



**BOARD OF DIRECTORS REGULAR MEETING
November 12, 2020**

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Also: PowerPoint presentation re financing/acquisition items	



Board of Directors Regular Meeting Agenda

Thursday, November 12, 2020

Noon Central time

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/86561662476>

Meeting ID: 865 6166 2476

Or call in at:

(877) 853-5247 or

(888) 788-0099

Meeting ID: 865 6166 2476

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

AGENDA

- I. Call to Order and Roll Call
- II. Public Speakers

Speakers must be registered in advance by 5 p.m. on Wednesday, November 11, 2020. To register, please use our online form at www.houstonlandbank.org/resources, e-mail info@houstonlandbank.org or call us at 281-655-4600. The Chair will call upon speakers and allow three minutes per speaker.

- III. Adopt Minutes of October 8, 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 Results of Builder RFQ and Recommendations for Qualified Builders (see Item VII.a. below)

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

2. Discussion Regarding Creation of the HLB Limited Alternative Land Use Program
- c. Oversight Committee: Mario Castillo, Chair
 1. Update on HLB Lot Maintenance Program
- d. Partnerships Committee: Courtney Johnson Rose, Chair
- VI. President's Report: Anne Gatling Haynes, CEO/President
- VII. Board Action Items
 - a. Consideration and Possible Action to Approve Program Committee Recommendations for New Builders for Potential Property Transfer and Construction of Affordable Homes Through the Houston Land Bank Housing Initiative
 1. Byrdson Services LLC (dba Excello Homes)
 2. St. Bernard Project, Inc (dba SBP, Inc)
 3. Nelrod Properties LLC
 4. Lawrence Builders
 5. L.I.Z. Enterprises
 6. Europa Homes Corporation
 - b. Consideration and Possible Action to Acquire Two Parcels in Settegast:
 1. 0 Bobby Burns: HCAD 0121840000004, \$8,500
 2. 0 Bobby Burns: HCAD 0122690000004, \$8,500
 - c. Consideration and Possible Action to Direct Staff to Secure Financing Not to Exceed 70% of the Estimated \$9.6 Million Cost of Possible Acquisition of 6.8 Acres in the Near Northside Area of Houston for the City of Houston's New Home Development Program Under the Auspices of the Acquisition and Development Agreement
 - d. Consideration and Possible Action to Direct Staff to Secure Financing Not to Exceed 70% of the Estimated \$2 Million Cost of Possible Acquisition of 1.77 Acres in the Magnolia Park/East End Area of Houston for the City of Houston's New Home Development Program Under the Auspices of the Acquisition and Development Agreement
 - e. Consideration and Possible Action to Delegate Authority and Direct Staff to Acquire Up To 6.8 Acres in Houston's Near Northside Area for a Price Not to Exceed \$9.6 Million for the City of Houston's New Home Development Program Under the Auspices of the Amended and Restated Acquisition Agreement with the City of Houston (HCAD Numbers Listed Below)
 1. HCAD 0310230000001
 2. 0310300000011
 3. 0310300000008
 4. 0310300000004



5. 0310300000005
6. 0310230000003
7. 0312350000001
8. 0312350000002
9. 0310160000001
10. 0310130000009
11. 0310130000005
12. 0310130000004
13. 0310130000003
14. 0310130000002
15. 0310130000001
16. 0310130000001

- f. Consideration and Possible Action to Delegate Authority and Direct Staff to Acquire 1.77 Acres in Houston's Magnolia Park/East End Area for a Price Not to Exceed \$2 Million for the City of Houston's New Home Development Program Under the Auspices of the Amended and Restated Acquisition Agreement with the City of Houston (HCAD Numbers Below)

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

- g. Consideration and Possible Action Regarding Amending the Fiscal Year 2021 Budget to Realign Expenditures and Revenues

- h. Consideration and Possible Action to Accept Proposed Pre-Qualified Vendors for Urban Planning and Market Analysis Services, and to Set a Not-To-Exceed Amount to be Paid for Services from Each Vendor

1. James Lima Planning and Development
2. HR&A Advisors
3. Torti, Gallas & Partners
4. Gensler
5. APD Urban Planning & Management
6. Community Lattice
7. Utile
8. Asakura Robinson

VIII. Executive Session

- a. Discussion regarding the value or transfer of real property



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

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

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



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

October 8, 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, October 8, 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	Jesus DeAnda
David Collins	Victor A. Mondragón
Carol Galloway	Courtney Johnson Rose
Mario Castillo	Antoinette Jackson
Curtis Lampley	

Board members absent were: Laurie Vignaud, 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; Vincent Marquéz, of the HLB Advisory Board; and Nick Foran, of the HLB Advisory Board.

I. Call to Order and Roll Call

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

II. Public Speakers

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

registered by the 5:00 p.m. deadline yesterday and she did not see anyone in the virtual room to address the Board for today's meeting.

III. Adopt Minutes of September 10, 2020 Regular Meeting

Chairman Zeis noted that the minutes for the regular meeting of the Board of Directors held on September 10, 2020 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 of the September 10, 2020 meeting.

Director Castillo made a motion to adopt the minutes of the September 10, 2020 regular meeting, which motion was duly seconded by Director Galloway and passed with the unanimous vote of the Board.

IV. Chairman's Greeting—Matt Zeis, Chair

Chairman Zeis thanked the Board members in attendance today for volunteering and being available for today's meeting. He then mentioned that the home builder contractors are now experiencing higher prices for lumber which the Executive Committee will need to monitor in order to ensure the home builders retain the sales prices for the houses as affordable as possible.

Chairman Zeis then stated that he wishes to organize an ad hoc committee to work on Strategic Planning for the HLB, which he will chair and requested Directors Lampley, Castillo, Mondragón and Johnson Rose to serve on this ad hoc committee. He mentioned that this ad hoc committee may only meet once to summarize and distill the strategic plans for the direction the HLB will take for review and approval of the Board.

V. Committee Reports:

a. Finance Committee: Laurie Vignaud, Chair

Chairman Zeis noted Ms. Vignaud is not in attendance for today's Board meeting; therefore, he reported that the Finance Committee met on Tuesday to review the Fiscal Year 2020 Audit Report, a copy of which is in the Board packet for today's meeting. He mentioned that there were no deficiencies noted in the 2020 Audit Report. The Finance Committee also reviewed the cash flow ledger and reported that there were no cash flow issues.

b. Program Committee: Curtis Lampley, Chair

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

Director Lampley stated that the Program Committee met in September and noted that it received a request from one of the HLB home builders to purchase an additional lot due to unforeseen infrastructure circumstances with one of the lots it recently purchased from HLB which has caused significant delay in the construction progress. Therefore, the Program Committee is recommending approval of the home builder's request for an additional lot due to

water line infrastructure issues on the lot initially purchased. This recommendation is on today's Agenda for approval under Item VII.c.

The Program Committee also reviewed multiple requests from home builders to increase the maximum sales price due to the recent spike in lumber costs. Director Lampley mentioned that the requested increases range from \$8,000-\$25,000. The higher end increases are related to the houses being developed in the flood plain. Director Lampley stated that the new home prices range from \$199,753 to the HLB ceiling sale price of \$212,000.

He then informed the Board that there are currently 5 construction contracts that cannot be recommended for approval because the home builders are requesting a sales price above the HLB \$212,000 ceiling price.

Director Lampley noted that the Program Committee also discussed the current market increases in lumber prices and will thoroughly research this situation and devise a plan of action for the builders for consideration with Board approval.

The Program Committee reviewed and discussed a request for street abandonment recently received from the City of Houston concerning one of its lots in the Settegast Subdivision and sent its recommendation back to the City as there was no impact to the HLB lot.

The Program Committee also discussed and recommends for approval the contracts for the remaining 5 lots from the Round Two Lot Disposition which are on today's meeting agenda for consideration and approval by the Board.

Director Lampley then stated that this concluded his report for the Program Committee.

c. Oversight Committee: Mario Castillo, Chair

1. Update on HLB Board Policy Review

Director Castillo stated that the Oversight Committee did not meet last month. He then provided an update of the progress of the draft of the Policies and Procedures document, including a meeting with the procurement and development officers of the City of Houston. No policy changes were requested as a result of this meeting. Director Castillo stated that the Oversight Committee will next begin reviewing the Lot Maintenance Contracts for a six month look back to determine how the HLB is performing.

Director Castillo then stated that this concluded his report for the Oversight Committee.

d. Partnerships Committee: Courtney Johnson Rose, Chair

Director Johnson Rose reported that the Partnerships Committee met last week to discuss working towards a partnership with Hope Farms, a non-profit entity, which develops land for urban farming. However, at this time HLB does not have any lots suitable for urban farming. She also mentioned that the committee will schedule a webinar for lenders later this month or in early November to build a network of lenders for HLB house building programs

Director Johnson Rose noted that the spike in lumber prices was discussed at the Greater Houston Builders Association meeting. The spike in lumber prices is considered to be temporary, however, prices may not return to pre-pandemic prices but rather may be the new normal for lumber costs. The association will work together with the HLB as a focus group. She also mentioned the discussions with the Local Initiative Support Organization to be a lender to some of the HLB builders.

Director Johnson Rose then stated that this concludes her report on the activities of the Partnership Committee.

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

a. Monthly Activities

Ms. Haynes stated that the Fiscal Year 2020 Audit is complete and is the timeliest submission of the audit to the City of Houston, especially with the significant number of different types of transactions processed in 2020.

Next she mentioned that this month HLB has been trying to expand its network with different organizations such as the LIFT fund which is a state wide CDFI and their current Ascend Program which works with early stage builders concerning business development. Ms. Haynes stated there will be an upcoming meeting with South East Texas Housing Finance Corporation regarding its home buyer assistance program.

She informed the Board that one house was sold this month with several more closings to be completed soon. Also, HLB has been working with the Houston Housing Department to refine the New Home Development Program pipeline of houses so HLB knows what will be coming and prepare for pre-sale activities. She noted that between the two programs there are 72 properties under development now; however, some home builders have slowed production due to the lumber price increases.

Ms. Haynes reported that HLB has been conducting due diligence on the properties under contract and has been reporting the results to the Executive Committee regularly.

Also, HLB has been improving its construction reporting on builders monthly to use the Property Management System and conducted a forum with the builders on how to use this new system.

Next, Ms. Haynes stated that there is an RFQ for legislative services support which closes on October 16, 2020 after being extended 1 week. The RFQ for grant writing and technical assistance just closed for the EPA Brownfields Grant opportunity previously mentioned last month which is due at the end of this month. This will be a coalition application with the City and with Avenue CDC for Phase I and Phase II assessment financial support. She noted many land banks across the country have such a resource.

HLB has sold 21 houses to date from its Traditional Program in 2020 and are now at the end of the former LARA \$1 lot sales. There are 7 lots left with contracts that are still on hold.

In the NHDP there is a closing today and another one tomorrow with 32 houses sold to date and 7 more under contract.

Ms. Haynes then stated that HLB reviewed an RFQ for planning services and selected qualified firms for planning activities and affordability and economic development for small scopes of work.

b. Lumber Pricing Update

Ms. Haynes stated that HLB sent a survey to 32 pre-qualified home builders to better understand their situation with the increasing cost of lumber. She noted that some of the larger builders are slowing production during this temporary spike in lumber prices. Prices have increased 50% - 70% and builders are submitting requests to increase the sales prices of the houses in the range of 6 – 10%. However, Ms. Haynes stated that lumber is only one component in the cost of construction of the houses. She mentioned that one land bank has looked at cooperative purchasing and having a warehouse of supplies to support its builders which is a very large undertaking.

To determine the average cost to build based on the initial RFQ sponsored by builders the 1,200 square foot pro forma was approximately \$159,733.00 to build. Ms. Haynes stated that HLB will need to work with the builders on their specific plans and their process of construction to determine any savings to be gained. She will monitor requests from the home builder contractors for extensions to their contracts and requests for increases to the sales prices of the houses under construction. HLB will continue researching the affordability of the houses it constructs to determine if they remain affordable to the home buyers after the initial purchase. Ms. Haynes stated that housing costs should be approximately 30% of a homeowner's net income per month.

Director Jackson stated that 30% of net income for housing expenses is not correct under HUD guidance. She noted that 80% of Average Median Income is considered affordable under the HUD guideline. Ms. Haynes indicated that she would need to edit the slide regarding housing costs not exceeding 30% of a homeowner's net income.

Director Lampley requested clarification with regard to the PowerPoint slide on subsidies as to whether those subsidies are for the homebuyer or the builder. Ms. Haynes stated that the subsidies could be for either the homebuyer or the builder. Director Mondragón suggested that subsidies to homebuyers could be expanded to include funding the costs of appliances, furniture and/or moving costs.

It was noted that the new construction contract pro forma allows for a 10% contingency for new construction of affordable houses.

c. Update on Establishment of Pre-Qualified Planning Contractors Pool

Ms. Haynes informed the Board that eight entities have been selected for the Pre-Qualified Professional Service firms pursuant to the RFQ for Market Analysis/Planning Scope. The eight entities selected were James Lima Planning + Development, HR&A Advisors, Community Lattice, Torti Gallas + Partners, Gensler, APD Urban Planning & Management,

Utile and Asakura Robinson Company LLC. These entities will be requested as needed to handle small planning, environmental, financing and due diligence projects in the \$5,000-\$10,000 range based on neighborhood development or acquisitions. She mentioned that the top five scoring entities were then considered in the RFP for the Settegast planning services.

VII. Board Action Items

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

Director Castillo made a motion to adopt this Agenda item, which was duly seconded by Director Mondragón. Director Lampley recommended that the motion be amended to include an annual review for changes or new policies to be added to the Program by the Oversight Committee with subsequent approval of the Board. Directors Castillo and Mondragón agreed to the amendment proposed by Director Lampley. Mr. Benson noted that the draft of the updated Policies and Procedures already includes a provision that the Policies and Procedures document is to be reviewed annually by the Board. Director Lampley then made an additional amendment to the amended motion that the annual review begin on October 1, 2021, which additional amendment was also accepted by Directors Castillo and Mondragón. The entire motion, as subsequently amended, was then read aloud by Chairman Zeis 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. 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)

Chairman Zeis requested that these five recommendations be voted on as a group rather than taken individually. Director Lampley made a motion to accept the Program Committee and Staff Builder Lot Selection recommendations for the HLB Housing Initiative relating to these 5 lots, which motion was duly seconded by Director Galloway and passed with the unanimous vote of the Board.

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. Brinkley - HCAD #0690150050031, Proposed Sales Price \$22,230

Director Lampley made a motion to accept the Program Committee and Staff recommendation to award MHL Properties LLC an additional lot (HCAD #0690150050031) under the provisions of the Revised Program Guidelines, which motion was duly seconded by Director Galloway and passed with the unanimous vote of the Board.

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**

Director Lampley declared that the Board cannot move forward on this Agenda item because this contract was incurred through an RFQ process which was never presented to the Board for consideration and approval. Chairman Zeis asserted that RFQs and RFPs do not require approval of the Board, however contracts in an amount in excess of \$50,000 must be approved by the Board.

Director Johnson Rose stated that she was a member of the committee which reviewed the subject RFQ and there was a process to select the entity to conduct the planning services with regard to developing the Settegast neighborhood including the necessary infrastructure for new houses.

Director Lampley clarified that the RFQ should have been presented to the Board for review and voted on for consideration. However, he was told there was insufficient time to present the RFQ to the Board for consideration and approval. He is concerned that the Board is not being considered for review of expenditure of funds and assignment of tasks to other committees.

Director Galloway asked whether the City of Houston has already prepared a study of the Complete Communities as designated by Mayor Turner. Ms. Haynes confirmed the City did conduct planning in the Complete Communities and noted that Settegast was not a Complete Community. She noted that there are no paved streets in this neighborhood west of Houston Street and south of Houghton Street. Chairman Zeis stated that this planning services contract is necessary to create a plan to develop houses in Settegast which will appear similar to the current houses in this area rather than having various developers constructing houses which will conflict with the rest of Settegast.

Director Galloway recommended that HLB staff reach out to the community leaders in Settegast to conceive a plan for this neighborhood. Ms. Haynes stated that the planners' role is essentially to take all information gleaned from the community representatives and new city ordinances regarding development which need to be taken into consideration to devise a concept plan for the number of houses which can be developed on the HLB lots in Settegast and the infrastructure requirements. The plan would provide a cost estimate for the necessary

infrastructure because the City will need to determine its strategy for public financing of such infrastructure. Ms. Haynes stated that there is currently no expectation to re-plat the subdivision.

Director Galloway questioned the cost of this contract for planning services. Director Jackson stated that the planning for development of the infrastructure should be a City undertaking rather than one required of HLB and therefore will vote against any motion to approve this contract.

Ms. Haynes stated that this planning work will be in conjunction with the City of Houston Planning Department, the Housing Department, and the Public Works Department and is in the HLB budget for professional services.

Director Lampley emphasized that this is a procedural matter and the subject RFQ should have been presented to the Board for approval. Chairman Zeis reiterated that the Board must approve contracts for \$50,000 or more but does not approve RFQs or RFPs before they are let out to the public pursuant to the procedures in the HLB Policies and Procedures document.

Director Johnson Rose made a motion to approve execution of the contract with APD Urban Planning & Management which motion was duly seconded by Director Castillo with the following roll call vote as requested by Chairman Zeis to wit:

Chairman Zeis – Aye
Director DeAnda – Aye
Director Castillo – Aye
Director Johnson Rose – Aye
Director Collins – Nay
Director Lampley – Nay
Director Galloway – Nay
Director Jackson – Nay

The motion did not pass due to the tie vote of the Board. Director Mondragón had left the meeting at approximately 1:07 p.m.

e. Consideration and Possible Action to Accept the FY 2020 Annual Audit Report

Director Galloway made a motion to accept the Fiscal Year 2020 Annual Audit Report, which motion was then duly seconded by Director Collins and passed with the unanimous vote of the Board.

VIII. Board Member Comments

Director Collins requested a map depicting the lots owned by HLB in Settegast and the City's infrastructure for water, sewer and drainage associated with each lot. Ms. Haynes noted that such work was to have been furnished under the proposed contract with APD Urban Planning & Management. However, since the Board did not authorize execution of such contract she will instruct HLB staff to begin work on the requested map.

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 during this meeting.

X. Adjournment

Chairman Zeis asked if there were any additional matters to be considered by the Board. Hearing none, the regular Board meeting adjourned at 1:18 p.m. upon the motion of Director Lampley, which was duly seconded by Director Galloway.

Minutes Prepared By:

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

Signed on the ____ day of _____, 2020.

Secretary



Houston Land Bank

BALANCE SHEET

As of September 30, 2020

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Chase-Operations - 8465	245,832.50
Money Market - Lot Acquisition - 7058	247,655.24
Money Market Unrestricted - 7066	1,287,276.06
MoneyMarket-Unrstr.C Resev 5577	18,022.85
Petty Cash	12.63
Total Bank Accounts	\$1,798,799.28
Accounts Receivable	
Accts Receivable	1,032,752.27
Total Accounts Receivable	\$1,032,752.27
Other Current Assets	
Prepaid Expenses	
Prepaid Acquisition Costs	18,172.30
Prepaid Insurance	18,227.88
Prepaid Rent	4,875.00
Prepaid Subscription Services	6,037.60
Total Prepaid Expenses	47,312.78
Total Other Current Assets	\$47,312.78
Total Current Assets	\$2,878,864.33
Fixed Assets	
Equipment	12,005.12
xAccum. Depreciation	-3,326.15
Total Fixed Assets	\$8,678.97
Other Assets	
Earnest Fee	117,350.00
Investments Held For Sale	2,392,509.71
Security Deposit	4,875.00
Total Other Assets	\$2,514,734.71
TOTAL ASSETS	\$5,402,278.01



Houston Land Bank

BALANCE SHEET

As of September 30, 2020

		TOTAL
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accounts Payable	125,778.76	
Total Accounts Payable	\$125,778.76	
Credit Cards		
Chase Credit Card	11,677.77	
Total Credit Cards	\$11,677.77	
Other Current Liabilities		
Due to Tax Assessor	5,121.64	
Liabilities Due to HCDD	415,719.85	
Option Fee	250.00	
Total Other Current Liabilities	\$421,091.49	
Total Current Liabilities	\$558,548.02	
Total Liabilities	\$558,548.02	
Equity		
Unrestrict (retained earnings)	4,361,506.51	
Net Income	482,223.48	
Total Equity	\$4,843,729.99	
TOTAL LIABILITIES AND EQUITY	\$5,402,278.01	



Houston Land Bank

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

September 2020

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income				
Acquisition and Development Agreement				
Acquisition Proceeds	49,061.09	366,767.08	-317,705.99	13.38 %
Disposition of Lots	15,000.00		15,000.00	
Disposition Proceeds	7,627.83	51,708.54	-44,080.71	14.75 %
Total Acquisition and Development Agreement	71,688.92	418,475.62	-346,786.70	17.13 %
Administrative Fees	3,750.00	11,250.00	-7,500.00	33.33 %
HLB Program Revenue				
Disposition Proceeds	33,769.00	100,000.00	-66,231.00	33.77 %
Total HLB Program Revenue	33,769.00	100,000.00	-66,231.00	33.77 %
Operations Agreement	129,366.32	179,709.00	-50,342.68	71.99 %
Total Income	\$238,574.24	\$709,434.62	\$ -470,860.38	33.63 %
GROSS PROFIT	\$238,574.24	\$709,434.62	\$ -470,860.38	33.63 %
Expenses				
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	177.50	300.00	-122.50	59.17 %
Company Insurance				
General Liability	1,633.67	1,617.83	15.84	100.98 %
Officers & Directors Liability	582.99	286.98	296.01	203.15 %
Property Insurance		3,439.52	-3,439.52	
Total Company Insurance	2,216.66	5,344.33	-3,127.67	41.48 %
Computer and Internet Expenses	9.99	589.94	-579.95	1.69 %
Conference & Meeting	100.00	45.00	55.00	222.22 %
Depreciation Expenses	200.09	2,388.51	-2,188.42	8.38 %
Dues and Subscription	883.54	1,305.00	-421.46	67.70 %
Filing Fees	47.00	127.73	-80.73	36.80 %
Office Expenses		450.78	-450.78	
Leasing Office Equipment	470.25	234.71	235.54	200.35 %
Meals & Entertainment		123.47	-123.47	
Office Supplies		158.79	-158.79	
Postage and Delivery	31.94	16.46	15.48	194.05 %
Printing and Reproduction		162.42	-162.42	
Total Office Expenses	502.19	1,146.63	-644.44	43.80 %
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	420.97	611.84	-190.87	68.80 %
Travel and Lodging Expenses				
Lodging Expense		150.00	-150.00	



Houston Land Bank

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

September 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	
Total Travel and Lodging Expenses		491.37	-491.37	
Total Admin - Other	11,371.34	27,589.02	-16,217.68	41.22 %
Employee Cost				
Health Insurance	6,241.68	8,424.08	-2,182.40	74.09 %
Payroll Services Fee	128.22	223.79	-95.57	57.29 %
Payroll Taxes	4,305.24	14,002.39	-9,697.15	30.75 %
Wages and Salary	57,238.72	81,544.39	-24,305.67	70.19 %
Total Employee Cost	67,913.86	104,194.65	-36,280.79	65.18 %
Legal Fees	11,721.90	5,750.00	5,971.90	203.86 %
Miscellaneous Expense	14,016.46		14,016.46	
Professional Services				
Accounting Fee	7,975.00	8,921.67	-946.67	89.39 %
Audit Fees	500.00	0.00	500.00	
Consulting Fee	1,350.00	32,013.89	-30,663.89	4.22 %
Contract Work		9,166.67	-9,166.67	
Total Professional Services	9,825.00	50,102.23	-40,277.23	19.61 %
Property Cost - Maintenance		5,638.84	-5,638.84	
Property Expenses				
Standard Lawn Mowing	44,488.39	48,609.59	-4,121.20	91.52 %
Total Property Expenses	44,488.39	48,609.59	-4,121.20	91.52 %
Total Property Cost - Maintenance	44,488.39	54,248.43	-9,760.04	82.01 %
Property Cost - Disposition HLB				
Closing Cost	2,883.22	5,500.00	-2,616.78	52.42 %
Lots COGS	1,865.34	62,500.00	-60,634.66	2.98 %
Permits	392.61		392.61	
Pesticide or Weed Treatment		11.37	-11.37	
Total Property Cost - Disposition HLB	5,141.17	68,011.37	-62,870.20	7.56 %
Property Cost -Disposition NHDP				
Cleaning and Supplies	545.00		545.00	
Clearing and Lawn Maintenance - NHDP	700.00		700.00	
Closing Cost - NHDP		12,000.00	-12,000.00	
Land Trust Fee	3,500.00		3,500.00	
Legal Fees - NHDP	25,353.30	11,666.67	13,686.63	217.31 %
Lots Sold - NHDP				
Initial Cost of Lot	4,000.00		4,000.00	
xImpairment on Lot Sold - (Contra)	-3,560.00		-3,560.00	
Total Lots Sold - NHDP	440.00		440.00	
Marketing and Showcase	742.50		742.50	



Houston Land Bank

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

September 2020

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Pesticide or Weed Treatment		11.37	-11.37	
Property Taxes - NHDP	0.00	107.34	-107.34	0.00 %
Repair and Maintenance		4,666.67	-4,666.67	
Security and Secure Property Co		4,716.33	-4,716.33	
Soft Cost of Construction - NHDP		3,726.00	-3,726.00	
Water and Utilities	752.63	1,646.67	-894.04	45.71 %
Total Property Cost -Disposition NHDP	32,033.43	38,541.05	-6,507.62	83.12 %
Total Expenses	\$196,511.55	\$659,065.92	\$ -462,554.37	29.82 %
NET OPERATING INCOME	\$42,062.69	\$50,368.70	\$ -8,306.01	83.51 %
Other Income				
Interest Income	49.57	219.51	-169.94	22.58 %
Total Other Income	\$49.57	\$219.51	\$ -169.94	22.58 %
NET OTHER INCOME	\$49.57	\$219.51	\$ -169.94	22.58 %
NET INCOME	\$42,112.26	\$50,588.21	\$ -8,475.95	83.25 %



Houston Land Bank

PROFIT AND LOSS

July - September, 2020

	JUL 2020	AUG 2020	SEP 2020	TOTAL
Income				
Acquisition and Development Agreement				\$0.00
Acquisition Proceeds	136,039.98	229,110.29	49,061.09	\$414,211.36
Disposition of Lots	76,150.00	15,000.00	15,000.00	\$106,150.00
Disposition Proceeds	17,769.76	3,838.88	7,627.83	\$29,236.47
Total Acquisition and Development Agreement	229,959.74	247,949.17	71,688.92	\$549,597.83
Administrative Fees	11,250.00	3,750.00	3,750.00	\$18,750.00
HLB Program Revenue				\$0.00
Disposition Proceeds	157,448.00	52,367.00	33,769.00	\$243,584.00
Total HLB Program Revenue	157,448.00	52,367.00	33,769.00	\$243,584.00
Operations Agreement	152,532.03	112,632.27	129,366.32	\$394,530.62
Total Income	\$551,189.77	\$416,698.44	\$238,574.24	\$1,206,462.45
GROSS PROFIT	\$551,189.77	\$416,698.44	\$238,574.24	\$1,206,462.45
Expenses				
Admin - Other				\$0.00
Advertising & Marketing		352.00	352.00	\$704.00
Bank Service Charges	216.14	312.27	177.50	\$705.91
Company Insurance				\$0.00
General Liability	1,633.67	1,633.67	1,633.67	\$4,901.01
Officers & Directors Liability			582.99	\$582.99
Total Company Insurance	1,633.67	1,633.67	2,216.66	\$5,484.00
Computer and Internet Expenses	19.98	1,159.92	9.99	\$1,189.89
Conference & Meeting	250.00		100.00	\$350.00
Depreciation Expenses	200.09	200.09	200.09	\$600.27
Dues and Subscription	1,135.57	947.99	883.54	\$2,967.10
Filing Fees	63.36	23.50	47.00	\$133.86
Office Expenses	275.00			\$275.00
Leasing Office Equipment	229.00	229.00	470.25	\$928.25
Office Supplies	123.62			\$123.62
Postage and Delivery	16.65	26.01	31.94	\$74.60
Total Office Expenses	644.27	255.01	502.19	\$1,401.47
Rental and Lease Expense	4,875.00	4,875.00	4,875.00	\$14,625.00
Software Usage	1,509.40	1,509.40	1,509.40	\$4,528.20
Storage Rental	77.00	77.00	77.00	\$231.00
Telephone Expense	380.97	558.79	420.97	\$1,360.73
Travel and Lodging Expenses				\$0.00
Parking	35.64			\$35.64
Total Travel and Lodging Expenses	35.64			\$35.64
Total Admin - Other	11,041.09	11,904.64	11,371.34	\$34,317.07



Houston Land Bank

PROFIT AND LOSS

July - September, 2020

	JUL 2020	AUG 2020	SEP 2020	TOTAL
Employee Cost				\$0.00
Health Insurance	5,772.67	6,522.22	6,241.68	\$18,536.57
Payroll Services Fee	173.17	188.25	128.22	\$489.64
Payroll Taxes	6,021.30	4,259.86	4,305.24	\$14,586.40
Wages and Salary	80,028.93	56,928.33	57,238.72	\$194,195.98
Total Employee Cost	91,996.07	67,898.66	67,913.86	\$227,808.59
Legal Fees	11,965.50	10,672.30	11,721.90	\$34,359.70
Miscellaneous Expense	1,120.00	3,761.38	14,016.46	\$18,897.84
Professional Services				\$0.00
Accounting Fee	10,100.00	9,475.00	7,975.00	\$27,550.00
Audit Fees	14,500.00		500.00	\$15,000.00
Consulting Fee	350.00	350.00	1,350.00	\$2,050.00
Total Professional Services	24,950.00	9,825.00	9,825.00	\$44,600.00
Property Cost - Maintenance				\$0.00
Property Expenses				\$0.00
Standard Lawn Mowing	45,102.33	43,693.54	44,488.39	\$133,284.26
Total Property Expenses	45,102.33	43,693.54	44,488.39	\$133,284.26
Total Property Cost - Maintenance	45,102.33	43,693.54	44,488.39	\$133,284.26
Property Cost - Disposition HLB				\$0.00
Closing Cost	17,093.23	8,562.68	2,883.22	\$28,539.13
Lots COGS	55,472.71	49,817.88	1,865.34	\$107,155.93
Permits	112.64	3,795.97	392.61	\$4,301.22
Property Taxes	3,854.95	491.99		\$4,346.94
Total Property Cost - Disposition HLB	76,533.53	62,668.52	5,141.17	\$144,343.22
Property Cost -Disposition NHDP				\$0.00
Cleaning and Supplies	1,700.00	540.00	545.00	\$2,785.00
Clearing and Lawn Maintenance - NHDP	2,400.00	850.00	700.00	\$3,950.00
Land Trust Fee	7,000.00		3,500.00	\$10,500.00
Legal Fees - NHDP	10,239.10	23,466.00	25,353.30	\$59,058.40
Lots Sold - NHDP				\$0.00
Initial Cost of Lot	6,220.00		4,000.00	\$10,220.00
xImpairment on Lot Sold - (Contra)	-3,300.00		-3,560.00	\$ -6,860.00
Total Lots Sold - NHDP	2,920.00		440.00	\$3,360.00
Marketing and Showcase		742.50	742.50	\$1,485.00
Property Taxes - NHDP			0.00	\$0.00
Repair and Maintenance	273.76	115.00		\$388.76
Security and Secure Property Co		299.00		\$299.00
Soft Cost of Construction - NHDP	1,150.01	1,480.00		\$2,630.01



Houston Land Bank

PROFIT AND LOSS

July - September, 2020

	JUL 2020	AUG 2020	SEP 2020	TOTAL
Water and Utilities	1,282.16	249.15	752.63	\$2,283.94
Total Property Cost -Disposition NHDP	26,965.03	27,741.65	32,033.43	\$86,740.11
Total Expenses	\$289,673.55	\$238,165.69	\$196,511.55	\$724,350.79
NET OPERATING INCOME	\$261,516.22	\$178,532.75	\$42,062.69	\$482,111.66
Other Income				
Interest Income	28.22	34.03	49.57	\$111.82
Total Other Income	\$28.22	\$34.03	\$49.57	\$111.82
NET OTHER INCOME	\$28.22	\$34.03	\$49.57	\$111.82
NET INCOME	\$261,544.44	\$178,566.78	\$42,112.26	\$482,223.48



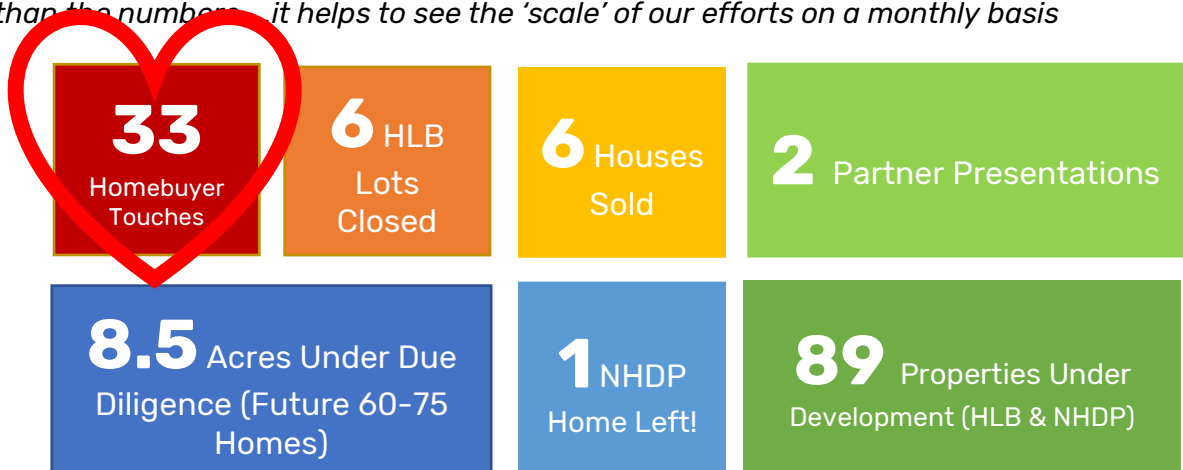
PRESIDENTS REPORT

12 November 2020

General Activities/Announcements

- **Presentation to the Greater Houston Community Foundation** HLB was asked to present our program on a housing panel for the Community Foundation which included Kyle Shelton of the Kinder Institute, Zoe Middleton of Texas Housers, Paul Charles of Neighborhood Recovery CDC, Maria Aguirre Borrero of Avenue CDC, and Jonathan Brooks of Link Houston.
- **Board Director Victor Mondragon** presented the program in the 'Charla Comunitaria' which is an activity of the My Home is Here campaign. Through this presentation it is becoming increasingly clear that we need to build out more materials in Spanish!
- **Grant Opportunities**—Staff has been working to identify resources to help support current and expected future activities.
 - A grant application was submitted to the US EPA Brownfields program as a part of a coalition with the City of Houston and Avenue CDC. This grant would provide resources to evaluate environmental issues on our properties as well as potential acquisitions, as well as properties of other community/private developers in areas that we would like to see additional affordable housing.
 - Additionally, a grant was submitted to the JP Morgan Chase Foundation by the My Connect Community in Gulfton, focused on preservation of Affordable Housing, for which HLB will have a supporting role to consider the type of role we might have in a Complete Community that has limited vacant land.
- **Ad-Hoc Strategic Planning** committee met on October 31 to continue to advance the strategic goals for the year vocalized by members who attended the two virtual strategic plan events. Another session is anticipated before the final plan is submitted to the Board of Directors for consideration and approval.

October 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 closed in October and are now in the evaluation phase:
 - An RFP for **legislative affairs services**; the selected respondent(s) would augment the support to be provided by the Center for Community Progress.
 - An RFQ for grant writing and possible related technical assistance, quality control and project management for an EPA Brownfields grant application and potential project (advertised in Houston Business Journal and the City's Office of Business Opportunity weekly e-blast)
 - We continue to develop the solicitation approach for **construction- and development-related services**; our intent is to establish pools of pre-qualified vendors in key areas where services are used routinely and pre-qualification can expedite work.
 - We have been reviewing the last six months of the **Property Maintenance** contracts, expenditures, and practices and presented to the Oversight Committee last week. A full report to the Board Of Directors is expected in January.
- Finance:
 - **Retirement Plan** is underway, approximately one week from contributions beginning
 - **TIRZ Compliance** review as required by our Grantor, HCDD, is underway
 - Looking into Financing options for the acquisitions down the pipeline
 - **Budget revisions** analyzed as per HCDD's request incoming
 - Implementation of **Expensify**, staff expense processing software, as of part of creating efficiencies for staff reimbursements.

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
- Advanced **affordability analysis** with consulting firm
- Facilitate forms and signing of remaining CHDO documents
- Working through list of lots from **HLB inventory with title, encroachment, and access issues**, as well as other impediments to sales.



- Facilitate **Limited Alternative Land Use Program** development
- Advance work on potential **501c3 application**.
- Facilitating the launch of lots for Round 3 of sales and prepare builder correspondence

HLB Inventory & Builders under Development

- As of November 1, 2020 (final numbers +/- 5 per week due to ongoing property review around outstanding contracts, as well as any other reconciliation):
 - 525 Properties in Inventory**
 - 226 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
- 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**
 - **66 homes are under development.**
 - 22 lots are in permitting/replatting
 - 31 in active construction
 - 3 are in marketing/sale and 1 for sale.
- 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. Lots are now in the closing process
 - **Round 3 is anticipated to be released this week**

HLB Lot & Property Maintenance

- Participated in the NHDP 33% Construction Review.
- Reviewed and approved Lot Maintenance contractors 7th month Invoices and Photos.
- **Verified 5 properties for Legal/Compliance, of the Traditional Program. Addressed 2 Citizen Concern and responded to 4 DON violations received.**
- Completed identifying the Inaccessible Lots in the Settegast area. Currently working on a proposed budget to install driveways to access the Lots.
- Continued support of minor repairs of the NHDP properties. Facilitated Five NHDP closings (7926 Sealey St, 7803 Virgil St, 7841 Dyer St, 6707 Ezzard Charles St and 7915 Virgil St.) provided access to properties for inspection/appraisers and repairs.



NHDP-Highlights

- NHDP in Acres Homes:
 - Updated listings on website.
 - **38 Houses SOLD** to date
 - **1 under contract** to close in November
 - **None are listed for sale right now!** Working on Pre-Sales for new homes in construction.
 - **23 Homes are under construction** and will be listed for pre-sale in the next weeks.
- 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

- HLB Acquisitions: Focused on three neighborhoods that will be finalized during BOD Strategic Planning.
 - Two vacant lots under contract in Settegast 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
 - 72,900 SF vacant land contracts closed and ratified by the Board of Directors.
 - Over 350,000 sf of land in various size parcels in neighborhoods Near Northside, Second Ward and Magnolia, currently undergoing due diligence and feasibility review for consideration starting this month
 - 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



REQUEST FOR BOARD ACTION

Meeting Date: November 12, 2020

Agenda Item VII.a.: Consideration and Possible Action to Approve Program Committee Recommendations for New Builders for Potential Property Transfer and Construction of Affordable Homes Through the Houston Land Bank Housing Initiative

ACTION SUMMARY

Approval of this item will allow the Program Committee builder recommendations from the RFQ for Builders 2020 ("RFQ") to be placed on the Houston Land Bank ("HLB") approved builder list. Each builder placed on this list will have the ability to purchase lots under HLB's traditional program.

BACKGROUND/OVERVIEW

The RFQ was released on a variety of platforms, including with the OBO and the HBJ, on August 19, 2020 and was due on September 21, 2020. Staff conducted a Virtual Builder Forum on August 31, 2020 to introduce the builders to the program and answer any questions about the submission process. The question period lasted roughly two weeks after the forum and the Q & A list was posted on the HLB website for reference. The RFQ submissions were then evaluated and scored based on factors including but not limited to qualifications, experience and track record, and capacity to perform. This evaluation was conducted by a review committee which consisted of one member of the Program Committee and 4 Staff members who placed their scores and notes into a matrix that was utilized for a final tally. Each builder submission was reviewed twice and the average score was utilized. Of the 13 submissions reviewed, 8 builders were selected to move forward to the interview stage where Staff wanted to personally meet each builder and do a full vetting of skills and capacity. Of the 8 builders interviewed, 6 builders are recommended to move forward for Board vote due to a combination of scoring and interview responses. There are two builders, Byrdson Services LLC and St. Bernard Parish, Inc, who are being recommended to be established builders due to their experience and capacity to perform. The remaining 4 builders, who were Europa Homes Corporation, Lawrence Builders, L.I.Z. Enterprises, and Nelrod Properties LLC, were selected for the startup builder category due to either lack of affordable housing experience or very little single family construction experience to date.

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



Exhibit A
Proposed Approved Builder List

1. Byrdson Services LLC (dba Excello Homes) – Established
2. St. Bernard Project, Inc (dba SBP, Inc) - Established
3. Nelrod Properties LLC – Startup Tier 1
4. Lawrence Builders – Startup Tier 1
5. L.I.Z. Enterprises – Startup Tier 2
6. Europa Homes Corporation – Startup Tier 2

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REQUEST FOR BOARD ACTION

Meeting Date: November 12, 2020

Agenda Item VII.b.: Consideration and Possible Action to Acquire Two Parcels in Settegast

ACTION SUMMARY

Approval of this item will initiate execution of agreements for the purchase of two properties in the Settegast area from two separate private sellers.

BACKGROUND/OVERVIEW

Of the many neighborhoods and areas in Houston where HLB has inventory the Settegast area is probably one of ONLY three neighborhoods left where current market prices of land still sustain affordable housing pricing with little to no subsidy. As such HLB will acquire the following two properties.

Property Information:

Property 1

- Address: 0 Bobby Burns
- Legal Description: Lot 4 Block 11 East Houston
- HCAD ID#: 012 184 000 0004
- Size: 6,750 Square Feet (SF)
- Purchase Price: \$8,500
- Property 2
 - Address: 0 Bobby Burns
 - Legal Description: Lots 4 Block 178 East Houston
 - HCAD ID#: 012 269 000 0004
 - Size: 6,750 SF
 - Purchase Price: \$8,500

Additional expenses anticipated as a result of the proposed acquisition include approximately \$3,500 in due diligence costs (\$2,000 for surveying, \$850 for legal fees, \$650 in closing costs).



REQUEST FOR BOARD ACTION

Meeting Date: November 12, 2020

Agenda Item III.c.: Consideration and Possible Action to Direct Staff to Secure Financing Not to Exceed 70% of the estimated \$9.6 Million Cost of Possible Acquisition of 6.8 Acres in the Near Northside Area of Houston

ACTION SUMMARY

Approval of this item will direct HLB staff to secure financing related to acquisition of 6.8 acres in Houston's Near Northside area for development under the City of Houston's New Home Development Program. Per the filed amended corporation bylaws, City Council approval is required for any debt incurred by the organization.

BACKGROUND/OVERVIEW

Following the contractual obligation of the Acquisition & Development (A&D) agreement between the Houston Land Bank (HLB) and the City's Housing and Community Development Department (HCDD) to acquire land for its New Home Development Program (NHDP), this acquisition of 6.8 acres of property can produce 120 to 190 total units. This acquisition will not only directly and significantly impact the City's goal of 100 new affordable housing units per year -- coupled with the proposed 1.77-acre acquisition in Magnolia Park/East End, this acquisition will solidify the role of the Houston Land Bank in Houston's affordable housing efforts.

As described in the A&D Agreement, section 4.1.2.a, The development model expects that the HLB would acquire the parcel, the City's HCDD would select the master developer at which time the developer would secure construction financing, and enter into a development agreement with the City to secure performance of public policy goals. The acquisition financing will be refinanced by the developer with the construction financing, or paid by future TIRZ funds at the time of commencement of development. HLB is in conversation with non-profit financiers such as Houston Housing Finance Corporation, and also considering an offer from the property seller for owner financing as well.

Per HLB policy and prior Board resolution, the Acquisitions Committee is the executive committee and they have been updated on every month, with no objections, from the time we entered into contract and the due diligence as it has unfolded. HLB's Board of Directors has been briefed on this item at its August 13 and November 5, 2020 meetings. HLB has received the go ahead from HCDD at every step, as they are the funder of this acquisition and all related expenses.

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HCDD has directed HLB to understand and seek approval of its financing options in order to maximize its TIRZ funding 'allowance' which requires Council approval per HLB bylaws. The salient facts of the transaction are as follows:

Location: Near Northside, 3201 Hardy Street, multiple parcels

Size: 6.8 acres or 296,250 SF

Contract Purchase Price: \$9,183,750.00

Total Acquisition Costs: \$9,559,095

Estimated amount to be financed: Up to 70%

\$/SF: \$31

Approved Ranges for Near Northside: \$15 - \$40/SF, Appraisal at \$31.49/SF

Closing Date: Est. Nov - December 31, 2020

Development Opportunities:

- Numerous potential layouts for Multi-Family, Single Family, and combinations of both (construction cost savings from quantity & proximity).
- Add price capped affordable homes to an area where affordability is quickly evaporating.
 - o 120 -190 'units' depending on density and density mix
- Flagship type of project to demonstrate redevelopment capacity of HLB & HCDD partnership
 - o Repurpose/re-use of obsolete commercial/industrial parcels to living/thriving residential & community uses
 - o Last few significant sized parcels in area
 - o Only scattered sites remain (within financial feasibility)

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REQUEST FOR BOARD ACTION

Meeting Date: November 12, 2020

Agenda Item III.d.: Consideration and Possible Action to Direct Staff to Secure Financing Not to Exceed 70% of the estimated \$2 Million Cost of Possible Acquisition of 1.77 Acres in the Magnolia Park/East End Area of Houston

ACTION SUMMARY

Approval of this item will direct HLB staff to secure financing related to acquisition of 1.77 acres in Houston's Magnolia/East End area for development under the City of Houston's New Home Development Program.

BACKGROUND/OVERVIEW

Following the contractual obligation of the Acquisition & Development (A&D) agreement between the Houston Land Bank (HLB) and the City's Housing and Community Development Department (HCDD) to acquire land for its New Home Development Program (NHDP), this acquisition of 1.77 acres of property can produce 35 – 55 total units. This acquisition will not only directly and significantly impact the Mayor's goals of new affordable housing units in the City of 100 units per year but coupled with the 6.8 acre acquisition in Near Northside completely exceed them. This acquisition will solidify the role of the Houston Land Bank in Houston's affordable housing efforts.

As described in the A&D Agreement, section 4.1.2.a, The development model expects that the HLB would acquire the parcel, the City's HCDD would select the master developer at which time the developer would secure construction financing, and enter into a development agreement with the City to secure performance of public policy goals. The acquisition financing will be refinanced by the developer with the construction financing, or paid by future TIRZ funds at the time of commencement of development. HLB is in conversation with non-profit financiers such as Houston Housing Finance Corporation, and also considering an offer from the property seller for owner financing as well.

Per HLB policy and prior Board resolution, the Acquisitions Committee is the executive committee and they have been updated on every month, with no objections, from the time we entered into contract and the due diligence as it has unfolded. HLB's Board of Directors has been briefed on this item at its August 13 and November 5, 2020 meetings. HLB has received the go ahead from HCDD at every step, as they are the funder of this acquisition and all related expenses. HLB is under grant contract agreement to do this work.

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HLB, under the Amended and Restated Acquisition and Development Agreement, as amended, approved by City Council on April 1, 2020 with Ordinance No. 2020-279, will use previously appropriated Tax Increment Reinvestment Zone (TIRZ) Affordable Housing funds to provide for the acquisition of properties, and increase affordable housing production.

As of October 2020, HLB has accelerated its work to identify and facilitate the acquisition of real property to support HCDD and the NHDP. HLB has acquired approximately 88,000 SF in four separate neighborhoods and has another approximately 385,000 SF of sites under contract with a combined total estimated value of \$13,032,187.00. HLB has reviewed and considered well over 800 individual sites for acquisition in various locations across Houston. Thus far, on the lots secured from the Houston Land Bank inventory, HCDD, has been procuring the builders and overseeing construction for the program and has completed 37 homes, with one home currently under contract, another 19 homes under construction and an additional 55 in preconstruction. Thirty-six homes have been sold to date, and buyers are all at 80% and below Houston's Area Median Income (AMI). To further support the Mayor's priorities of increased single-family home development and Complete Communities, HLB has expanded its scope beyond the acquisition of single tax delinquent properties to include strategic acquisitions—larger parcels that can accommodate a larger number of homes, such as the ones here. Additionally, as land prices continue to rise, making it more difficult to achieve the scale of production of affordable housing needed, it is imperative to use TIRZ funds efficiently to acquire as much land as feasible. For these larger parcels, significant review and financial modelling has been conducted, and upon acquisition, HCDD would select the developer who would then enter in an agreement with HCDD and HLB to achieve the desired public policy goals on the site.

HCDD has directed HLB to understand and seek approval of its financing options in order to maximize its TIRZ funding 'allowance' which requires Council approval per HLB bylaws. The salient facts of the transaction are as follows:

Location: Magnolia Park

Purchase Price: \$1,812,437.50

Size: 77,125 SF (1.77 AC)

\$/psf: \$23.50

Approved Ranges for 2nd Ward/East End: \$10 - \$40 psf

Development Opportunities:

35 – 55 Single Family Affordable Homes

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REQUEST FOR BOARD ACTION

Meeting Date: November 12, 2020

Agenda Item VII.e.: Consideration and Possible Action to Delegate Authority and Direct Staff to Acquire Up To 6.8 Acres in Houston's Near Northside Area for a Price Not to Exceed \$9.6 Million for the City of Houston's New Home Development Program Under the Auspices of the Amended and Restated Acquisition Agreement with the City of Houston

ACTION SUMMARY

Approval of this item will direct and authorize HLB staff to acquire 6.8 acres in Houston's Near Northside area for development under the City of Houston's New Home Development Program.

BACKGROUND/OVERVIEW

Following the contractual obligation of the Acquisition & Development (A&D) agreement between the Houston Land Bank (HLB) and the City's Housing and Community Development Department (HCDD) to acquire land for its New Home Development Program (NHDP), this acquisition of 6.8 acres of property can produce 120-190 total units. This acquisition will not only directly and significantly impact the City's goal of 100 new affordable housing units per year -- coupled with the proposed 1.77-acre acquisition in Magnolia Park/East End, this acquisition will solidify the role of the Houston Land Bank in Houston's affordable housing efforts.

HLB entered into a purchase and sale agreement for this parcel in July 2020, with a 90 day feasibility period and initiated a variety of due diligence activities to review the parcel and its suitability for housing, and HCDD's affordable housing goals in the NHDP program. Due Diligence completed or ongoing:

- Survey
- Appraisal—the Appraisal price of \$31.49/sf is higher than the contracted price
- Phase I, II Environmental (Although all parcels are suitable for housing purposes, there were conditions found in the Phase I, due to historic uses of the property, that required a Phase II. The Phase II environmental assessed some existing tanks on the property, and provided temporary monitoring wells to assess the type and extent of potential contaminants. The northern and southernmost tracts were found to have the least (and no) issues. The middle tract has required some additional permanent monitoring wells to assess the extent of environmental activity that may have to be

mitigated. The additional wells (in progress) will help determine cost and extent of cleanup and monitoring required. All known contaminants are consistent with urban sites in Houston and are able to be mitigated to provide for housing.

- Test Fits to analyze yield of site—many versions of the site have been developed to assess various configurations and development patterns. The final design of the site would be a part of the Developer's work once selected for the project. The test fits provided a variety of mixed-income scenarios, including a variety of price points with a majority slated for Houstonians below 80% AMI. The final distribution of affordable housing will be determined by HCDD who is providing the subsidies necessary to accomplish.
- Development pro-forma was created to help assess all the costs that would be encountered in the purchase, carry and disposition of the property. As well developers' costs were estimated across a variety of models such that between the purchase and development, the related subsidies to accommodate affordable home pricing by HCDD/City of Houston could be analyzed

As described in the A&D Agreement, section 4.1.2.a, The development model expects that the HLB would acquire the parcel, the City's HCDD would select the master developer at which time the developer would secure construction financing, and enter into a development agreement with the City to secure performance of public policy goals. The acquisition financing will be refinanced by the developer with the construction financing or paid by future TIRZ funds at the time of commencement of development. HLB is in conversation with non-profit financiers such as Houston Housing Finance Corporation, and considering an offer from the property seller for owner financing as well.

Per HLB policy and prior Board resolution, the Acquisitions Committee is the executive committee and they have been updated on every month, with no objections, from the time we entered into contract and the due diligence as it has unfolded. HLB's Board of Directors has been briefed on this item at its August 13 and November 5, 2020 meetings. HLB has received the go ahead from HCDD at every step, as they are the funder of this acquisition and all related expenses. HLB is under grant contract agreement to do this work.

HLB, under the Amended and Restated Acquisition and Development Agreement, as amended, approved by City Council on April 1, 2020 with Ordinance No. 2020-279, will use previously appropriated Tax Increment Reinvestment Zone (TIRZ) Affordable Housing funds to provide for the acquisition of properties, and increase affordable housing production.

As of October 2020, HLB has accelerated its work to identify and facilitate the acquisition of real property to support HCDD and the NHDP. HLB has acquired approximately 88,000 SF in four separate neighborhoods and has another approximately 385,000 SF of sites under contract with a combined total estimated value of \$13,032,187.00. HLB has reviewed and considered well over 1000 individual sites for acquisition in various locations across Houston. Thus far, on the lots secured from the Houston Land Bank inventory, HCDD, has been procuring the builders and overseeing construction for the program and has completed 39 homes, with one home currently under contract, another 23 homes under

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construction and an additional 55 in preconstruction. Thirty-seven homes have been sold to date, and buyers are all at 80% and below Houston's Area Median Income (AMI).

To further support the Mayor's priorities of increased single-family home development and Complete Communities, HLB has expanded its scope beyond the acquisition of single tax delinquent properties to include strategic acquisitions—larger parcels that can accommodate a larger number of homes, such as the ones here. Additionally, as land prices continue to rise, making it more difficult to achieve the scale of production of affordable housing needed, it is imperative to use TIRZ funds efficiently to acquire as much land as feasible. For these larger parcels, significant review and financial modelling has been conducted, and upon acquisition, HCDD would select the developer who would then enter in an agreement with HCDD and HLB to achieve the desired public policy goals on the site.

HCDD has directed HLB to understand and seek approval of its financing options in order to maximize its TIRZ funding 'allowance' which requires Council approval per HLB bylaws. The salient facts of the transaction are as follows:

Contract Purchase Price: \$9,183,750.00

Total Acquisition Costs: \$9,559,095

Estimated amount to be financed: *Up to 70% of the acquisition cost.*

Size: *6.8 acres or 296,250 SF,*

1. HCAD 03102300000001
2. 03103000000011
3. 03103000000008
4. 03103000000004
5. 03103000000005
6. 03102300000003
7. 03123500000001
8. 03123500000002
9. 03101600000001
10. 03101300000009
11. 03101300000005
12. 03101300000004
13. 03101300000003
14. 03101300000002
15. 03101300000011
16. 03101300000001

\$/SF: \$31

Approved Ranges for Near Northside: \$15 - \$40/SF, Appraisal at \$31.49/SF

Closing Date: Est. Nov - December 31, 2020

Development Opportunities:

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- Numerous potential layouts for Multi-Family, Single Family, and combinations of both (construction cost savings from quantity & proximity).
- Add price capped affordable homes to an area where affordability is quickly evaporating.
 - o 120 -190 'units' depending on density and density mix
- Flagship type of project to demonstrate redevelopment capacity of HLB & HCDD partnership
 - o Repurpose/re-use of obsolete commercial/industrial parcels to living/thriving residential & community uses
 - o Last few significant sized parcels in area
 - o Only scattered sites remain (within financial feasibility)

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REQUEST FOR BOARD ACTION

Meeting Date: November 12, 2020

Agenda Item VII.f.: Consideration and Possible Action to Delegate Authority and Direct Staff to Acquire 1.77 Acres in Houston's Magnolia Park/East End Area for a Price Not to Exceed \$2 Million for the City of Houston's New Home Development Program Under the Auspices of the Amended and Restated Acquisition Agreement with the City of Houston

ACTION SUMMARY

Approval of this item will direct and authorize staff to acquire 1.77 acres in Magnolia Park/East End as directed by HCDD to support the NHDP program and Mayor's affordable housing goals.

BACKGROUND/OVERVIEW

Following the contractual obligation of the Acquisition & Development (A&D) agreement between the Houston Land Bank (HLB) and the City's Housing and Community Development Department (HCDD) to acquire land for its New Home Development Program (NHDP), this acquisition of 1.77 acres of property can produce 35 – 55 total units. This acquisition will not only directly and significantly impact the Mayor's goals of new affordable housing units in the City of 100 units per year, but coupled with the 6.8 acre acquisition in Near Northside completely exceed them. This acquisition will solidify the role of the Houston Land Bank in Houston's affordable housing efforts.

HLB entered into a purchase and sale agreement for this parcel in August 2020, with a 60 day feasibility period and initiated a variety of due diligence activities to review the parcel and its suitability for housing, and HCDD's affordable housing goals in the NHDP program. Due Diligence completed or ongoing:

- Survey—has shown slightly smaller site than HCAD records demonstrate
- Appraisal—has returned at the contracted unit price of \$23.50 however, since the survey shows a smaller site than public records the total amount is slightly less than the contract price. HLB is currently negotiating the price reduction.
- Phase I –this reviewed the historic uses of the property, and some offsite historical uses were recognized however, nothing pertaining to the site itself.
- Test Fits to analyze yield of site—many versions of the site have been developed to assess various configurations and development patterns. The final design of the site would be a part of the Developer's work once selected for the project. The test

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fits provided a variety of mixed-income scenarios, including a variety of price points with a majority slated for Houstonians below 80% AMI. The final distribution of affordable housing will be determined by HCDD who is providing the subsidies necessary to accomplish.

- Development pro-forma was created to help assess all the costs that would be encountered in the purchase, carry and disposition of the property. As well developer's costs were estimated across a variety of models such that between the purchase and development, the related subsidies to accommodate affordable home pricing by HCDD/City of Houston could be analyzed

As described in the A&D Agreement, section 4.1.2.a, The development model expects that the HLB would acquire the parcel, the City's HCDD would select the master developer at which time the developer would secure construction financing, and enter into a development agreement with the City to secure performance of public policy goals. The acquisition financing will be refinanced by the developer with the construction financing, or paid by future TIRZ funds at the time of commencement of development. HLB is in conversation with non-profit financiers such as Houston Housing Finance Corporation, and also considering an offer from the property seller for owner financing as well.

Per HLB policy and prior Board resolution, the Acquisitions Committee is the executive committee and they have been updated on every month, with no objections, from the time we entered into contract and the due diligence as it has unfolded. HLB's Board of Directors has been briefed on this item at its August 13 and November 5, 2020 meetings. HLB has received the go ahead from HCDD at every step, as they are the funder of this acquisition and all related expenses.

HLB, under the Amended and Restated Acquisition and Development Agreement, as amended, approved by City Council on April 1, 2020 with Ordinance No. 2020-279, will use previously appropriated Tax Increment Reinvestment Zone (TIRZ) Affordable Housing funds to provide for the acquisition of properties, and increase affordable housing production.

As of October 2020, HLB has accelerated its work to identify and facilitate the acquisition of real property to support HCDD and the NHDP. HLB has acquired approximately 88,000 SF in four separate neighborhoods and has another approximately 385,000 SF of sites under contract with a combined total estimated value of \$13,032,187.00. HLB has reviewed and considered well over 1000 individual sites for acquisition in various locations across Houston. Thus far, on the lots secured from the Houston Land Bank inventory, HCDD, has been procuring the builders and overseeing construction for the program and has completed 39 homes, with one home currently under contract, another 23 homes under construction and an additional 55 in preconstruction. Thirty-seven homes have been sold to date, and buyers are all at 80% and below Houston's Area Median Income (AMI).

To further support the Mayor's priorities of increased single-family home development and Complete Communities, HLB has expanded its scope beyond the acquisition of single tax delinquent properties to include strategic acquisitions—larger parcels that can accommodate a larger number of homes, such as the ones here. Additionally, as land prices continue to rise, making it more difficult to achieve the scale of production of affordable housing needed, it is imperative to use TIRZ funds efficiently to acquire as much land as

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feasible. For these larger parcels, significant review and financial modelling has been conducted, and upon acquisition, HCDD would select the developer who would then enter in an agreement with HCDD and HLB to achieve the desired public policy goals on the site.

The salient facts of the transaction are as follows:

Location: Magnolia Park, 7811 Harrisburg Boulevard

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

Contract Purchase Price: \$1,812,437.50

Total Acquisition Cost: \$1,962,249

Size: 77,125 SF (1.77 AC)

\$/psf: \$23.50

Approved Ranges for 2nd Ward/East End: \$10 - \$40 psf

Development Opportunities:

35 – 55 Single Family Affordable Homes --Townhome and multi-family condominium.

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REQUEST FOR BOARD ACTION

Meeting Date: November 12, 2020

Agenda Item VII.g.: Consideration and Possible Action Regarding Amending the Fiscal Year 2021 Budget to Realign Expenditures and Revenues

ACTION SUMMARY

Approval of this item will Amend the Houston Land Bank's Fiscal Year 2021 budget to realign expenditures and revenues.

BACKGROUND/OVERVIEW

The Budget for Fiscal Year 2021 was approved by the Houston Land Bank Board of Director's on the June 11, 2020 regular board meeting with the condition the current outside consultants providing services for Bookkeeping, Accounting, and Legal be maintained at the existing levels, with renewed contracts. Additionally the Board of Directors requested that the staff enter into conversation with existing contractors for updated scope of services needed.

Upon making these adjustments aligned with the Board of Directors and routing this back to the Housing Department for approval, they have asked Houston Land Bank make additional adjustments to the existing budget amidst the shortfall the City of Houston is bearing in which they're decreasing our expenditures by \$278,243.

- Under Professional Services HLB had budgeted for a Lobbyist in which HCDD declined to reimburse based on the fact it's the City's task to advance lobbying.
- HLB had budgeted a company car purchase, but HCDD did not support the option of purchasing/owning and preferred leasing the vehicle since it's more cost effective with maintenance included.
- HLB had budgeted for two headcounts, Communications Director and Marketing/Sales Manager, in which HCDD asked of us to remove since not needed to currently operate both existing programs.
- And lastly HCDD rejected keeping the existing consultants for Bookkeeping and Accounting due to being more cost effective by internalizing the position.

The table below depicts the changes described above from the original fiscal year 2021 budget approved by the Board of Directors on June 11, 2020 to what has now been approved as our final budget by HCDD on November 4, 2020:



Change in FY 2021 Budget BOD Approval vs HCDD Approval					
Expense Type	HLB Last Budget Proposal	Opex	A&D	NHDP	Total
Professional Services	Lobbyist	2,927,716	3,982,931	1,040,770	7,951,416
Miscellaneous Other	Car rental	(50,000)			(50,000)
Employee Costs	Eliminate Two HC Requests	7,200	(28,662)		(21,462)
Employee Costs	Internalize Position	(37,395)	(112,185)		(149,580)
Employee Costs	Consulting Fee (External Contractors)	33,406	16,454		49,860
Professional Services		(107,060)			(107,060)
	Final Budget	2,773,867	3,858,537	1,040,770	7,673,174

Below you'll see Proposed Amended Fiscal Year 2021 Budget with the changes proposed from HCDD. As mentioned, Fund Balance has no change or impact.

Proposed FY 2021 Budget Highlights include:

- Total projected revenues are \$8,260,807
- Total projected expenditures are \$7,673,173
- And projected fund balance remains at \$587,634

HLB FY2021 Approved Budget					
	FY2020 YE Estimate	FY2020 Budget	FY2021 Approved Board Budget	FY2021 Proposed Budget Discussion with HCDD	
Funding Source					
Operational Grant Revenue	1,657,843	1,932,000	2,172,052	1,952,217	
HLB Dispositions & Admin Fees	-	1,125,020	1,335,000	1,335,000	
NHDP Acquisitions	1,433,685	13,789,850	3,979,796	3,921,388	
NHDP Dispositions	1,148,274	-	1,049,568	1,049,568	
Interest Income	2,634	1,500	2,634	2,634	
Total Revenue	\$ 4,242,436	\$ 16,848,370	\$ 8,539,050	\$ 8,260,807	
Expenses					
Employee Costs	752,830	864,140	853,269	786,457	
Professional Services*	332,087	555,000	440,652	283,592	
Legal Fees	172,373	100,000	69,000	22,700	
Lot Maintenance	260,163	872,423	536,650	536,650	
Miscellaneous Other	170,165	217,490	278,145	256,683	
HLB Traditional Program	18,907	204,600	750,000	816,136	
Subtotal Administrative Costs	\$ 1,706,525	\$ 2,813,653	\$ 2,927,716	\$ 2,702,217	
NHDP Dispositions	1,001,790	6,420,310	1,040,770	1,007,862	
NHDP Acquisitions	270,732	8,475,500	3,982,931	3,963,094	
Subtotal Program Costs	1,272,522	14,895,810	5,023,701	4,970,956	
Total Expenditures	\$ 2,979,047	\$ 17,709,463	\$ 7,951,416	\$ 7,673,173	
Change in Net Assets	\$ 1,263,389	\$ (861,093)	\$ 587,634	\$ 587,634	



One alternative to keep aligned with the Board's direction on our existing external services for Bookkeeping and Accounting is keeping them on board and use HLB Traditional Program income for funding. Same case would be for the Lobbyist. HCDD has made it clear it is not approved and will not be reimbursed via the Operations Agreement if HLB elects to retain services.

If we elect to go this route, this will decrease Fund Balance by \$157,060 and bring our projected balance to \$430,574 for fiscal year 2021.



REQUEST FOR BOARD ACTION

Meeting Date: November 12, 2020

Agenda Item VII.h.: Consideration and Possible Action to Accept Proposed Pre-Qualified Vendors for Urban Planning and Market Analysis Services, and to Set a Not-To-Exceed Amount to be Paid for Services from Each Vendor

ACTION SUMMARY

Approval of this agenda item will permit HLB CEO/President to execute consultant agreements with the following Urban Planning and Economic Development firms, in not to exceed contracts for a two year term. These firms and their services will support various small contract services for site and neighborhood analysis pursuant to advancing affordable housing and related neighborhood development activities.

BACKGROUND/OVERVIEW

An RFQ (Part A) for Urban Planning and Market Analysis services was released and 14 responses were received. Additionally, 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 review 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. Seven firms, representing a variety of specialties and expertise, were selected.

This RFQ/RFP was released in June, after review by the Program Committee and Board of Directors, posted to the website on June 11, 2020, and was advertised in the Houston Business Journal and the City of Houston Office of Business Opportunity. As well, this solicitation was emailed directly to firms known to personnel at the HLB, and to agency partners (such as HCDD and Department of Planning) to distribute to their networks.

Not all firms will be engaged, although the limits in Exhibit A, below, were provided based on possible and likely work, based on current program activity including activities supporting the Houston Land Bank, and its work on behalf of City of Houston. The anticipated scope of work is represented in the RFQ request, but can be summarized as:

- Market Analysis
- Urban Programming and Community Engagement
- Master Urban Planning at the Neighborhood Scale
- Development Feasibility

EXHIBIT A

The firms and their anticipated not to exceed maximum spend in FY21 and 22:

Firm Name	Specialty	FY21 Expected Limit	FY22 Expected Limit	Notes	Program
1. James Lima Planning & Development	Market Analysis/Development Economics/Urban Planning	25,000	25,000	Market Analysis	HLB
2. HR&A Advisors	Market Analysis/Development Economics	25,000	50,000	Market Analysis	A&D
3. Torti, Gallas, & Partners	Urban Planning	15,000	25,000		A&D
4. Gensler	Urban Planning	35,000	50,000	Possible Grant-Funded Project	HLB/Grant
5. APD Urban Planning & Management	Urban Planning	70,000	35,000	Settegast Scope	HLB
6. Community Lattice	Environmental Planning	25,000	25,000	Research	.5 A&D
7. Utile	Urban Planning	45,000	45,000	Test Fits	A&D
8. Asakura Robinson	Urban Planning & Dev Economics	45,000	30,000	Test Fits/Market Analysis	.75 A&D
		285,000	285,000		
	<i>A&D Expenses</i>	<i>131,250</i>	<i>155,000</i>		
	<i>Potential Grants</i>	<i>47,500</i>	<i>62,500</i>		
	<i>HLB Expenses</i>	<i>106,250</i>	<i>67,500</i>		

*FY21 expected expenses would be covered in the approved FY21 budget, and FY22 budget proposal will include the remainder of these.



HLB & NHDP Acquisitions

November 12, 2020

Inventory

> 525 Properties

- 226 Holding for HCDD

> NHDP

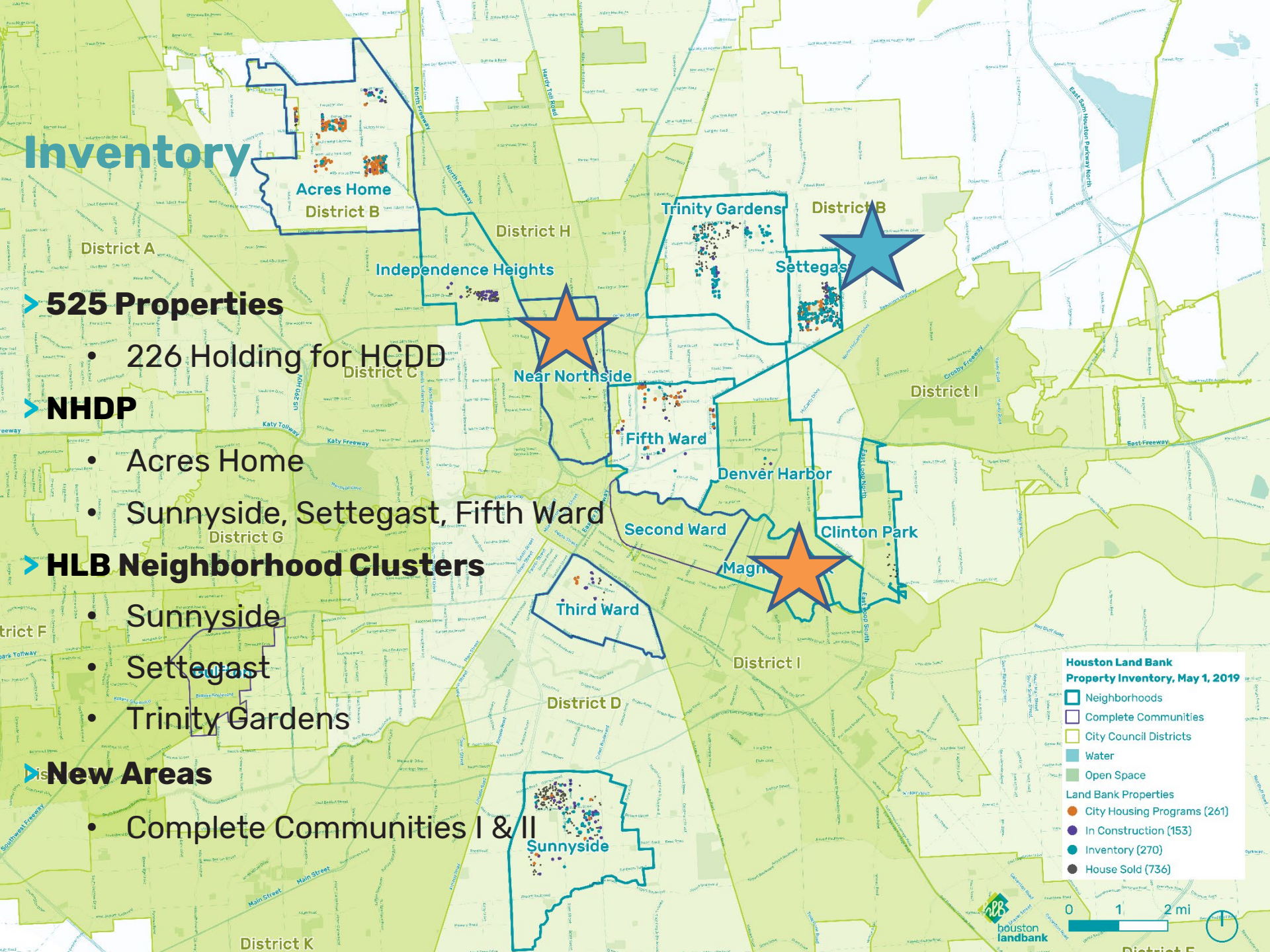
- Acres Home
- Sunnyside, Settegast, Fifth Ward

> HLB Neighborhood Clusters

- Sunnyside
- Settegast
- Trinity Gardens

> New Areas

- Complete Communities I & II



HLB Acquisitions

>Goal: Parcels that are in our existing neighborhoods, and ones that fill out a cluster of our ownership

- Increase land holding
- Create larger parcels (assembly)

> Two Parcels in Settegast:

- 0 Bobby Burns: HCAD 01218400000004, \$8,500
- 0 Bobby Burns: HCAD 01226900000004, \$8,500

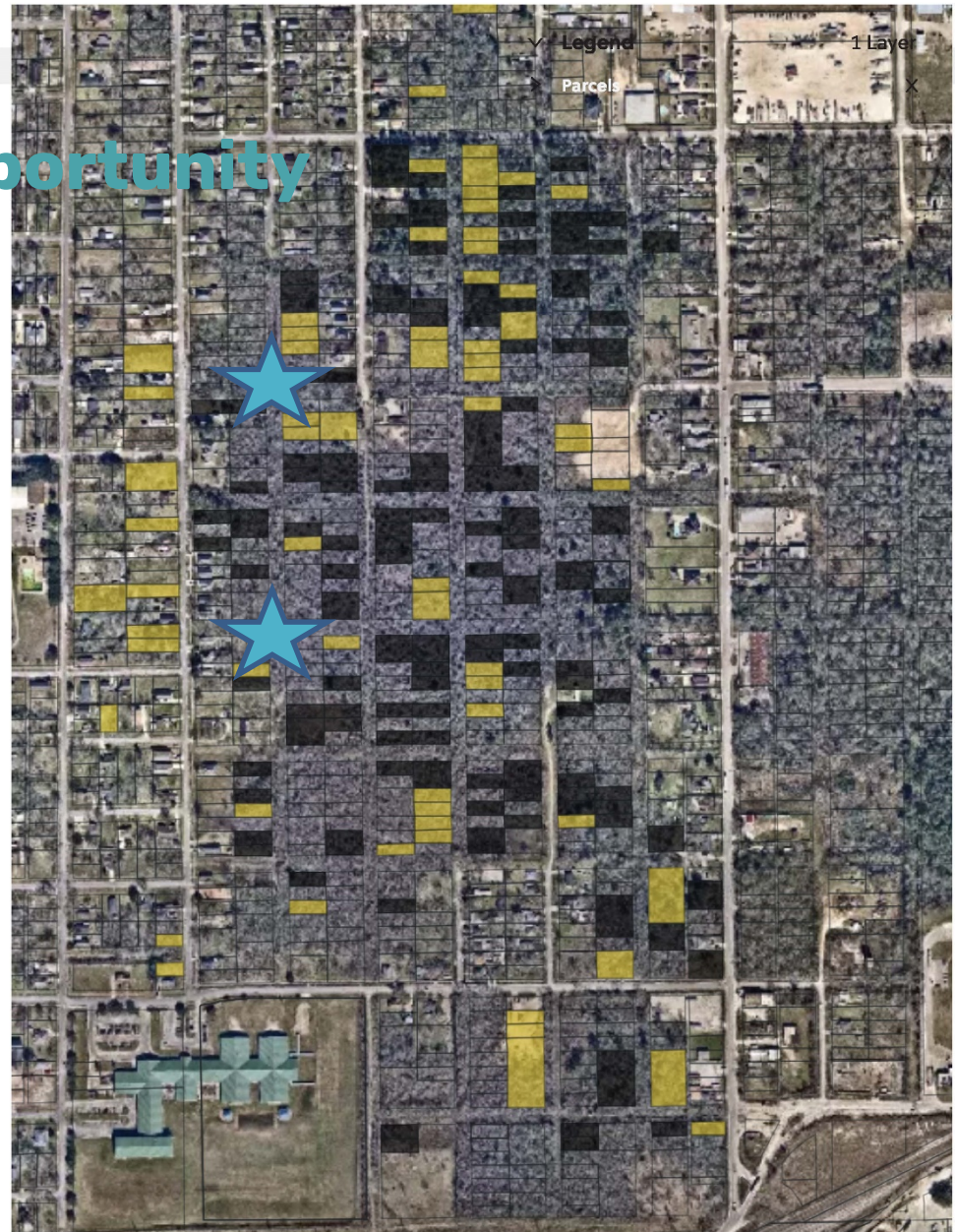
>Sales :

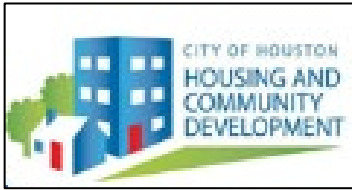
- HLB Building Initiative, 120% AMI and below, Current price cap of \$212,000
- Could participate in Traditional Down Payment Assistance

Settegast Site Opportunity

➤ Increase land holding

- XX Total Parcels in Forested Area (Yellow)
- Private Developer owns a majority of other lots (Black)
- Typical platted lot is 6,500 SF
- Scope to determine infrastructure development (required to sell lots in this area) has been presented to BOD (10.8.20), and not yet accepted.





New Home Development Program TO DATE

Home Sales



> **80% AMI Homebuyers**

Phase I-IV:

36 homes sold, 1 under contract,

19 In Construction

>Sales options:

- Community Land Trust
- Traditional Down Payment Assistance

Acquisition



> **Acquired 67,900 SF to provide up to 28 houses**

>**350,000 SF under contract**

> Over 900 properties reviewed to date. Challenges to acquisition include inflated prices, title complications, investor competition.

Development Began on HLB lots in Acres Homes, **50 Lots** in other neighborhoods

Home Sales

2019: 11

2020: 25 to date

Acquisitions in:

Acres Homes

Near Northside

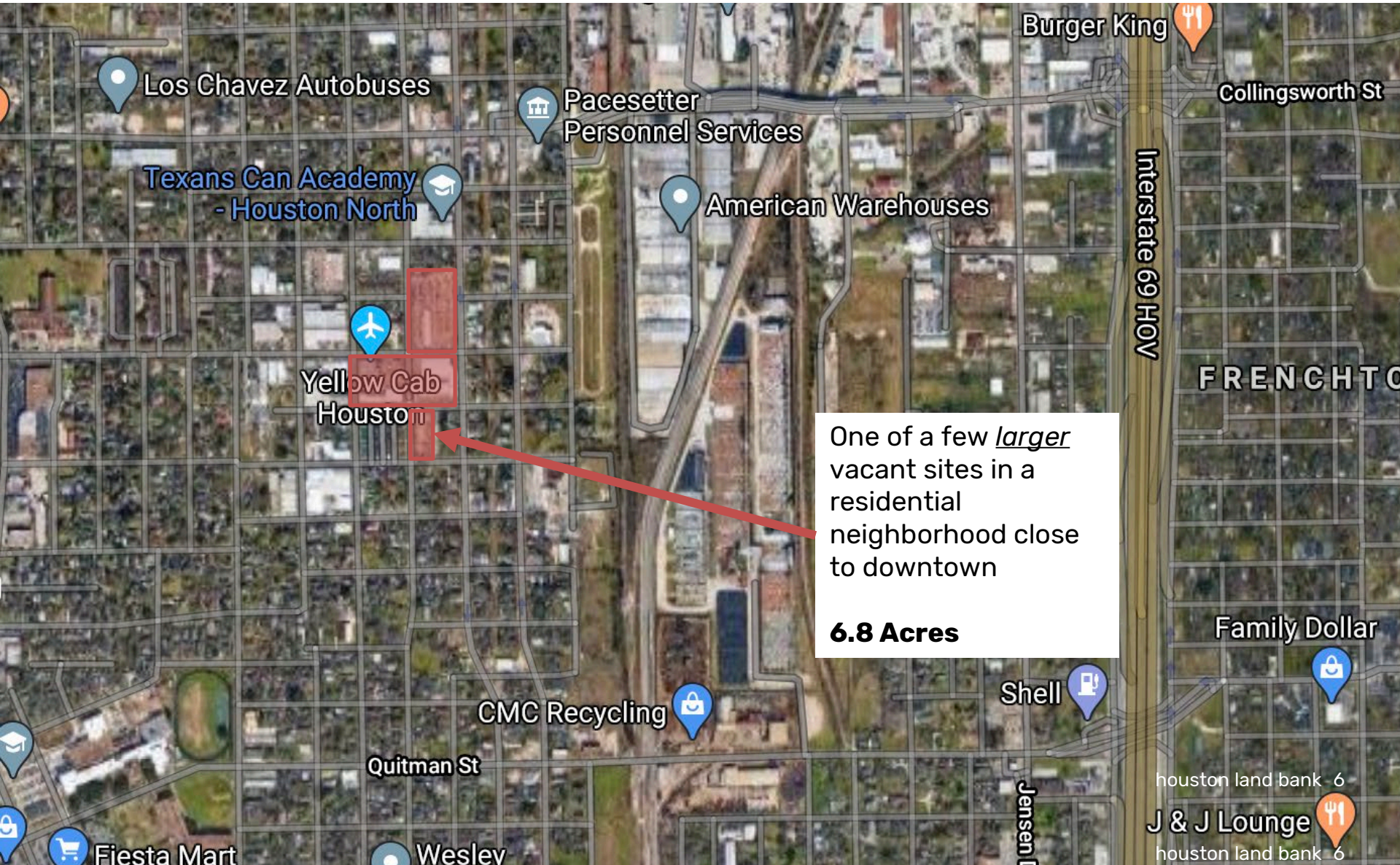
Settegast

Second Ward

****Independence***

Heights

Near Northside- 'Yellow Cab Site'



'Yellow Cab Site'

(3) tracts total of 6.8 Acres
at \$31/SF or \$9,183,750
(296,250 SF)

- Contract extension negotiated until 12/11/20
- \$100K EM goes hard 12/11/20
- Short closing period (12/31/20)
- \$74 K Due Diligence
 - Survey
 - Appraisal (31.49)
 - Phase I, II Environmental
 - Test Fits of multiple unit layouts
 - Financial proforma modeled



Development Proforma - 120 units

DEVELOPER HLB/HCDD	Land Acquisition 6.8 acres	\$9,559,095
	Pre-Development & Holding	\$1,450,317**
	Development & Construction	\$24,827,937
	Grand Total Development Cost	\$35,837,349*

**does not include Sales Price or Revenue Subsidy*

***This number assumes all cleanup costs in middle parcel which may/may not be responsibility of HLB/HCDD*

****Final development based on final analysis of environmental.*

TIMELINE

Developer Selection:

3/1/2021-12/1/2021

Break Ground:

12/1/2021

Phase I Completion

12/1/2023

Phase II:***

3/1/2024-12/1/2025

NOTE: Final pro-forma, developer selection, and subsidy decision will be made by HCDD

Magnolia- 'ILA Site'



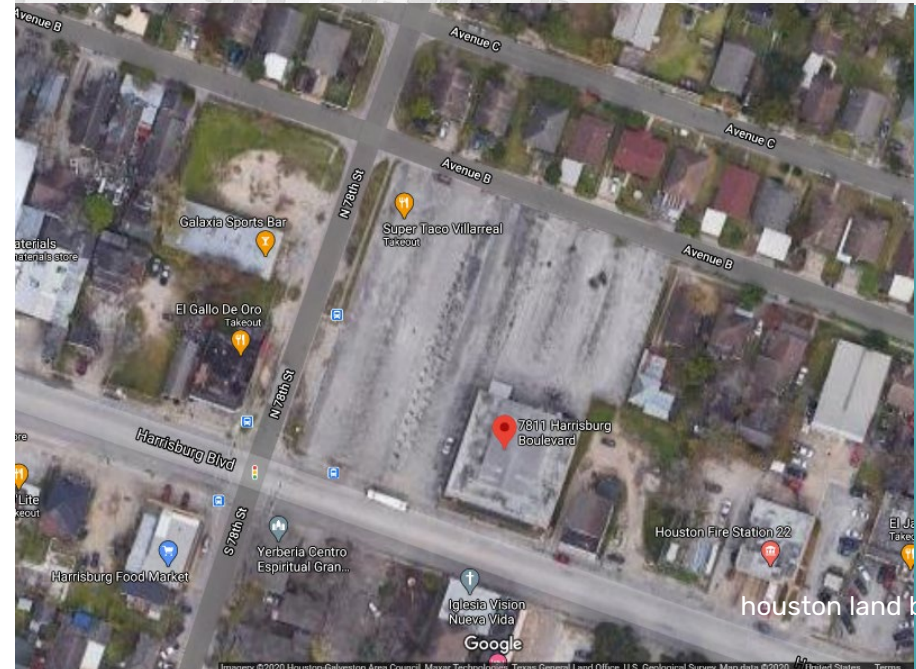
Visible vacant sites in
a mixed use
neighborhood close
to downtown

1.8 Acres

Magnolia- 'ILA Site'

(1) tract total of 1.77 Acres
at \$23.50/SF or \$1,812,438
(77,125 SF)

- \$15K EM goes hard 11/12/20
- Requesting contract extension another 90 days until 2/10/21
- \$23 K Due Diligence
 - Survey
 - Appraisal
 - Phase I Environmental
 - Test Fits of multiple unit layouts
 - Financial proforma modeled



Development Proforma - 35 units

DEVELOPER	HLB/HCDD	Land Acquisition 1.8 acres	\$1,962,249
		Pre-Development & Holding	\$ 301,890
		Development & Construction	\$7,137,960
	Grand Total		
Development Cost		\$9,402,.098*	

**does not include Sales Price or Revenue Subsidy (Included in prior page)*

TIMELINE

Developer Selection:

2/1/2021-7/30/2021

Break Ground:

9/1/2021

Completion

12/31/2022

NOTE: Final pro-forma, developer selection, and subsidy decision will be made by HCDD

NHDP Financing Strategy

YELLOW CAB

Land Acquisition 6.8 acres

\$9,559,095

*HCDD WIRING OF TIRZ FUNDS (30%-50%)
Acquisition Financing (5-6%/Three Year)*

\$2,867,729-4,779,548

ILA

Land Acquisition 1.8 acres

\$1,962,249

*HCDD WIRING OF TIRZ FUNDS (30%-50%)
Acquisition Financing (5-6%/Three Year)*

\$596,239-993,731