



**BOARD OF DIRECTORS REGULAR MEETING
September 9, 2021**

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**houston
landbank**

Board of Directors Regular Meeting Agenda

Thursday, September 9, 2021

Noon Central time

Note: This meeting will be held by videoconference due to the resurgence of COVID-19. To access and view the meeting online, please go to:

<https://us02web.zoom.us/j/84192724925>

Or join by phone by calling:

877-853-5247 or

888-788-0099

Meeting ID: 841 9272 4925

The recording will be posted online after the meeting. Please contact info@houstonlandbank.org or call us at 281-655-4600 with any questions.

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AGENDA

- I. Call to Order and Roll Call
- II. Public Speakers
Speakers must be registered in advance by 5 p.m. on Wednesday, September 8, 2021. To register, please use the online form at www.houstonlandbank.org/resources, e-mail info@houstonlandbank.org or call 281-655-4600. The Chair will call on speakers and allow three minutes per speaker.
- III. Consideration and Adoption of Meeting Minutes
 - a. August 12, 2021 Board Meeting
- IV. Chairman's Greeting: Matt Zeis
- V. Committee Reports:
 - a. Executive Committee: Matt Zeis, Chair
 - b. CEO Search Committee Update (Denise Smith and Raven Lightsey, Denise Smith Consulting): Matt Zeis, Chair
 - c. Finance Committee: Laurie Vignaud, Chair
 1. Monthly Financial Report

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- d. Partnership and Program Development: Courtney Johnson Rose, Chair
 - 1. Committee Recommendation Regarding Potential Lease of Real Estate to Ivy Leaf Farms
 - e. Real Estate Acquisition and Disposition: Victor Mondragón, Chair
 - 1. Committee Recommendations Regarding Proposed Builder Contract Amendments and Increased Home Prices
 - 2. Committee Recommendations Regarding Lot Sale for the Traditional Home Builders Program
 - f. Procurement and Oversight: Jesus DeAnda, Chair
 - 1. Procurements Overview
 - 2. Annual Policy Review Process Update
- VI. President's Report: Gonzalo Gonzalez, Interim CEO/President
- VII. Mayor's Office/Complete Communities Report: Ex Officio Director Christa Stoneham
- VIII. Board Action Items
- a. Consideration and Possible Action to Approve Real Estate Acquisition and Disposition Committee Recommendations Regarding Lot Sales Under the Traditional Home Builder Program
 - 1. 6626 Hoffman – HCAD #0660250110903 – MHL Properties, LLC (Builder) – Sales Price \$14,002 – Maximum Home Sale Price \$209,469 (Trinity Gardens)
 - b. Consideration and Possible Action to Approve Partnership and Program Development Committee Recommendation to Execute a No-Cost Lease with Ivy Leaf Farms for the Property at 8524 Scott Street
 - c. Consideration and Possible Action to Accept Real Estate Acquisition and Disposition Committee Recommendations of SBP (The St. Bernard Project Inc.) Contract Amendments for Maximum Sales Price Increase Requests on Four Homes Under the HLB Traditional Homebuyer Program
 - 1. 8206 Orebo – HCAD #0162630000211 – 1,506 SF – Recommend Increase from \$163,938 to \$194,790 to Address Increased Costs of \$30,852 (Acres Homes)
 - 2. 8202 Orebo – HCAD #0162630000210 – 1,506 SF – Recommend Increase from \$163,938 to \$194,790 to Address Increased Costs of \$30,852 (Acres Homes)
 - 3. 8118 Orebo – HCAD #0162630000209– 1,506 SF – Recommend Increase from \$163,938 to \$194,790 to Address Increased Costs of \$30,852 (Acres Homes)



4. 6813 Bethune – HCAD #0781250060179 – 1,495 SF – Recommend Increase from \$162,871 to \$193,907 to Address Increased Costs of \$31,548 (Acres Homes)

IX. Executive Session

a. Discussion Regarding the Value or Transfer of Real Property

NOTE: The Houston Land Bank Board may go into executive session, if necessary, pursuant to Chapter 551 of the Texas Government Code, for one or more of the following reasons: (1) consultation with its legal counsel to seek or receive legal advice or consultation regarding pending or contemplated litigation; (2) discussion about the value or transfer of real property; (3) discussion about a prospective gift or donation; (4) consideration of specific personnel matters; (5) discussion about security personnel or devices; or (6) discussion of certain economic development matters. The Board may announce that it will go into executive session on any item listed on this agenda if the subject matter is permitted for a closed session by provisions of Chapter 551 of the Texas Government Code.

Discussion may occur in executive session as provided by State law, but all Board actions will be taken in public.

- X. Action Items from Executive Session
- XI. Board Member Comments
- XII. Adjournment



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

August 12, 2021

A regular meeting of the Board of Directors ("Board") of the Houston Land Bank ("HLB"), a Texas non-profit corporation created and organized by the City of Houston as a local government corporation pursuant to the Texas Transportation Code Annotated, Section 431.101, *et seq.*, and the Texas Local Government Code Annotated, Section 394.001 *et seq.*, was held by video conference due to the City of Houston Stay Home Work Safe Order, and Governor Abbott's Executive Order Regarding Public Meetings during the time of the COVID 19 pandemic in Houston, Texas, on Thursday, August 12, 2021 at 12:00 p.m. Written notice of the regular meeting, which included the date, hour, place and agenda for the regular meeting, was posted in accordance with the Texas Open Meetings Act.

Board members in attendance were:

Matt Zeis	Juan Cardoza-Oquendo
Christa Stoneham	Janae Ladet
Antoinette Jackson	Courtney Johnson Rose
David Collins	Victor A. Mondragón
Laurie Vignaud	Carol Galloway

Board member absent were: Jesus DeAnda, John David Vasquez, Pastor Steve Hall, and Tonzaino Bailey. Others in attendance included: Jennifer Allison, Vice President of Operations and Programs for HLB; David Benson, Director of Organizational Excellence for HLB; Ivan Zapata, Manager of Real Estate and Acquisitions for HLB; Greg Erwin and Mark Glanowski (Paralegal) of Winstead PC, outside legal counsel for the HLB; Gonzalo Gonzalez, Vice President of Finance and Accounting for HLB; Gracie Saenz, In-house counsel for HLB; Ron Butler, Manager–Property Maintenance for HLB; Donesha Albrow, Homebuyer Assistance Manager for HLB; Nick Foran of the HLB Advisory Board; Ray Hendricks; and Daniel Saenz.

I. Call to Order and Roll Call

Chairman Zeis called this regular meeting to order at 12:03 p.m. A roll call of the Board members in attendance immediately followed. Chairman Zeis announced that a quorum of the Board was present.

II. Public Speakers

Nothing to report.

III. Consideration and Adoption of Meeting Minutes

a. June 10, 2021 Board Meeting

Chairman Zeis noted that the minutes for the June 10, 2021 regular meeting of the Board of Directors were previously circulated for review and comment. He asked if there were any comments for discussion to such minutes. Hearing none, he requested a motion to approve and adopt such minutes as written.

Director Collins made a motion to adopt the minutes of the June 10, 2021 Board Meeting as written, which motion was then duly seconded by Director Galloway and passed with the unanimous vote of the Board.

IV. Chairman's Greeting: Matt Zeis

Chairman Zeis thanked the Board members in attendance for volunteering and being available for this meeting. He informed the Board that the search for a new President/CEO is moving forward. The candidates for the President/CEO position will be considered by the Board for approval.

V. Committee Reports:

a. Executive Committee: Matt Zeis, Chair

Chairman Zeis announced that the Executive Committee met last week to discuss the Traditional Builders program with regard to providing more lots to builders requesting more lots than currently permitted under this program. The committee also discussed the update of the New Home Development Program with the Houston Housing Director. Chairman Zeis noted that the committee also discussed the Round 5 lot sale which will occur within the next month or thereafter, and the RFP for the new round of home builders.

b. Finance Committee: Laurie Vignaud, Chair

Ms. Vignaud stated that the Finance Committee met yesterday and requested Mr. Gonzalez to present the report.

1. Monthly Financial Report

Mr. Gonzalez stated that the annual audit for Fiscal Year 2021 was ongoing. The committee also discussed (a) the financial review concerning the key performance indicators, (b) the Fiscal Year 2022 Budget update, and (c) the Treasury update with regard to banking.

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

Director Stoneham stated that the Partnership and Program Development Committee met and discussed activating lots which cannot be utilized for housing and the request from Ivy Leaf Farms to use a HLB lot on Scott Street for a farmers market. She explained that this lot would

not be used for growing vegetables but rather to market products by local businesses to the public. She noted that Ivy Leaf Farms has a farm in the vicinity of this HLB lot where it grows produce.

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

Director Mondragón stated that the READ Committee met on July 30, 2021 and discussed a number of requests from builders for sales price increases on houses constructed. He noted that amendments to the lot acquisition contracts are on today's meeting agenda for consideration. Director Mondragón then informed the Board that lumber prices on NASDAQ were down this morning. The committee also discussed establishing a different framework for determining the sales price for a house rather than just by income levels and providing custom finishes on houses for certain neighborhoods to suit the needs of the community. Director Collins requested clarification with regard to such custom finishes. Director Mondragón explained that these custom finishes may include, but not be limited to, an outdoor patio, more insulation, better windows, and additional bedrooms/bathrooms. In conclusion, Director Mondragón reported that the READ Committee also discussed the upcoming Round 5 lot sales to HLB approved homebuilders.

e. Procurement and Oversight Committee: Jesus DeAnda, Chair

Director DeAnda was not present for this meeting and therefore no report was presented.

VI. President's Report: Gonzalo Gonzalez, Interim CEO/President

Mr. Gonzalez announced that seven (7) houses were sold in July and that the community outreach event for the Settegast area was held recently and attended by approximately fifty (50) residents and the project design company, APD Urban Planning and Management. This event focused on gathering input from the residents concerning the Settegast area's direction and development. The event was the first of a series of community engagement events to be organized with regard to HLB's development of its lots in Settegast. He also noted that HLB received a grant from the AARP in participation with Urban Harvest for improvements at the Harry Holmes Healthy Harvest Community on a HLB lot Garden in the Sunnyside area. Mr. Gonzalez stated that HLB needs to expedite the permitting process with the city of Houston for construction of affordable houses by its builders. He further stated that the posting of a Request for Qualifications for builders is targeted for the week of August 9-13 and is intended to expand the homebuilder pool's capacity to develop new affordable houses on HLB lots through the Traditional Builder Program.

Director Collins requested information as to the location and sales prices for the seven houses sold in July. Mr. Gonzalez stated that he did not have such information with him for today's meeting but will send that information to the Board after the meeting.

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

Director Stoneham reported on the project launch of the Empowerment Center located in Acres Homes last Saturday. This center will also include revitalization of the farmers market, community garden, and cooking demonstrations. She also informed the Board that she is working on a fund for Pre-K early learning classes.

VIII. Board Action Items

a. Consideration and Possible Action to Designate Chief Operating Officer Gonzalo Gonzalez as Interim President and CEO with Corresponding Signatory and Budgetary Authority

Chairman Zeis stated that approval of this item will designate Chief Operating Officer Gonzalo Gonzalez as the interim president and CEO of the Houston Land Bank and will delegate corresponding signatory and budgetary authority to this interim position during the period the Board conducts its search for a new president and CEO.

Due to Anne Gatling Haynes' resignation as president and CEO effective July 30, 2021, Chairman Zeis announced that Chief Operating Officer Gonzalo Gonzalez is willing to serve as the interim president and CEO. Via the minute entry in the Board's official minutes, this item provides for the Board to formally delegate interim authority as president and CEO to Mr. Gonzalez.

Mr. Gonzalez will be responsible for all duties and oversight associated with the president and CEO position and will also carry the related budgetary and signatory authority for the HLB until the Board approves a new permanent president and CEO. This item further ratifies any actions or signatures taken by Mr. Gonzalez as interim president and CEO between July 30, 2021 and the Board meeting at which this item is considered for approval.

Director Cardoza-Oquendo made a motion to designate Chief Operating Officer Gonzalo Gonzalez as the Interim President and CEO with corresponding signatory and budgetary authority, which motion was duly seconded by Director Mondragón and passed with the unanimous vote of the Board.

b. Consideration and Possible Action to Accept Real Estate Acquisition and Disposition Committee and Staff Recommendation of MHL Contract Amendments for Maximum Sales Price Increase Requests on Three Homes under the HLB Builder Traditional Program

Chairman Zeis stated that approval of this item will authorize contract amendments as recommended by the READ Committee with HLB approved builder MHL Properties, LLC, granting increases to the original contracted sales prices for three houses under construction.

In the way of background, MHL Properties, LLC purchased three lots in Sunnyside (having addresses of 4350 Knoxville, 4354 Knoxville, and O Brinkley) from HLB in June 2020. MHL Properties, LLC is now requesting increases to the sales prices as the result of

unanticipated work required by the city of Houston, including installation of over 150 linear feet of 8" water line under the right of way, installation of a fire hydrant, and multiple street cuts, along with the market price increases for lumber and construction materials. Director Mondragón reported that MHL Properties, LLC has provided evidence that it incurred approximately \$62,000 in additional expenses among the three houses, however, the cumulative sales price increases requested is approximately \$47,000. This amount will be applied among the three houses, however not always in proportion to the evidenced increase in costs for each such house. Pursuant to the 2021 study commissioned by HLB, the proposed new sales prices still fall below the average price of a newly constructed home in the same area (approximately \$217,000). He noted that requests from several builders were denied because of a lack of information to back up the sales price increase requests. Director Mondragón mentioned that the READ Committee agreed to recommend these sale price increases prior to the scheduled July 2021 Board of Directors meeting.

Proposed Price Increase Information:

- 4350 Knoxville 77051 (1,680 square feet of living space)
 - Original Sales Price: \$208,850
 - Demonstrated Increased Costs of \$25,885
 - Requested Sales Price \$212,000 (increase of \$3,150)

- 4354 Knoxville 77051 (1,360 square feet of living space)
 - Original Sales Price: \$183,928
 - Demonstrated Increased Costs of \$24,784
 - Requested Sales Price \$203,68 (increase of \$19,740)

- O Brinkley (1360 square feet of living space)
 - Original Sales Price: \$179,416
 - Demonstrated Increased Costs of \$12,285
 - Requested Sales Price \$203,668 (increase of \$24,252)

Director Mondragón made a motion to accept the READ Committee and staff recommendations to amend the MHL Properties, LLC contracts with regard to the maximum sales price on three houses, which motion was duly seconded by Director Vignaud and passed with the unanimous vote of the Board.

IX. Executive Session

- a. Discussion Regarding the Value or Transfer of Real Property

Nothing to report.

X. Action Items from Executive Session

Nothing to report.

XI. Board Member Comments

Nothing to report.

XII. Adjournment

Chairman Zeis asked if there were any additional matters to be considered by the Board. Hearing none, the regular Board meeting adjourned at 12:37 p.m. upon the motion of Director Collins, which was duly seconded by Director Galloway and passed with the unanimous vote of the Board.

Minutes Prepared By:

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

Signed on the ____ day of _____, 2021.

Secretary



Houston Land Bank

Balance Sheet
As of July 31, 2021

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Chase-Operations - 8465	892,316.11
Money Market - Lot Acquisition - 7058	388,949.68
Money Market Unrestricted - 7066	2,037,469.11
MoneyMarket-Unrstr.C Resev 5577	18,025.16
Petty Cash	12.63
Total Bank Accounts	\$3,336,772.69
Accounts Receivable	
Accts Receivable	696,010.70
Total Accounts Receivable	\$696,010.70
Other Current Assets	
Prepaid Expenses	
Prepaid Acquisition Costs	41,321.95
Prepaid Insurance	11,002.79
Prepaid Rent	4,875.00
Prepaid Subscription Services	42,663.28
Total Prepaid Expenses	99,863.02
Total Other Current Assets	\$99,863.02
Total Current Assets	\$4,132,646.41
Fixed Assets	
Equipment	12,005.12
xAccum. Depreciation	-5,327.05
Total Fixed Assets	\$6,678.07
Other Assets	
Earnest Fee	125,100.00
Investments Held For Sale	9,052,127.01
Security Deposit	4,875.00
Total Other Assets	\$9,182,102.01
TOTAL ASSETS	\$13,321,426.49



Houston Land Bank

Balance Sheet
As of July 31, 2021

	TOTAL
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	116,597.25
Total Accounts Payable	\$116,597.25
Credit Cards	
Chase Credit Card	5,937.29
Total Credit Cards	\$5,937.29
Other Current Liabilities	
Due to Tax Assessor	7,515.06
Liabilities Due to HCDD	350,021.40
Liabilities Due to HLB	37,747.46
Total Other Current Liabilities	\$395,283.92
Total Current Liabilities	\$517,818.46
Total Liabilities	\$517,818.46
Equity	
Retained Earnings-1	12,680,661.00
Net Income	122,947.03
Total Equity	\$12,803,608.03
TOTAL LIABILITIES AND EQUITY	\$13,321,426.49



Houston Land Bank

Profit and Loss

July 2021

	TOTAL
Income	
Acquisition and Development Agreement	
Acquisition Proceeds	26,914.86
Disposition of Lots	63,530.00
Disposition Proceeds	5,817.94
Total Acquisition and Development Agreement	96,262.80
Administrative Fees	7,500.00
Operations Agreement	190,281.88
Total Income	\$294,044.68
GROSS PROFIT	\$294,044.68
Expenses	
Admin - Other	
Advertising & Marketing	836.00
Bank Service Charges	187.78
Company Insurance	
General Liability	1,058.25
Officers & Directors Liability	729.13
Total Company Insurance	1,787.38
Computer and Internet Expenses	9.99
Conference & Meeting	125.00
Depreciation Expenses	200.09
Dues and Subscription	755.71
Office Expenses	166.71
Leasing Office Equipment	241.25
Office Supplies	-254.98
Total Office Expenses	152.98
Rental and Lease Expense	4,875.00
Software Usage	5,502.22
Storage Rental	78.00
Telephone Expense	642.16
Total Admin - Other	15,152.31
Employee Cost	
Health Insurance	7,452.16
Payroll Services Fee	182.20
Payroll Taxes	3,691.25
Retirement	974.67
Wages and Salary	47,933.75
Total Employee Cost	60,234.03
Legal Fees	9,287.70



Houston Land Bank

Profit and Loss

July 2021

	TOTAL
Professional Services	
Accounting Fee	7,220.00
Consulting Fee	25,237.75
Total Professional Services	32,457.75
Property Cost - Maintenance	
Property Expenses	
Special Lawn Mowing	250.00
Standard Lawn Mowing	51,457.37
Total Property Expenses	51,707.37
Total Property Cost - Maintenance	51,707.37
Property Cost - Disposition HLB	
Property Taxes	-1,794.97
Total Property Cost - Disposition HLB	-1,794.97
Property Cost -Disposition NHDP	
Cleaning and Supplies	600.00
Clearing and Lawn Maintenance - NHDP	3,360.00
Lots Sold - NHDP	12,433.04
xImpairment on Lot Sold - (Contra)	-10,984.91
Total Lots Sold - NHDP	1,448.13
Property Taxes - NHDP	-2,637.98
Repair and Maintenance	45.96
Security and Secure Property Co	790.80
Soft Cost of Construction - NHDP	100.00
Water and Utilities	487.40
Total Property Cost -Disposition NHDP	4,194.31
Total Expenses	\$171,238.50
NET OPERATING INCOME	\$122,806.18
Other Income	
Interest Income	140.85
Total Other Income	\$140.85
NET OTHER INCOME	\$140.85
NET INCOME	\$122,947.03



PRESIDENT'S REPORT - SEPTEMBER 2021

The monthly President's Report is intended to provide brief summaries of status and progress on important HLB projects and initiatives. If you would like more information on any of these items, please email ggonzalez@houstonlandbank.org. Thank you.

- **Round 5 Lot Sales Have Started:** Fifty-four HLB properties are now available for purchase by builders in Round 5 of our lot sales for the Traditional Homebuilder Program. Of the available lots, most will accommodate one single-family home but a few may be subdivided to accommodate multiple homes. Two of the lots are in Acres Homes, 29 are in Settegast and 23 are in Trinity Gardens.
- **New Home Development Program (NHDP) Acres Homes Tour:** Tom McCasland, director of the City's Housing and Community Development Department (HCDD), joined Board Chair Matt Zeis and HLB staff for an August 24 tour of finished homes constructed in Acres Homes for the NHDP. The group viewed more than half a dozen homes expected to be sold in the coming weeks and months, focusing on quality of craftsmanship and location of homes planned and under construction.
- **Banking Land and Building Affordable Homes:**
 - **Inventory Highlights**
 - 481 Properties/HCAD Parcels
 - 243 Holding for Housing (includes single lot and large parcels)
 - **HLB Home Building Initiative Highlights (Traditional Program)**
 - 21 homes sold in 2020
 - 33 homes sold in 2021 to date
 - 1 in August – Acres Homes neighborhood for \$209,000
 - 88 homes are under development
 - **New Home Development Program Highlights**
 - 12 Houses in inventory—2 homes currently under contract
 - Received 10 Excello homes in Acres Homes
 - 41 Houses SOLD since NHDP program's 2018 inception (29 HCLT, 12 Standard Sales)
 - **Acquisitions**
 - No new acquisitions for the NHDP program are being pursued, as all available funds are allocated or committed. A portion of the Yellow Cab

acquisition (3.2 acres in Near Northside) and a smaller neighborhood site at Harrisburg and Burr remain under contract.

- **Builder RFQ Posting:** Our August 31 Virtual Forum and Q & A Session for Builders was successful, with more than 30 people joining to learn more about the Builders RFQ we posted last month. We have already posted the PowerPoint presentation and video from the session on our website and plan to post responses to all questions received by the end of next week.
- **Procurement Calendar Update:** Included with this report is an updated version of the FY 2022 procurements timeline as reviewed with Procurement and Oversight Committee Chair Jesus DeAnda.
- **New Hire Will Houston Moves Data Conversion Forward:** Welcome to our newest staff member, Will Houston, who joined HLB last month as our new real estate analyst and inventory manager. Will is a native Houstonian with a finance background who is also a licensed Realtor; he is already making great progress with our inventory data conversion to accommodate a shift of systems from EPP to Tolemi. He is also validating our inventory data for improved internal and external reporting.
- **Progress on Long-Term Funding Agreement:** We are having productive conversations with HCDD leadership regarding adjustments to HLB's fiscal year 2022 budget enroute to an anticipated three-year funding agreement that will provide more clarity and certainty around future resources for continued operations.

FY 2022 HOUSTON LAND BANK PROCUREMENTS TIMELINE												
	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Marketing and communications strategy				On hold pending discussions with current marketing and website vendor								
Pre-development services -- construction inspections			To be procured as needed (likely informal outreach and securing quotes) based on workflow									
Pre-development services -- professional services	Posted June 2021 -- initiating evaluation of surveyor responses Aug. 2021 (first service group reviewed; other rounds may be needed for EPA grant work)											
Builders RFQ	Posted August 2021 -- responses due Sept. 2021 -- expect to present at Nov. Board meeting											
Real estate acquisition services				On hold pending verification of acquisition strategy and determination of opportunity to use marketing professionals under contract								
Property access improvements			Postponed for further review re COH permitting requirements -- expect reissue fall 2021									
Security services for homes in development				On hold pending scope development and assessment of need								
Audit												
Lot maintenance												
Lot maintenance	Completed in FY 2021											
Listing brokers RFP												
Legislative affairs/govt relations												
Planning RFQ/Settegast RFP												
Property management software												
Title company												



REQUEST FOR BOARD ACTION

Meeting Date: September 9, 2021

Agenda Item VIII.a.: Consideration and Possible Action to Approve Real Estate Acquisition and Disposition Committee Recommendations Regarding Lot Sales Under the Traditional Home Builder Program

ACTION SUMMARY

Approval of this item will direct and authorize staff to sell 6626 Hoffman (HCAD 0660250110903) in Trinity Gardens for \$14,002 to MHL Properties for construction of a new affordable home.

BACKGROUND/OVERVIEW

MHL Properties was awarded this lot in Round 2 sales as a "Hold Lot" under the Program Guidelines (Section III.D.), which require a builder to achieve at least 80 percent completion on construction of a current home prior to closing on any additional "hold lots." MHL Properties has passed the 80 percent completion mark on homes being constructed at 4350 Knoxville, 4354 Knoxville, 4543 Brinkley and 6713 Shotwell.

The "hold lot" approach is designed to allow continued production of affordable homes by experienced builders by reducing downtime between completion of a home and initiation of another. This helps to ensure a steady stream of affordable homes to the marketplace. As the new lot is near other MHL Properties homes constructed for HLB, the builder reports receiving interest from buyers with the potential for pre-sale of the new home at 6626 Hoffman to a qualified buyer.

Property/Sale Information:

- 6626 Hoffman Houston, TX 77028
 - o Legal Description: Lot 903 Block 11 Trinity Gardens Section 2
 - o HCAD: 066 025 011 0903
 - o Size: 10,296 square feet
 - o Sale Price to Builder: \$14,002
 - o Sale Price to Income Qualified Buyer: \$209,469

P.O. Box 131106, Houston, Texas 77219
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REQUEST FOR BOARD ACTION

Meeting Date: September 9, 2021

Agenda Item VIII.b.: Consideration and Possible Action to Approve Partnership and Program Development Committee Recommendation to Execute a No-Cost Lease With Ivy Leaf Farms for the Property at 8524 Scott Street

ACTION SUMMARY

Approval of this item will direct staff to execute a no-cost lease with Ivy Leaf Farms for the HLB lot at 8524 Scott Street in Sunnyside (HCAD #06416801700068524). The lease was reviewed and recommended by the Partnership and Program Development Committee.

BACKGROUND/OVERVIEW

Ivy Leaf Farms, owned and operated by native Houstonian and Sunnyside resident Ivy Walls, serves the Sunnyside area with programs dedicated to complete neighborhood wellness. Ivy Leaf Farms has expressed an interest in utilizing an HLB lot for community engagement. After a thorough analysis by HLB staff, the lot at 8524 Scott Street was deemed unsuitable for residential building and more appropriately used for another purpose because of its location adjacent to a commercial tire shop.

Ivy Leaf Farms plans to utilize the 5,230-square-foot property for the following purposes:

1. Managing a farmer stand and greenhouse trailer from which residents may pick up fresh organic produce from local farmers,
2. Planting a small field of flowers and greenery to enhance the aesthetics of the Lot and decrease illegal dumping, and
3. Facilitating the Black Farmer Box program where specially curated boxes can be sold directly within the community.

Consistent with other leasing of HLB properties for use as urban gardens, Ivy Leaf Farms will be allowed to utilize the property at no charge but will be required to carry adequate insurance, keep the lot well-maintained, and also provide status updates via pictures and written summaries throughout the entire lease period (anticipated as one year with the potential for annual renewals). Approval of this item carries with it a finding of public benefit and purpose in executing the proposed lease with Ivy Leaf Farms, as the planned use of the property is to enhance Sunnyside residents' access to fresh produce, improve the property's appearance, and reduce incidents of illegal dumping in the community.

This partnership with Ivy Leaf Farms will allow HLB to expand its community presence in Sunnyside, where a significant number of new homes are being constructed via HLB's Traditional Homebuilder Program and the City of Houston's New Home Development Program. HLB is to promote its efforts in Sunnyside through staff participation in Ivy Farms' programming and through placement of signage on the property.



REQUEST FOR BOARD ACTION

Meeting Date: September 9, 2021

Agenda Item VIII.c.: Consideration and Possible Action to Accept Real Estate Acquisition and Disposition Committee Recommendations of SBP (The St. Bernard Project Inc.) Contract Amendments for Maximum Sales Price Increase Requests on Four Homes Under the HLB Traditional Homebuyer Program

ACTION SUMMARY

Approval of this item will authorize contract amendments that enable increases to the original contracted sales prices of four homes being constructed by SBP (The St. Bernard Project Inc.). The price increases are recommended by the Real Estate Acquisition and Disposition Committee in response to SBP's documentation of increased building costs.

BACKGROUND/OVERVIEW

SBP purchased four lots in Acres Homes (8206 Orebo, HCAD #0162630000211; 8202 Orebo, HCAD #0162630000210; 8118 Orebo, HCAD #0162630000209; and 6813 Bethune, HCAD #0781250060179) in January 2021 and is building single-family homes on all four lots. The builder is requesting increases to the sales prices as the result of unanticipated design change requirements and market spikes in labor costs and construction materials (lumber, drywall, concrete, rebar, wiring, etc.). The increases in cost are equal to or greater than the requested increases in pricing. The increased sales prices still fall below \$195,000.

Price Increase Information:

- 8206 Orebo 77088 (1,506 square feet of living space)
 - o Original Sales Price: \$163,938
 - o Demonstrated Increased Costs of \$30,852
 - o Requested Sales Price \$194,790 (increase of \$30,852)

- 8202 Orebo 77088 (1,506 SF of living space)
 - o Original Sales Price: \$163,938
 - o Demonstrated Increased Costs of \$30,852
 - o Requested Sales Price \$194,790 (increase of \$30,852)

- 8118 Orebo (1506 SF of living space)
 - o Original Sales Price: \$163,938
 - o Demonstrated Increased Costs of \$30,852
 - o Requested Sales Price \$194,790 (increase of \$30,852)

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- 6813 Bethune (1,495 SF of living space)
 - Original Sale Price = \$162,871
 - Demonstrated Increased Costs of \$31,548
 - Requested Sales Price \$193,307 (increase of \$31,036)

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