

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

May 9, 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, May 9, 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
Matt Zeis	Pastor Steve Hall
Vincent Marquéz	Carol Galloway
John David Vasquez	Jesus DeAnda
Mario Castillo	David Collins
	Courtney Johnson Rose
	Ana Yáñez-Correa

Board members absent were: Antoinette Jackson

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; Mark Glanowski (Paralegal) of Winstead PC, outside legal counsel for the HLB; Anderson South with the City of Houston New Home Development Program; and Rupa Sen, Real Estate Manager of the City of Houston Housing and Community Development Department.

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 Special Meeting on April 18, 2019

Chairman Hall noted that the minutes for the Board of Directors special meeting held on April 18, 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 Galloway 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 reminded everyone that the Vacant, Abandoned, and Deteriorated Properties Training Academy will hold a 2-day training program primarily designed for public and non-profit leaders on May 14-15, 2019 at the Magnolia Hotel at 1100 Texas Ave., Houston, Texas. He encouraged everyone to attend the academy next week. He then informed the Board there will be a meeting on Monday with the Governor's Office regarding the land bank legislation. He requested the Board Members to send letters of recommendation to their state representatives in support of this legislation. The proposed land bank legislation will provide powers to land banks to quiet title to land acquired for development including, a proactive role in the foreclosure process, and funding mechanisms.

IV. President's Report – Anne Gatling Haynes

Ms. Haynes presented a brief overview on the status of HLB operations and noted that she is currently focusing on preparation of the fiscal budget for 2020. Also, she intends to propose the hiring of a property maintenance coordinator for the lots which includes mowing services for the vacant lots owned by the HLB.

Next, Ms. Haynes informed the Board of two RFQs, one for maintenance services for the lots which will help with the Good Neighbor Program and the other for audit services. She is also coordinating with the bookkeeper to transition to QuickBooks to assist the organization in the long term. She noted that costs have been increasing during this transition year as the HLB becomes more of an independent organization.

She reported that the pilot program of Community Engagement in Acres Home will include scheduling visits by the Directors to the recently constructed houses and organizing a yard party for the neighbors to attend. She stated that the draft of the RFQ from Builders and Developers included in the meeting information package will be discussed during the Builders Report later during today's meeting.

Ms. Haynes then asked Mr. Dike to give a brief update of the New Hope Development Program.

In connection with the City of Houston's New Hope Development Program, Mr. Dike informed the Board that there are 8 houses being marketed for sale in Acres Home and one purchase contract is being reviewed with the prospective home buyer. He then mentioned that ten houses will be available for sale soon with nine to be ready in May and one in June. He stated that there are 44 houses in development stages with 21 in the permitting phase with construction beginning soon, and 16 in the contract phases. There have been 69 home showings requested from the showing services and the real estate broker under contract has spent 420 hours on marketing activities over the last four months which included attending and conducting home buyer seminars, community events, and education classes to promote the program.

Mr. Dike stated that the HLB is engaging with home buyer representatives to advance prospective home buyers to a mortgage qualified status. However, he noted that the cost of the program is exceeding expectations based on situational factors on the ground such as the cost of securing the homes during the hold period, and the amount of time it is taking to qualify a home buyer for a mortgage. Mr. Zeis asked what is the typical time frame to qualify a home buyer with the mortgage qualification process. Mr. Dike replied that each application is different depending on the financial ability and credit history of the applicant. He stated that credit issues take a longer time to resolve. Further, he mentioned that the problem appears being able to qualify an applicant for a house with a price point of \$180,000 based on 80% of AMI. The subject houses range from 1,200 to 1,400 square feet and depending on the interest rate the monthly mortgage payments range from \$1,100 to \$1,200. Mr. Dike noted that the 80% AMI chart is include on the HLB website (houstonlandbank.org) and that the prices for the houses are set by the Houston Housing Department.

Director Rose mentioned that there are housing counseling agencies and credit counselors which can be utilized to assist the home buyers which require such assistance. Director Galloway asked about down payment assistance available to applicants. Mr. Dike stated that up to \$30,000 is available for home buyers which reduces the house price to \$150,000, however even with such down payment assistance he stated it's still too much house for many of the applicants. He suggested that the house prices may need to be adjusted or provide more subsidies in order to reduce the time needed to qualify the applicants for mortgages. Further, he noted that some of the qualified home buyers indicated they were not interested in houses located in Acres Home.

Director Galloway stated that the NAACP has educational programs to help qualify home buyers.

V. Finance Committee Report

Director Zeis informed the Board that there is \$906,774 of assets in the General Fund including \$231,703 for Accounts Receivable, and \$109,632 of Accounts Payable which includes amounts owed to Winsted PC for legal services, and to mowing contractors for lot maintenance. He noted that the HLB is currently under budget but has a low cash position.

VI. Builder Committee Report

Director Lampley stated that the Builder Selection Committee met on May 7, 2019 to discuss auditing builder compliance requirements, create categories to qualify builders under, and achieve more flexibility with the builders with the current lot development progress, and permitting issues with the City. The Builder Selection Committee also met with fifteen of the HLB approved home builders to discuss complaints and compliance issues.

He then stated that there are 33 lots subject to Reverter due to non-compliance by the respective home builder and 85 lots in various stages of development.

Director Lampley requested that the Board read the Request for Qualifications from Builders/Developers included in the meeting package and provide comments, suggestions, and/or

recommendations to the Builder Committee as soon as possible. The RFQ includes five categories of builders as follows:

1. Master Developer – small to mid-size development areas on larger geographic areas based on more than 7 years of demonstrated business experience.
2. Established Builder – 5 to 10 land parcels at a time based on more than 3 years of demonstrated business experience.
3. Startup Builder – 1 to 4 land parcels with less than 3 years of business experience and requires a Mentor Builder to provide guidance and building advice.
4. Rehab/Reconstruction Services – single-family and multi-family.
5. Neighborhood Community Builder – smaller scale commercial development.

Director Castillo asked if the builders will adopt the RFQ. Director Lampley responded that the Board review and remit comments to the RFQ first in order to send out the RFQ.

VII. Oversight Committee Report

Director Castillo reported that the Oversight Committee met informally on Tuesday, May 7, 2019 to discuss the focus of the Oversight Committee and reviewed correspondence with HLB and the Houston Housing Department concerning the duties of each organization. The Oversight Committee will continue to examine HLB policies to clarify duties and clear up ambiguities and review the status of builder backgrounds.

VIII. Discussion of Board Committees: Chairs & Agendas

Chairman Hall noted that the committees are currently the Builders Committee, Finance Committee, Marketing Committee, and the Oversight Committee. The Board has discussed a possible Partnerships Committee to work on securing additional sources of funding and partnering with community stakeholders. Chairman Hall appointed Director Lampley as chairman of the Builders Committee, Director Zeis as chairman of the Finance Committee, Director Marquéz as chairman of the Marketing Committee, Director Castillo as chairman of the Oversight Committee, and Director Rose as chairman of the Partnerships Committee. He then encouraged each Director to reach out to the respective chairpersons of the committee they wish to work on.

IX. Consideration and Possible Action Regarding Acquisition Policy for the Houston Land Bank, pursuant to the 8.31.19 Acquisition and Development Agreement with the City of Houston, Housing and Community Development Department.

This agenda item was withdrawn due to time constraints.

X. Public Comments

Nothing to report.

XI. Board Member Comments

Chairman Hall reminded the Board to send letters to their state representatives to support passage of the land bank legislation. Director Galloway wished a Happy Mother's Day to all mothers.

XII. Adjournment

Chairman Nicholas Hall asked if there were any additional matters to be considered by the Board. Hearing none, the regular Board meeting adjourned at 12:55 p.m. upon the motion of Director Lampley.

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