

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

January 9, 2020

A regular meeting of the Board of Directors ("Board") of the Houston Land Bank ("HLB"), a Texas non-profit corporation created and organized by the City of Houston as a local government corporation pursuant to the Texas Transportation Code Annotated, Section 431.101, *et seq.*, and the Texas Local Government Code Annotated, Section 394.001 *et seq.*, was held in the City Council Chambers at the Houston City Hall Annex, 900 Bagby Street, Houston, Texas, on Thursday, January 9, 2020 at 12:15 p.m. Written notice of the regular meeting, which included the date, hour, place and agenda for the regular meeting, was posted in accordance with the Texas Open Meetings Act.

Board members in attendance were:

Nicholas Hall	Curtis Lampley
Vincent Marquéz	Antoinette Jackson
Mario Castillo	David Collins
Matt Zeis	John David Vasquez
Courtney Johnson Rose	Carol Galloway

Board members absent were: Jesus DeAnda, Ana Yáñez-Correa, and Pastor Steve Hall.

Others in attendance included: Anne Haynes, the CEO/President for the Houston Land Bank; Jennifer Allison of the Houston Land Bank; Ivan Zapata, Real Estate Manager of Houston Land Bank; Sam Dike, Vice President of Community and Partnerships for Houston Land Bank; Marye Barba, Inventory Manager and Office Administrator for Houston Land Bank; Gracie Saenz, outside legal counsel for the Board; Greg Erwin and Mark Glanowski (Paralegal) of Winstead PC, outside legal counsel to HLB; Anderson Stoute with the City of Houston New Home Development Program; Darice Harris, In-House Counsel and Compliance Officer for Houston Land Bank; Angelina James with ARR Enterprise, Ginger Perry with Own It Real Estate; Jocelyn Ortiz with Zitro Custom Home Builders; Johnny Hollins with JG Hollins; Flor Gonzales with Urban Meridian Group; Carlos Guraieb with Urban Meridian Group; and Brian Williams with Live House Realty. There were others in attendance that did not speak in the public comments or do not have a contractual relationship with the organization.

I. Call to Order and Roll Call

Chairman Nicholas Hall called the meeting to order at 12:15 p.m. A roll call of the Board members in attendance immediately followed. Chairman Hall noted that a quorum of the Board was present.

II. Adopt Minutes of Regular Meeting on November 14, 2019

Chairman Hall noted that the minutes for the Board of Directors regular meeting held on November 14, 2019 were previously circulated for review and comment. He asked if there were any discussion and/or comments to the minutes from the Board members in attendance. Hearing none, he then requested a motion to approve the subject minutes. Director Castillo made a motion to approve the minutes as written, which motion was then duly seconded by Director Zeis and passed by the unanimous vote of the Board.

III. Public Comments

Nothing to report.

IV. Chairman's Greeting – Nicholas Hall

Chairman Hall greeted everyone with "Happy New Year."

He also extended congratulations to Mayor Turner who won a new four year term as Mayor in the November election. He stated that the Mayor has provided support and guidance to the Houston Land Bank, transforming it into a pro-active organization.

V. President's Report – Anne Gatling Haynes

Ms. Haynes stated that the organization has been working on its operations over the last two months with regard to maintaining NHDP houses during "hold" periods and reimbursement of costs upon closing of the sales of the houses.

She then advised the Board that the Houston Land Bank is now working with a financial consultant because the finances, bookkeeping, and policies and procedures have become more complex pursuant to the new agreements with the City Housing Department and the New Home Development Program. The consultant has provided recommendations how to structure the organization financially.

She mentioned that the 2019 Fiscal Year Audit has been finalized will be discussed during this Board meeting. Many of the issues in the audit relate to valuation of the lots. The HLB will need to access a proper valuation of the lot inventory to assist with the audit next year.

Next, she updated the Board with regard to the current status of the lot inventory and as of January 1, 2020 there were 543 lots in total, with 262 lots designated for the New Home Development Program, and 20 for the CHDO Program. The remaining 281 lots are available for disposition remain under review by the Program Committee.

Ms. Haynes reported that 50 lots were sold by the Houston Land Bank's builders to qualified homebuyers in 2019. Currently, there are 41 houses under construction with 26 properties on hold and 21 lots which are not currently in time compliance under the respective builder contracts. The goal is to build on the scale of sales to homebuyers and be a good neighbor with the city of Houston.

As for lot and property maintenance the initial scope for new vendor contacts has been finalized and will be discussed with the Board during this meeting.

Ms. Haynes reported that there were 13 houses sold under the New Home Development Program, and 4 houses are currently listed for sale. The Houston Land Bank received 21 houses just prior to the holidays in Phase 3 and Phase 4. Lastly, she mentioned that the Houston Land Bank has engaged two (2) additional real estate listing brokers to assist with marketing these houses.

VI. Committee Reports

- Finance Committee: Matt Zeis

Director Zeis informed the Board that the Finance Committee met on Tuesday and approved the final draft of the 2019 fiscal year audit report. He reported that the Houston Land Bank currently has a low cash balance (\$134,000). The Finance Committee decided on one consultant to advance, which is to review HLB's current operations and provide guidance on how to track the operations for the new home building program, including, but not limited to, expenses and revenues, and reimbursements. The financial consultant recommended employing a full time accounting manager, set up a file server as a central repository for financial records and real estate closings, and strengthen the policies and procedures for accounting and finances. Lastly, the Finance Committee is discussing a proposal for the Houston Finance Corporation to establish a line of credit.

- Program Committee: Curtis Lampley, Chair

Director Lampley stated that the Program Committee has been working hard over the last few months to advance contracts with builders that were previously on hold. He noted that these are prior Board approved contracts that did not close at the title company for various reasons or are standard purchase contracts wherein the builders are requesting design changes other than those originally disclosed in the original contracts. These contracts have been reviewed with the assistance of HLB staff and the Program Committee has prepared its recommendations for consideration by the Board today later in the meeting.

The Program Committee has completed examining the remaining proposals received in connection with the homebuilder RFQ. The HLB staff and the Program Committee have also completed the interviews with the new homebuilder contractors and the start-up homebuilders. He noted that the Program Committee has now finalized the pool of qualified builders which will be presented later in the Board meeting.

Director Lampley mentioned that the Program Committee has also been working on a "pilot lot disposition program" over the last several months and will discuss the highlights of this program later in today's meeting.

VII. Director Lampley stated that the Program Committee will be initiating conversations with the new pool of selected homebuilders to orient them with the program objectives and placing the lots up for sale for approval by the Board.

Consideration and possible action regarding Amended FY20 Budget as approved by City of Houston Housing and Community Development Department

Ms. Haynes reported that the city of Houston has signed off on the Amended FY20 Budget which required changes due to the New Home Development Program. The Board had approved the FY20 Budget in June 2019 which projected revenue and expenses to include the period through July 2020. The budgeted expenses for lot maintenance and utilities are greater than in the original FY20 Budget.

After the Board's approval in June, and numerous discussions with HCDD, there were a number of adjustments to some of the line items specific to the Acquisition and Development Agreement, both in expenses and revenues. At that time, HLB anticipated remaining funding in the Eighth Amendment Grant in the amount of \$419,000 that was attributed to FY20 revenue income. Since closing the books in July, on budget but with no remaining Eighth Amendment Grant Funding left, and less real estate transaction activity than expected in FY19, HLB had to adjust the revenue numbers to anticipate a new operating agreement with increased administrative support. Numerous expenses from FY19 with regard to pre-development costs for the NHDP houses cannot be reimbursed until the sales of the houses are closed at the title company, which assumed the \$419,000 that we thought would go into the FY20 year.

Due to the final closing of FY19, which provided additional information as to expected costs for the coming year, and an understanding of how the NHDP is working and how costs are being incurred. The changes reflect:

Revenue:

- Requested \$1,500,000.000 for administrative costs for FY20, which is approximately 9% of the overall budget.

Expenses - Increases:

- Employees, +\$200,000 for staff to accommodate additional financial/accounting expertise, and increased listing broker activity in house
- Maintenance, +\$100,000 recognizing existing lot conditions and maintenance on larger parcels, kept longer
- Website, +\$50,000 to accommodate additional mapping/sales functionality
- Utilities, +\$30,000 to accommodate increased housing stock/month during gap to sale

Expenses - Acquisition Decreases:

- Phase I Environmental costs are not applicable in this case, -\$200,000
- Reduced Phase 2 Environmental costs expected, -\$160,000

Director Jackson made a motion to approve the Amended FY20 Budget as approved by the City of Houston Housing and Community Development Department, which motion was duly seconded by Director Zeis and passed by the unanimous vote of the Board.

VIII. Consideration and possible action regarding the HLB Approved Builder Program Lot Disposition Program Guidelines, including related revised Term Sheet for Lot Disposition Contracts

Mr. Dike then addressed the Board to thank the Program Committee for its diligent work regarding one of HLB's core missions which is to provide affordable housing. Mr. Dike discussed the highlights of the Builder Guidelines which cover affordability, accountability and awareness. The revised guidelines will allow HLB to ensure that the builders participating in this program perform as required and the house is sold to a qualified homebuyer. The builders will not be permitted to assign their lots, must display proof of ownership, and must submit monthly progress reports. There will be penalties for not adhering to these new guidelines. Section 4 of the Guidelines includes an itemized list of the builder requirements, restrictions and minimum quality standards. Also, each builder must erect a sign on the lot giving notice to the other landowners as to who the builder is, what will be constructed on the lot, and the contact information for the builder.

Mr. Dike then stated that all builders will be required to submit a proposal for selection of lots. The proposal will include the price of the house, proof of ownership, the financial commitment and a timeline for construction. The builders will be competing for lowest house price that meets HLB's minimum quality standards. The top three (3) proposals will then move to the next qualitative round to be graded on neighborhood appropriateness, enhancements to the house, the final sales price and proximity to other developments the builder has in the area.

The homebuilder selected from that round will then be notified that they are eligible to purchase the lot, enter into a construction contract with HLB and proceed to closing the lot in escrow with the title company. The process will not force the builders to go to the cap price for the house but rather allows them to address innovative ways to provide affordable housing. He stated that these guidelines were specifically developed for this lot disposition program.

Mr. Dike then mentioned that HLB is also providing opportunities to start-up builders to develop their craft and become established builders. The start-up builders will be limited as to the number of lots they can select in the first round of the process.

Director Jackson stated that the requirement for including the price of the house on the sign may cause issues and recommended that the Program Committee re-visit this requirement for the builders. Director Lampley then suggested that a range of house prices could be listed on the builder's sign rather than one specific price.

Director Marquéz asked about the financial commitment each builder must furnish. Mr. Dike stated that the builders can furnish a letter of credit from a financial institution or a performance bond or the builder can escrow the amount of construction costs with the HLB. Therefore, funds will be available to complete the construction of the house should the builder not be able to perform. Director Marquéz noted that the requirements for furnishing the financial commitment is to protect the homebuyer.

Mr. Dike stated that the next steps after these Builder Program Guidelines are approved by the Board will be to schedule a forum with the builders to walk them through the new

guidelines so that they can prepare themselves and then launch the Lot Disposition Program at the end of February.

Director Zeis made a motion to approve the Approved Builder Program Lot Disposition Guidelines, which motion was duly seconded by Director Lampley and passed by the unanimous vote of the Board.

IX. Consideration and possible action to approve the pool of 'Startup Builders' for 2020-2021, final list of 'Established Builders' eligible to purchase lots from the Houston Land Bank in its pilot and future phase lot dispositions

Ms. Haynes stated that this recommendation comes from several months of interviewing and evaluating all of the builders who were interested in participating in the HLB Lot Disposition Program. She then discussed the proposed Startup Builder List which includes builders which have not previously been involved in the affordable housing market and are listed below under Tier 1 as follows:

Tier 1:

1. Abana Construction
2. Elevate Homes
3. STOA Foundation
4. Holman Avenue
5. Oliver Builders
6. Blue Star Construction

The Tier 2 group builders have a less of a track record with regard to construction of affordable houses and may be new businesses in the home building industry. The Tier 2 group is as follows:

Tier 2

1. Roquet Group
2. Divine Green (Special Champions)
3. Gulflin Construction
4. MHL Properties
5. Alpine Restoration
6. New Beginnings
7. Recon Realty
8. Genesis
9. Embracing Destiny Foundation

Director Lampley clarified that the startup builders have experience in the house building marketplace but just not in the affordable house category. Ms. Haynes noted that there are more builders awaiting interviews that could potentially be added to this list.

Ms. Haynes then read aloud the final list of the Established Builders as follows:

1. 5th Ward Comm Redevelopment Corp
2. Avenue CDC
3. Bayou Banks Classic Homes
4. Benny Rodriguez Homes
5. Burghli Home Builders
6. Cole Klein Builders
7. Generational Home Builders
8. HAUCDC
9. Houston Habitat for Humanity
10. Ironclad Homes
11. Mayberry Homes
12. New Centuri Properties
13. Silver Circle
14. SLSCO
15. Tradewind
16. SXG Capital Group

This is the group of builders that is eligible to purchase lots starting with the Pilot Program but throughout the next two years. A new RFQ for builders will be issued in June and annually for any builders looking to get into the pool.

Director Lampley made a motion to approve the selected group of the Startup Builders for 2020-2021 and the final list of the Established Builders eligible to purchase lots from the Houston Land Bank in its pilot and future phase lot dispositions, which motion was duly seconded by Director Rose and passed by the unanimous vote of the Board.

X. Consideration and possible action regarding proposed changes to Board-Approved Contracts scheduled as Hold Contracts per vote on September 12, 2019. These properties never closed at Title Company and therefore needed to be updated with new contract pricing and/or additional details of changes made by the homebuilders and renegotiated terms with HLB

Ms. Haynes stated that Darice Harris is the Legal Counsel and Compliance Officer for HLB who will now discuss the status of certain lots for which the records are incomplete. Ms. Haynes then requested that Agenda items X and XI be discussed together. Chairman Hall then read aloud Agenda item XI. Now before the Board are both Agenda items X and XI for its consideration.

Ms. Harris stated that the Builder Program Committee recommends that the Board approve ratification of new Lot Disposition contracts, previously approved by the Board on September 12, 2019, as "Hold Contracts", based on minor changes approved by the Builder Program Committee. Four builders are included in this category of contracts as follows:

Original Contract Number 071317-01 (\$1 Lots)

Builder	HCAD	Address	Request	Determination	Next Steps
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Burghli Homes	1. 0162630000208 2. 0162630000212 3. 0162630000213 4. 0162630000214	1. Orebo Street 2. Orebo Street 3. Orebo Street 4. Orebo Street	Updated plans and specs submitted	APPROVED	Draft new contract for closing under original \$1 lot terms
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Description – this contract was Board approved on 7/28/2017 but never closed at the title company due to incomplete property descriptions. HLB worked with the Linebarger law firm over the course of several months to have the new property descriptions developed and updated so that lots could be sold. During HLB's 2019 audit, it was determined that this outstanding contract should move forward to closing under the original terms with a new timeline set by the Builder-Program Committee. Burghli Homes submitted new plans and specs that are smaller than (but still meeting current market demands) and less expensive (\$8K – 15K) than the previous plan and sales price. These are similar plans that have been built in other areas of Acres Home, on LARA lots, and with the New Home Development Program. These lots have been permitted and are ready for construction, and scheduled to be finished in 90 days.

Original Contract Number 092716-01 (\$1 Lot)

Builder	HCAD	Address	Request	Determination	Next Steps
Mayberry Homes	0092410000006	2208 Sam Wilson	Updated pricing and contract	APPROVED	Draft new contract for closing under original \$1 lot terms

Description – This contract was Board approved on 10/28/2016 but never closed at the title company. During HLB's 2019 audit, it was determined that this outstanding contract should move forward to closing under the original terms with a new timeline by the Builder-Program Committee. Mayberry Homes has submitted the same plans and specs but requesting a price increase of \$40,000.00. Ms. Harris also noted that this lot had encroachment issues which partly caused this contract to be out of compliance.

Original Contract Number 072015-02 (\$1 Lot)

Builder	HCAD	Address	Request	Determination	Next Steps
Habitat for Humanity	0351900000009	3306 Market	Updated plans and specs submitted	APPROVED	Draft new contract for closing under original \$1 lot terms

Description – This contract was Board approved on 8/25/2015 and through a miscommunication, it was reverted back into HLB's inventory. During HLB's 2019 audit, it was determined that this outstanding contract should move forward to close under the original terms with a new timeline by the Builder-Program Committee. Houston Habitat for Humanity has submitted a price increase of \$1,000.00 with minor changes in plans and specifications. Ms. Harris noted that the house remains affordable and the builder is ready to build.

Original Contract Numbers 012317-04 and 071317-02 (\$1 Lot)

Builder	HCAD	Address	Request	Determination	Next Steps
Solaris (SXG Capital Group)	1. 0162770250011 2. 0162770260005 3. 0162770260015	1. 6736 Knox 2. 0 Knox 3. 0 Knox	Updated plans, specs and pricing submitted	APPROVED	Draft new contract for closing under original \$1 lot terms

Description – These contracts were Board approved on 1/27/2017 and 7/28/2017. The original owner of Solaris Homes passed away. The lots were conveyed to Janet Green at SXG Capital Group, working on the other Solaris lots, to complete construction. During HLB's 2019 audit, it was determined by the Builder-Program Committee that these outstanding contracts should move forward to closing with a new contract. SXG Capital Group has submitted new plans and specifications because the previous plans were denied by the City's permitting department due to flood plain issues. Also, there is a \$36,000.00 price increase for the additional construction required.

Director Jackson recused herself from voting on the Houston Habitat for Humanity contract because she is also on the Board of the Houston Habitat for Humanity.

Ms. Harris then discussed the proposed changes to the Board Approved Contracts scheduled as "Hold Contracts" per the vote of the Board on September 12, 2019. The new contracts will provide contract timelines based on the terms of the original contract, not otherwise covered below, pending that the builders resolve any and all outstanding tax obligations. Ms. Harris stated that two builders were found in this category as follows:

Original Contract Number 100917-03 (\$1 Lot)

Builder	HCAD	Address	Request	Determination	Next Steps
HAUCDC	1. 0710900270434 2. 0710900290148 3. 0710900230112 4. 0710900310190	1. No Address 2. 0 Ellington 3. 0 Ellington 4. 0 Greenshaw	Amendment of design, development scope, and pricing	Board approval required	Placed on agenda for Board review and approval

Description – This contract was Board approved on 10/27/2017 but never closed at the title company. During HLB's 2019 audit, it was determined that this outstanding contract should be updated. HAUCDC has submitted new plans and specifications that are priced at \$185,250 with a 270 day timeframe, \$182,250 with a 270 day timeframe, \$190,250 with a 210 day timeframe, and \$212,150 with a 270 day timeframe.

Original Contract Numbers 012218-05 and 012218-04

Builder	HCAD	Address	Request	Determination	Next Steps
Benny Rodriguez Homes	1. 0470580000009 2. 0533410000007 3. 0822690000008 4. 0771850060010	1. 8526 Dosia 2. 0 Palestine 3. 9401 Chesterfield 4. 0 Wilmington	Amendment of design and development scope	Board approval required	Placed on agenda for Board review and approval

Description – These contracts were Board approved on 1/26/2018 and 7/28/2017 but never closed at the title company. During HLB's 2019 audit, it was determined that these outstanding contracts should move forward to closing under the original terms with a new timeline by the Builder-Program Committee. Benny Rodriguez Homes has submitted new plans and specs that are priced at \$160,450 with a 3 month timeframe, \$151,450 with a 6 month timeframe, \$160,950 with a 9 month timeframe, and \$155,450 with a 12 month timeframe.

Ms. Harris stated that the Program Committee is requiring 180 day timeframes for each contract rather than the staggered time frames proposed by Benny Rodriguez Homes.

Chairman Hall called for a motion for ratification of the Burghli Homes Contract No. 071317-01 as amended. Director Lampley made a motion to approve ratification of the amended lot contract with Burghli Homes, which motion was duly seconded by Director Marquéz and passed by unanimous vote of the Board.

Next, Director Zeis made a motion to approve ratification of the amended lot contract with Mayberry Homes, which motion was duly seconded by Director Rose and passed by the unanimous vote of the Board.

Next, Director Lampley made a motion to approve ratification of the amended lot contract with Houston Habitat for Humanity, which motion was duly seconded by Director Rose and passed by the majority vote of the Board. Director Jackson abstained from voting on this contract.

Next, Director Zeis made a motion to approve ratification of the amended lot contract with SXG Capital Group, which motion was duly seconded by Director Marquéz and passed by the unanimous vote of the Board.

Director Lampley then made a motion to approve the amended lot contract with HAUCDC, which motion was duly seconded by Director Jackson and passed by the unanimous vote of the Board.

Director Castillo then made a motion to approve the amended lot contract with Benny Rodriguez Homes, which motion was duly seconded by Director Zeis and passed by the unanimous vote of the Board.

- XI. Consideration and possible action to ratify the following Lot Disposition Contracts, approved by the Board on September 12, 2019, to issue new contracts based on minor changes approved by Programs Committee**

[SEE DISCUSSION UNDER AGENDA ITEM X]

- XII. Consideration and possible action to award four (4) new maintenance contracts for a two-year term in an amount up to \$720,955.68, not to exceed the FY20 Budget, with opportunities to extend up to an additional two (2) one-year terms**

Chairman Hall stated that Item XII is pulled from the Agenda of this meeting.

- XIII. Consideration and possible action to delegate authority to President/CEO to make supplemental funding adjustments for the four (4) Maintenance Contracts within the limits of each Board-approved Fiscal Budget**

Chairman Hall stated that Item XIII is pulled from the Agenda of this meeting.

- XIV. Consideration and possible action regarding a revised Houston Land Bank Resolution 2019-003: Delegating Authority to the Executive Committee for Real Estate Acquisitions as it pertains to Grant Agreements with the City of Houston Housing & Community Development Department**

Ms. Haynes stated that this is a slightly revised proposed resolution the Executive Committee, already approved by the Board of Directors, that would approve future real estate acquisitions which would then be ratified by the Board at the following Board meeting. She noted that this is only for acquisition contracts with regard to the New Home Development Program with the City of Houston to streamline the procedural process. Director Lampley stated that such acquisition contracts should be approved by the Board rather than the Executive Committee or an Acquisitions Committee with ratification by the Board thereafter. Ms. Haynes explained that with acquisition of residential lots there is sometimes a very short timeframe and the Board only meets once per month. Director Marqu ez stated that this agenda item should be tabled for now and discussed further at the upcoming workshop.

Director Rose made a motion to table this agenda item, which motion was duly seconded by Director Marqu ez and passed by the unanimous vote of the Board.

- XV. Consideration and possible action regarding a revised Houston Land Bank Resolution 2019-004: Delegating Authority to the Programs Committee**

Chairman Nicholas Hall stated that this item is pulled from the Agenda and will not be addressed at this meeting.

- XVI. Consideration and possible action on 2020 Board Meeting Date/Time**

Chairman Nicholas Hall stated that this item is pulled from the Agenda and will not be discussed nor considered at this meeting.

XVII. Consideration and possible action on the FY19 Audit, Final

Director Rose made a motion to approve the final Fiscal Year 2019 Audit, which motion was duly seconded by Director Zeis, and passed with the unanimous vote of the Board.

Director Jackson left the Board meeting at 1:33 p.m.

XVIII. [Executive Session: Per Texas Government Code Section 551.072 regarding Real Estate matters, the session may be closed to the public] Consideration and possible action to enter into a construction contract with Builder for completion of construction of house at 3013 Bolt, Sunnyside

The open meeting was then closed for an Executive Session at 1:35 p.m. to discuss completion of the house at 3013 Bolt in Sunnyside. Ms. Haynes stated that HLB requested approximately ten builders to examine the possibility of completing the house for the homebuyer. Mr. Zapata addressed the Board and stated they have conducted significant testing of the structure to confirm there are no issues with mold and termites. Mr. Zeis asked for the amount the house will be sold to the homebuyer for. Mr. Zapata responded that the price will be \$150,000, which was the original contract price with the original builder.

Chairman Hall thanked Mr. Zapata and the HLB staff for all of the hard work to address this difficult situation for the homebuyer who has waited an unusual length of time for the house he contracted for. Director Lampley thanked the Board and staff for their diligent efforts to resolve all known risks involved with the incomplete construction of this house.

Director Vasquez made a motion to approve Cole Klein Builders to complete the construction of the house at 3013 Bolt for a cost not to exceed \$67,000.00, which motion was seconded by Director Castillo and passed by the unanimous vote of the Board.

Upon returning to the open meeting session, Director Vasquez made a motion to enter into a construction contract with Cole Klein Builders to complete construction of the house located as 3013 Bold, Sunnyside, which motion was duly seconded by Director Castillo and passed by the unanimous vote of the Board.

XIX. [Executive Session: Per Texas Government Code Section 551.072 regarding Real Estate matters, the session may be closed to the public] Consideration and possible approval regarding significant proposed changes to prior Board-approved contracts, under prior programs, requiring new Board review, considering recommendations from the Programs Committee. After the Executive session, the Board's recommendations will be made public and a final vote will be taken in open session

Ms. Haynes states that there are four (4) lot contracts with three (3) builders. Two builders have submitted revised plans and specifications for construction of their houses and one builder (Urban Meridian), which is a little more straightforward. The Houston Land Bank had a right to repurchase these lots when the timeline of the contracts became out of compliance; however, HLB's right to repurchase the subject lots was never exercised. Ms. Harris noted that the HLB still has a right of first refusal if the lot is sold by the builder. The HLB has attempted

to enforce its right of first refusal; however, the builders wish to retain the lots and construct houses on them. Ms. Harris said that HLB could obtain greater rights if it enters into a reset agreement with each builder to construct the houses within a 6 month period from the date of the reset agreement.

Director Lampley asked if it would be better for HLB to enter into contracts for each lot, rather than one contract covering multiple lots, in order to better track the compliance with construction timelines.

Director Lampley made a motion for HLB to enter into separate contracts for each lot with regard to Contract Nos. 072015-2 and 07205-03 subject to administratively being able to enter into separate reset agreements for each lot, which motion was duly seconded by Director Zeis and passed by the unanimous vote of the Board.

The Executive Session was then closed and the regular meeting was reopened to the public at 1:50 p.m.

Upon returning to the open meeting session, Director Lampley made a motion to approve significant changes to prior Board approved contracts under prior programs, which motion was duly seconded by Director Zeis and passed by the unanimous vote of the Board.

XX. Board Member Comments

Chairman Hall stated that 2020 will be the year for "normal vision."

XXI. Adjournment

Chairman Hall asked if there were any additional matters to be considered by the Board. Hearing none, the regular Board meeting then adjourned at 2:03 p.m. upon the motion of Director Lampley, which was duly seconded by Director Marquéz and passed by the unanimous vote of the Board.

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