

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

**May 11, 2023**

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 at 50 Waugh Drive, Houston, Texas, on Thursday, May 11, 2023 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:

Tonzaino Bailey	Matt Zeis
David Collins	Victor A. Mondragón
Danielle Keys Bess	Dwantrina Russell
Elaine Morales	

Board directors absent were: Jesus DeAnda, Antoinette Jackson, Janae Ladet, Marilyn Muguerza, Chrishelle Palay, and Laurie Vignaud. Others in attendance included: Christa Stoneham, Chief Executive Officer/President of the HLB; Donald Hughes, Acquisition and Development Director for the HLB; LaTosha Okoiron, In-house Legal Counsel and Compliance Director for the HLB; Isai Mendez, Finance Director; Mark Glanowski (Paralegal) of Winstead PC, outside legal counsel for the HLB; Lindsey Williams, Director of Community Development for the HLB; Donesha Albrow, Administrative Manager for the HLB; and Sandy Hellums-Gomez with Husch Blackwell LLP, outside legal counsel for the HLB.

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

Chairman Zeis called this regular meeting to order at 12:14 p.m. A roll call of the Board members in attendance immediately followed. Chairman Zeis then announced that a quorum of the Board is present for this meeting.

**II. Public Speakers**

Nothing to report.

**III. Consideration and Adoption of Meeting Minutes**

**a. April 13, 2023 Board Meeting**

Chairman Zeis noted that the minutes for the April 13, 2023 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 then requested a motion to approve and adopt such minutes as written.

Director Mondragón made a motion to approve the minutes of the Board of Directors meeting held on April 13, 2023 as written, which motion was then duly seconded by Director Russell and passed with the unanimous vote of the Board.

#### **IV. Chairman's Greeting: Matt Zeis**

Chairman Zeis thanked the Directors for attending this Board meeting and requested that each Director attend the retreat scheduled for Friday, May 19, 2023 at the offices of the Avenue CDC on Washington Avenue.

#### **V. Committee Reports:**

##### **a. Executive Committee: Matt Zeis, Chair**

Chairman Zeis reported that the Executive Committee met last week to discuss the agenda items for this meeting, adjustments to the draft property tax agreement with the City of Houston which will divert a portion of the ad valorem taxes on land the HLB develops, the budget for Fiscal Year 2024 in detail, and an update on the Yellow Cab site which is still on hold pending the required clearance letter from the TCEQ to close on the remaining tract. He mentioned that the Committee also reviewed feedback from the foreclosure auction attended by Don Hughes and that it may need to revise the parameters established at the last meeting. Mr. Hughes will attend another foreclosure auction to refine the parameters for bidding on properties at the foreclosure sales.

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

Mr. Mendez reported that the Finance Committee met on April 18, 2023 to discuss the current Financial Statement, updates to the Fiscal Year 2024 preliminary budget, the status of the operational budget, and the bank account for the HLB 501(c)3 Fund.

##### **c. Partnership and Program Development: Janae Ladet, Chair**

Ms. Williams reported that the Committee met on May 3, 2023 and discussed the site selected for the Acres Home Neighborhood Community building, working with the home builders on their construction financing, the Interlocal Agreement with the city of Houston with regard to SB 1679, the Union Pacific Grant, and increasing capacity for the Brownfields EPA Grant. Lastly, she mentioned that the Community Purchase Lots Program will be rolling out soon.

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

Director Mondragón reported that the READ Committee met on April 26, 2023 which included a discussion with guest speaker Jay Mason of the Houston Housing Authority regarding the Yellow Cab site, possible revisions to the process of approving prospective home builders to obtain a greater rate of acceptance, and progress of the Acres Home Town Center. The Committee also discussed the results of the lot inventory performed by Don Hughes which disclosed that many lots are in wooded areas and others which are over 8,000 square feet. Mr. Hughes noted that the larger tracts could be re-platted to accommodate various residential developments. He stated that lots in the Third Ward are currently priced at \$45 per square foot.

e. **Procurement and Oversight: Jesus DeAnda, Chair**

Ms. Okoiron reported that the Procurement and Oversight Committee met last week to discuss the differing insurance requirements for the pool of professionals included in the RFP for numerous services which has now been extended to close on May 26, 2023 to allow respondents more time to provide their respective insurance certificate.

**VI. President's Report: Christa Stoneham, CEO/President**

Ms. Stoneham reported that the HLB is now focusing on the content portions of the HLB website to better explain "what the HLB does, the services it provides, and management of its assets." She then reported that the RFQ for 10 professional and technical support services is now open which will provide more capacity for HLB's development projects. The real estate brokerage services included in this RFQ will be for HLB's acquisition needs rather than for sales transactions. This RFQ is scheduled to close on May 26, 2023. The final list of vendors to provide support services will be presented to the Board for approval at its June meeting.

Ms. Stoneham announced that a builders' forum is scheduled for June 9, 2023 for the new home builders to discuss the HLB updated guidelines and to educate the builders on how to submit a RFQ which will hopefully add more builders to the program. She noted that another builders' forum is tentatively scheduled for June 30<sup>th</sup> in conjunction with the Houston Housing Collaborative at the Federal Reserve Bank building in Houston to provide an opportunity for the home builders to meet the banks.

Ms. Stoneham then discussed the status of the development data and the need to add more builders to the program. She noted that there are 28 houses in development, many of which started late and with some having difficulties obtaining access to electrical transformers.

Director Collins asked how many builders are out of compliance with regard to the house construction contracts in the Settegast area. Ms. Stoneham reported that there are 26 houses out of compliance under their respective construction contracts and that HLB may need to re-purchase some of these lots. Director Mondragón requested a summary of the categories for the reasons the construction is out of compliance (i.e., electric service line connection, water service hookup). Chairman Zeis requested a list of the houses which still require electricity service to complete construction. Also, she will be looking into repurchasing some of the lots to address the compliance problem.

The lot inventory was then discussed by Mr. Hughes who noted that some lots are inaccessible (forested lots), some of which are too small for housing, some of which are in the flood plain, and those which are 5,000 – 6,000 square feet that may be set aside for disposition or re-platted. Director Collins noted that the lots in Settegast and Trinity Gardens which have roads should not be re-platted so as "not to disrupt the haven" as HLB is not in the re-platting business.

Ms. Stoneham reported that there are currently three NHDP houses for sale in Acres Home, one of which is under contract for with a home buyer. She mentioned that Director Russell and Director Palay will attend the next "Juice in Justice" event to be held on June 2, 2023 at the East River Nine development concerning environmental justice. Ms. Stoneham then discussed the 2023 benchmark goals and noted that approval of the new builders occurred earlier than scheduled and

that the Yellow Cab closing has now been pushed to the third quarter. Director Morales asked if land banks can be property managers and/or owners for multi-family developments. Ms. Okoiron indicated that land banks could be property managers or owners but would need to determine how to execute such a plan to meet the HLB mission purpose. Lastly, Ms. Stoneham reported that she had twelve speaking engagements last month, along with ten local presentations, and three national conferences.

## **VII. Board Action Items**

- a. **Consideration and possible action to approve the Interlocal Agreement and corresponding Administrative Procedures between the Houston Land Bank, The City of Houston and Harris County reflecting the authorization of the collection of taxes on property conveyed by the Land Bank under Texas Senate Bill 1679 ("SB1679")**

Chairman Zeis announced that approval of this agenda item will authorize the HLB Board of Directors to execute the Interlocal Agreement between Houston Land Bank, the City of Houston and Harris County, and the Administrative Procedures to Remit Collection Data to the Houston Land Bank and City of Houston in order for the Houston Land Bank to avail itself to the collection of taxes on property conveyed by the Land Bank under the authorization of Texas Senate Bill 1679 ("SB 1679"). He noted that these taxes will bring approximately \$50,000 to the HLB and that there is general support for this agreement within Houston City Council which will need to approve and adopt the agreement at a future City Council meeting.

The purpose of this Agreement is to memorialize the collection of taxes on real property conveyed by HLB pursuant to SB 1679, which was formally enacted under Section 379H.203 of the Texas Local Government Code. In accordance with Section 379H.203, certain City of Houston real property tax revenue owed to the Houston Land Bank will be remitted in accordance with the administrative procedures established by the Tax Assessor-Collector of Harris County.

The agreement will be for a ten-year fixed term agreement which provides that the City of Houston remit to HLB 75% of the ad valorem taxes collected on real property conveyed by the Houston Land Bank, pursuant to the agreed Administrative Procedures. There will be no exclusion for land located within the 100-year flood plain, however lots in a Tax Increment Reinvestment Zone would be excluded.

The Administrative Procedures provide that by February 1<sup>st</sup> of each year, HLB will send a list of its real property that have been conveyed by it to the Harris County Tax Assessor-Collector's Office. The City of Houston's Mayor's Offices of Economic Development will then review the accounts by March 1<sup>st</sup> of that same year to ensure that none of the real property then is in a Tax Increment Reinvestment Zone and report those findings to the Harris County Tax Assessor-Collector's Office. By April 1<sup>st</sup> Harris County Tax Assessor-Collector's Office will provide the collection data to the City of Houston and HLB. By June 1<sup>st</sup> the Mayor's Offices of Economic Development will remit payment of the real property tax revenue to HLB. The first year of collection data will be for Tax Year 2023.

Director Mondragón made a motion to approve the Interlocal Agreement and the corresponding Administrative Procedures for execution among the HLB, the City of Houston and Harris County, which motion was duly seconded by Director Bailey and approved with the unanimous vote of the Board.

**b. Consideration and possible action to approve the amendment of the HLB contract with Community Lattice facilitating the expansion of the scope of work to accommodate additional services needed.**

Ms. Stoneham informed the Board that Community Lattice has been assisting the HLB with Brownfield's Inventory, Phase II ESAs, RAPs, Reuse Planning, and Community Outreach. The current contract includes a provision not to exceed the amount of \$49,566 by September 30, 2023. With HLB Board approval, the contract will be increased not to exceed the amount of \$98,216 to build more capacity for stakeholder engagement in neighborhoods, identify more partners, and to assist with administration of the EPA Grant. Community Lattice will then be able to employ additional contractors to build capacity and exclusively work with HLB Staff to apply for more testing and cleanup funds. These additional funds will be only used for testing at this time. She noted that the real estate developers will not clean up the affected sites like the HLB can. Director Mondragón asked if this will alter HLB's appetite for environmentally challenged lots. Chairman Zeis noted that the increase in the contract will allow HLB to analyze more lots for the testing phase.

Under the current work plan, Community Lattice focuses on target neighborhoods identified in the EPA grant; however, as more partnership opportunities and neighborhoods are identified, additional capacity is now being requested to identify resources and partners for community engagement and acquisition strategies for any "catalyst brownfield" site HLB intends to redevelop. Brownfield's redevelopment planning will help HLB and communities make informed decisions about where to direct scarce resources to benefit the existing community. Area-wide planning can also help implement locally driven initiatives, such as housing, parks, environmental improvement, community wealth building, and equitable and environmentally-just economic development. The amended contract will:

- Identify resources or leveraging opportunities to implement the plans, including specific strategies for public and private sector investments necessary to help with cleanup and area revitalization.
- Condense the brownfield's project into distinct, fundable components and assign lead responsibilities.
- Develop a multi-layered funding plan to support brownfield's cleanup and reuse.
- Create a timeline for pursuing grants, loans, private and other sources of funds related to our brownfield project.
- Develop strategies for leveraging public and private sector investments necessary to help with brownfield's cleanup and area revitalization.

Director Bailey made a motion to approve the amendment of the contract with Community Lattice to expand the scope of the services needed, which motion was duly seconded by Director Bess and approved with the unanimous vote of the Board.

**c. Consideration and Possible Action to Approve Houston Land Bank to submit application for the 2023 Union Pacific Foundation Grant.**

Ms. Williams announced that approval of this agenda item will authorize HLB staff to submit a grant proposal to the Union Pacific Foundation requesting \$25,000 to fund the HLB "Community Purpose" program initiative focused on activating HLB's parcels which are less than 2500 square feet or smaller. The proposed funding will be utilized and governed as outlined in the grant proposal to activate these smaller parcels.

Ms. Williams explained that the Community Purpose Lot Program is an innovative initiative designed to activate small, underutilized lots in communities for community purposes and organizations. This program aims to transform these small lots into vibrant spaces that serve the needs and interests of the local community and to deter illegal dumping.

With funding from Union Pacific Foundation, community members and organizations can access resources and technical assistance to develop and implement projects on these small lots. This may include creating community gardens, urban farms, public art installations, or pop-up markets. The program is designed to be flexible and responsive to the unique needs and interests of each community, ensuring that the projects developed reflect the vision and values of concerned community members. The program works closely with local organizations and leaders to identify opportunities and barriers to activation and to leverage local resources and expertise.

Chairman Zeis acknowledged that there may be some risk accepting funds from Union Pacific given its history of friction within certain neighborhoods where it operates its businesses nearby. He noted that it is possible that Union Pacific could use HLB's name in its public relations with regard to the grant. He requested that the grant should be made conditional such that Union Pacific is not permitted to use the HLB brand in any publicity in connection with the grant. Chairman Zeis stated that it is important to protect the HLB brand. Director Mondragón proposed that no conditions be requested during the application process. However, he concurred that Union Pacific may want it known that it made such grant to the HLB and receive recognition of same. It was noted that the grant does not include a "branding" requirement by Union Pacific.

In the event the Board of Directors approves this Agenda item, HLB staff will submit its grant proposal to Union Pacific. The grant is anticipated to be distributed in September/October 2023. HLB will present the formal Community Purpose Lot Program to the Board in the Summer of 2023 and launch the Community Purpose initiative in the Fall of 2023.

Director Mondragón made a motion to submit an application for the 2023 Union Pacific Foundation Grant, which motion was duly seconded by Director Russell and approved with the unanimous vote of the Board.

**VIII. Executive Session**

Nothing to report.

**IX. Board Member Comments**

Nothing to report.

**X. Adjournment**

Chairman Zeis asked if there were any additional matters to be discussed or considered by the Board. Hearing none, this regular Board meeting then adjourned at 1:14 p.m. upon motion by Director Collins and duly seconded by Director Bailey and passed with the unanimous vote of the Board.

Minutes Prepared By:

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

Signed on the 10/06 / 2023, 2023.

*Jesus DeAnda*

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Secretary