

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

October 10, 2019

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, October 10, 2019 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	Jesus DeAnda
Mario Castillo	David Collins
Matt Zeis	Pastor Steve Hall
	John David Vasquez

Board members absent were: Ana Yáñez-Correa, Carol Galloway, Antoinette Jackson and Courtney Johnson Rose.

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 HLB; Sam Dike, Vice President of Community and Partnerships for HLB; Marye Barba, Administrative Assistant for HLB; Gracie Saenz, outside legal counsel for the Board; Greg Erwin and Mark Glanowski (Paralegal) of Winstead PC, outside legal counsel to HLB; Anderson South with the City of Houston New Home Development Program; and Darice Harris.

I. Call to Order and Roll Call

Chairman Nicholas Hall called the meeting to order at 12:20 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 September 12, 2019

Chairman Hall noted that the minutes for the Board of Directors regular meeting held on September 12, 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 Pastor Hall and passed by the unanimous vote of the Board.

III. Chairman's Greeting – Nicholas Hall

Chairman Hall noted that last month Tropical Storm Imelda caused catastrophic flooding in the Houston area which impacted the communities the New Home Development Program builds houses in such as Acres Home. He stated that HLB will be in a position to provide assistance to these communities by providing affordable housing post Tropical Storm Imelda.

IV. President's Report – Anne Gatling Haynes

Ms. Haynes stated that she and the HLB staff are working on multiple programs behind the scenes such as finalizing the fiscal year audit report. A draft audit report should be available for review at the next Board meeting. She mentioned that some of the Board members and staff attended the Reclaiming Vacant Properties Conference in Atlanta which Mr. Dike will report on in more detail later in this meeting. Also, the records on lot reverters has been updated this past month. At this time, there are 544 properties in the HLB lot inventory. Of those lots, 253 are being held for development by the Houston Department of Housing. The HLB staff has been working with the Builder's Committee on the outstanding homebuilders contracts. Ms. Haynes noted that there are currently 53 lots with houses under various stages of construction, and that 9 homebuyer closings are scheduled from now until December. There were 60 home closings completed during the last fiscal year. She noted that routine maintenance cuts have been completed for all of the lots and additional attention on those lots found to be in poor condition. HLB visited its houses within 24 hours of Tropical Storm Imelda and they were found to be in good condition.

V. Committee Reports

- Partnership Committee: Courtney Johnson Rose, Chair

Director Rose is not in attendance today.

- Oversight Committee: Mario Castillo, Chair

Director Castillo stated that the Oversight Committee met briefly on October 1, 2019 to examine the Policies and Procedures Policy and prepare a timeline for feedback from the Board. The Committee decided to extend the time period to receive comments from the Board members and upon receipt of all comments compile them into one draft document to submit to the Board. The Committee also reviewed the updates of the audit of the lot maintenance contracts.

- Marketing Committee: Vincent Marquéz, Chair

Director Marquéz stated that the Marketing Committee met last week and discussed providing HLB communications during homebuyer events, design studio updates and preparation of a PowerPoint for the HLB webpage. Director Marquéz noted that he spoke with South East Texas Housing (SETH) with regard to providing homebuyers with additional down payment assistance in the range of 7% of the sale price of the house.

- Program Committee: Curtis Lampley, Chair

Director Lampley stated that the Program Committee met on September 30 and again on October 8, 2019.

The Program Committee has been reviewing the 41 proposals received in connection with the home builder RFQ with the assistance of HLB staff. The HLB staff and the Program Committee have completed the review of 26 proposals and recommend that 19 to move forward, 4 to continue to review for a small builder or start-up builder qualification, and 2 proposals which the Committee decided not to move forward with. He stated that interviews will be scheduled with the 19 qualified candidates and then the Program Committee will examine the remaining 15 proposals. He noted that the Program Committee will strive to prepare a presentation and recommendation for review by the Board at the November meeting. At this time the Program Committee does not have any recommendations.

VI. Possible Action to Exercise Right of Reverter for 3013 Bolt

Director Lampley made a motion to discuss this agenda item in executive session which motion was duly seconded by Director Marquéz. [This motion was not voted on.]

Director Collins made a motion to discuss this agenda item out of order, which motion was duly seconded by Director Lampley and passed by the unanimous vote of the Board. This agenda item will be discussed after agenda item X.

Director Zeis made a motion to discuss this agenda item in executive session which motion was duly seconded by Director Vasquez, and passed with the unanimous vote of the Board.

After returning from Executive Session, Director Zeis made a motion to authorize staff to proceed to distribute the RFP for sale to potential builders with oversight by the Program Committee, which motion was duly seconded by Director Lampley and passed by a majority vote of the Board, with Director Collins voting not to approve such motion.

VII. New Home Development Program Updates

Mr. Dike noted that the New Home Development Program was created last year by the City of Houston and the Houston Land Bank. Under the agreement, HLB provides lots to the Houston Housing and Community Development Department to build affordable housing on, and upon completion, HLB is then responsible for the sale of the house to a qualified homebuyer. To date, 6 houses have been sold, with 3 more houses currently under contracts for sale. The median income for these houses is \$61,000 for a family of four and \$42,000 for a single person. Another 7 houses will be coming to HLB in the next several days which will be eligible for sale.

Mr. Dike then stated that the policies and procedures policy with regard to the New Home Development Program will need to be updated and that marketing efforts will need to be enhanced. These changes will allow more flexibility with disposition activities, recoup business costs, and allow for more marketing activities such as additional signage in the neighborhoods to

brand the organization. The website will be receiving upgrades to increase education and awareness of the New Home Development Program.

Director Castillo asked for the average number of days the houses were on the market before they were sold. Mr. Dike responded that the average is about 30 days on the market. The houses are listed for \$180,000, however each buyer must then choose how to purchase the house either the traditional home ownership path or the City Land Trust.

VIII. Report on Reclaiming Vacant Properties Conference

Mr. Dike announced that he attended the Reclaiming Vacant Properties Conference in Atlanta, Georgia, along with Directors Castillo, Hall and Lampley. This conference was attended by approximately 1,400 persons. Mr. Dike was involved with a panel to discuss community land trust and land bank partnerships. The conference provided an opportunity for HLB to be recognized for its continuous efforts to provide affordable housing in Houston for many years. Chairman Hall mentioned that other cities are impressed with how the HLB has been able to provide affordable housing without federal aid. Director Castillo encouraged the other Board members to attend the next Reclaiming Vacant Properties Conference.

IX. Presentation on Initial Lot Disposition Program for Discussion.

Mr. Dike has had numerous conversations with the homebuilders about returning to the core business of the HLB. A comprehensive review of past programs and current conditions of the lots has been conducted by the HLB in order to facilitate the release of lots. Based on the results of the review process, the staff recommends that the lots be released in phases.

Under the Phase One Program, builders who previously purchased lots but did not close title would be provided an opportunity to develop the respective lots under a new contract and price point yet to be determined. The new contracts will allow HLB to evaluate the work much better and more efficiently. There are 20 lots in this category.

The Phase One Program will also identify those lots which are not suitable for affordable housing development. Suitability for development will be based on factors such as lot size, proximity to active development, and whether development would conflict with existing development. Mr. Dike mentioned that one lot was discovered to be located in the middle of a church property and therefore will not be suitable to construct a house on such lot.

In addition, Phase One of the Program covers lots currently located in the flood plain, which may be sold to the Harris County Flood Control District for flood mitigation purposes. This would demonstrate the HLB's ability to contribute as a partner for flood mitigation enhancement.

Mr. Dike stated that Phase Two of the Houston Land Bank Lot Disposition Programs will release lots for sale to prequalified homebuilders for construction of affordable housing. Phase Two also include a Resiliency Program Pilot to make New Home Development Program Homes not sold after 90 days available to residents affected by a named storm eligible to swap a storm damaged home for a New Home Development Program house.

X. Public Comments

Mr. Will Varner of New Century Properties addressed the Board and stated that his company is currently a spot builder of houses; however, he agreed that HLB's concept for aggregate construction of houses is a great idea. Mr. Varner stated that more programs to educate people with regard to home ownership would be greatly helpful.

Next, Mr. Henry Hedman of Blue Star Construction addressed the Board and noted that he helped construct the house located next to the house at 3013 Bolt. His company is not currently an HLB qualified homebuilder but he previously worked for an HLB homebuilder. He is concerned with the increase in the cost of the lots in the Sunnyside neighborhood where he constructs houses. He cannot produce affordable houses if the cost of the lot is excessive. Lastly, he stated that he hopes his company will be approved by the HLB as a builder of affordable housing.

XI. Board Member Comments

Nothing to report.

XII. Adjournment

Chairman Hall asked if there were any additional matters to be considered by the Board. Hearing none, the regular Board meeting adjourned at 1:50 p.m. upon the motion of Director Marquéz duly seconded by Director Lampley 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 _____, 2019.

Secretary