

# houston land bank



## **BOARD OF DIRECTORS**

### **Regular Meeting**

**8 October 2020**

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houston  
landbank

**Board of Directors Regular Meeting Agenda**  
**Thursday, October 8, 2020 at 12 noon 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 online, please go to:

Join Zoom Meeting

<https://us02web.zoom.us/j/88628982367>

Meeting ID: 886 2898 2367

Or call in at:

346-248-7799

669-900-6833

888-788-0099

877-853-5247

Meeting ID: 886 2898 2367

*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 5 p.m. on Wednesday, October 7, 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 September 10, 2020 Regular Meeting

IV. Chairman's Greeting: Matt Zeis

V. Committee Reports:

a. Finance Committee: Laurie Vignaud, Chair

b. Program Committee: Curtis Lampley, Chair

1. Update on Proposed Round 2 Lot Sales for HLB Housing Initiative

c. Oversight Committee: Mario Castillo, Chair

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

- 1. Update on HLB Board Policy Review
- d. Partnerships Committee: Courtney Johnson Rose, Chair
- VI. President's Report: Anne Gatling Haynes, CEO/President
  - a. Monthly Activities
  - b. Lumber Pricing Update
  - c. Update on Establishment of Pre-Qualified Planning Contractors Pool
- VII. Board Action Items
  - a. Consideration and Possible Action to Adopt Updates to Houston Land Bank Policies
  - b. Consideration and Possible Action to Accept Program Committee and Staff Builder Lot Selection Recommendations for the HLB Housing Initiative
    - 1. 4306 Alvin – HCAD #0690150060010 – Proposed Sales Price \$23,842 (Proposed Purchaser/Builder: Oliver Builders)
    - 2. 8510 Safeguard – 0761490010010 – \$21,242 (Next Generation Development)
    - 3. 4403 Alvin – 0690150020015 – \$17,817 (Next Generation Development)
    - 4. 4328 Brinkley – 0690150090025 – \$16,417 (Next Generation Development)
    - 5. 7312 Hoffman – 0660250080797 – \$12,954 (Elevate Opportunity Zone Fund)
  - c. Consideration and Possible Action to Accept Program Committee and Staff Recommendation to Award Approved Builder, MHL Properties LLC, an Additional Lot under Revised Program Guidelines.
    - 1. 0 Brinkley – HCAD #0690150050031, Proposed Sales Price \$22,230
  - d. Consideration and Possible Action to Authorize the CEO/President to Execute a Contract with APD Urban Planning & Management in an Amount Not to Exceed \$83,918 for Urban Planning Services Related to Settegast Community Development Opportunity
  - e. Consideration and Possible Action to Accept the FY 2020 Annual Audit Report
- VIII. Board Member Comments
- IX. Executive Session

*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. Adjournment





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

**September 10, 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 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, September 10, 2020 at 12:00 p.m. Written notice of the regular meeting, which included the date, hour, place and agenda for the regular meeting, was posted in accordance with the Texas Open Meetings Act.

Board members in attendance were:

Matt Zeis	Curtis Lampley
David Collins	Jesus DeAnda
Carol Galloway	Victor A. Mondragón
Mario Castillo	

Board members absent were: Courtney Johnson Rose, Laurie Vignaud, Antoinette Jackson, John David Vasquez, and Pastor Steve Hall.

Others in attendance included: Anne Haynes, the CEO/President for the Houston Land Bank; Jennifer Allison, Property Operations and Engagement Manager of the Houston Land Bank; David Benson, Director of Organizational Excellence for HLB; Marye Barba, Administrative Assistant for HLB; Ivan Zapata, Program 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, Director of Finance and Accounting for HLB; Gracie Saenz, In-house counsel for HLB; Darice Harris, Legal Counsel and Program Director for HLB; Christa Stoneham, Board Liaison Ex-Officio Board Member; Vincent Marquéz, of the HLB Advisory Board; and Kellen Zale, of the HLB Advisory Board.

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

Chairman Matt Zeis called the regular meeting to order at 12:07 p.m. A roll call of the Board members in attendance immediately followed. Chairman Zeis noted that a quorum of the Board was present.

**II. Public Speakers**

Chairman Zeis then requested Ms. Harris to introduce any persons who registered to address the Board at today's meeting. Ms. Harris asked if Porsche Brown was present, however, after waiting a few moments there was no response received from Ms. Brown.

Ms. Harris then announced that Ms. Brown was the only public speaker who registered to address the Board for this meeting.

### **III. Adopt Minutes of August 13, 2020 Regular Meeting**

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

Director Castillo made a motion to adopt the minutes of the August 13, 2020 regular meeting which motion was duly seconded by Director Galloway and passed with the unanimous vote of the Board.

### **IV. Adopt Minutes of August 27, 2020 Policy Workshop**

Chairman Zeis noted that the minutes for the policy workshop were previously circulated for review and comment. He asked if there were any comments for discussion to such minutes. Hearing none, Chairman Zeis requested a motion to adopt the minutes.

Director Galloway requested confirmation that this motion only adopts the minutes of the policy workshop meeting and not the actual Policies and Procedures document. Chairman Zeis confirmed that only the minutes related to the policy workshop meeting are to be adopted under this Agenda item.

Director Castillo made a motion to adopt the minutes of the policy workshop held on August 27, 2020 which motion was duly seconded by Director Galloway and passed with the unanimous vote of the Board.

### **V. Chairman's Greeting—Matt Zeis, Chair**

Chairman Zeis thanked the Board members in attendance for volunteering and being available for this meeting concerning this worthy cause. He then mentioned that the contractors are now being affected by increasing prices for lumber. HLB will need to monitor the prices of lumber to insure the home builders keep the house prices as affordable as possible.

### **VI. Committee Reports:**

#### **a. Finance Committee: Laurie Vignaud, Chair**

Chairman Zeis stated Ms. Vignaud is not present for today's Board meeting; therefore, he reported that the Finance Committee met to review the Profit/Loss Balance Sheet, a copy of which is in the Board packet for the meeting. He then mentioned that the Fiscal Year 2020 Audit is nearly complete. A draft of the Audit should be available for the October Board meeting.

**b. Program Committee: Curtis Lampley, Chair**

**1. Update on Proposed Round 2 Lot Sales for HLB Housing Initiative**

Director Lampley provided a recap of lot sale activities as compared to this period last year. There were 141 lots outstanding up until this time last year, with 44 lots under development, 40 confirmed as sold, 13 lots reverted back to HLB inventory, 12 lots are set to be repurchased and 5 have been repurchased, 11 lots are confirmed as sold under foreclosures, 8 lots are on hold – 6 of which are in contract stage, 7 lots have been taken off of hold and put up for sale, 3 lots have legal issues that need to be addressed, one lot will be used for a community garden, and one lot has major infrastructure issues for accessing the property. He then thanked the HLB staff for their dedication with handling all of the issues with these lots and working with the builders as they develop these lots for affordable housing.

Director Lampley then proceeded to discuss the Housing Initiative Round Two Disposition lots which are recommended for approval on the Agenda for today's meeting. He noted that there will be 5 contracts recommended for approval at the October meeting. The total projected revenue from the lot contracts to be approved today is \$105,070.00. The projected sales prices will range from \$192,000 to \$212,000. The Program Committee received 26 applications to purchase these lots from a pool of 8 home builder contractors. HLB is working to award at least one lot to contractors who submitted applications on multiple lots.

**c. Oversight Committee: Mario Castillo, Chair**

**1. Update on HLB Board Policy Review**

Director Castillo thanked everyone who attended the recent workshop to discuss the final draft of the Policies and Procedures document. Director Galloway stated that she had concerns with regard to micro-managing items and that she needed a complete copy of the Policies and Procedures document to review. Ms. Haynes will send the current draft of the Policies and Procedures document to Director Galloway as requested.

**d. Partnerships Committee: Courtney Johnson Rose, Chair**

Chairman Zeis noted that Director Rose was not able to attend today's meeting.

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

Ms. Haynes is working to provide the Board with screen views of the new dashboard to provide the status of ongoing work being accomplished by the staff, especially the amount of time staff spends with home buyers. She then reported that HLB has now released its first newsletter this past week and has already received great replies from organizations not heard from in a while. Next, Ms. Haynes stated that HLB closed 3 house purchase transactions this month, with 7 houses under contract. She mentioned that 12 lots have been closed from the Round 1 of the Lot Disposition Program. She noted there is one more house to close under the New Home Development Program and then HLB will be out of an inventory of houses to sell for this program. However, she expects the HLB to receive 5 houses soon which will be listed for pre-sale in the next few weeks.

Ms. Haynes then informed the Board that last month HLB cut and cleaned approximately 50+ acres of land comprising the lots in its inventory. There is another 20 acres in the Settegast neighborhood which is forested and lacks infrastructure in the HLB inventory. She mentioned that HLB is working on the due diligence for several land acquisitions in the pipeline. The due diligence will be reviewed and then discussed with the Board.

Director Lampley requested that the new dashboard also include the square footage of each lot. Ms. Haynes responded that such information will be included in the dashboard going forward along with the number of builder touches by HLB staff including those who attended the recent builder forum.

Lastly, she mentioned there are 540 properties currently in the HLB inventory of which approximately 233 are being held for the Houston Housing Department for development or holding.

Ms. Haynes reported that HLB is working on the Planning Study for Settegast relating to infrastructure and illegal dumping. Ms. Galloway asked how many lots in the HLB inventory are available in Settegast for housing. Ms. Haynes informed that she did not know the exact number of lots currently available in Settegast but would find out and furnish such information to Director Galloway after the meeting. Ms. Haynes mentioned that she anticipates increased conversation with regard to real estate developments in the Settegast area. Director Galloway stated that she could introduce someone to Ms. Haynes with regard to re-development of the Settegast area.

## **VIII. Board Action Items**

### **a. Consideration and Possible Action to Adopt Updates to Houston Land Bank Policies**

Chairman Zeis moved for a motion to table this Agenda item because several Board members have indicated that the policies are not quite there yet. Ms. Stoneham will preview the procurement policies on behalf of the City of Houston. Director Lampley recommended that the HLB create a procurement committee for review of RPF's and armed with compliance with the AWBE program in all activities and contracts. Director Galloway made a motion to table this Agenda item which was duly seconded by Director Lampley and passed with the unanimous vote of the Board.

### **b. Consideration and Possible Action to Accept Program Committee and Staff Builder Lot Selection Recommendations for the HLB Housing Initiative**

1. 3304 Brill - HCAD #0701060010003 - Proposed Purchase Price \$19,136 (Proposed Buyer: Houston Area Urban Community Development Corp.)
2. 4019 Jewel - 0701040020005 - \$18,176 (Fifth Ward Community Redevelopment Corp.)
3. 7212 El Paso - 0181590000007 - \$22,500 (Fifth Ward Community Redevelopment Corp.)

4. 6721 Bethune - 0781250060174 - \$16,400 (SXG Capital Group)
5. 6825 Hoffman - 0660250070833 - \$12,750 (Blue Starfish Construction)
6. 0 Shotwell - 0660250020719 - \$16,108 (MHL Properties)

Director Lampley made a motion to accept each of the 6 staff recommendations for the HLB Housing Initiative, which motion was then duly seconded by Director Galloway and passed with the unanimous vote of the Board.

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

The Board did not meet in Executive Session.

**X. Board Member Comments**

Director Mondragón stated that the recently released book by Deshaun Watson, quarterback of the Houston Texans, discusses his personal experiences with public housing while growing up in Gainesville, Georgia before his family received a new home through a charity headed by Atlanta Falcons running back, Warren Dunn. The cornerstone of the Deshaun Watson Foundation is housing, therefore Director Mondragón suggested that the HLB should investigate aligning itself with the Deshaun Watson Foundation in connection with working together to provide affordable housing in Houston.

**XI. Adjournment**

Chairman Zeis asked if there were any additional matters to be considered by the Board. Hearing none, the regular Board meeting adjourned at 12:53 p.m. upon the motion of Director Castillo, which was duly seconded by Director Mondragón.

Minutes Prepared By:

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

Signed on the \_\_\_\_ day of \_\_\_\_\_, 2020.

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Secretary



# Houston Land Bank

## BALANCE SHEET

As of August 31, 2020

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
Chase-Operations - 8465	562,710.83
Money Market - Lot Acquisition - 7058	247,653.71
Money Market Unrestricted - 7066	687,241.72
MoneyMarket-Unrstr.C Resev 5577	18,022.28
Petty Cash	12.63
<b>Total Bank Accounts</b>	<b>\$1,515,641.17</b>
Accounts Receivable	
Accts Receivable	867,270.73
<b>Total Accounts Receivable</b>	<b>\$867,270.73</b>
Other Current Assets	
Prepaid Expenses	
Prepaid Acquisition Costs	8,822.30
Prepaid Insurance	13,672.31
Prepaid Rent	4,875.00
Prepaid Subscription Services	7,547.00
<b>Total Prepaid Expenses</b>	<b>\$34,916.61</b>
<b>Total Other Current Assets</b>	<b>\$34,916.61</b>
<b>Total Current Assets</b>	<b>\$2,417,828.51</b>
Fixed Assets	
Equipment	12,005.12
xAccum. Depreciation	-3,126.06
<b>Total Fixed Assets</b>	<b>\$8,879.06</b>
Other Assets	
Earnest Fee	116,000.00
Investments Held For Sale	2,394,815.05
Security Deposit	4,875.00
<b>Total Other Assets</b>	<b>\$2,515,690.05</b>
<b>TOTAL ASSETS</b>	<b>\$4,942,397.62</b>



# Houston Land Bank

## BALANCE SHEET

As of August 31, 2020

	TOTAL
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	111,781.38
<b>Total Accounts Payable</b>	<b>\$111,781.38</b>
Credit Cards	
Chase Credit Card	4,406.08
<b>Total Credit Cards</b>	<b>\$4,406.08</b>
Other Current Liabilities	
Due to Tax Assessor	6,888.07
Liabilities Due to HCDD	358,647.46
Liabilities Due to Title Company	2,282.16
Option Fee	150.00
<b>Total Other Current Liabilities</b>	<b>\$367,967.69</b>
<b>Total Current Liabilities</b>	<b>\$484,155.15</b>
<b>Total Liabilities</b>	<b>\$484,155.15</b>
Equity	
Unrestrict (retained earnings)	4,361,506.51
Net Income	96,735.96
<b>Total Equity</b>	<b>\$4,458,242.47</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$4,942,397.62</b>



# Houston Land Bank

## BUDGET VS. ACTUALS: FISCAL YEAR 2021 BAB - FY21 P&L DEPARTMENTS

August 2020

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
<b>Income</b>				
Acquisition and Development Agreement				
Acquisition Proceeds	150.00	366,767.08	-366,617.08	0.04 %
Disposition of Lots	15,000.00		15,000.00	
Disposition Proceeds	5,476.69	51,708.54	-46,231.85	10.59 %
<b>Total Acquisition and Development Agreement</b>	<b>20,626.69</b>	<b>418,475.62</b>	<b>-397,848.93</b>	<b>4.93 %</b>
Administrative Fees	3,750.00	11,250.00	-7,500.00	33.33 %
HLB Program Revenue				
Disposition Proceeds	52,367.00	100,000.00	-47,633.00	52.37 %
<b>Total HLB Program Revenue</b>	<b>52,367.00</b>	<b>100,000.00</b>	<b>-47,633.00</b>	<b>52.37 %</b>
Operations Agreement	183,974.70	179,709.00	4,265.70	102.37 %
<b>Total Income</b>	<b>\$260,718.39</b>	<b>\$709,434.62</b>	<b>\$ -448,716.23</b>	<b>36.75 %</b>
<b>GROSS PROFIT</b>	<b>\$260,718.39</b>	<b>\$709,434.62</b>	<b>\$ -448,716.23</b>	<b>36.75 %</b>
<b>Expenses</b>				
Acquisition Cost - NHDP		310,629.17	-310,629.17	
Admin - Other				
Advertising & Marketing	352.00	1,286.67	-934.67	27.36 %
Bank Service Charges	312.27	300.00	12.27	104.09 %
Company Insurance				
General Liability	1,633.67	1,617.83	15.84	100.98 %
Officers & Directors Liability		286.98	-286.98	
Property Insurance		3,439.52	-3,439.52	
<b>Total Company Insurance</b>	<b>1,633.67</b>	<b>5,344.33</b>	<b>-3,710.66</b>	<b>30.57 %</b>
Computer and Internet Expenses	1,159.92	589.94	569.98	196.62 %
Conference & Meeting		45.00	-45.00	
Depreciation Expenses	200.09	2,388.51	-2,188.42	8.38 %
Dues and Subscription	947.99	1,305.00	-357.01	72.64 %
Filing Fees	23.50	127.73	-104.23	18.40 %
Office Expenses		450.78	-450.78	
Leasing Office Equipment	229.00	234.71	-5.71	97.57 %
Meals & Entertainment		123.47	-123.47	
Office Supplies		158.79	-158.79	
Postage and Delivery	26.01	16.46	9.55	158.02 %
Printing and Reproduction		162.42	-162.42	
<b>Total Office Expenses</b>	<b>255.01</b>	<b>1,146.63</b>	<b>-891.62</b>	<b>22.24 %</b>
Rental and Lease Expense	4,875.00	4,875.00	0.00	100.00 %
Software Usage	1,509.40	9,000.00	-7,490.60	16.77 %
Storage Rental	77.00	77.00	0.00	100.00 %
Telephone Expense	558.79	611.84	-53.05	91.33 %
Travel and Lodging Expenses				
Lodging Expense		150.00	-150.00	





# Houston Land Bank

## BUDGET VS. ACTUALS: FISCAL YEAR 2021 BAB - FY21 P&L DEPARTMENTS

August 2020

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Mileage Expense		166.67	-166.67	
Parking		49.70	-49.70	
Travel Expense		125.00	-125.00	
<b>Total Travel and Lodging Expenses</b>		<b>491.37</b>	<b>-491.37</b>	
<b>Total Admin - Other</b>	<b>11,904.64</b>	<b>27,589.02</b>	<b>-15,684.38</b>	<b>43.15 %</b>
Employee Cost				
Health Insurance	6,725.03	8,424.08	-1,699.05	79.83 %
Payroll Services Fee	188.25	223.79	-35.54	84.12 %
Payroll Taxes	4,259.86	14,002.39	-9,742.53	30.42 %
Wages and Salary	56,928.33	81,544.39	-24,616.06	69.81 %
<b>Total Employee Cost</b>	<b>68,101.47</b>	<b>104,194.65</b>	<b>-36,093.18</b>	<b>65.36 %</b>
Legal Fees	10,672.30	5,750.00	4,922.30	185.61 %
Miscellaneous Expense	3,761.38		3,761.38	
Professional Services				
Accounting Fee	9,475.00	8,921.67	553.33	106.20 %
Audit Fees		0.00	0.00	
Consulting Fee	350.00	32,013.89	-31,663.89	1.09 %
Contract Work		9,166.67	-9,166.67	
<b>Total Professional Services</b>	<b>9,825.00</b>	<b>50,102.23</b>	<b>-40,277.23</b>	<b>19.61 %</b>
Property Cost - Maintenance		5,638.84	-5,638.84	
Property Expenses				
Standard Lawn Mowing	43,693.54	48,609.59	-4,916.05	89.89 %
<b>Total Property Expenses</b>	<b>43,693.54</b>	<b>48,609.59</b>	<b>-4,916.05</b>	<b>89.89 %</b>
<b>Total Property Cost - Maintenance</b>	<b>43,693.54</b>	<b>54,248.43</b>	<b>-10,554.89</b>	<b>80.54 %</b>
Property Cost - Disposition HLB				
Closing Cost	8,562.68	5,500.00	3,062.68	155.69 %
Lots COGS	49,817.88	62,500.00	-12,682.12	79.71 %
Permits	3,795.97		3,795.97	
Pesticide or Weed Treatment		11.37	-11.37	
Property Taxes	491.99		491.99	
<b>Total Property Cost - Disposition HLB</b>	<b>62,668.52</b>	<b>68,011.37</b>	<b>-5,342.85</b>	<b>92.14 %</b>
Property Cost -Disposition NHDP				
Cleaning and Supplies	540.00		540.00	
Clearing and Lawn Maintenance - NHDP	850.00		850.00	
Closing Cost - NHDP		12,000.00	-12,000.00	
Legal Fees - NHDP	23,466.00	11,666.67	11,799.33	201.14 %
Marketing and Showcase	742.50		742.50	
Pesticide or Weed Treatment		11.37	-11.37	
Property Taxes - NHDP		107.34	-107.34	
Repair and Maintenance	115.00	4,666.67	-4,551.67	2.46 %
Security and Secure Property Co	299.00	4,716.33	-4,417.33	6.34 %



# Houston Land Bank

## BUDGET VS. ACTUALS: FISCAL YEAR 2021 BAB - FY21 P&L DEPARTMENTS

August 2020

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Soft Cost of Construction - NHDP	1,480.00	3,726.00	-2,246.00	39.72 %
Water and Utilities	714.04	1,646.67	-932.63	43.36 %
<b>Total Property Cost -Disposition NHDP</b>	<b>28,206.54</b>	<b>38,541.05</b>	<b>-10,334.51</b>	<b>73.19 %</b>
<b>Total Expenses</b>	<b>\$238,833.39</b>	<b>\$659,065.92</b>	<b>\$ -420,232.53</b>	<b>36.24 %</b>
NET OPERATING INCOME	<b>\$21,885.00</b>	<b>\$50,368.70</b>	<b>\$ -28,483.70</b>	<b>43.45 %</b>
Other Income				
Interest Income	34.03	219.51	-185.48	15.50 %
<b>Total Other Income</b>	<b>\$34.03</b>	<b>\$219.51</b>	<b>\$ -185.48</b>	<b>15.50 %</b>
NET OTHER INCOME	<b>\$34.03</b>	<b>\$219.51</b>	<b>\$ -185.48</b>	<b>15.50 %</b>
NET INCOME	<b>\$21,919.03</b>	<b>\$50,588.21</b>	<b>\$ -28,669.18</b>	<b>43.33 %</b>



PRESIDENTS REPORT

8 October 2020

General Activities/Announcements

- **Reaching out to Partners** staff has been busy reaching out to partners to help round out our information about the lumber pricing issue raised at the last meeting, and based on looking for additional resources
- Our **Audit is complete**—this year’s significant effort to process and finalize the audit in time for our October 1 deadline. Thanks to staff and especially our VP Finance & Accounting who prioritized the Audit effort from the day he started.

September “pilot” Dashboard: *Although the stories behind these numbers are more important than the numbers.....it helps to see the ‘scale’ of our efforts on a monthly basis*



Operations & Finance

- Procurements
  - Two solicitations are presently posted on the HLB website. The two pending solicitations are:

- An **RFP for legislative affairs** services; the selected respondent(s) would augment the support to be provided by the Center for Community Progress (closes October 9)
    - An **RFQ for grant writing and possible related technical assistance, quality control and project management for an EPA brownfields** grant application and potential project (closes October 7; advertised in Houston Business Journal and the City's Office of Business Opportunity weekly e-blast)
  - Three other procurements have closed and are now in the evaluation phase:
    - The RFQ for real estate brokerage and marketing services (7 responses)
    - 3 Title Companies were selected from our RFQ for Title Company Services
    - The most recent RFQ for qualification of builders
  - The policy review process led by Oversight Committee Chair Mario Castillo has wrapped; proposed updates to policy are the October agenda after being tabled at the September meeting.
  - Staff and Board Chair Zeis joined a Sept. 29 meeting organized by Ex Officio Director Christa Stoneham with COH Chief Procurement Officer Jerry Adams and Chief Development Officer Andy Icken. Mr. Adams offered some suggestions for improving HLB's procurement procedures but no changes were recommended to HLB proposed procurement policy.
- Finance:
  - **Fiscal Year 2020 Audit is complete** with Doeren Mayhew, draft for review in this month's Board Packet
  - **Positive Pay is live**, protecting the organization from fraud. We know it is working as we have seen two false checks through that process that were caught in time.
  - **Retirement plan** has been established with ICMA-RC and staff is now enrolling.

#### Legal and Compliance, HLB Lot Disposition Program Management

- Facilitated **annual RFQ for Builders 2020** by listing RFQ, facilitating questions, and preparing submissions for review committee
- Facilitate lot amendment requests for adjacent parcels including street abandonments, adjusted lot plats, and other interest in purchasing lots.



- Review final **Policies & Procedures** document and direct Outside Counsel for final procurement advisory.
- Facilitated scope development of affordability research project to better define comprehensive understanding of affordability and house sales prices.
- **Finalized Round 2 Lot Sales.** 26 proposals received for 17 lots from 8 builders.
- **Program Development** activities for Community Gardens, Unconventional Lot Sales, and Startup builder, as well as traditional program guidelines adjustments.
- **Finalize consultant agreement** templates for professional services/planning firms.

#### HLB Inventory & Builders under Development

- As of October 1, 2020 (final numbers +/- 5 per week due to ongoing property review around outstanding contracts, as well as any other reconciliation):
  - 539 Properties in Inventory**
  - 225 Holding for Housing**
    - Includes property under development for NHDP, Acres Homes, as well as those holding in Settegast, Fifth Ward, Sunnyside
    - 17 held for CHDO program, advancing to sale per prior board approval
    - Includes additional properties that are 6 acquisitions, but split across numerous HCADs
    - Does not include properties currently under contract or recent houses sold.
- Current Monthly Talley of HLB Home Building Initiative- sale development activity (based on prior lot disposition contracts):
  - **59 Homes sold in 2019**
  - **21 Homes sold to date in 2020**, with 2 in September
  - **54 are under development.** These are all still from prior lot contracts
    - 19 lots are in permitting/replatting
    - 32 in active construction
    - 3 are in marketing/sale and 2 just sold.
  - **7 Lots** (4 Contracts) on Hold Contracts are advancing to closing
- New HLB Home Initiative is in full swing.
  - Round 1 12 of 13 lots are closed! These will be in production shortly.
  - **Round 2 is closed** with 26 applications received for 17 lots. The remaining 7 lot sales are on this month's agenda.
  - **Round 3 is anticipated to be released in Fall.**

#### HLB Lot & Property Maintenance

- Reviewed and approved Lot Maintenance contractors 6th month Invoices and Photos. Removed 5 Boats from HLB Properties.

- **Verified 6 properties for Legal/Compliance, of the Traditional Program. Addressed 3 Citizen Concern and responded to 3 DON violations received.**
- Participated in Part B of the Settegast RFQ Urban Planning Review (Firm/Design Team Presentation September 2<sup>nd</sup>).
- Continued support of minor repairs of the NHDP properties. Facilitated one NHDP closings (7822 Sealey St.) and provided access to properties for inspection/appraisers and repairs.
- Continued to identify HLB's Inaccessible Lots in the Settegast area. There are 50 plus Lots in Settegast with no driveway access

#### NHDP-Highlights

- NHDP in Acres Homes:
  - Updated listings on website.
  - **32 Houses SOLD** to date
  - **7 under contract** to close in October, all closings were extended.
  - **None are listed for sale right now!**
  - **5 Homes will be received soon** and will be listed for pre-sale in the next weeks.
  - 14 homes will be developed in the next 3-4 months, and at least 8 are in permitting.
- Listing Broker: Continue to market and move homes at a steady clip, as well as continue to build the pipeline, and were able to sell nearly 25 homes in 8 months.
- We are reviewing 7 proposals for Listing Brokers now.

#### Acquisitions & Development - HLB

- **8 Firms have been selected** for our Pre Qualified Professional Service firms as procured through the RFQ for Market Analysis/Planning Scope. These firms will be utilized for small planning and due diligence efforts based on neighborhood work or acquisitions. The five top scoring firms were considered in the RFP for Settegast Planning Services.
- **Market Analysis/Planning Scope for Settegast to assess neighborhood needs and real estate development strategy.**
  - RFQ/RFP review committee has met and identified three firms for interviews, and the selected firm and their proposal is on the BOD Agenda this month.
- HLB Acquisitions: Focused on three neighborhoods that will be finalized during BOD Strategic Planning.
  - Two vacant lots under contract advancing into due diligence work.
- The property foreclosure auction has been closed since April 2020.

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 950 total properties reviewed thus far.**
  - Progress to date
    - 67,900 SF vacant land contracts closed and ratified by the Board of Directors.
    - Over 350,000 sf of land in various size parcels in neighborhoods Settegast, Near Northside, Second Ward and Magnolia, currently undergoing due diligence and feasibility review for consideration later this fall.
    - 5,000 SF of HPW surplus land in Near Northside has been approved by City Council and pending final legal clearance to acquire. BOD Approved this purchase in May 2020. Contracted closing is scheduled for 11/9/20.
  - HCDD will need to request additional funds from City Council to continue acquisitions efforts and continue to build pipeline
    - Acquisition Financing is being explored to leverage the TIRZ funding and to increase the acquisition purchase power and increase potential affordable housing units.
      - 2 potential lenders have been contacted and preliminary terms are being discussed with HCDD leadership in parallel with property due diligence work.
      - HLB bylaws may need to be adjusted, and will require City Council review.





## REQUEST FOR BOARD ACTION

**Meeting Date: October 8, 2020**

### **Agenda Item VII.a.: Consideration and Possible Action to Adopt Updates to Houston Land Bank Policies**

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#### **ACTION SUMMARY**

Approval of this item will update and amend Houston Land Bank policies governing activities including property acquisition and disposition; financial management and procurement; and ethics and conflicts of interest.

#### **BACKGROUND/OVERVIEW**

HLB's current policies were adopted in early 2018 and are to be reviewed at least annually by the Board. A draft of proposed updates was shared with the Board in 2019 and was reviewed and discussed by the Board's Oversight Committee in a series of meetings through summer 2020.

The proposed updates were presented at an August 27 Board workshop. The item was tabled at the Board's September 2020 regular meeting. Since the September meeting, HLB staff joined Chair Zeis and Ex Officio Director Stoneham in a meeting with the City's chief procurement and chief development officers to discuss the policies, with a focus on the procurement section. No policy changes were suggested. The procurement policy section was also shared with legal counsel for review, and edits were made in line with recommendations.

The updated proposed HLB policies follow this Request for Board Action, also included is a version of the procurement policy with changes tracked to show updates (these last two pages represent the only edits to the proposed policy document since it was placed on the September Board agenda).

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# houston land bank



Houston Land Bank  
Policies & Procedures

October 2020

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## SECTION 1: GENERAL

- 1) The name of the corporation is the Houston Land Bank (HLB), formerly known as the Land Assemblage Redevelopment Authority (LARA) 1999-2018.
- 2) Overview.
  - a) These policies serve to guide the general operations and the real estate acquisition and disposition activities of the Houston Land Bank (HLB). These Policies are intended to work in conjunction with other HLB governing documents, including the Bylaws, Articles of Incorporation, and enabling ordinances and statutes.
  - b) The HLB's Chief Executive Officer shall be responsible for developing and deploying written procedures that ensure these Policies are implemented in compliance with all applicable laws and the Board's intent, and in a manner that makes efficient, effective, ethical and equitable use of HLB funds and other resources.
  - c) The terms and conditions of these Policies may be implemented through such contracts, memoranda, restrictive covenants, declarations, deeds, or other instruments as shall have the force and intent of these Policies.
  - d) In the case of a conflict between these Policies and the laws of the City of Houston, Harris County, State of Texas, or the United States, these Policies will be subordinate to the law in question.
  - e) Purpose: **Reduce vacant properties in Houston's neighborhoods, especially tax delinquent, abandoned, and damaged, and:**
    - 1) Provide opportunities for single-family housing, and housing as needed by the neighborhood and local market.
    - 2) Promote small businesses and neighborhood reinvestment by area stakeholders
    - 3) Support Mayoral neighborhood-based initiatives such as Complete Communities
  - f) Mission: **Strategically acquire, dispose and steward vacant, abandoned, and damaged properties into productive use to catalyze**

**transformative community and economic development for the City of Houston.**

3) General Obligations

a) The HLB shall:

- 1) Maintain adequate controls and accountability systems for all property and resources under its care and control.
- 2) Assess the value of its inventory at least annually, and report such value to the City Controller along with the results of the annual audit after presentation to the Board.
- 3) Ensure that property in its inventory is returned to productive use in a strategic, timely way that promotes fulfillment of the HLB purpose and mission.
- 4) Produce regular written reports on the HLB's operations, inventory, and finances.
- 5) Demonstrate a high degree of transparency, integrity, and accountability to the public and in constructive collaboration with stakeholders.
- 6) Establish adequate staff, whether employees, contractors, or others to maintain all properties under its care and control in clean, safe, secure and attractive condition, so as to increase the value of surrounding property, and the quality of life of residents and businesses located near HLB properties.

4) Enabling Authority

- a) The HLB is organized and is to be operated for the purposes set forth in the Articles of Incorporation of the Land Assemblage Redevelopment Authority dated October 27, 1999, filed with the Secretary of State of Texas on November 1, 1999, As Amended by the Articles of Amendment dated March 8, 2004, filed with the Secretary of State of Texas on March 8, 2004, as the same may hereafter be amended from time to time (the "Certificate of Formation").
- b) The Amended and Restated Certificate of Formation, as well as the Texas Non-Profit Corporation Act and provisions of Subchapter D of Chapter 431, Texas Transportation Code, as amended ("the Act"), and Chapter 394 of the Texas Local Government Code ("the Local Government Code",

authorizes creation of the HLB and vests the responsibility to operate the HLB with its appointed Board of Directors.

- c) The Certificate of Formation, as well as the Act and provisions of the Transportation Code and Local Government Code, authorize the creation of the HLB and vests the responsibility to operate the HLB with its appointed Board of Directors.
- d) The HLB Board of Directors may appoint a CEO/President to execute the work of the HLB and may empower the CEO/President with such powers, duties, and authority as are necessary to perform their responsibilities, provided such extension of authority does not violate applicable laws or other requirements of the City, County, or HISD or the by-laws of the HLB.

#### 5) Funding and Resources

- a) HLB shall be funded by the City of Houston generally, proceeds generated from transactions of the HLB, fees collected for services rendered by the HLB, grants from public or private parties, loans received by the HLB, or from other such sources or funds as the HLB is authorized to accept, provided such acceptance does not violate the laws, regulations, or ordinances of the City of Houston, Harris County, the HISD, the State of Texas, or the United States, and the various departments, agencies, or commissions thereof.
- b) HLB may not accept any grant funds not authorized in advance by the Board of Directors, notwithstanding authority that is otherwise expressly granted in Board Policy.
- c) HLB may not enter into any loan or financial obligation that is not authorized in advance by the Board of Directors and Houston City Council.

#### 6) Standards for Acquisition and Disposition of Property

- a) The HLB may acquire and/or dispose of any property if the transaction is likely to advance the mission of the HLB, complies with applicable law, and aligns with the standards, requirements and priorities established in Board Policy.
- b) HLB may sell or lease any property in its inventory to another party is likely to advance the mission of the HLB, complies with applicable law, and aligns with the standards, requirements and priorities established in Board Policy.
- c) Except for easements and other small acquisitions necessary to further an HLB initiative, all property acquisitions and dispositions (including sale or lease of HLB property) must be authorized in advance of closing by the

Board of Directors, unless otherwise identified in the related sections of this document.

- d) In evaluating third parties with whom it may conduct property transactions, the HLB shall exercise sound business judgment in selecting transferees to include, but not limited to:
- 1) Government entities
  - 2) Not-for-profits engaged in affordable housing development
  - 3) Other non-profits
  - 4) Public/private partnerships engaged in the community and economic development
  - 5) For-profit firms engaged in development and construction of new homes affordable for purchase by low- or moderate-income buyers

7) Good Neighbor Policy

- a) The HLB will maintain the properties in its inventory in compliance with City ordinances and in a manner conducive to public health, safety, and quality of life in the surrounding area.
- b) The organization will respond promptly and effectively to public concerns, as well as observations/intelligence about observed conditions from related City agencies and neighborhood organizations.
- c) Where the HLB owns properties or seeks to acquire property, the HLB will work closely with neighborhood groups and stakeholders to build lines of communication regarding community priorities, and will incorporate those priorities into HLB decision-making.
- d) To the extent possible, the real estate acquisition and disposition activities of the HLB shall align with, anticipate, and not conflict with neighborhood plans adopted or promulgated by neighborhood organizations and recognized by the City of Houston or another public entity.

8) Inventory List for Public Review

- a) HLB shall maintain a list of all properties owned by or under the care of the HLB. The list shall, to the extent practical, provide the following information:
  - Standard property characteristics such as property type, neighborhood location, street address, parcel size, , and
  - Other information that HLB may choose to provide to encourage the timely and expeditious transacting of HLB property.

- b) The HLB Inventory List for Public Review will be updated not less than quarterly.
  - c) The HLB Inventory List for Public Review shall be published in electronic format via a website that is accessible to the general public and which includes geospatial and other information to expedite the conveyance of HLB to qualified transferees at the highest and best value and use.
- 9) Ethics
- a) The Board and staff of the Houston Land Bank will demonstrate a commitment to ethical behavior by:
    - 1) Acting honestly, truthfully, transparently and with integrity in all our transactions and dealings;
    - 2) Avoiding conflicts of interest;
    - 3) Appropriately handling actual or apparent conflicts of interest in our relationships;
    - 4) Treating community members, vendors, and others who transact with our organization fairly;
    - 5) Treating every individual with dignity and respect;
    - 6) Treating HLB employees with respect, fairness and good faith and providing conditions of employment that safeguard their rights and welfare;
    - 7) Being a good corporate citizen and complying with both the spirit and the letter of the law;
    - 8) Acting responsibly toward the communities in which we work and for the benefit of the communities that we serve; and
    - 9) Being responsible, transparent and accountable for all of our actions.
- 10)Amendment: These Policies and Procedures are subject to modification and amendment at the discretion of the HLB Board of Directors.
- 11)Posting: The most current Board-approved version of these Policies shall be posted to the HLB website with their adoption date clearly identified.
- 12)Annual Review: These Policies shall be reviewed and adopted at least annually by the HLB Board of Directors, with any amendments or modifications therein.

## SECTION 2: DEFINITIONS

- 1) General: Capitalized terms using in these Policies shall have, unless the context clearly requires otherwise, the meanings specified in this Section 2. Certain additional terms may be defined elsewhere in these Policies.
- 2) Generic Terms: Unless the context clearly indicates otherwise, where appropriate the singular term shall include the plural and the masculine shall include the feminine or neuter, and vice/versa, to the extent necessary to give the terms defined in this Section 2 and/or the terms otherwise used in these Policies their proper meanings.

**“Acquire”** shall mean the transfer to the HLB of title or any beneficial interest in Real Property in accordance with these policies and the laws of the state of Texas.

**“Acquisition”** shall refer to Real Property acquired by the HLB.

**“Affordable Housing”** shall be defined by the Director and unless otherwise defined, shall conform to the definition used by the US Department of Housing and Urban Development to describe housing that is affordable to an owner or renter occupant whose household income is 120% or less of the Area Median Income for the Houston Metropolitan Statistical Area.

**“Affordability Compliance Period”** means the period of time from the date a residential 1-4 unit property is transferred to a LMI Purchaser from HLB or from an Approved Builder who had acquired the property from HLB for the purposes of providing said residential property.

**“Best Business Practice”** means that in procuring products or services, the staff will review and research the best option for the organization at the best value which will support the activity for which the product or service is necessary. Every



attempt will be to review and research multiple bids, quotes or prices except where vendor selection based on price is prohibited by state law.

**“Board of Directors or Board”** shall mean the individuals appointed by the City of Houston, Harris County, and the Houston Independent School Board, who collectively comprise the directors of the HLB.

**“Approved Builder”** means a qualified builder, real estate developer, construction company or other entity that has applied and been qualified to receive land from the HLB for the purposes of developing affordable housing.

**“Certifying Entity”** means an individual or corporate entity that has been designated by the City and/or the HLB to assist HLB with processing applications from entities wishing to obtain property from the HLB.

**“Chief Executive Officer of the Land Bank”** shall be the person who is authorized by the Board of Directors to execute the day-to-day operations of the HLB.

**“City Investment”** means the amount of total cash value declared by the City of Houston to represent the cash value of the City’s investment in a single property for redevelopment by HLB.

**“Commercial Property”** shall mean property under current use as commercial, industrial or mixed-use and residential property with five or more residential units.

**“Compliance Officer”** shall mean an individual or entity designated by the HLB to monitor the satisfaction of all commitments made to the HLB by a transferee, purchaser, or successor title holder to property subject to a Declaration of the HLB up to and through the end date of an assigned compliance period.

**“Compliance Period”** shall mean the period of time, as described hereunder, by which a transferee agrees to maintain a property obtained through the HLB according to the terms and conditions stipulated in the Declaration governing that property.

**“Conveyance Agreement”** shall mean a formal agreement governing the acquisition of a specific property or properties by HLB on behalf of another entity, in which the Conveyance Agreement describes the rights and obligations of both parties.

**“Consideration”** shall mean the payment of cash or other value, in whatever form, that shall be provided by a party to the HLB in exchange for the transfer of title to property from the HLB to such party. Consideration may be provided as cash, deferred financing, the performance of contractual obligations to achieve a public benefit, imposition of restrictive covenants, and/or other obligations and responsibilities of the buyer, or a combination thereof.

**“Development Agreement”** shall mean a written agreement between the HLB and a Transferee that describes how the Transferee will redevelop property received from the HLB. Such agreement shall also define the rights and recourse of both

parties, including penalties, should either party fail to uphold their respective part(s) of the agreement.

**“Director”** shall mean the Director (or the chief executive officer, if otherwise designated) of the City of Houston Department of Housing and Community Development, or of such Department’s successor entity.

**“Dispose”** shall mean to transfer of title or other beneficial interest in Real Property from the HLB to a third party by sale, transfer, donation, or any other means of conveyance that is allowed by these Policies and Procedures and not otherwise prohibited by the laws of Harris County, the State of Texas, and/or the United States of America.

**“Donation”** shall mean the transfer of property to the HLB from a third party, in which the third party has no expectation of receiving any consideration other than a donation tax credit, such as may be allowed by the tax laws of the United States, State of Texas, and/or Harris County.

**“Government Entity”** shall mean a unit of federal, state, county or local government; an authority or administration created by Public Act, statute or ordinance; or a public body as defined by applicable state or federal law.

**“Holding Period”** shall mean the period of time from the date upon which the HLB acquires title to a Property and the date upon which title to said property is conveyed to a third party.

**“HUD”** shall mean the U.S. Department of Housing and Urban Development, or any duly constituted successor designee thereof.

**“Land Bank or HLB”** shall mean the Houston Land Bank, a local government corporation formed as Land Assemblage and Redevelopment Authority or LARA, and updated to the Houston Land Bank in 2018.

**“Listing Broker”** shall be the vendor selected through a competitive procurement to list and facilitate the sale of houses on behalf of HLB

**“LMI Purchaser”** means a Low-or-Moderate Income Household who has applied and been approved to purchase property through an HLB Home Ownership Program and agrees to abide by any and all conditions established in the Declaration governing that property.

**“Low- or Moderate-Income Household”** shall mean households whose annual incomes do not exceed 120% of the Houston MSA Area Median Income, as determined by HUD.

**“Low- or Moderate-Income Community or Neighborhood”** means a census tract where the median household income is not greater than 80% of the Houston MSA median household income. To determine if a subject property is located in a

LMI tract, HLB shall reference

<https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx>.

“**LURA**” means the Land Use Restrictions Agreement or Declaration of Land Use Restrictions (Restrictive Covenants) governing the future disposition of any property conveyed from the HLB.

“**Neighborhood Association**” shall be an organization incorporated with the State of Texas and formed for the purposes of improving one or more recognized neighborhoods in the City of Houston. A Neighborhood Association shall be registered with the City of Houston Department of Neighborhoods prior to receiving title to or approved use of any real property from or by the HLB.

“**Neighborhood Plan**” shall mean a written plan promulgated and approved by a government or quasi-government entity or a recognized nonprofit, community organization or neighborhood association, provided such a plan shall be available and/or recognized from the City of Houston Planning and Development Department.

“**Not-for-Profit Organization**” shall mean a corporation incorporated under the Texas NonProfit Corporation Act and in good standing.

“**Policies**” shall mean these Policies governing the HLB’s operations, which shall be implemented and followed by means of procedures to be developed by the HLB Chief Executive Officer.

“**Principal Residence**” shall mean a residence that the owner maintains as his or her primary residence for not less than 180 days of any 365-day period. A primary residence may include a single-family home or a 2-4 unit residential development, provided that the owner maintains and occupies one of the units as his or her principal residence.

“**Public Funds**” shall mean any funds provided, whether in the form of a grant or other consideration, where such funds comprise revenues collected from the public.

“**Purchase**” shall mean payment of consideration by or to the HLB by or to a third party to effect the transfer of title to Real Property.

“**Purchaser**” refers generally to a public agency, nonprofit organization, or an individual, corporation, partnership, or other entity, which is approved by the HLB as a purchaser of HLB property.

“**Real Property**” shall mean lands, lands under water, structures and any and all easements, air rights, franchises, and incorporeal hereditaments and every estate and right therein, legal and equitable, including terms for years and liens

by way of judgment, mortgage or otherwise, and any and all fixtures and improvements located thereon.

**“Related Entity”** means, with respect to any party which has been an Owner hereunder: (i) any spouse, parent, child, grandchild, sibling of such Owner; or (ii) any person or entity (A) that directly or indirectly controls or is controlled by or is under common control with such Owner, (B) that is an officer of, partner in or trustee of, or serves in a similar capacity with respect to, such Owner or of which such Owner is an officer, partner or trustee, or with respect to which such Owner serves in a similar capacity, or (C) that is the beneficial owner, directly or indirectly, of 10% or more of any class of equity securities of such Owner, or of which such Owner is directly or indirectly the owner of 10% or more of any class of equity securities.

**“Side Yard”** refers to land, vacant or improved, that will be used and maintained by the owner of an adjacent property, where such adjacent property shares a common boundary comprised of not less than 2/3 the total linear dimension of the common property line.

**“Total Property Costs”** shall mean the total costs incurred by the HLB to acquire, maintain, and convey a piece of real property, inclusive of purchase costs, legal and insurance costs, listing and transaction fees, transfer fees, and any closing costs stemming from the original transfer to HLB or subsequent transfer from HLB to the transferee.

**“Transferee”** shall mean the party who is acquiring or who has acquired Real Property from HLB, no matter the process by which conveyance occurs.

**“Vacant Land”** is unimproved property.

## SECTION 3: ADMINISTRATION OF THE ORGANIZATION

### 1. Document Organization

- a. The organization shall maintain paper and digital files to reflect the day to day business of the organization according to State law and Municipal ordinances.
- b. Core foundational documents to the organization, such as any major grants, procurements, and other legal filings shall be kept in a visible and accessible location for the Board of Directors' review and reference.

### 2. Document Retention

- a. At a minimum, the organization shall follow State of Texas and City of Houston requirements for document retention, including but not limited to guidance put forward by the Texas State Library and Archives Commission.
- b. The above notwithstanding, all property records shall be maintained in perpetuity for any properties purchased and held by the Houston Land Bank and/or LARA.
- c. For digital files required to be maintained by this policy or by federal, state or City of Houston mandates, HLB shall maintain a digital backup in a secure environment and shall update those files regularly.

### 3. Personnel & Hiring

- a. The organization will abide by all related Texas Human Resources Law
- b. The organization will maintain an Employee Handbook that will outline various policies and procedures related to employees, including hiring, paid time off, a benefit package including insurances, conduct, confidentiality and non-compete, termination, and conflict of interest.
- c. The organization may engage the City of Houston staff for specific expertise or support to the organization and will require a memorandum of understanding to finalize the scope of work, related confidentiality measures, and related performance goals.
- d. The organization can promote employees with excellent company history and performance review to new titles/positions that are created to meet the organization's goals and required activities.

- e. The organization will assemble a competitive benefits package that aligns with the practices of the City of Houston.
- f. At least annually, performance evaluations will be provided to employees according to standard company procedures, and/or any specialized contract language.
- g. A staffing plan is to be included for Board review as part of each year's proposed annual budget.

#### 4. Finance

##### a. General Policy

With respect to the interpretation and application of these policies, the Houston Land Bank shall comply with all applicable federal and state laws; the City of Houston's City Charter and Code of City Ordinances; Financial Accounting Standards Board (FASB) and Governmental Accounting Standards Board (GASB) standards; and all bond covenants, whether existing or hereafter provided, and associated ordinances relating to all budget, accounting, reporting, disclosure, and finance activities; and the City of Houston's financial policies, executive orders and administrative procedures as they are relevant to the Houston Land Bank. In any conflict between these policies and such governing law, standards or documents, such governing law, standards or documents shall prevail.

##### b. Fund Balance Reserve Policy

Houston Land Bank will maintain an adequate fund balance as insurance against emergencies and/or economic instability. The desired minimum fund balance is 25 percent of prior year operating expenditures. Any proposal that would reduce fund balance below the desired minimum must be accompanied by a plan to restore fund balance to the desired minimum by the end of the fiscal year after the fiscal year in which the fund balance drawdown occurs.

Excess fund balance may be budgeted for operational expenditures with Board approval.

##### c. Budget Policies

Before the end of each fiscal year, HLB will adopt a Balanced Budget for the next fiscal year in accordance with state law and local ordinances.

In addition to the staffing plan required above, the proposed budget shall be accompanied by a business plan addressing

proposed lot disposition programs for Board approval. The business plan must determine projections of program sales, distribution of potential sales, and related pricing. Preliminary budget will be sent to City of Houston Controller's office on March 1 for the following fiscal year.

Budget amendments require Board approval. Budgeted funds may be transferred between budget accounts and lines by HLB's CEO/President or VP of Finance & Accounting so long as the transferred amount does not exceed \$50,000; transfers of \$50,000 or more will require approval by the Executive Committee. All budget transfers shall be reported to the Board at the next regular meeting.

d. Accounting, Auditing and Financial Reporting Policies

Annual Financial statements will be prepared in accordance with Generally Accepted Accounting Principles (GAAP).

An annual audit will be performed by an independent public accounting firm in accordance with Generally Accepted Government Auditing Standards and the opinion will be included in the final audit report.

To the extent applicable, Houston Land Bank, as a component unit of the City of Houston, will follow all accounting, audit, and financial reporting policies.

The annual audit and the accompanying auditor's letter to management shall be released to the Board and published on HLB's website within 30 days of receipt of the report.

Audit report is due to City Controller no later than October 1.

In the event Houston Land Bank receives federal or state funding, a Single Audit Report or other audits of Federal and State grant funds will be performed in compliance with applicable provisions of the Single Audit Act, and other relevant federal, state, and local rules and regulations.

e. Internal Controls

Segregation of Duties will involve a minimum of two individuals in which one is the preparer and the other is reviewer for all Accounting functions.

Access to the accounting software will be requested through the Board Treasurer from the President & CEO. This includes both internal staff members and external parties rendering professional services.

A monthly review and analysis of interim financial statements will be conducted by the CEO, any staff designated by the CEO, and the Board Treasurer; interim financial statements shall be provided to the Board monthly. The interim financial statements will include:

- Balance Sheet
- Statement of Net Position variance analysis and trends
- P&L Comparison versus Budget
- P&L Comparison versus Prior Month
- P&L Comparison versus Prior Year

Monthly balance sheet reconciliations will be prepared by staff and reviewed by the external accountant as part of the month end close process.

- Invoicing to HCDD for Reimbursement
- Bank Reconciliations
- Credit Card Reconciliation

Cash disbursements will require all invoices to be approved before processing, and checks will require signatures as follows:

Checks less than \$1,000 will only require a single signature from the President & CEO, the Board Chair, or the Board Treasurer.

Checks greater than or equal to \$1,000 will require minimum of two signatures which must include one staff member and one Board Member, or two Board Members, all of whom must be authorized signers.

The above signature requirements notwithstanding, any authorized signer may sign earnest money checks up to \$5,000 for purposes of expediting proposed property acquisitions.

## 5. Procurement

It shall be the policy of Houston Land Bank to procure goods and services in an efficient and effective manner, exercising integrity and transparency, obtaining the best value based on a competitive process and creating opportunities for participation, and most importantly to uphold the strategic goals of the organization. The types of procurements will align with the basic functions of the organization: operations/management for office functions (design to bookkeeping contractors), asset management (lot maintenance



and security), pre-development (feasibility and due diligence, and property sales costs) property acquisition (purchase and sale contracts). All procurements shall be carried out in accordance with the approved budget, except in emergency situations as defined by state and local law.. To fully pursue these goals and functions, it is the policy of Houston Land Bank to adhere to the following policy mandates:

- a. Houston Land Bank may utilize any and all procurement methods recognized by state and federal law and permitted for governmental entities, including, but not limited to Chapter 431 of the Texas Transportation Code, and the Texas Non-profit Corporation Law, Chapters 20 and 22 of the Texas Business Organization Code, and the Uniform Grant Guidance. Additionally, the Houston Land Bank will also follow any procurement methods as outlined in the corporation Bylaws and other organizational charters.
- b. The Board of Directors of the Houston Land Bank delegates authority for purchases of less than \$50,000 to the Chief Executive Officer of the Houston Land Bank.
- c. In utilizing any procurement method, Houston Land Bank will seek the best value that results from an open and impartial process. Houston Land Bank may utilize procurement methods that further enhance other policy goals of the corporation, including, but not limited to, small business participation, diversity in participation, and local preference considerations, so long as these policy goals and their implementation are in accordance with state and federal law.
- d. Houston Land Bank staff engaged in procurements will, at all times during any procurement process, act in a manner to prohibit discrimination based on race, sex, religion, national or ethnic origin, sexual orientation, gender identity, age or disability.
- e. Procurements by Houston Land Bank will be in adherence to Houston Land Bank, City of Houston and State of Texas conflict of interest rules and laws (including Texas Local Government Code, Chapters 171 and 176) and the corporation's staff is affirmatively charged with the responsibility to be aware of potential conflicts of interest related to Board members, staff or public officials.
- f. Houston Land Bank's staff is required to monitor compliance with procurement rules and contractual mandates and utilize various procedures and actions so as to insure compliance,

- g. Adhere to the state law related to the procurement of design and construction of projects, unless otherwise exempted by the Texas Transportation Code.
- h. Nothing in this procurement policy creates, gives or recognizes a property interest or right of any kind for the bidder or proposer prior to the award of the contract by the Board and compliance with all statutory and legal requirements.

## 6. Board Meetings & Committee Meetings

- a. The organization will follow all Open Meeting and Public Records statutes.
- b. The Agenda for Board Meetings will be prepared by the CEO/President and reviewed by the Chair of the Board and Executive Committee, and Board Counsel, before noticing a meeting.
- c. There shall be standing monthly meetings of the Executive and Finance Committees.
- d. All Committees will set a schedule and agenda as directed by Committee Chairs, who are appointed by the Chair of the Board. Staff will be assigned to each committee to support activity.
- e. All Committee members must confirm attendance with the organization staff within 24 hours of a Committee meeting, except in cases of an emergency in order to facilitate logistics for the meeting.
- f. Committees that maintain a quorum of the Board, and/or those provided with delegated authority where final decisions will be made will have the meetings noticed and recorded according to the Open Meeting and Public Records statutes.

## 7. Reporting

- a. The organization will comply with all applicable City of Houston requirements regarding reporting by local government corporations, including ordinances adopted by City Council and administrative policies and procedures established by the Mayor.
- b. The reporting required at each board meeting shall be determined by the Board relative to the work-plan adopted with the fiscal year budget, but at a minimum includes:

- i. Financial Status
  - ii. Status of Inventory
  - iii. Status of pending contracts for Acquisition/Auction report
  - iv. Status of pending contracts for Lot Sales
  - v. Maintenance of lots
  - vi. Compliance with outstanding contracts
- c. As required by any third-party grants, the organization will provide reporting as requested.

#### SECTION 4: PROPERTY AND LOT MAINTENANCE

- 1) In keeping with HLB's "Good Neighbor" policy, the organization will maintain properties in its inventory in compliance with City ordinance and in a manner conducive to public health and safety and to a standard at least generally consistent with neighboring lots.
- 2) Where lots or portions of lots are inaccessible, HLB will ensure that perimeter maintenance is carried out as appropriate and consistent with 1) above.
- 3) HLB will respond promptly to citizen concerns, as well as any requests for lot maintenance put forward by neighborhood groups and/or City of Houston representatives.
- 4) As part of its lot maintenance activities, HLB will develop procedures and take steps to prevent unauthorized third-party use of HLB properties, including activities such as trespassing, squatting and illegal dumping.
- 5) The organization may procure third-party contractors for routine and special maintenance. Such contractors shall:
  - a) Carry out their duties in a manner consistent with HLB's mission and commitment to being a good neighbor and
  - b) Maintain adequate insurance as required by HLB.
- 6) Program Specific Property Maintenance
  - a) Prior to accepting property to be maintained, HLB will provide an initial assessment of all terms and conditions required to maintain the property.
  - b) If not provided for in a Board Approved Grant, the potential property that will require maintenance must be approved by the Board of Directors, with a written demonstration of term, expected costs and cost recovery, and other information about property ownership and future conveyance.

#### SECTION 5: POLICIES GOVERNING THE ACQUISITION OF PROPERTIES

In keeping with HLB's mission and not intending to be the long-term holder of property without end-use, the adequate maintenance of the HLB's existing portfolio of property shall take priority over a new acquisition in any given budget year. Upon ensuring the adequate maintenance of its existing portfolio, the HLB may elect to acquire new properties per its annual strategic priorities with its remaining budgetary resources.

- 1) Acquisition of property by the HLB may be through the following methods:
  - a) Tax foreclosure,
  - b) Mortgage foreclosure,
  - c) Donation,
  - d) Deed-in-lieu of foreclosure,
  - e) Purchase at market value,
  - f) Purchase at less than market value as part of a conditional sale,
  - g) Transfer from another government or quasi-government entity,
  - h) On behalf of another government or quasi-government agency, and non-profit development corporation, with corresponding agreements to do so.
  - i) Any other means of acquisition which the Board of Directors shall authorize.
- 2) Board of Directors Review of Acquisitions is required to acknowledge the fiscal responsibility of the organization and broader alignment with the organization's mission.
  - a) The Chair of the Board will appoint an Acquisitions Committee, which may be an existing committee to review all Acquisitions of real property, and related analysis as performed by staff and outlined in acquisition procedures.
  - b) The Board of Directors will approve the designation of an Acquisitions Committee,
  - c) If acquisitions are performed for a third party under the auspices of a Board-approved grant contract, the Acquisitions Committee will review ongoing progress, in compliance with the contract, and have delegated authority to approve such contracts. The Acquisitions Committee also has delegated authority to identify if any such properties should be reviewed and approved or ratified by the Board
  - d) The Chief Executive Officer has the delegated authority to enter into and sign purchase contracts for the organization in compliance with Board policy.

- i) The Chief Executive Officer can sign for any property being acquired for less than \$50,000.
  - ii) A second signature from the Board Chair or Treasurer is required for properties in excess of \$50,000.
- e) As appropriate, the Acquisitions Committee will recommend to the Board to
  - i) Consider and Approve, Pre Closing, any/all acquisition contracts performed on behalf of the Land Bank or
  - ii) Ratify any/all acquisition contracts procured by the organization on behalf of a third-party contract
- 3) Property Acquisition Conditions: In determining which (if any) properties it shall acquire, the HLB shall prioritize properties that meet one or more of the following standards:
  - a) Acquisition of properties that support the mission of the HLB.
  - b) Acquisitions requested by governmental, nonprofit and for-profit entities that identify specific properties for ultimate acquisition and redevelopment, which:
    - i) Catalyze further community and economic development,
    - ii) Are part of a comprehensive development plan,
    - iii) Reduce blight in the community,
    - iv) Assist in the development of affordable housing,
    - v) Contribute to commercial and industrial development and the jobs base from which the affordable housing residents benefit
    - vi) Enhance community infrastructure, public space and/or which comprise green infrastructure projects, including community gardens.
    - vii) Promote affordable homeownership,
    - viii) Reduce the risk of homelessness for LMI households,
    - ix) Mitigate long-term risks from flooding or other natural disasters, or
    - x) Address the environmental remediation of property or land that is contaminated.
  - c) Acquisitions where HLB participation is necessary to complete the redevelopment and tax reactivation of the property.
  - d) Properties that are available for immediate development, without need for substantial rehabilitation and whose transfer will generate operating resources for the functions of the HLB.

- e) Properties located in reinvestment areas whose acquisition aligns with and advances strategic neighborhood stabilization and revitalization plans.
- f) Properties that meet the criteria for demolition, where such demolition will support blight elimination and neighborhood revitalization plans.
- g) Properties that are part of a land assemblage development plan by either the HLB or its partnering entities.
- h) Vacant, non-conforming, or undevelopable properties that could support planned development.
- i) Properties that will generate operating support for the functions of the HLB and which otherwise conform with and do not conflict with the stated objectives and policies of the HLB.
- j) For acquisitions made at the request and on behalf of a third-party entity (“requestor”), which may include, but not be limited to governmental, nonprofit and for-profit entities, HLB may require a Conveyance Agreement that includes, but is not limited to:
  - i) A description of the purpose for which an acquisition is intended, including any third party related to the transaction. Such purpose must conform to the accepted uses specified in Section 1(7) (“Priorities Generally”), unless an exception is granted by the HLB Board of Directors.
  - ii) Terms and conditions governing the redevelopment of the property that may have been agreed to by the requestor and any third party provided that HLB shall not reveal any confidential or privileged information contained therein to any other party without the express written approval of the requestor and any third parties involved in the redevelopment.
  - iii) The date by which any subsequent conveyance to the third party for redevelopment is to commence, and a timetable for commencing redevelopment by said date, which shall be not more than 36 months from the date the property is conveyed to HLB unless an exception is granted by the Board of Directors.
  - iv) Requestor’s agreement that it shall:
    - (1) Reimburse HLB all or a portion of the cost incurred by HLB to complete the acquisition of a property at the request of the third party, such reimbursement being at the discretion of the HLB and the percentage to be reimbursed specified in the Conveyance Agreement.
    - (2) Commence or cause to commence conveyance to a third party for the redevelopment of the property for such purposes as were

described, substantially or expressly, in the Conveyance Agreement not later than the date specified in the Conveyance Agreement.

- v) Should a Requestor fail to convey to the third party, as described in the Conveyance Agreement, it may request an extension of the Conveyance Agreement to be granted by the Board of Directors. HLB may grant not more than three 1-year extensions.
  - vi) If at the end of the Conveyance Agreement term, the Requestor and/or the third parties to the redevelopment plan described in the Conveyance Agreement have not accepted transfer of the property from the HLB, the parties automatically forfeit any rights to the property and HLB may put the property up for sale and retain any and all proceeds from the sale.
- 4) HLB may consider and acquire:
- a) Properties that involve pre-existing financial obligations, such as tax liens or a mortgage, provided that any and all financial liabilities and encumbrances are disclosed to the HLB ahead of transfer to the HLB, and funding sources are identified.
  - b) Properties that are environmentally contaminated, where funds have been identified for the clean-up and reuse of the property, provided that:
    - i) The HLB is made aware of any environmental conditions to its satisfaction and with evidence satisfactory to the HLB provided to as to the status of any obligations that the HLB may assume on the part of the conveying party with respect to local, state, or federal regulations.
    - ii) If any adverse conditions are determined, a remediation plan satisfactory to the HLB must be in place prior to transfer to the HLB.
- 5) In determining the nature and extent of the properties to be acquired, the HLB shall also consider:
- a) The condition, marketability, potential holding, tax, utility, legal, environmental and maintenance costs, and possible end uses of every property prior to acquisition.
  - b) The likelihood that a property can be resold for adequate consideration to reimburse HLB for its Total Project Costs;
  - c) The financial resources available for acquisitions and/or ongoing management of property by HLB; and
  - d) The projected holding time before HLB might transfer such properties to the ultimate transferee(s), provided such time does not exceed 36 months from the date of conveyance to the HLB.

- e) The potential neighborhood impact, and availability and opportunity of other complementary development activities.
  - f) The organization shall provide detailed procedures for potential lot acquisition.
- 6) Where applicable, the HLB may request the Harris County Treasurer to combine tax-foreclosed properties from one or more of the previous statutorily-required auctions of tax foreclosed properties, and may acquire any such properties prior to auctions, at such auctions, or subsequent to auctions, as authorized by law.
- 7) If public funds will support redevelopment and/or ongoing maintenance of a property, HLB shall determine that its acquisition of such property is approved as an eligible activity by the funds provider.
- 8) Acquisition Agreements between HLB and the Conveying Party
- a) HLB will execute written agreements describing the terms and conditions of all acquisitions in a form that is acceptable to the HLB and the conveying party.
  - b) Such agreements shall specify all rights and obligations, if any, of all parties involved in the acquisition.
  - c) A standard agreement document may be used, with appropriate attachments and addenda as may be necessitated to complete the acquisition in question.
- 9) HLB may acquire properties for the express purpose of Land Banking on behalf of an approved third party (see Section 10: LAND BANKING).
- 10) Title Insurance for Acquisitions by the HLB
- a) HLB generally requires that any property accepted by the HLB have a policy of title insurance insuring HLB, subject to such title exceptions that are acceptable to the HLB in its sole discretion.
  - b) In those circumstances when the title is not insurable, HLB may elect to acquire the property with the intention of initiating a quiet title action.
- 11) Donated or Gifted Property
- a) HLB may choose to accept, at its own discretion, property offered by a private, non-governmental entity, as a donation or gift for which no monetary or other material compensation is anticipated by the donor party.
  - b) Properties with immediate maintenance requirements may be accepted, subject to the donor providing a cash contribution to cover the costs HLB will bear to remedy outstanding maintenance issues.



- c) Donated Property Procedures: HLB shall establish procedures governing the acquisition of properties by donation, which shall include, but not be limited to the following:
  - i) The HLB will complete an analysis of the property to be donated according to its customary procedures.
  - ii) The CEO will present the Board of Directors with the results of the required analysis for Board review prior to acceptance of any donated property.
  - iii) The Board of Directors shall approve or decline donation of property in all cases.
  - iv) HLB will not determine donation value for purposes of tax benefits to the Donor but will provide a letter describing the property donated as a contemporaneous written acknowledgment under section 170(f)(8) and/or other applicable section(s) of the Internal Revenue Code.

## SECTION 6: POLICIES GOVERNING THE DISPOSITION OF PROPERTIES

### 1) General

- a) Board review of transfers is required to acknowledge the fiscal responsibility and gain of the organization. In order to facilitate an efficient process to accomplish the organization's goals of a streamlined process to take vacant properties into productive use, the following policy for approval of transfers is provided.
  - i) The Chair of the Board will appoint a Programs Committee, that may be an existing committee, in order to develop programs and review all potential Transfers of real property, and related analysis as performed by staff and outlined in acquisition procedures.
  - ii) The Programs Committee will develop, propose, and administer all relevant programs for lot disposition, except specific programs that may be overseen by other committees. They will also review all templates for legal and contract documents.
  - iii) The Board of Directors will review and approve all programs for property disposition and relevant contracts as recommended by the Programs Committee.
  - iv) The Programs Committee will report ongoing activity at Board meetings, and present reviewed property sale contracts for Board approval.
  - v) The Chief Executive Officer will sign sale contracts on behalf of the Board of Directors, once approved by the Board of Directors

- vi) The Programs Committee will have delegated authority to review any proposed changes to the contract, proposed by Transferee, and determine whether or not contracts need to be reviewed by the Board of Directors. If no such review is determined necessary, the Programs Committee may approve the proposed changes.
- vii) The Chief Executive Officer, or designated party by the Board of Directors, is responsible for reviewing compliance with Board Approved Contracts, enforcing the contract rights afforded to HLB, and reporting activity to the Programs Committee and the Board of Directors
- viii) The Chief Executive Officer, or designated party by the Board of Directors, will have the delegated authority to release a builder from the contract reverter/repurchase rights afforded to HLB at the time of transfer of property to a LMI Qualified Homebuyer.
- ix) The Chief Executive Officer, or other designated party by the Board of Directors, will have delegated authority to temporarily release a builder from the contract reverter/repurchase rights afforded to HLB at the time of property development if the lending institution provides oversight of property compliance and completion, as demonstrated in writing, and according to any waiver template that has been approved by the Programs Committee.
- x) Any disposition transactions that are unique to the programs approved by the Board of Directors, and/or this policies document, will be brought to the Board of Directors for review prior to negotiating with a potential transferee.
- b) The Board of Directors will adopt and approve base property sale contract templates, prior to issuance to transferees, as proposed by the Programs Committee, that will include language that is consistent with all company governing documents and annual program guidelines.
- c) In order for HLB to convey property to another party, the future use of the property must promote a public purpose or bestow a benefit on the community. All proposals for and subsequent transfer of property must stipulate the following:
  - i) The transfer of the property to another party is intended to achieve a public purpose or bestow a community benefit, which includes one or more of the following:
    - (1) Blight remediation
    - (2) Creation of affordable housing

- (3) Creation of employment opportunities or employment training opportunities
- (4) Neighborhood stabilization and/or revitalization
- (5) Historic preservation
- (6) Community improvement or beautification
- (7) Increase tax revenues
- (8) Storm water management and flood mitigation
- (9) Other public purpose or community benefit as may be determined by the Board from time to time

2) Property Disposition Conditions

- a) In determining the requirements for property disposition by the HLB to a transferee, the following considerations shall be made:
  - i) The transferee must certify in writing that they, whether directly or through a related entity, do not own any real property in Harris County that:
    - (1) has any un-remediated citation or violation of the state and local codes and ordinances. Property for which a remediation plan is in effect shall not disqualify transferee from accepting property from the HLB, provided notice of such plan is provided in writing to the HLB; OR
    - (2) is tax delinquent
    - (3) presents any potential conflict of interest to the organization and/or the City
  - ii) The transferee must certify in writing that they, whether directly or through a related entity, have not been the owner of any real property in Harris County that was transferred from their ownership to the Harris County Treasurer as a result of tax delinquency in the five years prior to the proposed transfer of property from HLB.
  - iii) All tax incentives, funding, and financing necessary for the proposed redevelopment of a property must be committed prior to transfer from the HLB.
    - (1) Proof of such commitment must be provided to HLB prior to conveyance.
    - (2) HLB may enter into a contingent disposition agreement prior to transferee receiving commitment of funds given an adequate demonstration of effort towards receiving commitment.

- iv) Parcels of property transferred shall be transferred for consideration in an amount not less than Total Project Costs or fair market value, whichever is greater. Consideration may include satisfying a public purpose or conveying a benefit upon the public.
- v) HLB may, at its discretion, choose to encumber a property with a forgivable mortgage equal to the Total Property Costs to satisfy its demand for compensation. The terms by which the mortgage obligation may be forgiven must be described in a development agreement between the HLB and the acquiring party and governed by a declaration recorded against the Property at closing.
- vi) The HLB may consider 'Land Leasing' as a method of disposition in any transactions.
- vii) Option Agreement:
  - (1) HLB may offer Purchasers the Option to purchase real estate for a percentage of the purchase price, provided the Purchaser exercises the option by a mutually agreeable date.
  - (2) An Option fee shall be collected to bind an Option Agreement.
  - (3) Any Option fee collected by the HLB shall be credited to the Purchaser at closing.
  - (4) If closing does not occur by the appointed Option date, the Option fee is forfeited to HLB.
  - (5) All option agreements are subject to these Policies pertaining to property transfers.
- b) Development Agreements.
  - i) All development projects not otherwise addressed in these Policies shall require a 'development agreement' governing the terms and conditions by which a proposed redevelopment of a property will be completed.
  - ii) Where rehabilitation of a property by the transferee is a condition of the transfer, the requirement for such rehabilitation shall be in accordance with rehabilitation standards as established by the City of Houston and adequate completion of such rehabilitation shall be a condition to the release of restrictions or lien securing such performance.
  - iii) A precise narrative description of future use of the property is required prior to the approval of a development plan or transfer of a property by the HLB.

- iv) The future use must be in-line with adopted/recognized local neighborhood planning goals.
  - v) The development agreement shall apply to stated use.
  - c) If code or ordinance violations exist with respect to the property at the time of the transfer, the development agreement shall specify a maximum period of time for elimination or correction of such violations, with the period of time be established as appropriate to the nature of the violation of the anticipated redevelopment or reuse of the property.
  - d) The proposed use must be consistent with current land use requirements or the applicant developer must secure any necessary waivers or variances prior to the transfer.
  - e) The transferee must agree to pay future property taxes from the time of transfer.
- 3) Factors in Determining Consideration Due Upon Transfers
- a) The following factors shall constitute general guidelines for determination of the Consideration to be received by the HLB from the purchaser for the transfer of properties, if there are not set prices associated with an HLB property.
    - (1) In each and every transfer of real property, the HLB shall require good and valuable Consideration in an amount determined by the HLB in its sole discretion.
    - (2) The HLB will consider both the fair market value of the property and the Total Property Costs, as well as the goal of assuring affordable housing, in making its determination of Consideration for each property.
    - (3) Fair market value shall be determined by a written appraisal or brokers price opinion received by the HLB that is not older than 60 days from date of the property request.
  - b) Any exception to the policies governing Consideration shall be taken to the Board of Directors of the HLB for approval.
- 4) Priorities Concerning the Disposition of Properties
- a) As a general rule, the HLB will seek to convey properties to be reactivated as productive parcels that can generate property taxes, stimulate community and economic investment or improvement, or meet a stated public purpose.
  - b) The disposition of properties shall be based upon a combination of two different factors:

- i) The first factor involves the intended or planned use of the property.
  - ii) The second factor considers the nature and identity of the transferee of the property.
  - iii) Additionally, the consideration of disposition shall include the builder's financial capacity to complete the project and the builder's availability for development in the near term from disposition.
- c) The disposition of any given parcel will be based upon an assessment of the most efficient and effective way to maximize the aggregate priorities listed below for each factor.
  - d) The Board and Staff of the HLB shall, at all times, retain flexibility in evaluating the appropriate balancing of the priorities for development or use of the property and the consideration for the conveyance of those properties.
  - e) Priorities for use of property shall align with neighborhood priorities and plans in the community where the property is located; intended property use shall address at least one of the following (order does not imply priority ranking):
    - i) Promote affordable homeownership
    - ii) Promote single and multi-family affordable rental housing
    - iii) Mixed-use development
    - iv) Neighborhood revitalization
    - v) Market rate housing development that is part of a larger community development plan
    - vi) Community gardens
    - vii) Development of public green space (parks and gardens)
    - viii) Public infrastructure
    - ix) Long term "banking" of properties for future strategic uses
    - x) Return of the property to productive taxpaying status
    - xi) Retail and commercial development
    - xii) Industrial and manufacturing uses related to job training and development and in line with neighborhood character
    - xiii) Demolition to remove blighted properties
    - xiv) For purposes of environmental clean-up

- xv) Historic preservation
  - xvi) Storm water management/flood mitigation
- f) Priorities as to the nature of the Transferee (order does not imply priority ranking)
- i) Qualified nonprofit or for-profit corporations that will hold title to the property on a long-term basis as affordable rental housing.
  - ii) Qualified non-profit or for-profit corporations that will hold title to the property for purposes of subsequent redevelopment and re-conveyance to private third parties for homeownership, market-rate or affordable rental housing.
  - iii) LMI Purchasers who will own and occupy the property as their primary residence.
  - iv) Developers completing commercial or mixed-use projects that help revitalize a low or moderate-income community or neighborhood
  - v) Businesses that will own and occupy commercial property providing economic opportunity in a low- or moderate-income community or neighborhood
  - vi) Entities that are a partnership, limited liability corporation, or joint venture comprised of a private nonprofit corporation and a private for-profit entity. In the case of a joint venture, the nonprofit corporation must maintain substantial participation in the venture.
  - vii) Nonprofit or tax-exempt institutions such as academic, social service and religious institutions
- g) Individuals and entities that were the prior owners of the property at the time of the tax foreclosure which transferred title to the County Treasurer shall be ineligible to be the transferee of such property from the HLB.
- h) HLB may disqualify applicants to receive property for reasons that may include, but are not limited to:
- i) Applicant having settled a suit or legal action in which the applicant was a defendant in landlord-tenant dispute;
  - ii) Applicant being a defendant in a chronic nuisance violation complaint;
  - iii) Applicant being convicted previously in a criminal case involving a felony; fraud complaint; violation of one or more state or federal laws concerning nonpayment of taxes; case involving a serious environmental complaint; or other legal dispute that is a matter of public record and which the HLB finds sufficient reason to disallow a transfer.

- iv) Applicant has failed to perform in prior instances of lot disposition to that applicant.
  - v) Applicant has a conflict of interest with the organization as determined by HLB's ethics policy and/or by state or local law.
  - i) The decisions of the HLB are final.
- 5) Transfers of property other than residential property of 1-4 units and 10,000 SF:
- a) Transfers of property shall require consideration relative to the Total Project Cost, Fair Market Value, or any other valuation method approved by the Executive Committee which may be paid in the form of cash or contractual commitments to perform and deliver a specified public benefit.
  - b) To the extent that the Fair Market Value or any other approved valuation method is less than the Total Project Costs, the difference shall be reflected by a combination of contractual obligations to develop, maintain, or preserve the property for specified development purposes. Such amount may be secured by subordinate financing in which amortization of the obligation occurs by virtue of the annual performance of the required conditions.
  - c) The dominant priority in determining the amount of and method of payment of the consideration is the extent to which pricing facilitates development that aligns with the priorities on use and concerning neighborhood and community development.
- 6) Methods of Disposition: HLB shall select the method of disposition which shall permit obtaining the competition that is feasible and desirable to ensure properties disposed of generate the best aggregate return on the investment of public resources, whether that return is cash, community benefit, or a combination thereof. HLB may use any of the methods of disposition outlined below.
- a) Negotiated Sale.
    - i) Competitive Listing. Open market competition shall be used to establish the fair market value of Land Bank property. Staff shall list property for sale with a licensed real estate broker and/or on the Land Bank's website to solicit such competition.
    - ii) Listing Price. The listing price shall be determined by staff based on one or more of the following:
      - (1) Comparative market analysis;
      - (2) Brokers price opinion;



- (3) Appraisal;
  - (4) Consideration of the extent of renovations or infrastructure needed and, as needed,
  - (5) Consultation with a licensed real estate broker or agent.
  - (6) The HLB is empowered to negotiate a proposed purchase price with interested purchasers, taking into consideration all reasonable business and financial justifications for accepting offers above or below listing price. In addition, a number of defined discount programs are contained in this Policy which may result in a property being sold for less than fair market value
- iii) The Board of Directors, in its sole discretion, may sell property to an applicant who has not submitted the highest purchase offer (i.e. sell for less than fair market value) for a variety of reasons consistent with the HLB's mission and purpose including, by way of example and not limitation, the submission of a redevelopment plan which provides for:
- (1) Timeline to completion
  - (2) A more comprehensive renovation of the property,
  - (3) A valuable community service, or
  - (4) Other community benefits.
  - (5) The Board of Directors will also take into consideration the applicant's qualifications and experience, financial capacity, the quality and extent of their redevelopment plan, and the planned use for the property when selecting to which applicant a sales contract will be awarded.
- b) Request for Qualifications. The organization may use a RFQ process to review and determine the eligibility of builders to participate in the program. This RFQ will be held annually to provide builders with an opportunity to participate regularly.
- c) Requests for Proposals. A Request for Proposals (RFP) may be used for the disposition and redevelopment of certain properties identified by the Land Bank to solicit from a specific pool of potential eligible buyers, to allow a greater length of time for interested buyers to develop an offer and development plan, or to solicit development proposals that meet certain criteria set forth by the Land Bank.
- d) Auction. A public auction may be used to sell certain properties identified by the Land Bank when:

- i) Minimum criteria for renovation/redevelopment of the property have been established and included in the terms of sale to be enforced by a Development Agreement, Declaration, or similar mechanism.
- ii) Eligible bidders will be pre-screened to ensure they are qualified Applicants.
- iii) Winning bidders must demonstrate proof of funds sufficient to purchase and renovate the property in accordance with the predetermined minimum criteria for renovation/redevelopment of the property.
- iv) Staff will set starting bid and reserve prices based on comparable market analysis and the extent of renovations needed.
- e) Noncompetitive Sale. The Board of Directors may authorize the sale of property to a buyer without first undertaking the other methods of disposition set forth herein when it determines that a benefit to the community will be had by authorizing such sale without competitive procedures for reasons consistent with the Land Bank's mission and purpose and upon a demonstration that the buyer is uniquely qualified to own, develop or otherwise return the property to productive use.
- f) Option Agreement: The Board of Directors may authorize an option agreement for sale of property as referenced in 2) b) vii) of this section.

#### 7) Compliance Remedies

- a) HLB may include in any property conveyance contract requirements for performance bonds, completion incentives, and/or liquidated damages clauses including repurchase or reverting of ownership, to provide assurance that properties will be developed in a timely fashion.
- b) HLB will develop procedures for compliance oversight and will notify the Program Committee Chair for any potential remedial action recommendation. If determined to be administrative in nature, and not incur a policy or program change, nor any material financial liability to the organization, the staff will be able to proceed.
- c) The Board of Directors must review any property recovery that will incur liabilities that are not offset by other income from property recovery or future sale.
- d) In any case of repurchase, reverter, or recapture, the organization will provide notice to the builder/purchaser/transferee by at least 10 business days of anticipated remedy to provide an option for builder/purchaser/transferee to communicate with the organization and cure any defaults to the disposition contract that has transpired.

#### 8) Releases :

- a) HLB may temporarily release rights of repurchase and reverter during the time of construction, as may be required by the lender or other financing entity, if there is proof of project oversight and compliance by a third party.
- b) HLB may permanently release rights of repurchase and reverter at the sale of a home to a qualified homebuyer as may be required by the title company.

## SECTION 7: TRANSFERS TO LMI PURCHASERS

These policies apply specifically to transfers to support the development of affordable homeownership to LMI Purchasers, and are to be applied in addition to the policies above when applicable.

- 1) Primary Residence Required: The property may not be used as an income-generating rental property unless the property consists of a 2-4 unit building and the owner occupies one unit as his or her primary residence.
- 2) Homebuyer Education: HLB may require that any LMI buyer (as defined in item 5 below) attend, complete, and provide proof of completion of a comprehensive homebuyer education course delivered by a certified HUD-approved housing counseling agency, provided that the date of completion is not more than 180 days previous from the date the property is to be conveyed to the LMI Buyer.
- 3) Properties needing rehab:
  - a) An LMI buyer may receive a transfer of a home requiring minor final renovations, provided the owners agree to complete renovations according to a rehab and redevelopment plan submitted in advance and approved by the HLB, and
  - b) Such a plan shall allow the LMI buyer to occupy the property as his or her primary residence within a time frame acceptable to the HLB.
  - c) Minor rehab includes cosmetic repairs, final coat of interior paint, decorative landscaping, or similar repairs and shall not include any major repairs, replacement, or installation of essential systems or structural elements, including roof, foundation, or supporting walls of the residential structure.
- 4) Compliance Period for Affordability: To any extent this section conflicts with the Land Use Assembly Agreement ("LURA"), the LURA shall control. The period of affordability shall be understood as:
  - a) The goal of the organization is to provide additional opportunities for affordable housing, and the LURA will be attached to any contract for sale of property will specify the time period and conditions for affordability as determined by program, or source of funding.

- b) The Board of Directors will review any template LURA to be used in any contract for sale of property.
  - c) The LURA shall provide at minimum conditions of homebuyer staying in the purchased home for a period not less than 5 years, and provide for what processes and potential penalties result when the homebuyer chooses to sell the property in advance of the end of the contract term.
  - d) The Compliance Period will be reviewed and overseen by the City of Houston, as is customary and related to the initial Homebuyer Income Qualification.
- 5) Qualifications: A Qualified LMI buyer is one who meets the following qualifications:
- a) Has a household income at the time of application and up to the conveyance of a property from the HLB does not exceed 120% of the Houston area median income for their household size, as determined by the City of Houston's published income scales, and as approved by the City of Houston's Homebuyer Assistance Program which provides income certification, unless specific funding sources or program design dictate different affordability requirements.
  - b) Has completed an application to purchase from the HLB as a Qualified LMI buyer
  - c) Is not otherwise disqualified as a Transferee by these Policies and Procedures.
  - d) Is not subject to any tax liens for unpaid or past due taxes on property located in Harris County.
  - e) Is not subject to collection for any unpaid or past due taxes, bills, fines, or fees to the City of Houston, Harris County, or another government unit.
  - f) Has not owned a partial interest in property in Harris County that was foreclosed upon for tax delinquency or which has outstanding liens from the City of Houston for violations of the city's Property Maintenance standards or other city codes and ordinances.
- 6) HLB shall define in its contracts for sale, and accompanying LURA, as well as in customary procedures, the compliance required for any low-income purchaser during the Affordability Compliance Term with regard to sale such that the property remains affordable.
- 7) Compliance Review
- a) Income Certification, at time of purchase, must be provided to HLB as provided by the City Housing and Community Development Department,

Homebuyer Assistance Program Office. The buyer must be a 'Certified Buyer'

- b) HLB will provide the City of Houston's Housing and Community Development Department with notification of the property sale within 60 days such that they can provide the long term compliance as is customary with the variety of their programs.
  - c) Certification by Owner. During the Term, on each anniversary of the date upon which this Declaration was first recorded in the Official Public Records of Real Property of Harris County, Texas, or upon such other annual date as City, in its discretion, upon reasonable notice to the Owner, shall establish, Owner shall submit to City a certification, in a form prescribed by City, as to Owner's compliance with all of the terms and provisions of this Declaration. Failure to return the certification form, and any supporting documentation required to satisfy the annual certification requirement within a reasonable time, which shall not exceed 60 days of the receipt of such request by the City, shall be considered a material breach of the Declaration governing the property and cause for legal action by the City to enforce its rights.
  - d) Owner's Responsibility: City or designated agent of the City, periodically will monitor Owner's compliance with the requirements of the LURA Declaration.
- 8) Releases:
- a) HLB will issue releases from all protective covenants, such as waivers of reverter and repurchase rights, at the time that there is a qualified low-income purchaser identified for any property.
  - b) City, and designee responsible for long term compliance shall execute such documents as may be required to evidence release of the Single-Family Property, or any portion thereof, from the covenants and restrictions set forth in this Declaration based upon the expiration of the Term

## SECTION 8: TRANSFER OF REHABILITATED PROPERTIES

- 1) In its annual work plan, at the time of adoption of the fiscal year budget, the organization shall identify what programs may include the rehabilitation of properties
- 2) Board Approval of rehabilitated properties will follow Acquisition Policies.
- 3) Rehabilitation and Marketing
  - a) The HLB may undertake rehabilitation of properties prior to the transfer to third parties. The nature and extent of any such rehabilitation shall be determined by the HLB in its sole discretion.
  - b) Properties assisted with public funds will be rehabilitated in accordance with the rehabilitation standards for the program by the grantee.
  - c) At the commencement of rehabilitation, a sign shall be placed on the property indicating that the property is owned by the HLB.
- 4) A real estate agent, or realtor, may be selected as a 'Listing Broker' in accordance with HLB procedures to assist in the marketing of the property. A listing agreement will be signed with such an agent prior to the completion of the rehabilitation.
- 5) A sales contract must be completed and must comply with all policies and procedures of the HLB and public funds sales requirements (i.e. sales at no greater than project costs), if applicable. The sales contract shall not be binding upon the HLB until approved by the Chief Executive Officer, or by the Board of Directors if required by HLB policies and procedures.

## SECTION 9: LAND BANKING FOR THIRD PARTIES

- 1) The HLB may receive title to properties from community development corporations, government agencies, and all other public entities including tax increment reinvestment zones, municipal utility districts and municipal improvement districts, and hold title to such properties pending future use by the HLB, the transferor of the property or a third party selected by the HLB or specified in a Land Banking Agreement.
- 2) The receipt by HLB of any and all conveyances of real property shall at all times be solely within the discretion of HLB. Nothing in this policy shall be deemed to require HLB to take title to any properties nor to limit the discretion of HLB in negotiating the terms of its acquisition of any property for land banking purposes.
- 3) Goals of land banking conducted by HLB shall include, but are not limited to, the acquisition of real property for or on behalf of a governmental entity or a not-for-profit corporation to:
  - a) Permit advance acquisition of potential development sites in anticipation of rapidly rising land prices;
  - b) Facilitate pre-development planning, financing and structuring;
  - c) Minimize or eliminate violations of state or local law on properties to be developed for affordable homes or a related purpose; and
  - d) Hold parcels of land for future strategic governmental purposes including, but not limited to, community development, affordable housing, flood prevention, and open spaces and greenways.
- 4) If the transfer is approved by the HLB Board, HLB shall hold the subject property and may use or convey the subject property or any interest in the subject property, subject to the terms of the Land Banking Agreement.
- 5) Following the transfer of any properties to HLB in accordance with this policy, HLB shall have the right, but not the obligation, to maintain, repair, demolish, clean, and grade the subject property and perform any and all other tasks and services with respect to the subject property as the HLB may deem necessary and appropriate in its sole discretion.
- 6) Requirements for conveyances to the HLB in its Land Banking Capacity
  - a) Property that is intended to be conveyed to HLB and to be held by the HLB for land banking purposes shall be clearly designated as such in the proposal for the transfer, and in the records of HLB.
  - b) No property shall be transferred to HLB for land banking unless the transferor is either a private nonprofit entity or a governmental entity.

- c) The subject property must not be occupied by any party or parties as of the date of transfer to HLB.
  - d) The subject property must, as of the date of the transfer to HLB, be free or released of any and all liens for ad valorem taxes, special assessments, and other liens or encumbrances in favor of local, state or federal government entities.
  - e) The subject property must, as of the date of the transfer to HLB, be free or released of all outstanding liens, claims, mortgages and security instruments.
  - f) If the property that is to be conveyed by HLB has benefitted from public funding, then all such property will be required to comply with any related funding program requirements.
  - g) Unless agreed to by both parties and the HLB Board of Directors, a Land Banking Agreement may allow for a maximum land banking term of 36 months for transactions in which the transferring party is a not-for-profit entity, and 60 months for transactions in which the transferring party is a governmental entity.
- 7) Right of Repurchase by the Transferor
- a) The transferor shall have a right to repurchase the subject property from the HLB at any time within a timeline determined by the HLB on a case-by-case basis by giving notice to the HLB and stipulated in any Land Banking Agreement.
  - b) The right of repurchase may be exercised by the transferor upon payment to the HLB of the Purchase Price. The Purchase Price shall be an amount equal to:
    - i. all expenditures of the HLB (whether made directly by the HLB or through payments to a third-party contractor) in connection with the subject property that was incurred subsequent to the date of conveyance and
    - ii. an amount determined by the HLB as its average indirect costs, on a per parcel basis, of holding its portfolio of properties.
  - c) The HLB shall have the right, at any time within a period designated by the Land Banking Agreement, following the date of the original transfer, to require the transferor to exercise its right of repurchase by giving written notice to the transferor that it exercises its right of repurchase and the amount of the purchase price.
  - d) The transferor must exercise its right of repurchase, and close the re-conveyance of the property within a time-period designated by such notice. Failure of the transferor to exercise and close upon its right of



repurchase within such time period shall result in a termination of all rights of repurchase with respect to the subject property.

- 8) All Property held by HLB and transferred by the HLB pursuant to a Land Banking Agreement shall be subject to covenants and conditions providing that the Property is to be used for the following goals:
  - a) the production or rehabilitation of housing for persons with low or moderate incomes,
  - b) supportive economic development projects that complete the community needs,
  - c) community improvements, or
  - d) other public purposes specified in these policies as priorities for acquisition or disposition of properties.
- 9) Each Land Banking Agreement will specify the range of permissible uses and the manner in which such use restriction is secured. Such restrictions and conditions may be imposed either in the form of contractual obligations, deed covenants, rights of reacquisition, or any combination thereof.
- 10) The CEO/President, in conjunction with an officer of the Board of Directors, shall have full power and authority to enter into and execute Banking Agreements having form and content consistent with applicable state law, local requirements, and these policies. The CEO/President shall summarize for the Board of Directors on a regular basis the nature and number of Land Banking Agreements, the aggregate Holding Costs, and all transfers to and from HLB pursuant to Land Banking Agreements. Any provision of any Land Banking Agreement not consistent with these policies shall require the express approval of the Board of Directors.

## SECTION 10: CONFLICTS OF INTEREST

- 1) The reputation and credibility of the Houston Land Bank (hereinafter referred to as the HLB) rests on its ability to make fair, objective and impartial real estate and other decisions in accordance with relevant laws and carefully defined criteria. Consequently, it is essential to avoid situations where a conflict of interest may influence, or appear to influence, that decision-making process. Officers and employees of the Land Bank shall hold their positions to serve and benefit the public and not for personal gain or advantage. The Board of Directors recognizes that in order to implement this fundamental principle there is a need for clear and reasonable standards of proper conduct. This Conflict of Interest Policy establishes such standards by defining and prohibiting acts incompatible with the public interest.
- 2) Definitions. When used in this code/policy, the following words and phrases shall have the following meanings:
  - a) FAMILY — The parent, sibling, spouse or child of a person or any members of a person's immediate household.
  - b) OFFICER or EMPLOYEE — Any person appointed or hired to serve HLB in any capacity, whether paid or unpaid, or for a term fixed or not fixed, including, without limit, persons serving on a temporary, part-time or seasonal basis. Officer includes the CEO/President, any other designated officer, and any member of the Board of Directors.
  - c) AN INTEREST — A benefit or advantage of an economic or tangible nature that a person or a member of his or her family would gain or lose as a result of any decision or action, or omission to decide or act, on the part of the HLB Board of Directors or any of HLB's officers and employees.
- 3) Ethical standards.
  - a) No HLB officer or employee shall have any employment, or engage in any business or commercial transaction, or engage in any professional activity, or incur any obligation, as a result of which, directly or indirectly, he or she would have an interest that would impair his or her independence of judgment or action in the performance of his or her official duties or that would be in conflict with the performance of his or her official duties.
  - b) No officer or employee of HLB shall acquire any interest, direct or indirect, in real property of HLB, in any real property to be acquired by HLB, or in any real property to be acquired from HLB.

- c) No HLB officer or employee shall have any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used by a HLB.
- d) No HLB officer or employee shall have or enter into any contract with a third party who has or enters into a contract with HLB unless:
  - i. The third party contract to which HLB is a party is with the City of Houston, Houston Independent School District, or Harris County.
  - ii. The third party contract is awarded via a competitive procurement conducted in compliance with state law and HLB policies; or
  - iii. The third party contract is one with respect to which the Land Bank officer or employee:
    - a) Has no interest;
    - b) Has no duties or responsibilities, or, if the contract with the person is one which the HLB officer or employee entered into prior to becoming an HLB officer or employee, he or she abstains from any performance of duties or responsibilities; and
    - c) Exercises or attempts to exercise no influence.
- e) No prohibited conflict of interest shall be found involving a contract with a person, firm, corporation or association in which an HLB officer or employee has an interest which is prohibited solely by reason of employment as an officer or employee thereof, if the remuneration of such employment will not be directly affected as a result of such contract and the duties of such employment do not directly involve the procurement, preparation or performance of any part of such contract.
- f) No HLB officer or employee shall discuss, vote on, decide or take part in, formally or informally, any matter proposed or pending in which he or she has an interest. This provision shall not apply to any HLB officer or employee whose interest in the proposed or pending matter is *de minimis*, provided that these procedures are followed strictly:
  - i. The HLB officer or employee shall identify his or her interest, i.e., the benefit or advantage that would be gained or lost if HLB acted on the matter in various ways, and the underlying basis of such interest, such as ownership, investment, contract, claim, employment, or relationship.
  - ii. The HLB officer or employee shall completely and specifically describe and disclose his or her interest and its underlying basis,

if any, in writing, to the Board of Directors in advance of his or her participation in the matter.

- iii. If either the HLB officer or employee, or the CEO/President, or the Chair of the Board of Directors believes that the disclosure reasonably raises a question whether the interest is de minimis, such question shall be submitted to HLB's General Counsel for an opinion, prior to which the officer or employee shall not participate in the matter. Failure to disclose properly or abide by the opinion of the Board shall make any participation of the officer or employee in the matter null and void.
- g) No HLB officer or employee should accept employment or engage in any business or professional activity which will require him or her to disclose confidential information which he or she has gained by reason of his or her official position or authority.
- h) No HLB officer or employee should disclose confidential information acquired by him or her in the course of his or her official duties nor use such information to further his or her personal interests.
- i) No HLB officer or employee should use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself or herself or others, including but not limited to, the misappropriation to himself, herself or to others of the property, services or other resources of the HLB for private business purposes.
- j) No HLB officer or employee should engage in any transaction as representative or agent of the HLB with any business entity in which he or she has a direct or indirect interest that might reasonably tend to conflict with the proper discharge of his or her official duties.
- k) A HLB officer or employee should not by his or her conduct give reasonable basis for the impression that any person can improperly influence him or unduly enjoy his favor in the performance of his official duties, or that he is affected by the kinship, rank, position or influence of any party or person.
- l) A HLB officer or employee should abstain from making personal investments in enterprises which he or she has reason to believe may be directly involved in decisions to be made by him or her or which will otherwise create substantial conflict between his or her private interest and duty to the public interest.

- m) A HLB officer or employee should endeavor to pursue a course of conduct which will not raise suspicion among the public that he is likely to be engaged in acts that are in violation of his or her trust.
  - n) No HLB officer or employee shall use or permit the use of HLB owned vehicles, equipment, materials or property for the convenience or profit of himself or herself or any family member.
  - o) No HLB officer or employee shall solicit any gift, nor shall any HLB officer or employee accept or receive any gift having a value of \$25 or more, regardless of the form of the gift, from any person who has an interest in any matter proposed or pending before HLB. The provisions of this subsection shall not apply to contributions solicited or received in accordance with the election laws of the State of Texas.
  - p) A HLB contract with a corporation in which a HLB officer or employee has an interest shall not be deemed to create a prohibited conflict of interest under this code/policy based solely on such officer or employee's ownership or control, direct or indirect, of less than five (5) percent of the corporation's outstanding shares of stock.
  - q) While disclosure and recusal shall be required, the interest of an HLB officer or employee who is a member of the board of a not-for-profit corporation or association which has a contract with HLB shall not be prohibited where the remuneration of such HLB officer or employee will not be directly affected as a result of such contract.
4. Discipline and Removal. The doing of any act prohibited or the failure to do any act required by this Conflict of Interest Policy shall constitute grounds for disciplinary action, including removal, and any HLB officer or employee who violates a provision of this Conflict of Interest Policy may be subject to removal, in the discretion of the Board of Directors, in the manner provided by law.
5. Annual Disclosure Statements. All Board members and officers, as well as all employees who hold policy-making positions, of HLB shall file annual financial disclosure statements and conflict of interest forms as required by state law or City of Houston ordinances.

**SECTION 11: TRANSACTION POLICY SUMMARY**

The matrix below is intended to provide an overview of the processes for various transactions that may be undertaken by the HLB in compliance with the requirements established in Board Policy. In case of a conflict between the written policies and this matrix, the written policies shall control.

<b>TRANSACTION TYPE</b>	<b>STAFF REVIEW &amp; PROCESS</b>	<b>COMMITTEE APPROVAL</b>	<b>BOARD APPROVAL</b>	<b>NOTES</b>
Land Acquisition	Staff review/due diligence, report to Executive Committee or designee  CEO signature on a contract, upon entering into a contract, and closing statements post-Executive Committee or designee/Board Approval	Acquisitions Committee regular review of activity and pre-closing approval.  Acquisition advances to Board at their recommendation for review	For HLB: Review and Approval, or Ratification if from the auction  For Third Party: See Below	Above \$50,000 counter signature with Board Officer
Land Leasing	Staff review/due diligence, report to Executive Committee or designee  CEO signature on a contract, and closing statements post-Executive Committee or designee/Board Approval	Acquisitions Committee regular reporting on activity and pre-closing approval.  Acquisition advances to Board at their recommendation for review	Review and Approval	Above \$50,000 counter signature with Board Officer
Land Sale Contract	Staff review/due diligence, report to Program Committee  CEO Signature on contract and closing statements, post Board Approval	Program Committee review and recommendation to BOD	Review and Approval  For Third Party, See Below	

Sale Contract Amendments	CEO recommendation to Program Committee	Program Committee Approval	Reporting	Changes in contract plans/specs
Contract Compliance Remedies	CEO recommendation guidelines to Program Committee. CEO to administer remedies	Program Committee Approval-Guidelines Report Monthly	Reporting	
Waivers of Contract Compliance Remedies	CEO recommendation guidelines to Program Committee. CEO to administer remedies	Program Committee Approval-Guidelines Report Monthly	Reporting	
Third Party Contract Acquisitions  (e.g. NHDP via Acquisition and Development Agreement)	Staff review/due diligence, report to Executive Committee or designee  CEO signature on contract, upon entering into contract, and closing statements post Executive Committee or designee/Board Approval  Approval from the third party that the purchase meets their expectations.	Acquisitions Committee regular review of activity and pre-closing approval.  Acquisition advances to Board at their recommendation for review, if required	Ratification  Or if the Executive Committee or designee requests review and approval.	Above \$50,000 counter signature with Board Officer on contract for purchase.
Third-Party Contract Sales  (e.g. NHDP)	Staff review of all required documents for contract approval  CEO signature on contract, and closing statements	Program Committee, regular reporting	Reporting	

-END of POLICIES-



**PROPOSED PROCUREMENT POLICY CHANGES**  
**SINCE SEPT. 2020 MEETING**

5. Procurement

It shall be the policy of Houston Land Bank to procure goods and services in an efficient and effective manner, exercising integrity and transparency, obtaining the best value based on a competitive process and creating opportunities for participation, and most importantly to uphold the strategic goals of the organization. The types of procurements will align with the basic functions of the organization: operations/management for office functions (design to bookkeeping contractors), asset management (lot maintenance and security), pre-development (feasibility and due diligence, and property sales costs) property acquisition (purchase and sale contracts). All procurements shall be carried out in accordance with the approved budget, except in emergency situations as defined by state and local law. ~~Property acquisition is covered in the next section of this document.~~ To fully pursue these goals and functions, it is the policy of Houston Land Bank to adhere to the following policy mandates:

- a. Houston Land Bank may utilize any and all procurement methods recognized by state and federal law and permitted for governmental entities, including, but not limited to Chapter 431 of the Texas Transportation Code, and the Texas Non-profit Corporation Law, Chapters 20 and 22 of the Texas Business Organization Code, and the Uniform Grant Guidance, and the Texas Public Information Act. Additionally, the Houston Land Bank will also follow any procurement methods as outlined in the corporation Bylaws and other organizational charters.
- b. ~~As allowed by applicable law, t~~he Board of Directors of the Houston Land Bank delegates authority for budgeted procurements/purchases of less than \$50,000 to the Chief Executive Officer of the Houston Land Bank.
- c. In utilizing any procurement method, Houston Land Bank will seek the best value that results from an open and impartial process, ~~while considering qualifications and competence. 6.~~ Houston Land Bank may utilize procurement methods that further enhance other policy goals of the corporation, including, but not limited to, small business participation, diversity in participation, and city-local preference considerations, so long as these policy goals and their implementation are in accordance with state and federal law.
- d. Houston Land Bank staff engaged in procurements will, at all times during any procurement process, act in a manner to prohibit discrimination based on race, sex, religion, national or

ethnic origin, sexual orientation, gender identity, age or disability.

- e. Procurements by Houston Land Bank will be in adherence to [Houston Land Bank](#), City of Houston and State of Texas conflict of interest rules and laws (including Texas Local Government Code, Chapters 171 and 176) and the corporation's staff is affirmatively charged with the responsibility to be aware of potential conflicts of interest related to Board members, staff or public officials.
- f. Houston Land Bank's staff is required to monitor compliance with procurement rules and contractual mandates and utilize various procedures and actions so as to insure compliance, ~~including, but not limited to, required vendor progress reporting, review of vendor performance data, audits, and periodic measurement of progress toward contract goals.~~
- f.g. [Adhere to the state law related to the procurement of design and construction of projects, unless otherwise exempted by the Texas Transportation Code.](#)
- g.h. Nothing in this procurement policy creates, gives or recognizes a property interest or right of any kind for the bidder or proposer prior to the award of the contract by the Board and compliance with all statutory and legal requirements.



## REQUEST FOR BOARD ACTION

**Meeting Date: October 8, 2020**

**Agenda Item VIII.b.: Consideration and Possible Action to Accept Program Committee and Staff Builder Lot Selection Recommendations for the HLB Housing Initiative**

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### **ACTION SUMMARY**

Approval of this item will accept Program Committee and staff builder lot selection recommendations for the HLB Housing Initiative and initiate execution of contracts for sale of lots to selected builders.

### **BACKGROUND/OVERVIEW**

The Program Committee and staff have engaged in an extensive collaborative effort to facilitate the second round of lot sales in HLB's inventory under the current Program Guidelines. The approved builders were invited to attend a virtual builder forum where staff discussed the program guidelines and procedures for submitting applications to purchase lots. The approved builders were later sent an email blast letting them know that the lots were up for sale and invited to the public website site which listed the 38 lots. They 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 three 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 multi-step review process included verification of submission of the required documents, such as evidence of entity formation. This step was followed by a 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 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 review committee members, which included three staff and a Board member. Recommendations were made to the Program Committee, which reviewed the documentation presented by the builders, as well as the scoring process and recommendations.

Out of all the approved HLB builders, eight builders submitted applications. The Program Committee recommends three builders to move forward for board approval this month. Staff has been in communication with the builders to ensure that they are still interested in

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

the lots. There will be five lots, in addition to the original six lots, sold of the 38 listed lots in the second round for an estimated total of \$92,272 sales revenue to HLB. Please note that 4 of the below lots are located in Sunnyside, and the remaining one is located in Trinity Gardens.

Lots proposed for sale are listed on the following page.

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

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[houstonlandbank.org](http://houstonlandbank.org)

**PROPOSED LOT 2 ROUND SALES  
FOR HLB HOUSING INITIATIVE  
October 8, 2020**

<b>Builder</b>	<b>HCAD</b>	<b>Address - Sunnyside</b>	<b>Purchase Price</b>	<b>Request</b>	<b>Next Steps</b>
Next Generation	1. 0761490010010	1. 8510 Safeguard	1.\$21,242	Recommendation for lot award	Placed on agenda for Board approval
	2. 0690150020015	2. 4403 Alvin	2.\$17,817		
	3. 0690150090025	3. 4328 Brinkley	3. 16,417		

<b>Builder</b>	<b>HCAD</b>	<b>Address - Sunnyside</b>	<b>Purchase Price</b>	<b>Request</b>	<b>Next Steps</b>
Oliver Builders	1. 0690150060010	1. 4306 Alvin	1.\$23,842	Recommendation for lot award	Placed on agenda for Board approval

<b>Builder</b>	<b>HCAD</b>	<b>Address - Trinity Gardens</b>	<b>Purchase Price</b>	<b>Request</b>	<b>Next Steps</b>
Elevate Opportunity Zone	1. 0660250080797	1. 7312 Shotwell	1.\$12,954	Recommendation for lot award	Placed on agenda for Board approval

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

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[houstonlandbank.org](http://houstonlandbank.org)



**REQUEST FOR BOARD ACTION**

**Meeting Date: October 8, 2020**

**Agenda Item VII.c.: Consideration and Possible Action to Accept Program Committee and Staff Recommendation to Award Approved Builder an Additional Lot under Revised Program Guidelines**

**ACTION SUMMARY**

Approval of this item will accept Program Committee recommendation to allow an HLB approved builder and Staff to initiate execution and closing of a contract for an additional lot purchase.

**BACKGROUND/OVERVIEW**

Approved Builder MHL Properties LLC (MHL) purchased 2 lots located in the Sunnyside area in Round 1 of sales this year. MHL proceeded with clearing the lots and applied for water/sewer with the city of Houston. MHL received a letter back from the PWD stating that the two lots, which are adjacent, would have to have an 8 inch water line installed before permitting would be approved. MHL has received a quote from his engineer to install the water line, but the delay is anticipated to be 4-5 months. MHL is still willing to develop and build a home on the lots, but he currently has one lot under contract with a qualified homebuyer. MHL requested that he be able to purchase another lot in the Sunnyside area so that he can begin on the home for the homebuyer under contract, and not loose them due to the significant delay. MHL was labeled as a Startup Tier 1 builder, which means he is allocated to 3 lots at any given time under the Program Guidelines, which he already currently has. This request is so that MHL can purchase this additional lot, even though it will put him above his lot cap, so that the homebuyer will not be delayed and potentially cancel the contract. MHL has the demonstrated capacity to develop the 4 lots if approved.

The Program Committee recommends MHL’s purchase of the below lot for Board approval this month.

<b>Builder</b>	<b>HCAD</b>	<b>Address - Sunnyside</b>	<b>Purchase Price</b>	<b>Request</b>	<b>Next Steps</b>
MHL Properties	1.0690150050031	1.0 Brinkley	1,\$22,230	Recommendation for lot award	Placed on agenda for Board approval

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



## **REQUEST FOR BOARD ACTION – URBAN PLANNING RFQ PART B**

**Meeting Date: October 8, 2020**

### **Agenda Item VII.d.: Consideration and Possible Action to Authorize the CEO/President to Execute a Contract with APD Urban Planning in an Amount Not to Exceed \$85,000 for Planning Services Related to Settegast Community Development**

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#### **ACTION SUMMARY**

Approval of this agenda item will permit HLB CEO/President to execute the attached contract with APD Urban Planning & Management, LLC., the Urban Planning RFP Selection Committee's recommended firm for urban planning and market analysis services of undeveloped area in Settegast.

#### **BACKGROUND/OVERVIEW**

An RFQ (Part A) for Urban Planning and Market Analysis services was released and 14 responses were received. Within that RFQ an RFP (Part B) was presented specifically to provide planning and analysis services to a specific geographic area within the Settegast neighborhood in northeast Houston. HLB staff committee reviewed and scored the 14 responses according to the Evaluation Criteria set forth in the RFQ however, not all 14 responses to Part A submitted a response to Part B. The top 5 Part A scores, that also submitted a response to Part B, were selected to be scored according to the Evaluation Criteria by the Selection Committee. The Selection Committee was made up of Courtney Johnson Rose of the Board of Directors, Christa Stoneham the Mayor's Ex Officio appointment to the Board of Directors, Lynn Henson from the Planning Department, and Ron Butler and Ivan Zapata of Houston Land Bank staff.

After reviewing and scoring the 5 Part B responses, the committee met to discuss the collective results and scores. The committee's discussion ultimately led to a ranking of top three collective selections. Each firm met with the selection committee in which a presentation by the firm was made and the committee asked each firm the same predetermined questions. Based on those interviews the committee again ranked the three firms and APD Urban Planning and Management, LLC. was consistently ranked as the top choice by the committee members. As such a follow up interview was scheduled to discuss in more detail its planning capacities and proposed scopes of work.

Of the three finalist firms—APD Urban Planning, Asakura Robinson, and Utile—it is the recommendation of the Selection Committee to formally select and approve contracting with APD Urban Planning and Management, LLC. for the Settegast/East Houston Development Strategy. A copy of the firm's proposal follows this RBA.

APD Urban Planning & Management LLC based out of Atlanta, GA has over 30 years of experience successfully planning and implementing community redevelopment initiatives. It has a successful track record working closely with local governments and their community partners through the completion of numerous assignments where they provided urban planning services like those requested through this RFP. Their recommendations are not only based on case studies and best practices but based on what has been successfully accomplished in other communities like Augusta, GA; Jacksonville, FL; Florence, SC; Kansas City, MO; Spartanburg, SC; Atlanta, GA; and the Historic Third Ward Strategic Implementation Framework in Houston.

Based on the scope of work provided in APD's response, HLB will seek to contract for the following proposed phased services and deliverables at a cost of approx.. \$83,918 but not to exceed \$85,000. The contract value for 83, 918 is well within the total annual budget for professional services of 620,000, of which 291,285 have been committed in either RFQ, existing or expected contracts.

In short, these services will produce a vision and infrastructure development plan for the undeveloped area of Settegast that takes into consideration community and stakeholder input of the final design, infrastructure cost analysis plus financing options, and housing typology with site design and various options or layouts to assess yield and distribution of affordable housing and related community amenities.

The anticipated scope of work:

#### PHASE I – Gather & Analyze

##### COLLECT

- Demographic Summary
- Review of Previous Plans and Studies
- Environmental Review

##### ANALYZE

- Existing Conditions Survey, Analysis, and Map Series
- Market Research and Scan

##### LISTEN AND VERIFY

- Project Kickoff and Visioning Session
- Steering Committee Meetings
- Stakeholder Interviews
- Community Outreach and Engagement Framework
- Community Engagement Activity 1

#### PHASE II - Design

##### CREATE CONCEPT

- Neighborhood Framework
- Concept Diagrams
- Housing Typology Board

##### FINANCIAL FEASIBILITY

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



- Financial Proforma
- Infrastructure Cost Estimates

#### COLLABORATE

- Community Engagement Activity 2

#### PHASE III – Implement

#### FINAL CONCEPT

- Land Use Fit Analysis
- Final Illustrative

#### DOCUMENT

- Funding Options
- Implementation Recommendations
- Final Report

#### ADDITIONAL SCOPE

- Community Retention Strategies
- Template Housing Options & Floorplans



# Settegast / East Houston Development Strategy Final Proposal

Updated September 30th, 2020

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# Cover Letter

Houston Land Bank Selection Committee,

On behalf of our Team I am pleased to submit our response to the RFP for Settegast/East Houston Development Strategy (Part B). Our Team includes our firm, APD Urban Planning & Management, and Kimley Horn and Associates, D+J Designworks, as subcontractors. It is our understanding that the Houston Land Bank is seeking consultants to create a vision and implementation strategies in the Settegast neighborhood in East Houston that is respectful and inclusive of the existing community, proposes economic development opportunities for existing and new residents, and considers the realities of the real estate market.

APD Urban Planning & Management LLC (APD-U) has over thirty years of experience successfully planning and implementing community redevelopment initiatives. Our firm has a successful track record working closely with local governments and their community partners through the completion of numerous assignments where we provided urban planning services as those currently being requested through this RFP. Not only have we successfully completed these types of project, but also our firm has subsequently been retained by many clients to manage and guide the implementation of key recommendations the plans set forth. We are particularly proud of this aspect of our work because it is reflective of the realism of our urban planning and the knowledge, we have assembled relative to how plans transition into implementation and executed projects. Our recommendations are not only based on case studies and best practices but based on what we have done in other communities successfully in Augusta, GA; Jacksonville, FL; Florence, SC; Kansas City, MO; Spartanburg, SC; Atlanta, GA; and the Third Ward in Houston, TX.

Our background as a developer working in older urban neighborhoods gives our firm a unique understanding of how neighborhoods are formed, their life cycle, their unique historic fabric and character. Perhaps most importantly we understand the relationship between designing great neighborhoods and integrating existing residents and stakeholders into the redevelopment process. We know how to intervene in ways that stabilize neighborhoods on behalf of existing residents, respect existing historic culture, while at the same time setting the stage to achieve a mixed-income neighborhood through good design, planning, and implementation services. Our Team has the experience necessary to attract qualified private sector investments that will leverage public sector funding to projects.

We have carefully reviewed the requested services in the RFP document. Based on this review we have assembled a team of professionals that have the capacity and professionalism to assist the Houston Land Bank. Kimley Horn’s extensive expertise in transportation planning, infrastructure, and landscape architecture, D+J Designworks talent in designing context sensitive solutions through master planning, and APDU’s in-depth knowledge of community planning, market analysis, and real estate development in communities in different market cycles including disinvested neighborhoods.

Through our response we will show that our work is designed to respect a community’s character and people while offering implementation strategies that are based on the realities of the existing market. We look forward to an opportunity to work with the Houston Land Bank in such an important endeavor.

Respectfully submitted,



O. Jesse Wiles  
President and Chief Executive Officer  
APD Urban Planning & Management LLC.

# Personnel



## O. Jesse Wiles Principal/Chief Executive Officer

### FOCUS AREAS

Project Management	Urban Planning	Historic Preservation
Real Estate Development	Project Source Financing	Public-Private Partnerships

### Education

Master of Community Planning & Master of Public Administration, *University of Cincinnati*

Bachelor of Science, Urban Affairs, *University of Cincinnati*

### Professional Affiliations/Certifications

American Planning Association

Georgia American Planning Association Chapter

Savannah Historic Review Board (Past Member)

APD Urban Planning and Management, LLC (APD-U) Principal Jesse Wiles' experience includes over 30 years as a leading consultant for urban and neighborhood redevelopment, particularly in disinvested urban communities, and has a wide range of experience in community planning, real estate development, property acquisition/disposition, and financing. Mr. Wiles was a leading developer of historic property in Savannah's national acclaimed Victorian/Historic Districts and has managed the disposition of Freddie Mac-owned foreclosed single-family properties throughout the country. Mr. Wiles' work and extensive experience served as the basis for the formation of APD-U through which he has helped many public and private clients stabilize, plan, design, and implement award winning neighborhood redevelopment initiatives throughout the country (National HUD Secretary Opportunity Empowerment Award for the Laney Walker/Bethlehem Neighborhood Redevelopment Project, Augusta GA/2013; South Carolina Achievement Award for Economic Development for the Florence Neighborhood Revitalization Strategy, Florence/2018). Mr. Wiles has dual M.S. in Community Planning & Public Administration and a B.S. in Urban Affairs from the University of Cincinnati (OH).

### RELEVANT PROJECT EXPERIENCE

#### Historic Third Ward Strategic Implementation Framework , Houston, Texas

In 2017 the Emancipation Community Development Partnership (ECDP) and the Project Row Houses solicited for a comprehensive Strategic Implementation Framework to guide future affordable housing development in the Historic Third Ward neighborhood of Houston. Jesse led the team in developing a final report that was a toolkit and strategy document for the large number of governmental, non-profit, and private organizations involved in affordable housing in then neighborhood.

#### Atlanta Housing Authority Real Estate Advisory Services, Atlanta, Georgia

As part of APD-U's ongoing contract to provide the Housing Authority Real Estate Advisory Services, the firm has completed a variety of assignments including: redevelopment and financing scenarios for 11 large vacant sites through the city; redevelopment and market analysis for the Roosevelt Hall building in the Atlanta University Center neighborhood; community charrettes and visioning sessions with a variety of neighborhoods throughout the city; and support services for the Choice Neighborhood Implementation grant. Jesse manages client and stakeholder relations.

#### Westside TAD Strategic Implementation Plan

The Westside TAD Strategic Implementation project area consisted of the Vine City and English Avenue neighborhoods, located to the west of downtown Atlanta. The project goal was to create a cohesive, sustainable vision that will guide future redevelopment, build human capital and increase job creation as an economic strategy. Jesse led the scope of the project which included project management, conducting market analysis, developing financing strategies, recommending strategies for implementation, supportive services, and marketing and branding.



## Bridget Wiles Chief Operations Officer

### FOCUS AREAS

Project Management	Affordability Analysis	Public-Private Partnerships
Organizational Assessment	Marketing and Branding	Policy Regulation Compliance

### Education

Master of Science, Social Administration/Community and Social Development, *Case Western Reserve University*

Bachelor of Science, Rehabilitation Science, *University of Texas Southwestern Medical School*

### Professional Affiliations/Certifications

American Planning Association, Georgia Chapter

National Association of Social Workers

National Association of Housing and Redevelopment Officials

Certified Grants Consultant and Evaluator

Leadership Irving

As Chief Operations Officer, Bridget leads multidisciplinary teams to plan and implement various neighborhood revitalization strategies through an adept understanding of neighborhood context. Bridget is also responsible for managing the day-to-day operations and functions of APD-U. She is also responsible for project management and implementation of all technical assistance initiatives and monitors all APD-U projects for federal, state and local compliance with funding and program guidelines. She is responsible for the development of project policy and program guidelines, including program and project evaluation, to ensure sustainable project management and timely project execution. Bridget brings over twenty years of social work and community development experience and expertise to the team. This work has been instrumental in her development of new techniques in understanding community assets including conducting organizational assessments and capacity building studies, identifying catalytic project areas, and creating final recommendations for plan implementation.

Bridget has a Bachelor of Science in Rehabilitation Science from the University of Texas Southwestern Medical School ,and a Master of Science in Social Administration and Community and Social Development from Case Western Reserve University. She is also a member of the American Planning Association, Georgia Chapter and the division of Planning in the Black Community, as well as the National Association of Social Workers.

### RELEVANT PROJECT EXPERIENCE

#### Cincinnati's West End Housing Framework

The PORT of Greater Cincinnati Development Authority commissioned a housing framework to guide the sustainable and equitable revitalization of the West End community without negatively impacting this historic community of Cincinnati. Bridget's roles for this project included project management, community engagement lead, stakeholder and focus group design, and strategy recommendations developer.

#### Charlotte PRO Neighborhoods Plan

The City of Charlotte and the Carolina Small Business Development Fund requested assistance to develop a proposal for the JP Morgan Chase Partnership for Raising Opportunity (PRO) in Neighborhoods initiative. The proposal would include a long-term, holistic equitable economic development plan that brings the assets of the community and addresses potential displacement concerns for the Historic West End community in Charlotte. Bridget served as the project manager for this project.

#### Dothan Comprehensive Affordable Housing Study

The City of Dothan commissioned a comprehensive affordable housing study to assess the current state of affordable housing in the City based on existing conditions and market realities. Bridget served as the project manager developing implementable action strategies to address affordable housing gaps identified by the assessment.





## Steven Gonzales

### Senior Analyst

#### FOCUS AREAS

Data Analysis	Affordability Analysis	Market Analysis
Real Estate Development	Financial Modeling	Programmatic Cost Modeling

#### Education

Bachelor of Science,  
Public Policy,  
Minor in Economics,  
*Georgia State University*

#### Professional Affiliations/ Certifications

Urban Land Institute

As a senior analyst, Steven provides a variety of research and analysis support for multiple projects and services offered by APD-U. His responsibilities include leading a conditions survey of existing neighborhood conditions, participating in stakeholder focus groups, providing comprehensive housing and commercial market analysis, constructing applicable financial models, and recommending implementable policies and programs. The culmination of his work is based on local realities. Additionally, he ensures all policies and recommendations are data driven, allowing public sector clients to make the best decisions for their residents, stakeholders, and communities.

Steven's previous careers in research and data analysis have provided him the opportunity to experience planning and economic development from both the public and private perspectives. Some of his work includes legislative bill summaries and research, prepare labor and market comparison reports for metro Atlanta, compile needed economic and labor data for RFIs, and research and build company profiles to identify a company's need for transportation demand management. Steven is fluent in Spanish.

### RELEVANT PROJECT EXPERIENCE

#### Atlanta Housing Authority Real Estate Advisory Services, Atlanta, Georgia

As part of APD-U's ongoing contract to provide the Housing Authority Real Estate Advisory Services, the firm has created redevelopment and market analysis for the Roosevelt Hall building in the Atlanta University Center neighborhood; community charrettes and visioning sessions with a variety of neighborhoods throughout the city; and support services for the Choice Neighborhood Implementation grant. Steven has created market analysis for different land use types including incubator space, retail, and housing for AHA as well as developing financial analysis and proformas for specific projects.

#### Cincinnati's West End Housing Framework

The PORT of Greater Cincinnati Development Authority commissioned a housing framework to guide the sustainable and equitable revitalization of the West End community without negatively impacting this historic community of Cincinnati. Steven lead the data analysis on resident displacement, determined the current state of the neighborhood's price appropriate housing through community engagement, and achieved implementable action strategies to address price appropriate housing gaps in a manner that is transparent and acceptable to West End residents.

#### Charlotte PRO Neighborhoods Plan

The City of Charlotte and the Carolina Small Business Development Fund requested assistance to develop a proposal for the JP Morgan Chase Partnership for Raising Opportunity (PRO) in Neighborhoods initiative. The proposal would include a long-term, holistic equitable economic development plan that brings the assets of the community and addresses potential displacement concerns for the Historic West End community in Charlotte. Steven lead the existing conditions analysis and economic development analysis work for this project.



## Grace Barrett

### Real Estate Development Specialist

#### FOCUS AREAS

Real Estate Development	Financial Modeling	Historic Preservation
Affordability Analysis	GIS Analysis	Condition Surveying

#### Education

Master of City and Regional Planning  
& Master of Real Estate Development,  
*Georgia Institute of Technology*

Bachelor of Science,  
Geography,  
*University of Georgia*

#### Professional Affiliations/ Certifications

Certificate in Geographic  
Information Science, *University of Georgia*

Urban Land Institute

While at APD-U Grace has assisted with both neighborhood and economic development planning, in addition to real estate related work. Her real estate development work includes the creation of complex proformas, financial scenarios and cost analysis.

Prior to APD-U Grace worked in the non-profit sector, specifically in the affordable housing arena. Her work during this time included creating a streamlined data collection and management system in order for the agency to be more efficient in measuring and tracking their social impact footprint. This experience provided her with insight on the importance of quality data collection and management, as well as the various ways data can be used to highlight social impact, not only for nonprofits but for the clients and communities that APD-U serves as well.

Grace has a Bachelor of Arts in Geography, with a certificate in GIS, from the University of Georgia. She is also one of the first students to complete a dual graduate program at Georgia Institute of Technology with a Master of City and Regional Planning and a Master of Real Estate Development.

### RELEVANT PROJECT EXPERIENCE

#### Charlotte PRO Neighborhoods Plan

The City of Charlotte and the Carolina Small Business Development Fund requested assistance to develop a proposal for the JP Morgan Chase Partnership for Raising Opportunity (PRO) in Neighborhoods initiative. The proposal would include a long-term, holistic equitable economic development plan that brings the assets of the community and addresses potential displacement concerns for the Historic West End community in Charlotte. For this project Grace assisted in data entry for the existing conditions survey, participated in the community engagement process and assisted in creating economic development strategies.

#### Highland Neighborhood Transformation Plan

The City of Spartanburg commissioned a transformation plan to guide the redevelopment of the Highland neighborhood, a downtown neighborhood steeped in history. The plan intends to create a balanced redevelopment effort to meet the needs of both current and future residents while ensuring legacy residents can remain in their neighborhood. Grace participated in all community engagement processes, developed financial analysis for development projects including development proformas and budgets. She also created phasing plans for the projects as well as outlined funding opportunities.

#### Developer Services

Grace has assisted with predevelopment services for various real estate projects in Atlanta. Specifically, she has assisted with initial visioning for the project, development budgets, and proformas highlighting the use of various tax credits to determine project feasibility.



## Deborah Jensen, AIA, AICP Principal

### FOCUS AREAS

Urban Planning	Strategic Planning	Feasibility Studies
Urban Design	Architectural Design	Project Management



### Education

Master of Architecture,  
*Georgia Institute of Technology*

Master of City Planning, Urban  
Design Specialty  
*Georgia Institute of Technology*

Bachelor of Science,  
Architecture,  
*Georgia Institute of Technology*

### Professional Affiliations/ Certifications

American Institute of Architects,  
Assoc.

American Planning Association,  
Utah Chapter

American Institute of Certified  
Planners

Urban Land Institute

Deborah is a certified planner, urban designer and architectural associate. She is a skilled designer and project manager who has practiced for more than 21 years with municipalities and the private development community on land use plans, infill development plans, housing, retail, commercial and mixed-use projects. She established D+J Designworks in 2013 to serve the public sector and private developers. Her firm is an urban design, planning and site feasibility consulting practice and certified as a DBE by the State of Utah. Deborah focuses upon improving the public realm to benefit communities and their residents, while meeting the budget and performance criteria of her clients. Her work includes town master plans, such as the Forest Park Main Street Plan in Georgia, the Union Station master plan, and the Pittsburgh Cultural Trust master plan in Pennsylvania. She has assisted communities in the siting of major capital investments, such as the Knoxville Convention Center. She also designed master plans for mixed-use projects throughout the nation, such as Southpointe Town Center near Pittsburgh, Cahaba Center in Birmingham, and Marbles Farm in Heber City, Utah.

### RELEVANT PROJECT EXPERIENCE

#### Forest Park Main Street Plan

The study area encompassed 125 acres of Forest Park, north of City Hall. Forest Park enjoyed new investment at the BRAC site of Fort Gillem, however the City was concerned that disinvestment in Main Street was creating blight, and a real impediment to future, quality development. A rich network of parks and green space organized a new land use plan. Strategic infill was developed to reinforced Main Street as the commercial core, with a mix of housing types to support a broad demographic. An illustrative master plan depicted final buildout, along with projected development site yield matrix and phasing. Design guidelines followed, to require quality building materials, and improve walkability.

#### Union Station Mall Redevelopment Plan

Union Station Mall, shuttered and for sale, sits beside the I-85 corridor just south of Atlanta, on a 60 acre site. Vacant since 2010, it has a blighting effect on the surrounding community. The city successfully bid for grant monies through ARC's Livable Centers Initiative program. A market study and stakeholder workshops led to a vision for redevelopment of the site that capitalizes on the BRT system. A series of block diagrams and sketch plans preceded the master plan. Retail and civic buildings, a new town square park, office, hotel, senior living and a mix of residential product in a walkable, pedestrian oriented environment, show the potential of the site.



## Mike Shelton, P.E., AICP Project Manager

### FOCUS AREAS

Roadway Planning	Construction Management	Master Planning
Water and Wastewater System Design	Municipal Engineering	Conceptual Roadway Design



### Education

Master of Science, Environmental  
Science,  
*University of North Texas*

Bachelor of Science, Environmental  
Science,  
*Texas Christian University*

### Professional Affiliations/ Certifications

Professional Engineering Texas  
(#95893)

American Institute of Certified  
Planners

American Water Works Association

Underground Construction  
Technology Association, Gulf  
Chapter Board Member

With more than 24 years of experience, Mike has a broad depth of experience in municipal engineering, including master planning, hydraulic modeling, water and wastewater system design, roadway planning and conceptual design, and construction management. His diverse experience allows him to make sure your project objectives are met and provide effective coordination across design disciplines. Under Mike's leadership, Kimley-Horn has completed design and study projects for TxDOT, County governments, and Texas municipalities

### RELEVANT PROJECT EXPERIENCE

- Santa Fe Waster and Wastewater Master Plan, Santa Fe, Texas
- Water Model Analysis, Houston, Texas
- Cedar Port Phase II Waster and Wastewater Master Plan, Chambers County Improvement District Master Plan
- Fulshear Water and Wastewater Impact Fee Study – Fulshear, TX
- Wastewater Treatment Plant Master Plan – Gainesville, TX
- Water and Wastewater Impact Fee – Saginaw, TX
- Water and Wastewater Master Plan – Decatur, TX
- Water and Wastewater Master Plan – Saginaw, TX
- Impact Fee Update – Decatur, TX
- 1.5 MG Jarvis Road Elevated Storage Tank – Saginaw, TX
- Trinity Falls 3.0 MG Elevated Storage Tank – McKinney, TX
- Wastewater relocation related to I-35 Frontage Road Widening – Gainesville, TX
- Thompson Street 16-Inch Water Transmission Main and FM 730 12-Inch Waterline – Decatur, TX
- Southeast 24-Inch Trunk Main – Saginaw, TX
- Development Review Services – Decatur, TX
- Charlotte Water Department - Long Creek Sanitary Sewer Stream Restoration – Charlotte, NC
- Water Department Designs Standards Update – Charlotte, NC





# Jennifer Langford, AIA, CNU, PA

Architect, Principal

### FOCUS AREAS

New Urban Design	Residential Building Design	Traditional Neighborhood Design
Commercial Building Design	Urban Infill	Sustainable Design



### Education

Master of Architecture,  
*University of Virginia*

Bachelor of Design,  
*University of Florida*

### Professional Affiliations/ Certifications

Certificate in American Urbanism  
*University of Virginia*

Congress of New Urbanism,  
Florida Chapter Board of Directors

American Institute of Architects

National Trust for Historic  
Preservation

Builders Association of North  
Central Florida

USGBC Heart of Florida, Chapter  
President

Jennifer Langford has provided neighborhood and urban design through her company Jennifer Langford, AIA, CNU, PA as well as more traditional residential, commercial, mixed-use building design services since 2001. Jennifer graduated from the University of Florida with a Bachelor of Design, then studied at the University of Virginia for her Master of Architecture with a specialty in New Urban Design. After graduation, she was quickly hired to assist in development of the award-winning Haile Village Center and continued there for 6 1/2 years. In 2001, she developed her own firm and has since amassed a respected and varied portfolio.

## RELEVANT PROJECT EXPERIENCE

### Highland Transformation Plan

Created varied housing types to address the need for diverse housing, while respecting the current scale, context and character of the existing neighborhood. Housing types created included single family, duplex, quad and townhouse. These renderings were provided to the City of Spartanburg to use for additional community engagement and initial marketing.

### Laney Walker Bethlehem

After many years of decline, the Laney Walker Bethlehem neighborhood of Augusta became the focus of a community development project headed by the City of Augusta and the Augusta Housing and Community Development Department. Our firm was selected as part of a pool of professionals to provide Architectural Services. Our task was to design housing that would bring long term value to the neighborhood by creating high quality, efficient homes that complimented the historic urban context. With the help of the Mater Planner, ADP, the City was able to acquire enough properties and demonstrate the political will to reconfigure some properties and bring in upgraded utilities and services, making this new housing stock competitive with other new developments in the area. The following images represent a range of completed and now occupied homes.

### Haile Village Center

As an employee of the Developer, Jennifer spent 6 1/2 years working on the Haile Village Center as a primary focus. She was involved throughout the process of refining the Master Plan, designing and siting buildings and preparing construction documents. After establishing her own firm, she continued to design projects in the HVC, including mixed-use buildings, attached residential and single-family homes.

# Proposed Approach

The Team's approach to the scope of work requested to fulfill the project goals follows the three phases outlined in the RFQ document.

## Phase I – Gather and Analyze

The initial planning phase develops the foundational relationship between knowledge, understanding, and action necessary for successful implementation projects. Planning begins with a thorough examination of local conditions, engagement with stakeholders and residents, and a breakdown of relevant information to form a cohesive and vivid picture of existing conditions. APD-U then connects these on the ground facts to the needs of the community through an emphasis on strategic planning tied to realistic goals and market realities. The results are plans ready for action. Following the examination of existing plans, studies, and neighborhood conditions, the APD-U Team would conduct an analysis of the data gathered. The analysis provides the basis from which recommendations and implementation strategies can be made. Market analysis studies are incorporated into the planning process within this phase of work.

## Phase II – Design

The second phase is where the Team uses the knowledge gained through phase I in the design of specific concepts for the site. The scenarios are based on the properties highest and best use, while considering market constraints, and public engagement input. Cost scenarios are incorporated into this step to assess strengths and weaknesses for each scenario. Urban design considerations, housing scenarios, transportation and infrastructure play an important part in this stage of the planning process.

## Phase III – Implement

In phase III is where the project concepts are narrowed down and finalized into one concept. We believe that for any plan to be truly successful an implementation strategy must be included that outlines action steps, who is responsible for carrying out the action steps, more detailed cost and funding considerations, and how soon in the redevelopment process we could expect the action to take place.

The project scope in the next few pages outlines these three phases in more detail.





# Project Scope

## Phase I

### Task 1 Collect

The initial planning phase develops the foundational relationship between knowledge, understanding, and action necessary for successful implementation projects. APD-U's commitment to planning and urban design reflects our belief that all good neighborhood planning, no matter the issue, should create actionable steps towards implementation. We think they are inseparable.

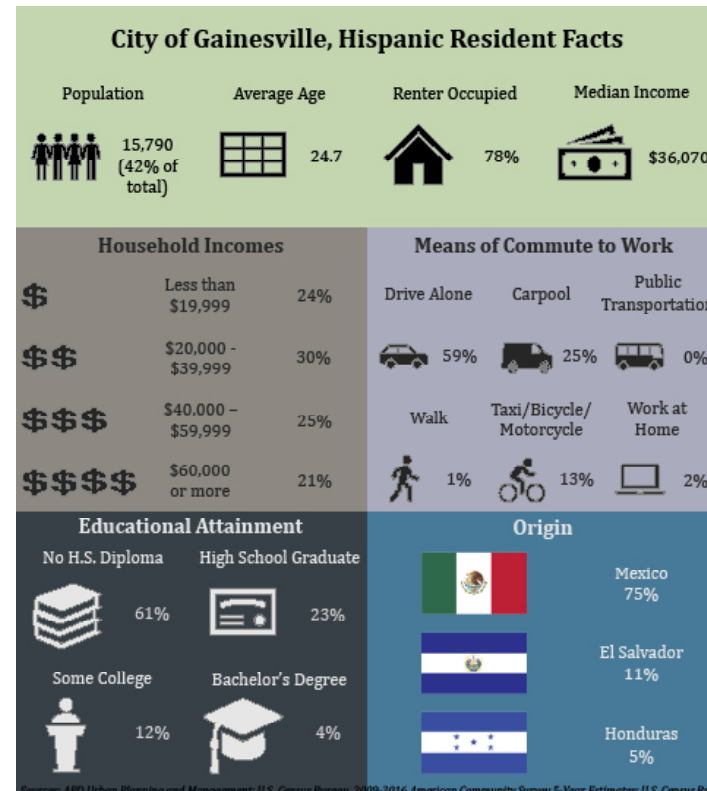
#### Task 1.1 Demographic Summary

The APD-U Team will conduct a high-level demographic analysis of key areas, which will inform implementation strategies. The APD-U Team will rely on the Houston Land Bank to provide ESRI GIS data for the study area geography inclusive of parcel and tax assessor data for the creation of maps and analysis of existing conditions and will utilize sources such as US Census and ESRI Business Analyst Tools. Areas of topical analysis will include: Geographic area and city context; demographics; population and employment characteristics; community resources; property characteristics; environment, and land use.

Deliverable: Settegast Demographic Summary

#### Task 1.2 Review of Previous Plans and Studies

The APD-U Team will review up to five (5) previous plans and existing studies. The following will be identified for each plan: elements of each plan which are most likely to still be relevant



Demographic Research Example - City of Gainesville

based on analysis of existing conditions, community input; elements or concepts of each plan that may require additional consideration; and elements or concepts of each plan that conflict with other plans. In other projects, the review of previous plans has served as a tool to understand the goals for the communities, preexisting efforts, and types of community engagements that have occurred in the past. The list of plans to be reviewed will be vetted with the client before this task is initiated. Plans to be reviewed could include:

- City of Houston General Plan
- Resilient Houston
- 1999-2003 Community Health Profiles

Deliverable: Previous Plans and Studies Summary

#### Task 1.3 Environmental Review

As described in the RFP response and questions, the project site currently has some environmental remediation challenges. The APD-U Team will work with client to determine a proposed boundary for an environmental review. This task would include an environmental site assessment similar to a phase I that would identify obvious, actual, and potential sources of contamination that could become an environmental liability.

Deliverable: Written report of findings, opinions, conclusions, and supporting documents.

### Task 2 Analyze

#### Task 2.1 Existing Conditions Survey, Analysis and Map Series

The APD-U Team will create base maps using GIS data supplied by the client, and will use ESRI mapping application tools and google imagery to conduct a windshield survey to verify existing conditions at the parcel level within the Settegast Neighborhood. Parcels will be coded with a rating system to determine predominant housing typologies, existing condition, and tenure. The analysis will help identify and prioritize opportunities and threats based on conditions on the ground.

Deliverables: Existing Conditions Map and Summary Analysis

#### Task 2.2 Market Research/Scan

The APD-U Team will perform a market scan on four market segments: (1) Market rate housing; (2) affordable housing; (3) retail; and one additional market segments as needed. The analysis will focus on recent, current and projected supply and demand factors that will shape the market potential for the study area. The data collected will be aggregated into a Market San Report to inform the redevelopment of the project site.

Deliverable: Market Scan Report

### Task 3 Listen and Verify

#### Task 3.1 Project Kickoff Visioning Session

The APD-U Team will hold a concept development/visioning session with the client and steering committee to establish:

- Goals, Objectives, and Guiding Principles of the site
- Project Context and interested parties
- Desired project boundary
- Desire for development options
- Discussion on values and team

Deliverable: Visioning Sessions Summary

#### Task 3.2 Steering Committee Meetings

The APD-U Team suggests the formation of a Steering Committee (SC), consisting of both public and private sector representatives selected at the discretion of the Houston Land Bank. The formation and input of the SC has been invaluable in other projects where implementation is a focus of a neighborhood plan. The SC will work with the APD-U Team to refine the project scope, refine the community participation process, assess project area dynamics, provide feedback on recent planning and development initiatives, identify opportunities for potential private sector involvement, and establish a framework for the project's political support.

The SC will also be established as a purveyor for project follow up once the Plan for the Settegast Neighborhood is completed. The APD-U Team will document all meetings for the final report.

Deliverables:

- Bimonthly Conference Calls with Project Management Team;
- Four steering committee meetings, inclusive of project kickoff meeting and visioning session;
- Meeting agenda, schedule, and written meeting notes for all meetings; and
- Submission of monthly progress reports and invoices for all team member

#### Task 3.4 Stakeholder Interviews

The APD-U Team will conduct stakeholder interviews (up to 5) with members of the local community, organizations, necessary agencies, and others that are experienced in the local market and whose decisions can influence development costs and project interest. These interviews will identify any existing physical, demographic, or other market-based barriers to development and will shed additional light on area dynamics. They will also be a resource for identifying opportunities and constraints to pursuing the future, and they will provide vital input to the creation of the implementation plan. These interviews can also be shaped as focus groups of citizen advisory committees. Meeting can be held via online methods based on current dynamics with the COVID pandemic health restrictions. The APD-U Team will rely on the client to point to specific stakeholders and make the appropriate introductions.

Deliverables: Meeting Facilitation, Agendas and Notes

#### Task 3.5 Community Outreach and Engagement Framework

The APD-U Team begins each plan by developing a Community Outreach and Engagement Framework that recommends the procedures that will be utilized to get as much input as possible throughout all aspects of the plan. To develop the process the APD-U Team reviews public input from previous studies and identifies common themes, which are used as the basis for determining the direction of engaging the public during this process. It is important that we not duplicate previous efforts. The APD-U Team will rely on the client to provide outreach for the public meetings, reserve the appropriate space (if needed), and follow the recommendations to ensure that the public is knowledgeable about events pertaining to the plan. The Team will recommend various communication mechanisms to distribute information about the Plan.

Deliverable: Community Engagement and Outreach Framework

#### Task 3.6 Community Engagement Activity 1

Once the planning process begins, the APD-U Team will assess with the client the appropriateness of engagement methods for the community given health and gathering restrictions due to the COVID-19 pandemic. For this response, the APD-U Team is proposing an online community engagement tool for the first phase of the work to gather important data from current residents. We understand the limitations of online engagement, especially for communities of need, so every effort will be made to design ways in which these groups can be involved in the planning process. The APD-U Team proposed online surveys that will collect the following information:

- Visioning for the project site
- Program priorities for the community
- Visual Preferences for specific land uses and design
- Community Strengths, Weaknesses, Threats

Deliverable: Online engagement tools, project website, survey design, and summary of findings.

## Phase II - Design

Phase II will allow the Houston Land Bank and community to assess difference scenarios for the redevelopment of the study area.

### Task 4 Create Concept

#### Task 4.1 Neighborhood Framework

For this task the APD-U team will explore the site organizational strategies and key components including land use, activity nodes and connectivity. Site characteristics will be mapped including topography, drainage, and geographical features. These elements will be combined with the input received in Phase I to create a Conceptual Neighborhood Framework Plan that outlines specific land uses, block arrangements, and street configurations for the neighborhood. The conceptual framework will be presented to the client, and steering



committee for comment and review.

Deliverable: Draft Conceptual Framework

#### Task 4.2 Concept diagrams

The APD-U Team will prepare two (2) concept diagrams for one(1) selected area within the neighborhood which reflects repurposing of vacant parcels, restoration of existing structures if applicable, and additional program elements. These will include potential location of community amenities, required retention areas for sustainability purpose among other uses. Each concept would outline the proposed uses in the site plan by square foot, number of parking spaces proposed, and proposed number of single family, townhouses, apartments, commercial spaces, etc. An analysis of each project's strength, weaknesses, opportunities, and threats will be created.

Deliverable: Two (2) Concept Diagrams, Program, SWOT Analysis for Concepts

#### Task 4.4 Housing Typology Board

The APD-U Team will create Housing Typology Boards to depict proposed character for this specific land use based on recommendations and input received through the proposed engagement processes. These could include examples of multifamily and single family product that would fit within the community.

Deliverables: Two (2) Housing Typology Boards

#### Task 4.5 Template Housing Options

The APD-U Team will develop three (3) schematic design house floor plans and elevations specifically for the Settegast neighborhood, further refining the findings from Task 4.4.

Deliverable: Three (3) schematic housing floor plans and elevations.

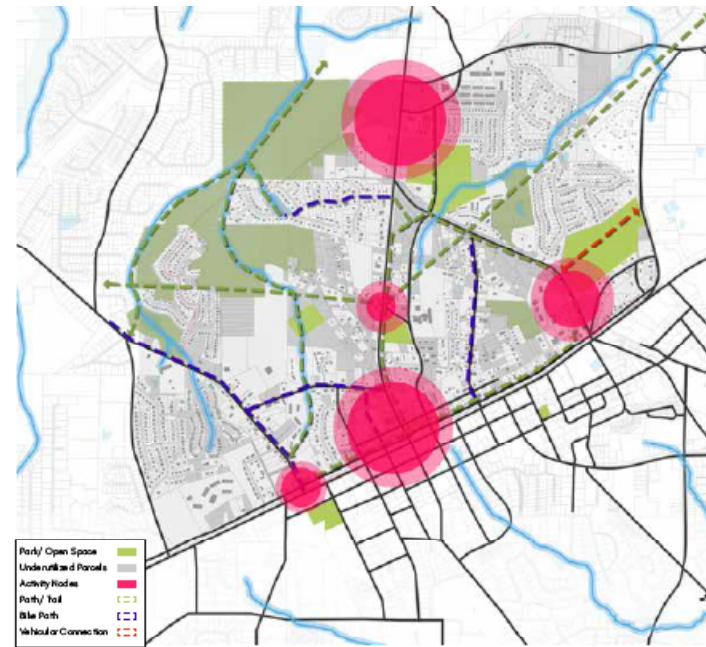
### Task 5 Financial Feasibility

#### Task 5.1 Financial Proforma

The APD-U Team proposes to prepare a conceptual development proforma for the final concept plan. The purpose of the proforma is to test the development assumptions, based on the highest & best market opportunities and the ability to achieve the client's goal for the site. This will include capital cost estimate and cash flow proforma, determination of supportable debt and equity, and identification of funding gaps. The purpose of this task is to determine the feasibility of the development and to identify potential funding gaps between the project cash flows and return on investment, as compared to the level of debt and equity required to undertake the development. A phasing plan will also be included based on the findings from the market scan.

Deliverable: Financial Analysis Model and Phasing Plan

#### Task 5.2 Infrastructure Cost Estimates



Example Framework - Northside Redevelopment Plan

Based on the preference concept the APD-U team will estimate the projected flows based on City of Houston standards. Estimates would include cost for tie into existing City of Houston water and wastewater lines, waterline taps and manhole connections. The need for a lift station will be assessed in existing and buildout conditions based on available topographic information. This task does not provide hydraulic analysis of either a water model or sewer model, which can be provided as an additional service upon written authorization.

Deliverable: A two page memorandum summarizing findings associated with the water and wastewater infrastructure analysis.

### Task 6 Collaborate

#### Task 6.1 Community Engagement Activity 2

The second community engagement activity will share the two concept scenarios with a broader audience through online methods. This engagement can be designed as a virtual design charrette for a small group of 20 stakeholders, or a survey through the project website.

Deliverable: Summary of comments and findings

## Phase III – Implement

### Task 7 Final Concept

#### Task 7.1 Land Use Fit Analysis

Once a final concept is selected the APD-U Team will determine where and if future land uses should be altered to fit the vision for the community by comparing current future land use map to the Final Concept. The Team will map diagrammatically a proposed future land use map to meet goals and objectives



Example Illustrative - Atlanta Housing Real Estate Services

the plan.

Deliverable: Land Use Fit recommendations

#### Task 7.2 Final Illustrative

The APD Team will develop the Client approved conceptual plan into a final Illustrative Master Plan. At this stage, the Team will produce a final program for the site selected for final plan development including square footage per use/parking provided/number of stories, etc. This color rendered line drawing will depicts streets, blocks, and parks/green space.

Deliverable: Final Concept Drawing Illustrative

#### Task 7.3 Community Retention Strategy

Settegast is described as one of the very few neighborhoods close to Houston's downtown that is still affordable . Our research on housing affordability will validate this information and can be used to create a community retention strategies that points to programs and policies that can help protect existing residents.

Deliverable: Community Retention Strategy Document

### Task 8 Document

#### Task 8.1 Funding Options

APD-U will identify potential funding sources for the concept project and the recommendations for neighborhood redevelopment. The analysis will also include a description of how each source can be used to leverage private investment through the creation of public/private development partnerships. In today's development environment, very few organizations can accomplish development and revitalization on their own. The most dynamic and successful projects are accomplished through a cooperative arrangement that marries

the resources and expertise of public, private and nonprofit sectors. The APD-U Team will recommend funding strategies that will work in concert with each of the key components of the plan, looking at solutions aimed to expand opportunities for retail, housing, and supportive services in and around the neighborhood.

Deliverable: Funding Sources Matrix

#### Task 8.2 Implementation Recommendations

The Implementation recommendations will be the culmination of the above analyses for future implementation efforts. The APD-U Team's primary focus is to offer viable recommendations that are grounded in the market realities of the study area's strengths and weaknesses. It is crucial that short-term strategies focus on initiatives that the Houston Land Bank and implementation partners can undertake within the first few years. Undertaking incremental steps in the beginning stages of an implementation strategy should build momentum and give potential investors confidence in the plan.

For each action or strategy in the implementation plan, the APD-U Team will assign oversight responsibility, establish timetables for implementation and completion, and potential funding demands, and evaluate potential impacts. The implementation recommendations will be presented in a user-friendly matrix that can be distributed to various implementing organizations.

Deliverable: Implementation Recommendations

#### Task 8.3 Final Report

At the conclusion of all phases, a final project book will be produced. The contents will document the process used to develop the implementation recommendations and strategies, and provide clear, action steps for transitioning into implementation. The Plan will include all maps, charts, tables, graphic illustrations, supporting narratives, and any additional materials created during the course of the process that supports the implementation strategies recommended. The APD-U Team will present the draft report and implementation strategies to the Houston Land Bank for review and discussion. Feedback from the SC and other identified stakeholders will be expected within a 15-day period from the time the draft report is submitted.

Following feedback on the draft report, the APD-U Team will finalize and deliver the report to the Houston Land Bank within the agreed upon period of performance. The final report will be produced in a format that can be used by the Steering Committee, local non-profit developers, for profit developers, City officials, and other entities. This document is intended to be used as a resource document.

Deliverables:

- Electronic draft report for review
- Final Report in digital format



# Similar Projects

The projects included below, and the projects included in the request for proposal highlight the extensive experience APD-U has creating and implementing plans in neighborhoods similar to Settegast.

## NORTH SIDE REDEVELOPMENT PLAN

CITY OF DOUGLASVILLE  
Douglasville, GA

### Project Scope

In 2013 APD-U was tasked by the City of Douglasville to create a Redevelopment Plan for the North Side neighborhood. This community sits directly north of Downtown Douglasville. The goal of the Redevelopment Plan was to establish a framework for future growth in the community that protects existing residents and incentivizes development that aligns with the vision of the community and the broader city.

### Our Work

APD-U collected existing conditions information for the North Side neighborhood including land use, zoning, building and parcel condition, and the condition of existing infrastructure. This information was utilized to develop a framework for future development as well as strategies for neighborhood redevelopment and revitalization. Short term projects were identified as well as short, mid, and long term opportunities for the community. Three Catalytic Project Areas and two Strategy Demonstration Areas were identified, each of which included a variety of policy or project-related recommendations. Project recommendations included conceptual site design and financial cost impact estimates.

### Deliverables

APD-U completed the following task as part of the adopted plan for the City of Douglasville:

- Community Engagement through two open house sessions and stakeholder engagement.
- Retail Market Scan
- Collection of existing conditions through a windshield survey
- Development of land use and zoning recommendations
- Selection of catalytic projects
- Phasing and Implementation Plan

**The Residential Strategy will look to attract new housing development, both single family and multifamily to the North Side.**

**1 INCENTIVES FOR DEVELOPERS**

The lack of investment on the North Side can be partially explained by the perceived risk of early action on the part of developers.

The City can mitigate some of this risk by awarding developments willing to move fast.

**3 LAND USE/ZONING**

Current regulations restricting the construction of multifamily rental and limiting the amount of units per acre has increased costs and restricted the development of walkable neighborhoods.

Unbundling, or covering, some portion of construction cost.

Land acquisition and assembly with additional land set-aside on behalf of catalytic development projects.

**4 INCENTIVES FOR HOMEOWNERSHIP**

The North Side has seen declining homeownership over the past 10 years, with many single-family homes converted from ownership to rental properties.

Programs could be made available to increase local homeownership.

**6 PARK INVESTMENTS**

Investments in greenspace can be a powerful tool in attracting new residential development, which often leads to faster near local neighborhood amenities.

The City can use existing park improvement funding to attract residential developers willing to coordinate park improvements through private-public partnership. The examples below show how park and residential development could be coordinated.

**5 WALKING/BIKING INFRASTRUCTURE**

New walking and biking infrastructure, in the form of sidewalks, shared-use trails, and bike paths, can help link new residential development with the neighborhood.

These infrastructure investments will make the North Side more attractive to new residential development and improve its quality as walking and biking are incorporated.

CLIENT:  
City of Douglasville  
6700 Church Street  
Douglasville, GA 30134

CONTACT:  
Patrice Williams  
Community Development Director  
Email: williamspe@douglasvillega.gov  
Phone: (678) 449-3028

APD-U'S ROLE:  
Community Engagement;  
Neighborhood + Urban Planning; Market Analysis; GIS Mapping

DATE OF SERVICE:  
2018 - 2019

## PREDEVELOPMENT SERVICES FOR TRINITY EAST VILLAGE

EMANCIPATION COMMUNITY DEVELOPMENT PARTNERSHIP  
Houston, Texas

### Project Scope

APD-U worked with Trinity East Village CDC (TEV CDC), through the Emancipation Community Development Partnership (ECDP), to create alternative site plans, development programs and proformas for land owned by TEV CDC and other partners. The project area included land owned by TEV CDC, Midtown Redevelopment Authority, vacant lots and sites to be developed by Center for Civic and Public Policy Improvement.

### Our Work

The main focus of this project was to create a master plan that would guide future development in an area with high vacancy and fragmented property ownership. Previous planning efforts, such as the Third Ward Complete Communities Action Plan and the Houston Southeast Community Plan, and extensive community engagement informed the master plan. The master plan included a variety of housing typologies at various income levels to help create a more diverse neighborhood. Once the master plan was created, a detailed program and proforma were created to determine a phasing plan an initial development gap, and implementation strategies.

### Deliverables

- Existing Conditions Map
- Conceptual Site Plans (2)
- Conceptual Site Plan Proformas (2)
- Action Plan Report

CLIENT:  
Emancipation Community Development Partnership  
Trinity East Village CDC

CONTACT:  
Herbert W. Greene  
Trinity East Village CDC Board President  
hgreen19@comcast.net

Rev. Marilyn@att.net  
Trinity East United Methodist Church Pastor  
w.marilyn@att.net  
(832)-671-5232

APD-U'S ROLE:  
Community Engagement  
Parcel Analysis  
Site Planning

DATE OF SERVICE:  
2018

Strategies designed to attract new residents, provide opportunities for existing residents, and guide future development by repurposing vacant and underutilized properties for redevelopment and leveraging city assets.

**GOALS**

Cultivation Goals are focused on all goal types. These community-selected goals guide which actions and strategies are recommended.

- Connectivity**: Improve transportation options, increase the walkability, and ensure connectivity to transit.
- Preservation**: Preserve historic and cultural resources, and protect natural resources.
- Goods/Services**: Increase the availability of goods and services, and improve the quality of life.
- Vibrancy**: Increase the economic vitality and social cohesion of the community.

**ACTIONS**

Cultivation Actions are policies or sets of policies that promote community revitalization and redevelopment in the long-term primarily through capital investments.

- 1 Incentives for Developers
- 2 Homeownership Incentives
- 3 Land Use/Zoning
- 4 Marketing/Branding
- 5 Walking and Biking Infrastructure
- 6 Park Investments
- 7 Pedestrian Crossings
- 8 Traffic Calming

**STRATEGIES**

Cultivation Strategies are combinations of coordinated actions that are targeted towards a single development-related issue - like, residential, retail, greenspace, and pedestrian-oriented development.

To the right, all 9 Cultivation Actions are organized under their associated strategy. Some actions are used for more than one strategy.

This station provides more details on each of the four strategies. Visit each of the Residential, Retail, Greenspace, and Pedestrian posters to learn more.





# CINCINNATI'S WEST END HOUSING FRAMEWORK

THE PORT OF GREATER CINCINNATI DEVELOPMENT AUTHORITY, THE SEVEN HILLS NEIGHBORHOOD HOUSES CENTER  
Cincinnati, Ohio

## Project Scope

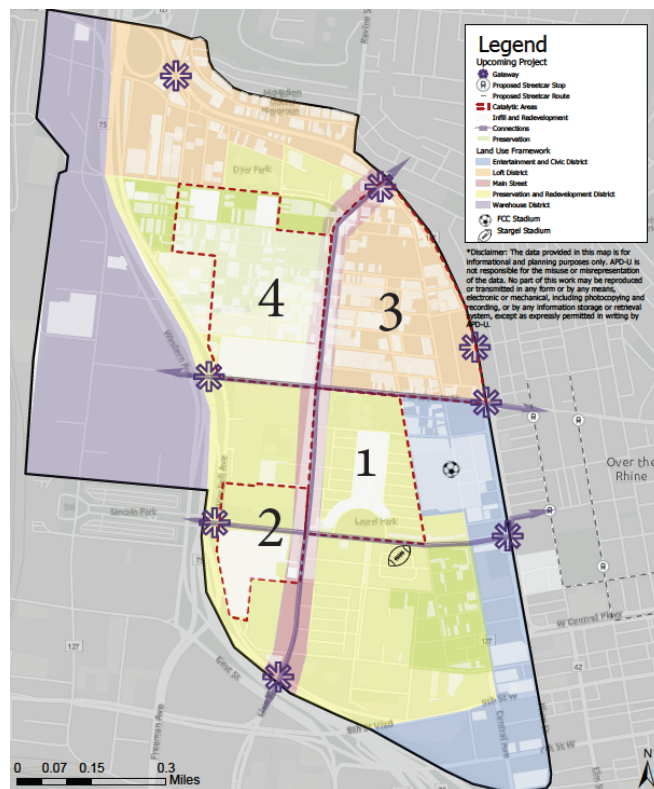
The PORT of Greater Cincinnati Development Authority commissioned a housing framework to guide the sustainable and equitable revitalization of the West End community without negatively impacting this historic community of Cincinnati. The key goals were to contextualize the threat of displacement, determine the current state of the neighborhood's price appropriate housing through community engagement, and achieve implementable action strategies to address price appropriate housing gaps in a manner that is transparent and acceptable to West End residents.

## Our Work

The APD-U Team used a data-driven process as a foundation, and incorporated urban planning principles to create a housing study that considered the preservation of the history and the culture of the community as a basis for minimizing displacement. Existing conditions analysis of over 4,000 parcels, review of existing plans/studies/projects, and extensive stakeholder and community engagement provided the context for a community retention study and updated market profile. A housing analysis was conducted to understand the current local housing breakdown and housing gap. The subsequent Risk Displacement Analysis contextualized the threat of displacement if no investments or actions were taken in the neighborhood. A zoning analysis and location suitability analysis was also conducted to identify areas best suited for development of price appropriate housing and least likely to result in displacement. The result was the development of a West End Housing Framework that is supported by a housing vision approved by the community with recommendations that can be implemented by interested stakeholders.

## Deliverables

- Parcel Analysis of parcel land uses, conditions, and tenure with accompanying map series.
- Displacement Risk Analysis with tiered potential population displacement.
- Community Retention Plan with current challenges and potential goals/strategies.
- Location Suitability Analysis with Catalytic Areas of Opportunity.
- West End Housing Framework Recommendations with roles and responsibilities.



CLIENT:  
The Seven Hills  
Neighborhood Houses  
Center  
901 Findlay Street  
Cincinnati, OH 45214

CONTACT:  
Alexis Kidd-Zaffer,  
Executive Director,  
The Seven Hills  
Neighborhood Houses  
Center  
alexis.kidd@7hillsnh.com  
(513) 407-5362

APD-U'S ROLE:  
Community Engagement  
Parcel Analysis  
Demographic Analysis  
and Mapping  
Affordable Rental  
Housing Preservation

DATE OF SERVICE:  
2018 - 2019

# Free

Houston Land Bank		
Tasks		Total Fee
1	Collect	\$6,492.00
2	Analyze	\$13,219.00
3	Listen and Verify	\$19,752.00
4	Create Concept	\$7,473.00
5	Financial Feasibility	\$7,368.00
6	Collaborate	\$4,984.00
7	Final Concept	\$9,120.00
8	Document	\$15,510.00
<b>TOTAL</b>		<b>\$83,918.00</b>

## Proposed Timeline

The project shall be completed approximately six months from execution of agreement.

## Optional Tasks

### Task O1 Neighborhood Masterplan

The APD-U Team proposes the development of a master plan to graphically represent the future vision of the Settegast neighborhood. This illustrative hand-rendered masterplan would further refine the Neighborhood Framework created in Task 4.1 to detail placement of buildings, additional parking locations, and further refined open space, transportation options, and parking.

Deliverable: Illustrative Neighborhood Masterplan

### Task O2 Commercial Market Analysis

The APD-U Team relies on the retail/services market analysis to give a realistic picture of what can be developed within our communities in terms of retail uses. The commercial market analysis will include the following tasks:

- Demand-Side Analysis
- Supply-Side Analysis
- Sales Potential and Leakage Analysis

Deliverable: Commercial Market Analysis

### Task O3 Residential Market Analysis

A residential housing market analysis computes local supply and demand for housing and requires detailed existing for-sale and rental housing market conditions. The APD-U Team will conduct a thorough analysis of the owner-occupied and rental residential real estate supply in the Settegast neighborhood, focusing on both market-rate and subsidized/ income-controlled housing units. The Team will examine the following housing market segments:

- Owner-occupied market rate;
- Owner-occupied subsidized;
- Market rate rental;
- Subsidized rental;
- Senior and age-restricted housing; and
- Public housing.

An inventory within the thematic mapping will present rental

**Grocery Stores Show Most Unmet Potential**  
 Figure 56: Top Retail Potential



Deliverable: Outreach for community activities

**Task O7 Civic Engagement Plan**

The foundation of recommendations in our plans is based on the input of community members through the public engagement process. The APD-U Team envisions that this engagement with community should continue throughout the implementation of the recommendations. Accordingly, civic engagement recommendations will be included to continue to encourage civic participation and interaction with the community residents. The civic engagement strategies include recommendations for ongoing engagement with community members, non-profits, community development corporations, and other community led organizations.

Deliverable: Civic Engagement Recommendations

*Example Retail Analysis Findings - Northside Redevelopment Plan*

rates, condition, level of subsidy, and the specific land use type (single family, duplex, fourplex, etc.), as well any planned or approved projects on the horizon.

To complement the supply-side, the APD-U Team will gather information on the current demand for owner-occupied and rental residential housing based on household size, age of householder and income level. This effort will provide a detailed analysis of the relative demand for market rate housing, subsidized housing and rental housing.

Deliverable: Residential Market Analysis Report

**Task O4 Economic Analysis**

After gathering the existing conditions data for recent employment trends in the Settegast area, the APD-U team will assess the demographic characteristics of the community, recognizing that the economic development strategies need to be customized to the specific needs of the population. The projections, will outline both short term, and long term job creation goals for the neighborhood, aligned with the broader city of Spartanburg goals. APD-U will also research the tools available for economic development in the city, and potential partnership with local organizations.

Deliverable: Economic Analysis Conditions and Projection

**Task O5 Community Engagement Activity 3**

An in person community engagement open house is suggested as the third community engagement activity to receive comments on draft recommendations, draft concept plans, and the neighborhood framework to ensure that the plans address concerns from the broader community.

Deliverable: Community Activity 3 Summary of Findings

**Task O6 Community Outreach**

The APD-U Team has the skillset and is prepared to assist the Houston Land Bank in its outreach to community residents and stakeholders as part of this process. Outreach methods would follow the recommendations of the Outreach Plan but could include mailouts, handouts, social media posts, etc.

**APD Urban Planning and Management**

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 Atlanta, GA 30303  
 Phone: (404) 418-7844  
 Fax: (678) 705-1944  
 www.apdurban.com



**HOUSTON LAND BANK**  
(A Component Unit of the City of Houston, Texas)

FINANCIAL STATEMENTS

JUNE 30, 2020  
*(With Independent Auditor's Report Thereon)*

**HOUSTON LAND BANK**  
**(A Component Unit of the City of Houston, Texas)**

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
of **Houston Land Bank**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental fund of Houston Land Bank (HLB), a component unit of the City of Houston, Texas as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the HLB's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

HLB's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to HLB's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of HLB's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and major fund of Houston Land Bank as of June 30, 2020, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Other Matters**

Management has omitted a management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the omitted information.

Houston, Texas  
September \_\_, 2020



**HOUSTON LAND BANK**  
(A Component Unit of the City of Houston, Texas)

**GOVERNMENTAL FUND BALANCE SHEET  
AND STATEMENT OF NET POSITION  
JUNE 30, 2020**

<u>Assets</u>	General Fund	Adjustments	Statement of Net Position
Cash and cash equivalents (Note 3)	\$ 1,287,960	\$ -	\$ 1,287,960
Investment properties held for sale (Note 2)	696,148	-	696,148
Investment properties - designated to the City of Houston (Note 2)	1,561,200	-	1,561,200
Prepaid expenses and other assets	44,728	-	44,728
Accounts receivable (Note 4)	764,443	-	764,443
Acquisition and development cost reimbursements (Note 5)	237,659	-	237,659
Escrow funds receivable (Note 6)	271,121	-	271,121
Computer equipment, net (Note 7)	9,279	-	9,279
<b>Total assets</b>	<b>\$ 4,872,538</b>	<b>\$ -</b>	<b>\$ 4,872,538</b>
<b><u>Liabilities and Fund Balance</u></b>			
Liabilities:			
Accounts payable	\$ 131,612	\$ -	\$ 131,612
Escrow funds payable (Note 6)	365,025	-	365,025
Accrued liabilities	14,386	-	14,386
<b>Total liabilities</b>	<b>511,023</b>	<b>-</b>	<b>511,023</b>
Fund balances:			
Unreserved	4,361,515	(4,361,515)	-
<b>Total fund balance</b>	<b>4,361,515</b>	<b>(4,361,515)</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>4,872,538</b>	<b>(4,361,515)</b>	<b>511,023</b>
Net position:			
Unrestricted	-	4,361,515	4,361,515
<b>Total net position</b>	<b>\$ -</b>	<b>\$ 4,361,515</b>	<b>\$ 4,361,515</b>

See accompanying notes to financial statements.

**HOUSTON LAND BANK**  
**(A Component Unit of the City of Houston, Texas)**

**GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES AND STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2020**

	General Fund	Adjustments	Statement of Activities
<b>Revenues:</b>			
City of Houston grants	\$ 1,354,117	\$ -	\$ 1,354,117
Revenue from traditional program	105,661	-	105,661
Grants - acquisition and development funds	1,228,572	-	1,228,572
Grants - disposition and closing cost funds	1,609,444	-	1,609,444
Revenue from repossession of lots	480,744	-	480,744
Total revenues	<u>4,778,538</u>	<u>-</u>	<u>4,778,538</u>
<b>Expenditures:</b>			
Acquisition costs	53,679	-	53,679
Advertising costs	6,534	-	6,534
Bank charges	1,474	-	1,474
Closing costs	71,733	-	71,733
Computer/internet	40,294	-	40,294
Conference & meetings	450	-	450
Construction costs	498,578	-	498,578
Contract work	35,399	-	35,399
Depreciation expense	1,489	-	1,489
Health insurance	62,115	-	62,115
Insurance	58,103	-	58,103
Land trust fees	71,800	-	71,800
Lawn maintenance	325,155	-	325,155
Legal fees	196,386	-	196,386
Loss on disposition of purchase lots	187,793	-	187,793
Marketing and showcasing	11,581	-	11,581
Meals and entertainment	1,235	-	1,235
Office expenses/supplies	39,099	-	39,099
Payroll processing fees	1,752	-	1,752
Payroll taxes	50,711	-	50,711
Professional fees	279,063	-	279,063
Property taxes	16,669	-	16,669
Real estate commission	232,563	-	232,563
Rental and leasing	47,416	-	47,416
Repair and maintenance	9,290	-	9,290
Salaries and wages	656,571	-	656,571
Security and secure property	85,579	-	85,579
Travel/lodging expense	6,272	-	6,272
Utilities	22,989	-	22,989
Total expenditures	<u>3,071,772</u>	<u>-</u>	<u>3,071,772</u>
Excess of expenditures over revenues	1,706,766		1,706,766
<b>Other income (expense):</b>			
Interest income	2,214	-	2,214
Excess of revenue and other income over expenditures	<u>1,708,980</u>	<u>-</u>	<u>1,708,980</u>
Change in net position	1,708,980	-	1,708,980
Fund balance/net position, beginning of year	2,652,535	-	2,652,535
Fund balance/net position, end of year	<u>4,361,515</u>	<u>-</u>	<u>4,361,515</u>
Net change in fund balance of governmental fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,708,980</u>

See accompanying notes to financial statements.

**HOUSTON LAND BANK**  
**(A Component Unit of the City of Houston, Texas)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**Note 1 - Description of Organization**

Houston Land Bank (HLB) is a component unit of the City of Houston, Texas. It was organized on October 27, 1999 as a local municipal, non-profit corporation for the purpose of overseeing the redevelopment of foreclosed tax delinquent property in certain targeted Houston neighborhoods. HLB was formed under the provisions of an Inter-local Agreement entered into by all of the (Houston/Harris County) local tax jurisdictions. The Board of Directors is represented by seven members appointed by the City of Houston and three members each appointed by Harris County Commissioners Court (Harris County) and by the Trustees of the Houston Independent School District (HISD). HLB obtains tax delinquent properties through the State of Texas property tax foreclosure procedures. Obtained properties are subsequently conveyed to non-profit and for-profit developers who agree to build affordable housing for qualified low and moderate income households. Certain lots can also be utilized to support other community development activity deemed desirous for neighborhood revitalization purposes.

Under the auspices of a City of Houston initiative called, "Houston Hope". This venture was created to arrest blight, further community development and support the development of new single-family affordable housing. Neighborhoods participating in this initiative include (designated areas in) Acres Home, Denver Harbor, Fifth Ward, Independence Heights, Near Northside, Settegast, Trinity Gardens, Clinton Park and Sunnyside.

Under a City of Houston initiative called, "New Home Development Program" created to provide newly constructed, affordable single-family homes for low and moderate-income homebuyers. The City and the Houston Housing and Community Development Department of the City of Houston (HCDD) requested under the "Acquisition and Development Agreement" that HLB acquires certain properties at the City's expense and sets aside, at the City's request, certain properties previously acquired. HLB holds said properties for the development of new homes which are constructed by HCDD and sold to eligible homebuyers. HLB holds title for constructed homes and the City of Houston reimburses HLB for all reasonable costs associated with acquisition and maintenance of properties.

HLB, from time-to-time, offers incentives to both for-profit as well as non-profit, neighborhood-based, Community Development Corporations to collaborate with HLB to create opportunities for affordable housing options in difficult markets. In the past, HLB offered an Energy Star reimbursement and a water and sewer tap reimbursement. HLB is reviewing its options and may announce possible new programs as demand arises and funding permits.

Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements represent all of the funds of Houston Land Bank. HLB is a component unit of the City of Houston. Component units are legally separate entities for which the primary government is financially accountable. There are no separate legal entities that are a part of HLB's reporting entity.

**HOUSTON LAND BANK**  
**(A Component Unit of the City of Houston, Texas)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**Note 2 - Summary of Significant Accounting Policies**

Basis of Presentation

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the accompanying financial statements include solely the accounts of HLB, which include all programs, activities and functions relating to the accumulation and investment of the assets and related income necessary to provide the service required under the terms of the Governing Statutes and amendments thereto.

Basis of Accounting

Basis of accounting is the method by which revenues and expenses are recognized in the accounts and are reported in the financial statements. The accrual basis of accounting is used for HLB. Under the accrual basis of accounting, revenues are recognized when they are earned, and collection is reasonably assured, and expenses are recognized when the liability is incurred. Gains and losses on sales of investment properties are recognized on the date of sale.

Measurement Focus

*Government-fund financial statements*

The statement of net position and the statement of activities display information about the reporting government as a whole. The statement of net position and the statement of activities were prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred.

Government-fund statements distinguish between governmental-type and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues, and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds. The HLB does not have any business-type activities.

Under the government-fund financial statements, net position is classified into three components as follows:

Invested in capital assets, net of related debt - This component of net position consists of capital assets, net of accumulated depreciation and reduced by any bonds, notes, or other borrowings.

**HOUSTON LAND BANK**  
**(A Component Unit of the City of Houston, Texas)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

Measurement Focus (Continued)

*Government-fund financial statements (Continued)*

Restricted - This component of net position consists of constraints on use placed on net position through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through contractual provisions or enabling legislation.

Unrestricted - This component of net position consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

*Fund financial statements*

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus and have been prepared using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction that can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. HLB considers all revenue available if it is collected within 60 days after the year-end. Expenditures are recorded when the related fund liability is incurred.

*Fund accounting*

In government, the basic accounting and reporting entity is a “fund.” A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording financial resources together with all related liabilities, obligations, reserves and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

HLB only has one governmental fund, the general fund, which accounts for all financial resources.

Fund Balances

Fund Balance Reporting and Governmental Fund Type Definitions establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The initial distinction that is made in reporting fund balance information is identifying amounts that are considered non-spendable, such as inventories. This Statement also provides for additional classification as restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

**HOUSTON LAND BANK**  
**(A Component Unit of the City of Houston, Texas)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

Fund Balances (Continued)

In the fund financial statements, HLB reserves or designates all or portions of fund balance in the various governmental fund financial statements. The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The assigned fund balances for governmental funds represent amounts that have been legally identified for specified purposes as determined by HLB's Board of Directors.

Cash and Cash Equivalents

HLB considers all highly liquid investments with maturity of three months or less at date of purchase to be cash equivalents.

Investment Properties Held for Resale

Investment properties held for resale are designated properties at foreclosure auctions that HLB has acquired from the City of Houston in order to manage, operate, develop and subsequently sell, lease or otherwise convey the properties solely to induce the development of affordable housing. During the year ended June 30, 2020, the HLB evaluated these properties for impairment and no impairment was deemed necessary.

Investment Properties- Designated for the City of Houston

HLB is currently holding plots of land that are designated for the City of Houston. HLB will be responsible for maintaining, marketing and selling the land that has been designated by the City of Houston. During fiscal year 2020, no impairment was deemed necessary.

Equipment

Equipment is recorded at cost less accumulated depreciation. Depreciation expense is computed using the straight-line method over the estimated useful lives of the related assets. Any gain or loss on the retirement of assets is recognized currently.

Revenue Recognition

HLB records earned revenues on an accrual basis. Contributions are recorded as revenues when an unconditional promise to give is received. Contributions received with conditions are recognized as revenue when the conditions have been substantially met. HLB records the following types of contributions at fair value: cash and promises to give.

Revenue from conveyed struck-off property is recognized at foreclosure sales. If no one bids the opening bid then the designated properties are "struck off" to the HLB in trust for all the taxing entities that participated in the judgment of foreclosure.

**HOUSTON LAND BANK**  
**(A Component Unit of the City of Houston, Texas)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**Note 2 - Summary of Significant Accounting Policies (Continued)**

Revenue Recognition (Continued)

Revenue from repossession of lots is earned and recognized when the lots are reverted to HLB by the builder for not meeting the building requirements. Grant revenue is earned and recognized when funds are spent as stipulated by the agreement.

Federal Income Tax

HLB is exempt from Federal income taxes under section 501(a) as an organization described in Section 501(c)(3) of the Internal Revenue Code. Furthermore, the Internal Revenue Service has ruled that HLB is a publicly-supported organization and is not a private foundation. Under the provisions of Internal Revenue Procedure 95-48, HLB is not required to file public information returns on Form 990.

Use of Estimates

The preparation of HLB's financial statements in conformity with accounting principles generally accepted in the United States of America requires HLB's management to make estimates and assumptions that affect the amounts reported in these financial statements and accompanying notes. Actual results could differ from those estimates.

**Note 3 - Cash and Cash Equivalents**

Credit risk for deposits with financial institutions is the risk that in the event of a bank failure, HLB's deposits may not be returned to it. HLB has collateral for all bank balances in excess of Federal Deposit Insurance Corporation (FDIC) limits to the extent of the fair market value of the amount not insured. Deposits with financial institutions that are uninsured and uncollateralized are invested overnight in AAA rated U.S. treasury money market funds, which further mitigates the credit risk. As of June 30, 2020, HLB held a balance of \$174,305 uninsured with one financial institution.

The Board of Directors has not yet adopted a formal investment policy regarding the investment of its funds as defined in the Public Funds Investment Act of 1997 (Chapter 2256, Texas Government Code).

As of June 30, 2020, HLB held the following investments which mature in less than one year:

<u>Type of Investment</u>	<u>Fair Value</u>
US Treasury Notes	<u>\$ 917,445</u>

HLB limits its exposure to interest rate risk by investing in securities that assure safety of public funds, maintain liquidity and achieve the highest rate of return. HLB's policy limits the maximum maturity on any security to five years. HLB places no limit on the amount that may be invested in any investment authorized within HLB's investment policy.



**HOUSTON LAND BANK**  
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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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**Note 4 - Accounts Receivable**

Accounts receivable balance at June 30, 2020 amounted to \$764,443 and consisted of reimbursements to HLB from the Grantor City of Houston HCDD. The reimbursements relate to administration program and operation costs of HLB as defined in the Acquisition and Development Agreement related to the operation of the New Home Development Program, as well as operations costs that were from the new Operational Grant for the HLB.

**Note 5 - Acquisition and Development Cost Reimbursements**

Acquisition and development costs are customary pre-development costs expended on lots designated for the City of Houston and owned by HLB. As noted in the "Acquisition and Development Agreement", HLB will be reimbursed for all of these costs upon the sale of the property. At June 30, 2020, the reimbursable cost amounted to \$237,659.

**Note 6 - Escrow Funds Receivable and Payable**

As noted in the "Acquisition and Development Agreement", once HLB is reimbursed for pre-development costs upon sale of the property, the remaining proceeds are to be remitted to HCDD. As of June 30, 2020, the amount to be received and remitted to HCDD amounted to \$271,121 and \$365,025, respectively.

**Note 7 - Computer Equipment**

Computer equipment at June 30, 2020 had a useful life of 5 years and amounted to \$12,005. At June 30, 2020 accumulated depreciation of \$2,726 was recorded for a net computer equipment balance of \$9,279.

Depreciation expense amounted to \$1,489 for year ended June 30, 2020.

**Note 8 - Risks and Uncertainties**

Global efforts to contain the spread of COVID-19, often referred to as the Coronavirus, have significantly impacted many organizations and the economy. While the situation is evolving rapidly, and the full impact is not yet known, the disruption caused by the Coronavirus is affecting organizations and consumer activities worldwide, including disruption to major financial markets, supply chains, interruption of production, limited personnel, facility and store closures, and decreased demand from both business customers and consumers. As of June, 30, 2020 HLB is assessing the impact on its operation and cash flows but currently the disruption and uncertainty caused by the Coronavirus is far-reaching and the ultimate effects of this event is unknown.



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**Note 9 - Subsequent Events**

During July 2020, Houston Land Bank moved into a contract for the possible acquisition of Project YLWCB, therefore a 120-day option period has commenced, earnest money has been paid, and the projected closing date for this property is November – December 2020.

Management has evaluated subsequent events through September \_\_, 2020, the date which the financial statements were available to be issued. Management has determined that no other subsequent events require disclosure in these financial statements.

**\*\*\* End of Notes \*\*\***