** – Staff wishes to implement minimum construction standards to ensure that the houses being sold through the program meet a certain quality and prevent homebuyer complaints.
8. **Schedule 1** – The standard timelines need to be changed to encompass a seven month period, from beginning to the end. This will include two months for permitting (commencement of construction), and five months for construction (completion of construction). If a property has additional work (infrastructure or replating required), this will be taken into consideration.
9. **Term Sheet** – This document will memorialize the key terms of the contract and will be reviewed with the builder before execution of the contract.

Ms. Harris stated that the Program Committee recommends the approval of the Lot Disposition Contract Template. Director Lampley made a motion to approve the Lot Disposition Contract Template, which motion was duly seconded by Director Zeis and passed by the unanimous vote of the Board.

**X. Consideration and Possible Action for Revised Pilot Waiver of Reverter Rights for Mayberry Homes, Inc. on lots:**

**a. 9 Hoffman Street Lots (Prior Approved Contracts)**

1. Contract # 071317-04  
HCAD #'s 0660250080805; 0660250080810; 0660250080811;  
0660250080813; 0660250080812; 0660250080814; 0660250080817;  
0660250080821; 0660250090934

**b. 0 Amboy Street - 2 lots**

1. Contract # 100917-09  
HCAD # 0393430000009

Ms. Haynes stated that in addition to these lots, Mayberry Homes, Inc. has also requested that the lots at 0 Brewster, Tracts 8 and 9, Block 8, and 3120 Collinsworth Trail, Tract 10, Block 8 be included in its request for the waiver of reverter rights.

Chairman Hall asked if there was a motion for Revised Waiver of Reverter Rights. Director Galloway made a motion to approve the Revised Pilot Waiver of Reverter Rights for the lots requested by Mayberry Homes, Inc. which motion was duly seconded and passed by the unanimous vote of the Board.

**XI. Executive Session:**

**a. Consideration and Possible Action for Acquisition of Real Property from City of Houston for the New Home Development Program.**

1. **HCAD #** 031 117 000 0005  
1100 Frawley St, "Lindale Lift Station"

Chairman Hall announced at 1:05 p.m. that the Board will now meet in a closed Executive Session and requested members of the public audience to transfer to the virtual waiting room until the meeting resumes in the Open Session. Ms. Haynes noted that Directors Jackson and Rose disconnected from the virtual meeting at 1:00 p.m.

At 1:40 p.m. Chairman Hall announced that the Executive Session ended and the Board meeting resumed in Open Session. Chairman Hall then noted that Director Castillo disconnected from the virtual conference meeting after voting on agenda items XI and XII in the Executive Session.

Ms. Saenz noted that the Board must vote on this agenda item in the Open Session. Chairman Hall then called Director Castillo to rejoin the virtual conference meeting to vote on this agenda item. Director Lampley asked if calling Director Castillo back into the meeting to vote in the Open Session is acceptable. Ms. Saenz responded that the only question in this type of meeting format is verifying the person rejoining the meeting is the person who they say they are.

Director Marquéz made a motion to approve the acquisition of the lot at 1100 Frawley Street from the City of Houston for \$120,000.00 which motion was duly seconded by Director Zeis and passed by a vote of 4-3-1 by the Board. With Directors Hall, Zeis, Castillo and Marquéz voting in favor of passing this motion, while Directors Lampley, Galloway and Yáñez-Correa voted in opposition of the motion, with Director Collins abstaining from voting on this motion.

**XII. Executive Session:**

**Consideration and Possible Action for Construction Plan and Sales Price Modifications for contracts with Mayberry Homes, Inc.**

Chairman Hall stated that the Executive Session will continue now to address the requests of Mayberry Homes, Inc. for modifications to three of its construction contracts.

**a. 9 Hoffman Street Lots (Prior Approved Contracts)**

1. **Contract #** 071317-04  
**HCAD #'s** 0660250080805; 0660250080810; 0660250080811;  
0660250080813; 0660250080812; 0660250080814; 0660250080817;  
0660250080821; 0660250090934

**b. 2208 Sam Wilson - 2 lots with one HCAD (Hold /New Contract)**

1. Contract # 092716-01 (previous contract number)  
HCAD # 0092410000006

**c. 0 Salina & 0 Amboy Street - 4 lots with two HCADs**

1. Contract # 100917-09  
HCAD #'s 0040360000004; 0393430000009

Chairman Hall then announced at 1:40 p.m. that the Board meeting is now in Open Session and welcomed the members of the public to return to the meeting.

He then asked for a motion on agenda item numbered XII. Director Castillo made a motion to approve the Construction Plan and Sales Price Modification for contracts with Mayberry Homes, Inc. which motion was duly seconded by Director Galloway. Director Lampley then made a motion to amend the motion on the floor to include that HLB staff review the builder's profit from the accounting line item to verify that the calculation was derived on 15% of the total bid price and including the builder's profit as part of that bid price, and therefore adjust the bid price accordingly so not to exceed 15% profit on the costs excluding profit and commissions, which amended motion was duly then seconded by Director Marquéz and unanimously passed by the vote of the Board.

**XIII. Board Member Comments**

Director Collins welcomed Ms. Stoneham to the Houston Land Bank.

**XIV. 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 1:47 p.m. upon the motion of Director 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





# Houston Land Bank

## PROFIT AND LOSS

April 2020

	TOTAL
Income	
Acquisition and Development Agreement	
Disposition Proceeds	65,415.07
<b>Total Acquisition and Development Agreement</b>	<b>65,415.07</b>
Administrative Fees	5,038.00
Gain on Disposition of Lots	
Purchased Lots	150,000.00
<b>Total Gain on Disposition of Lots</b>	<b>150,000.00</b>
Operating Funds (8th Amendment)	629,223.96
<b>Total Income</b>	<b>\$849,677.03</b>
<b>GROSS PROFIT</b>	<b>\$849,677.03</b>
Expenses	
Admin - Other	
Bank Service Charges	109.83
Computer and Internet Expenses	139.97
Filing Fees	29.86
Insurance	
Property	-531.30
<b>Total Insurance</b>	<b>-531.30</b>
Leasing Office Equipment	229.00
Office Expenses	287.75
Office Supplies	97.47
Printing and Reproduction	31.00
Storage Rental	77.00
<b>Total Admin - Other</b>	<b>470.58</b>
Employee Cost	
Medical Reimbursement & Cost	5,620.17
Payroll Services Fee	120.00
Payroll Taxes	6,657.76
Wages and Salary	48,063.68
<b>Total Employee Cost</b>	<b>60,461.61</b>
Legal Fees	18,520.00
Marketing and Promotional Expen	249.65
Professional Fee	
Accounting Fee	10,600.00
Consulting Fee	45,877.50
<b>Total Professional Fee</b>	<b>56,477.50</b>



# Houston Land Bank

## PROFIT AND LOSS

April 2020

	TOTAL
Property Cost - Maintenance	442.00
Property Expenses	
Standard Lawn Mowing	44,263.76
<b>Total Property Expenses</b>	<b>44,263.76</b>
<b>Total Property Cost - Maintenance</b>	<b>44,705.76</b>
Property Cost - Disposition HLB	
Closing Cost	11,476.18
Construction of House	67,565.51
Loss on Disposition of Lots	
Purchase Lots	156,001.00
<b>Total Loss on Disposition of Lots</b>	<b>156,001.00</b>
Pesticide or Weed Treatment	113.66
Property Taxes	1,073.44
Security and Surveillance Cost	6,630.00
<b>Total Property Cost - Disposition HLB</b>	<b>242,859.79</b>
Property Cost -Disposition NHDP	
Cleaning and Supplies	351.62
Clearing and Lawn Maintenance - NHDP	1,100.00
Closing Cost - NHDP	10,970.00
Legal Fees - NHDP	2,675.50
Marketing and Showcase	741.50
Property Taxes - NHDP	2,275.07
Real Estate Commission - NHDP	51,795.00
Soft Cost of Construction - NHDP	133.96
<b>Total Property Cost -Disposition NHDP</b>	<b>70,042.65</b>
Rental and Lease Expense	10,541.61
<b>Total Expenses</b>	<b>\$504,329.15</b>
NET OPERATING INCOME	<b>\$345,347.88</b>
Other Income	
Interest Income	14.49
<b>Total Other Income</b>	<b>\$14.49</b>
NET OTHER INCOME	<b>\$14.49</b>
NET INCOME	<b>\$345,362.37</b>





# Houston Land Bank

## BALANCE SHEET

As of April 30, 2020

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
Chase-Operations - 8465	172,745.36
Money Market - Lot Acquisition - 7058	475,484.60
Money Market Unrestricted - 7066	220,088.32
MoneyMarket-Unrstr.C Resev 5577	35,125.51
Petty Cash	12.63
<b>Total Bank Accounts</b>	<b>\$903,456.42</b>
Accounts Receivable	
Accts Receivable	654,724.50
<b>Total Accounts Receivable</b>	<b>\$654,724.50</b>
Other Current Assets	
Escrow Deposits	26,230.25
Prepaid Insurance	22,397.22
Prepaid Subscription Services	18,112.80
<b>Total Other Current Assets</b>	<b>\$66,740.27</b>
<b>Total Current Assets</b>	<b>\$1,624,921.19</b>
Fixed Assets	
Equipment	10,540.18
xAccum. Depreciation	-3,872.40
<b>Total Fixed Assets</b>	<b>\$6,667.78</b>
Other Assets	
Invest Properties Held For Sale	2,590,524.73
Security Deposit	7,125.00
<b>Total Other Assets</b>	<b>\$2,597,649.73</b>
<b>TOTAL ASSETS</b>	<b>\$4,229,238.70</b>



# Houston Land Bank

## BALANCE SHEET

As of April 30, 2020

	TOTAL
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	171,090.40
<b>Total Accounts Payable</b>	<b>\$171,090.40</b>
Credit Cards	
Chase Credit Card	2,663.60
<b>Total Credit Cards</b>	<b>\$2,663.60</b>
Other Current Liabilities	
Due to Tax Assessor	7,640.93
Liabilities Due to HCDD	347,280.50
Option Fee	325.00
<b>Total Other Current Liabilities</b>	<b>\$355,246.43</b>
<b>Total Current Liabilities</b>	<b>\$529,000.43</b>
<b>Total Liabilities</b>	<b>\$529,000.43</b>
Equity	
Unrestrict (retained earnings)	2,652,535.94
Net Income	1,047,702.33
<b>Total Equity</b>	<b>\$3,700,238.27</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$4,229,238.70</b>



# houston landbank

## PRESIDENTS REPORT

May 14, 2020

### General Activities/Announcements

- The Grants, approved by City Council on April 1, 2020, have been fully executed.
  - The Operations Grant provides additional administrative and program delivery funding for FY20-21 based on annual allocations by HCDD. This allows us to be provided 2m for FY20 and part of FY21, until the additional allocation of 1.65 M (minus administrative fees received this year) will be secured through supplemental TIRZ allocation.
  - The Amended and Restated A&D Agreement is being tailored to track more closely to day-to-day operations on the Program NHDP. These changes were summarized at the November 2019 Board Meeting.
- **3013 Bolt virtual ribbon cutting** is on the website and our facebook page. We were grateful to have CM Evans Shabazz at the ribbon cutting, and we understand that Mr Fikes is fully moved in and set up.
- **The Board of Directors met with HCDD Director Tom McCasland and Deputy Director Anderson Stoute on April 15** to discuss the New Home Development Program status, and to discuss some observations made on the progress thusfar. The Board of Directors requested additional information on the business structure of the program, and HCDD expressed their interest in continually improving the program.

### Operations

- We have been joined by our new Director of Finance and Accounting, Gonzalo Gonzalez, and he, myself, Conchita, Jen and I are **getting caught up** with a number of invoicing activity, putting better accounting controls and processes in place as recommended by GlassRatner, developing a budget for FY21, as well as preparing (already) for the Audit.
- The team is working remotely! We have a daily check in as a team, via Microsoft Teams, and have remained productive despite the circumstances. Although there is usually one to two people in the office facilitating necessary in-office work.
- We are reviewing submissions from 14 legal firms for ongoing on-call contract work.
- **Vehicles on our lots have now been noticed, and tagged for tow if not removed!**
- We are reviewing a demo of **a new property analysis tool, called Tolemi/Building Blocks**, to have better data on properties both in and around our properties (it pulls in HCAD data), and other data sets. This tool will be used to better earmark our acquisition and disposition efforts, and could be an enhanced version of our property management software.

- We had a briefing meeting with the interim CFO of HCDD to brief him and his team on our updated invoicing, and all of the processes we are in to track and facilitate money flow

### Legal and Compliance

- Advancing Hold contracts for lot sales under prior programs, finalizing updated draft reset agreements, and facilitated what is the last of Builder noncompliance meetings
- Facilitated the final review of builder proposals for new lot applications, and final recommendations
- Facilitate negotiation with Builders on plan/spec/contract change requests to advance to Program Committee and Board of Directors
- Created Draft of outside counsel agreement templates, outside counsel management guidelines and budget, and initiated work to reset agreements with Title Companies.
- Reviewed and advanced reporting on MWBE Compliance
- Developed outline and invite list for Lender's and future Builder's Forum.
- Facilitate Program Committee agendas/minutes and related documentation.
- Draft and executed building order releases for BRH closing of HOLD contract (will require removal of slab)

### HLB Inventory & Builders under Development

- As of May 8, 2020 (final numbers +/- 5 per week due to ongoing property review around outstanding contracts):
  - **552 Properties in Inventory**
  - **243 Holding for Housing**
    - Includes property under development for NHDP, Acres Homes, as well as those holding in Settegast, Fifth Ward, Sunnyside
    - 20 held for CHDO program, advancing to sale per prior board approval
    - Includes additional properties that are 6 acquisitions, but split across numerous HCADs
- Current Monthly Tally of HLB Home Building Initiative- sale development activity (based on prior lot disposition contracts):
  - **59 Homes sold in 2019**
  - **13 homes sold to date in 2020**
  - **46 are under development.** These are all still from prior lot contracts under reset agreements
  - 13 lots are on Hold set to close soon with builder (6 contracts).
- New HLB Home Initiative is in full swing.
  - The Board will see the first proposed contracts for sale this month—14 lots.
  - Staff is already reviewing additional lots that could be put up for sale.



- **Next step is to meet with individual builders, set up a Lender's Forum and a Builder's Forum**

#### HLB Lot & Property Maintenance

- Four lawn maintenance contractors completed their second month under new property maintenance schedule, and continue to work with proper protocols for distancing. Through the first round, a number of processes for reporting and addressing special conditions were improved. Each month invoices and photos are reviewed, and spot checks done to review work in the field.
- **Verified 5 properties for Legal/Compliance, Addressed Citizen Concern, responded to 3 DON violations received**
- Supported minor repairs on properties, including lightbulb and smoke detector sensors, facilitated three NHDP closings, and provided access to properties for inspection/appraisers.
- Addressed attempted HVAC theft at one property and made fence repairs and reinstalled HVAC Cage.

#### NHDP-Highlights

- NHDP in Acres Homes:
  - Updated listings on website.
  - **22 Houses SOLD**
  - **3 under contract** to close by June 5 (one on Friday!), **1 under Option**
  - **11 are listed for Sale** (1 is remaining from Phase 1 and 2)
  - Received 3 houses from HCDD , 2 of which are now listed
  - Phase 5 and Phase 6 each have 8 homes for a total of 16 homes. Some properties from Phase 7 is initiating construction. **No construction timeline has been received from HCDD to assess when we might receive houses, but visual inspection implies July.**
- Listing Broker:
  - Continuing to build a pipeline of potential homebuyers, and showings have continued by appointment only (limit to three people), although all open houses have been cancelled.

#### Acquisitions & Development - HLB

- Continuing to pursue builders who have not complied with contract obligations to repurchase properties.
- **Under contract to repurchase 5 lots from Catholic Charities**, and reviewing three additional properties that they own to consider purchasing. Looking at ways to finance the acquisition given a desire to develop all 8 lots together.



- **Developing strategies for building inventory that will be discussed at the Strategic Planning retreat;**
  - Targeted community focused efforts including outreach and increased engagement
  - Reviewing surplus and lien properties from related agencies
  - Develop relationships with Developers interested in partnering to provide mixed-income neighborhoods
  - Outreach to owners adjacent to our parcel clusters to consider assembly
- **Developing plan to issue a Market Analysis/Planning Scope for Settegast to assess neighborhood needs and real estate development strategy.** Private landowner with a portfolio of property in and around our own lots has been interested in collaborating on the initial planning to achieve a mixed-income community, and develop an updated phasing plan to a project that was identified in 2010. City of Houston interested in financing mechanisms to help support infrastructure and would like to see a plan in place for the area. Working to create COH working group to advance the conversation.
- **Working with Linebarger to develop improved process to review pipeline of properties that may head to the foreclosure auction**

Acquisitions. City of Houston Partnership, NHDP

- All activities are focused for the NHDP program, per the 'Acquisition and Development' Grant Agreement, approved by City Council on August 31, 2018, and Amended on April 1, 2020.
- NHDP acquisition Activity Update
  - 5-10 Neighborhood focus areas, as determined by HCDD.
  - **Over 850 total properties reviewed thus far, approximately 50 per month. Until now, most properties reviewed are above available market pricing as sellers are 'prepped' for an investor market.**
  - We are currently updating our market cost/sf in all neighborhoods, and given the current economic status, there may be some better pricing out there.
  - Progress to date
    - 67,900 SF vacant land contracts closed and ratified by the Board of Directors.
    - 26K SF vacant land under contract with longer timeline (under contract until May 29) due to environmental review, working on additional site assembly. *Recent Phase I revealed unfinished site prep work that would need to be addressed in any final agreement.*
    - **Approximately 8 acres of property is being considered for acquisition in various neighborhoods throughout the City.** LOI's have been sent to numerous owners based on our own research for HCDD, as well as requests from HCDD





## BOARD OF DIRECTORS MEMORANDUM

May 14 2020

RE: Baker Ripley Lease for new HLB space at 4450 Harrisburg Blvd

**1. OVERVIEW** -Over the past year the organization has grown, and outgrown its current location at 1919 Decatur Street. Due to staff increases, and additional workspace needed, the staff has been reviewing space options for relocation for over 6 months. Although remote working during COVID has been working well, we anticipate a full return to an office, but will require safer distancing space between desks which a new space better provides. The Baker Ripley space offers the HLB team improved larger and new space, all securable in an independent locked space, in a multi-tenant building designed for community development organizations, with room for growth. As a month to month lease, similar to our current location, it allows us flexibility to locate a permanent space while enjoying improved space and access. The team will be moving over the next three weeks, and will be in the new space by June 5 as one of the first tenants to move into the 'coworking' floor. Other community non profits and government offices are expected to be moving in shortly.

**2. RECOMMENDATION**- The Board of Directors Ratify the Month-to-Month Lease Agreement with Baker Ripley at \$4875 per month.

**3. BACKGROUND**- Many locations were considered before selecting and narrowing search to Baker Ripley. Those spaces ranged in size (1500-5600 SF), in type of space (collaborative workspace to independent suites in commercial office building), and cost (3,000-8000/month excluding furniture that is provided in the cowork spaces). Most of the independent commercial spaces required at minimum 2-3 year lease periods and would require some additional monthly utilities costs as well as furniture fit/out costs. Additionally, most places either lacked public accessibility, parking, or were isolated from other similar organizations.

The team toured at least 4 spaces to review feasibility, and found that the quality of the Baker Ripley facility, with its various shared and accessible meeting rooms, function rooms, common area perks, printing/wifi and reception area support, was an improved location for the organization. In addition the ability to expand partnerships with other community development organizations was a bonus.

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

FY20 Budget for rent was \$75,000 and we have expended approximately 38,115 to date. With deposit for new space, and first month rent, our FY20 spend is 50,066.61. Our FY21 budget will be set with this new lease in mind.

#### 4. Final Analysis:

- Rent @4875 (11 desks, 1130 SF; w/ team/conference table within space) compares to \$4765 at 1919 (current lease plus two additional desks—need more space post COVID 19—overall about 900 SF)
- Monthly printing budget (will supplement our printer and will avoid additional cost/copies) and free wifi (unless we secure own)
- Minimal costs for new furniture (table, files)
- Flexible lease arrangement—and locking in rates for 2 years.
- Secured Key card access to building, elevator, and our own HLB area

#### Advantages of Amenities

##### Professional look/feel of the building

- Class A new office finishes
- Signage opportunity at reception area
- WINDOWS!!!! w/ Downtown view
- Our floor specifically designated to house other socially minded non-profits or non-profit support

##### Transportation:

- Secured key card access to covered parking in garage
- Parking validation for board members/guests
- On Green Metro Rail line immediately in front of Lockwood/Eastwood Station

##### Guest reception is handled by Baker staff (frees up staff time/efforts)

- Catering also handled and set up by Baker staff (frees up staff time/efforts)

##### 20 meeting rooms of various sizes (first come first serve)

- Private training/meeting room w/ access to kitchen—beer/wine bar
- Board Room for use
- LARGE Outside furnished patio to host events

##### Mail room/deliveries onsite

##### Shared kitchen/breakroom

##### Professional cleaning services





**COLLABORATIVE WORKSPACE AGREEMENT**

**Between  
BakerRipley  
And  
Houston Land Bank**

**PARTIES:** BakerRipley (“We” or “Us”) and **Houston Land Bank** (“You”) are entering into this Collaborative Workspace Agreement (“Agreement”) on May 18, 2020 (“Effective Date”).

**WORKSPACE:** We will provide You workspace [ ] (“Workspace”) located on the 4<sup>th</sup> floor of 4450 Harrisburg Blvd., Houston, Texas 77011 (“Premises”) to accommodate up to fifteen (15) members.

**USES:** You can use the Workspace for general office and administrative use. You can only use the Workspace for another purpose if We give prior written consent, which We will not unreasonably withhold.

The building at 4450 Harrisburg (“Building”) has regular hours of operation from 8 a.m. to 5 p.m. Your hours of operation may be different for Your Workspace, and You will have access to Your Workspace 24 hours a day, seven days a week.

**TERM:** The Term begins on the Effective Date and continues until the last day of the first full calendar month. Thereafter, the Term shall continue on a month-to-month basis until terminated by either Party with thirty (30) days written notice.

**NOTICE ADDRESSES:**

If to Us:  
BakerRipley  
P.O. Box 231808  
Houston, Texas, 77223  
contracts@bakerripley.org

If to You:  
Houston Land Bank  
Attn: Anne G. Haynes  
P.O. Box 131106  
Houston, Texas 77219

With a copy to:  
Winstead PC  
Attn: K. Gregory Erwin  
600 Travis Street, Suite 5200  
Houston, Texas 77002  
Phone: 713-650-2781

**SECTION I: PAYMENTS**

- 1. MEMBERSHIP FEE:** You will pay Us monthly installments of four thousand eight hundred and seventy five dollars (\$4,875.00), payable in advance on the first day of each month. In the event that You become a member after the first day of the month in which You join, You will

be responsible for paying a pro-rated amount for that first month upon the signing of this Agreement. An outline of your membership type is attached as Exhibit A. Your Membership Fee shall be locked in for twenty-four months after which point We reserve the right to change Your Membership Fee at any time with a sixty (60) day written notice.

2. **PAYMENTS:** Additional fees such as rental fees for event spaces will be payable upon order. You will pay Us Membership Fees and any other fees ACH payments. You will pay a five percent (5%) late fee for each payment that is not paid within five (5) days after its due date.
3. **SECURITY DEPOSIT:** You will pay Us a security deposit of one month's Membership Fee when You sign this Agreement. We will return Your security deposit within thirty (30) days after this Agreement is terminated, if You leave the Premises in the condition that it was in when this Agreement began. If We keep Your security deposit, we will provide You a itemization of our withholdings.

## **SECTION II: TERMS OF AGREEMENT**

1. **PROPERTY INSURANCE:** BakerRipley and You will each maintain appropriate insurance for their own interests in the Premises and the property located on the Premises. We will be named as an additional insured in such policies. Prior to the first day of this Agreement, You will provide Us documents confirming that (a) adequate insurance is issued by companies reasonably satisfactory to Us, and (b) You will ensure that We will receive written notice from the insurer prior to termination of these insurance policies.
2. **LIABILITY INSURANCE:** You will maintain liability insurance on the Premises of at least one million dollars (\$1,000,000.00) in total and We will be named as an additional insured. Prior to the first day of this Agreement, You will provide Us documents confirming that (a) adequate insurance is issued by companies reasonably satisfactory to Us, and (b) You will ensure that We will receive written notice from the insurer prior to termination of these insurance policies.
3. **OTHER INSURANCE:** You will maintain workers compensation insurance coverage for employees who will use the Workspace. You will provide Us documents confirming that (a) adequate insurance is issued by companies reasonably satisfactory to Us, and (b) We will receive written notice from the insurer prior to termination of these insurance policies.
4. **OUR RESPONSIBILITIES:** We will:
  - a. Keep in good condition the building, driveways, and sidewalks;
  - b. Maintain the utilities and services associated with electricity, water, sewage, gas, heating, garbage and trash disposal, and WiFi access;
  - c. Maintain any workstations that We have provided for Your use;

- d. Maintain, sanitize, clean, and repair all common areas;
- e. Provide business services for use on the fourth floor, including printers, copiers, scanners, work stations, and break rooms stocked with snacks and coffee supplies;
- f. Provide reception services on the second floor of the Premises during the Premises hours of operation; and
- g. Pay all real estate taxes.

**5. YOUR RESPONSIBILITIES:** You will follow the Community Guidelines incorporated herein as Exhibit B, including but not limited to:

- a. Helping Us maintain general cleaning and upkeep of common areas;
- b. Maintaining general cleaning and upkeep of Your Workspace;
- c. Notifying Us immediately if there is any damage to the Premises; and
- d. Maintaining a professional environment for Your Workspace and for the others on the Premises.

**6. STRUCTURAL CHANGES TO THE WORKSPACE.** You cannot make any structural changes to the Workspace unless We agree to it in writing beforehand. If You make any structural changes/modifications to the Workspace, You agree that you will return the Workspace to its original condition/layout when You cancel this Agreement.

**7. COMMON AREAS**

- a. You will have non-exclusive rights during the Term of this Agreement to use designated automobile parking areas, for Your employees and guests.
- b. You will have non-exclusive rights during the Term of this Agreement to use meeting and conference rooms on the second, third and fourth floor of the Building. These rooms are available via reservation on a first come first serve basis.
- c. You will have non-exclusive rights during the Term of this Agreement to rent space for a fee for special events on the second floor or other common areas of the Premises.
- d. We can re-designate a common area for a non-common use or designate as a common area a portion of the Premises that wasn't previously designated a common area.
- e. We will notify You if there is a foreseeable need to close a common area for repair or maintenance or for other business needs. We reserve the right to close common areas without notice in the event of an emergency or if We believe that there is an immediate need to do so.

**8. ACCESS BY US**

- a. Subject to Your consent, which You will not unreasonably withhold, We will have the right to enter the Workspace to make inspections or provide necessary services.
- b. We do not assume any liability for the care or supervision of the Workspace other than properly securing the Workspace after access.
- c. If there is an emergency, We can enter the Workspace without Your consent.

- 9. REMEDIES:** If You fail to comply with any of the terms of (a) this Agreement or any amendments to this Agreement or (b) Our Community Guidelines attached here and incorporated as Exhibit B, We will have the right to terminate this Agreement and recover all damages permitted by law, provided that (i) any failure to pay an installment of Membership Fees or other monetary obligation continues in excess of five (5) days after receipt of written notice from Us of such failure, or (ii) the failure to comply with any non-monetary obligation is not cured within thirty (30) days of receipt of written notice of such failure from Us. If this Agreement is terminated by either Party, You will have the following timeline to remove your items from the Premises, based on your Membership type:
- a. Common Area Coworking Membership: 24 hours
  - b. Shared Space Dedicated Desk Membership: 15 days
  - c. Dedicated Space Private Office: 30 days

- 10. SIGNAGE:** If You have a private office, You may post a sign for Your organization on the second floor at BakerRipley Central in the reception area. The sign will be a vinyl applied graphic, no more than 6 inches by 24 inches. The sign may include Your organization's name and/or logo. If You have a private office, You may also post Your organization's name and/or logo on the glass front wall of your workspace. The name must be in two inch high white vinyl die cut letters. Any signage must be approved by Us. You will use a vendor approved by Us and You will be responsible for paying for the sign.

**11. HEALTH AND SAFETY:**

- a. If You or any of Your guests or visitors is diagnosed with a communicable disease, You agree to inform Us, through Our Workspace representative, as soon as reasonably possible, but not later than twelve (12) hours.
- b. If any BakerRipley staff or Coworking Member working at or visiting the Building, including any guests, visitors, or invitees is diagnosed with any communicable disease, You understand that the Building, including the Premises, shall be closed for deep cleaning and other remediation. We reserve the right to keep the Building closed for as long as necessary for public health related circumstances and You understand and agree that such action shall not place Us in breach of this Agreement.
- c. Any person who has been diagnosed with any communicable disease or may have been in contact with any communicable disease shall remain out of the Building, including the Premises and should follow the directions of health officials regarding matters such as self-quarantine.

**SECTION III: GENERAL TERMS AND CONDITIONS**

- 1. INDEMNITY:** Each party agrees to completely indemnify, defend, and hold harmless the other party, its corporate affiliates, and its officers, directors, employees, volunteers, agents,

and representatives, against any claims, losses, allegations, demands, lawsuits, judgments, or other litigation against the other party to the extent they are caused by or result from any act or omission of that party or any agent representative, or employee of the party on account of death, personal injury, or property damage or on account of the breach by the party of any of its representations, covenants, or agreements set forth in this Agreement.

2. **DISPUTE RESOLUTION:** The parties will settle any dispute arising from this Agreement through binding arbitration under the rules of the American Arbitration Association in Houston, Texas. Judgment based on an arbitration award may be entered in any court of competent jurisdiction.
3. **ASSIGNABILITY:** You may not assign or sublet any interest in the Workspace, nor assign or pledge this Agreement, without Our prior written consent, which shall not be unreasonably withheld.
4. **GOVERNING LAW:** This Agreement will be construed in accordance with the laws of the State of Texas.
5. **WAIVER:** The failure of either party to enforce any provision of this Agreement will not be construed as a waiver of that party's right to subsequently enforce \ compliance with every provision of this Agreement.
6. **ENTIRE AGREEMENT:** This document is the entire agreement between the parties and takes the place of any prior agreements, understandings or commitments of the parties, written or oral. The parties can amend this agreement only if both parties agree to the amendment in writing.

The person signing below on behalf of each party represents and warrants that they are duly authorized to execute and deliver this Agreement on behalf of that party and that this Agreement is binding upon the party in accordance with its terms.

**MEMBER**

**DATE**

  
\_\_\_\_\_  
Nicholas Hall  
Chairman of the Board

May 7, 2020  
\_\_\_\_\_

**BAKERRIPLEY**

**DATE**

\_\_\_\_\_  
Rene Solis  
Chief Program Officer

\_\_\_\_\_

## Exhibit A

### Coworking @ BakerRipley Central Membership Types

- Common Area Coworking Membership for one (1) member with Workspace access Monday through Friday from 8:00 am to 5:00 pm.
- Shared Space Dedicated Desk Membership for one (1) member with 24/7 Workspace access.
- Dedicated Space Private Office for fifteen (15) members with 24/7 Workspace access.



BOARD OF DIRECTORS MEMORANDUM

Date: May 14, 2020

Re: Houston Land Bank Housing Initiative – First Round of Lot Disposition

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**1) OVERVIEW** - The Program Committee and Staff have engaged in an extensive collaborative effort to facilitate the first round of lot sales in HLB's inventory under the new Program Guidelines. The 32 approved HLB builders were invited to the public website site which listed each lot for sale in the targeted Sunnyside neighborhood and participated in two detailed presentations on the new program guidelines and pricing, as well as information needed to make a proposal for purchase. The approved builders were then allowed a specific amount of time to submit letters of interest and an application, which included plans/specs, pricing, and a projected timeline to build, for each lot they wished to purchase. During the submission period, Staff held open houses each Wednesday for 3 weeks to answer any questions the builders had regarding the new Program Guidelines and submission process. Once the submission period ended, the review period began. The review was comprised of a multi-step process that first included verification of submission of the required documents, such as evidence of entity formation and income taxes, and a subsequent ranking of applications based on proposed price per square foot, neighborhood context, home enhancements, demonstrated track records, and proximity to other current developments—all as were outlined in the board approved program guidelines.

This thorough review allowed for a complete scoring of each lot application from the builders. Each proposal was reviewed by at least two staff members, and then reviewed as a group to finalize the recommendations. Recommendations were made to the Program Committee, who reviewed the documentation presented by the builders, as well as the staff scoring process and recommendations.

Out of all of the approved HLB builders, there were 8 builders who submitted applications. The Program Committee is pleased to announce that 7 of the 8 will be able to participate in the first round of sales, because they were each awarded at least 1 lot to purchase. Staff has been in communication with the builders to ensure that they are still interested in the lots, and only one declined the award due to the current economy. There will be a total of 14 of the 26 listed lots sold in the first round for an estimated total of \$311,002 sales revenue to HLB. The remaining 12 lots will be reanalyzed and put up for sale in the next round. The Program Committee is now reviewing the guidelines and process (timeline) with staff to make slight revisions as well as reviewing the next set of lots that will be put up for sale.

**2) RECOMMENDATION** -Consideration and possible action to accept Program Committee and Staff builder lot selection recommendations for the HLB Housing Initiative. Next steps will be to enter into contract with the Builders for these lots.

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

<b>Builder</b>	<b>HCAD</b>	<b>Address</b>	<b>Purchase Price</b>	<b>Request</b>	<b>Next Steps</b>
Silver Circle	1. 0761950110131 2. 0511540460009	1. 4433 Elmwood 2. 7822 Jester	1.\$17,695 2.\$16,247	Recommendation for lot award	Placed on agenda for Board approval

<b>Builder</b>	<b>HCAD</b>	<b>Address</b>	<b>Purchase Price</b>	<b>Request</b>	<b>Next Steps</b>
Next Generation Homes	1. 0641550000024 2. 0470580000044	1. 4323 Rosemont 2. 8610 Amadwe	1.\$20,170 2.\$13,907	Recommendation for lot award	Placed on agenda for Board approval

<b>Builder</b>	<b>HCAD</b>	<b>Address</b>	<b>Purchase Price</b>	<b>Request</b>	<b>Next Steps</b>
SXG Capital Group	1. 0650100130009 2. 0641680290019 3. 0761950030017 4. 0511630000003	1. 1221 Vera Lou 2. 3000 Galesburg 3. 4353 Knoxville 4. 0 Bowen	1.\$37,929 2.\$19,225 3.\$16,074 4. \$20,169	Recommendation for lot award	Placed on agenda for Board approval

<b>Builder</b>	<b>HCAD</b>	<b>Address</b>	<b>Purchase Price</b>	<b>Request</b>	<b>Next Steps</b>
MHL Properties	1. 0761950040019 2. 0761950040020	1. 4350 Knoxville 2. 4354 Knoxville	1.\$23,936 2.\$15,110	Recommendation for lot award	Placed on agenda for Board approval



<b>Builder</b>	<b>HCAD</b>	<b>Address</b>	<b>Purchase Price</b>	<b>Request</b>	<b>Next Steps</b>
Special Champions	1. 0761950140161	1. 4401 Sterling	1.\$10,673	Recommendation for lot award	Placed on agenda for Board approval

<b>Builder</b>	<b>HCAD</b>	<b>Address</b>	<b>Purchase Price</b>	<b>Request</b>	<b>Next Steps</b>
Elevate Homes (Subject to builder confirmation)	1. 0470580000024	1. 8610 Lee Otis	1.\$14,990	Recommendation for lot award	Placed on agenda for Board approval
	2. 0690150090005	2. 4334 Brinkley	2.\$21,129		

<b>Builder</b>	<b>HCAD</b>	<b>Address</b>	<b>Purchase Price</b>	<b>Request</b>	<b>Next Steps</b>
Embracing Destiny (Subject to builder confirmation)	1. 0641680160004	1. 3910 Lowden	1. \$14,903	Recommendation for lot award	Placed on agenda for Board approval