

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

**March 11, 2021**

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, March 11, 2021 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	Janae Ladet
David Collins	Jesus DeAnda
Carol Galloway	Courtney Johnson Rose
Victor A. Mondragón	Antoinette Jackson
John David Vasquez	Juan Cardoza-Oquendo

Board members absent were: Laurie Vignaud, Christa Stoneham, Tonzaino Bailey, and Pastor Steve Hall. Others in attendance included: Anne Haynes, the CEO/President for the Houston Land Bank; Jennifer Allison, Vice President of Operations and Programs for HLB; David Benson, Director of Organizational Excellence for HLB; Marye Barba, Manager–Inventory and Administration for HLB; Ivan Zapata, 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, Vice President of Finance and Accounting for HLB; Gracie Saenz, In-house counsel for HLB; Darice Harris, Vice President, Legal Counsel and Program Director for HLB; Vincent Marquéz, of the HLB Advisory Board; Kellen Zale, of the HLB Advisory Board, Nicholas Foran of the HLB Advisory Board; Elijah Williams of the HLB Advisory Board; Anderson Stoute of the Houston Housing and Community Development Department; and Ron Butler, Manager–Property Maintenance for HLB.

**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 any persons who registered to address the Board today. Ms. Haynes announced that no public speakers registered to attend today's meeting.

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

### **a. February 11, 2021 Board Meeting**

Chairman Zeis noted that the minutes for the February 11, 2021 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 he requested a motion to approve and adopt such minutes as written.

Director Galloway made a motion to adopt the minutes, as written, of the February 11, 2021 regular Board of Directors meeting, which motion was then duly seconded by Director Johnson Rose. The minutes were then passed with the unanimous vote of the Board.

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

Chairman Zeis thanked the Board members in attendance for volunteering and being available for this meeting. He encouraged the new Board members to serve on as many committees as they feel comfortable with. He mentioned that even with the lifting of the mask mandate this week by the Governor, he intends to keep this meeting virtual for as long as possible, subject to state law.

## **V. Committee Reports:**

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

Chairman Zeis announced that the Executive Committee met on March 4, 2021 to discuss the structure and new chairs for the committees, the Limited Alternative Land Use Program, real estate brokerage services, general liability and property insurance, and the preliminary budget for Fiscal Year 2022.

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

Chairman Zeis noted that Ms. Vignaud was not present for today's meeting and therefore requested Mr. Gonzalez to report on the recent meeting of the Finance Committee.

Mr. Gonzalez addressed the Board and stated that at yesterday's meeting of the Financial Committee, the monthly financial position of the HLB was discussed along with the preliminary Fiscal Year 2022 budget.

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

Ms. Haynes stated that the HLB is continuing to place lots into production with about 121 properties between the two programs in development right now. She noted that 97 of these properties are in the HLB Traditional Program with the remaining properties in the City's New Home Development Program.

She then encouraged everyone to participate in one or more of the HLB committees to integrate staff work and Board involvement more effectively.

Ms. Haynes reported that there are currently 497 properties in the HLB lot inventory which is dropping because of the recent sales of lots in the Traditional Program. Of these properties, HLB is holding 221 lots for the Houston Housing Department. She noted that some lots have legal issues which need to be addressed before these lots can be moved into the production realm. Ms. Haynes then reported that Chairman Zeis has requested a projection for the development of houses over 18 months. She noted that 69 lots were placed for sale on March 1st in the Traditional Program which will be reported on by Ms. Harris at the April Board meeting.

Lastly, she mentioned that she is working closely with Mr. Gonzalez on the Fiscal Year 2022 Budget projections with regard to the program objectives and achieving the goals of the HLB. Also, she hopes to hear from the US EPA regarding the grant the HLB applied for last October which was a coalition grant for Brownfields to provide resources for environmental evaluations of properties being considered for purchase.

## **VII. Mayor's Office/Complete Communities Report: Ex Officio Director Christa Stoneham**

Director Stoneham was not in attendance for today's meeting therefore there was nothing to report with regard to this Agenda item.

## **VIII. Board Action Items**

### **a. Consideration and Action to Confirm Appointment of Jesus DeAnda as Board Secretary**

Director Johnson Rose made a motion to confirm the appointment of Jesus DeAnda as Board Secretary, which motion was duly seconded by Director Galloway and passed with the unanimous vote of the Board.

### **b. Consideration and Possible Action to Approve Proposed Revisions to HLB Committee Structure**

Chairman Zeis presented a slide to depict the proposed revisions to the HLB Committee Structure which was discussed at the Strategic Planning Committee meetings late last year. He noted that the new Real Estate Acquisition and Disposition Committee will handle the work previously under the responsibility of the Executive Committee. He mentioned that this change

has been discussed over the past several months and will assist with proportionately distributing the work and reduce the burden on certain committees.

Director Mondragón made a motion to approve the proposed revisions to the HLB Committee Structure, which motion was duly seconded by Director DeAnda and passed with the unanimous vote of the Board.

**c. Consideration and Possible Action to Confirm Appointment of HLB Committee Chairs**

1. Finance Committee: Laurie Vignaud
2. Partnership and Program Development: Courtney Johnson Rose
3. Real Estate Acquisition and Disposition: Victor Mondragón
4. Procurement and Oversight: Jesus DeAnda

Chairman Zeis reported that Director Vignaud has agreed to continue to act as the Chair of the Finance Committee and Director Johnson Rose has agreed to remain as Chair for the Partnership and Program Development Committee. Also, he reported that Director Mondragón has volunteered to become the Chair of the Real Estate Acquisition and Disposition Committee, and that Director DeAnda has volunteered to Chair the Procurement and Oversight Committee.

Director Mondragón made a motion to confirm the appointments for each of the HLB Committee Chairs as noted above, which motion was duly seconded by Director Ladet and passed with the unanimous vote of the Board.

**d. Consideration and Possible Action to Accept Program Committee and Staff Builder Lot Selection Recommendation for the Sale of Property to Fellowship Missionary Baptist Church Through the HLB Limited Alternative Land Use Program [Address - HCAD# - Proposed Price Listed Below]**

1. 4429 Brinkley - 0690150050023 -- \$29,385
2. 4501 Brinkley - 0690150050037 -- \$24,530

Ms. Harris stated that this Agenda item will allow staff to negotiate and close the sale of two HLB owned lots to the Fellowship Missionary Baptist Church under the terms and provisions of the HLB Limited Alternative Land Use Program.

She mentioned that the Alternative Land Use Program is a revision and replacement of the prior Right of First Refusal Program, which the Board approved at its meeting on February 11, 2021. HLB Staff recommended that the Fellowship Missionary Baptist Church be approved to purchase HCAD 0690150050023 – located at 4429 Brinkley and HCAD 0690150050037 – located at 4501 Brinkley under the Alternative Land Use Program.

Ms. Harris stated that these two lots are located in the Sunnyside neighborhood and the Fellowship Missionary Baptist Church has met the requirement of being deemed an eligible owner of "Adjacent Property" under the Alternative Land Use Program. For purposes of this Program an "Adjacent Property" is defined as one that shares at least one common property boundary with the applicable HLB lot (including, without limitation, a common corner point). HLB Staff determined that these two lots are unable to support affordable housing due to either their close proximity to the church, or being within the actual church property complex. The Fellowship Missionary Baptist Church also met the requirement of maintaining the lots for five consecutive years. Each lot, being 9,900 square feet and 8,250 square feet, respectively, is to be utilized for the expansion of the previously existing church located on adjacent land.

Director Galloway commented that the original mission of the HLB was to return lots purchased at the foreclosure sales to the tax roll, however churches are tax exempt.

Director Mondragón asked if qualified purchasers include individuals and non-profit organizations. Ms. Harris explained that the new Alternative Land Use Program changed the definition of qualified purchasers but does not exclude community gardens.

Chairman Zeis noted that the sale of these two lots which have a limited scope into cash which can then be used to acquire lots which are buildable for affordable housing for the future.

Director Mondragón made a motion to accept the recommendation to sell the subject two HLB owned lots to the Fellowship Missionary Baptist Church under the new Alternative Land Use Program, which motion was duly seconded by Director Cardoza-Oquendo and passed with the unanimous vote of the Board.

- e. **Consideration and Possible Action to Approve Agreements for Real Estate Marketing and Brokerage Services to Be Provided through December 31, 2022**
  - 1. Exit Realty 360
  - 2. TAS Realty Group
  - 3. Womack Development & Investment Realtors
  - 4. Walzel Properties

Ms. Allison stated that this Agenda item will authorize HLB to execute agreements for real estate marketing and brokerage services with four real estate brokers selected through a competitive procurement process. The brokerage service agreements will be in effect through December 31, 2022 and include current HLB rates and terms, except for minor administrative changes to contract language to improve coordination and efficiency.

She mentioned that with HLB's home sales for the City's New Home Development Program expanding in recent years and the outlook for new development, staff initiated a request for qualifications to identify a group of real estate brokers to assist HLB in broadening its

marketing scope. The selected real estate brokerage professionals proposed for Board approval will assist HLB in marketing and selling homes to income-qualified buyers.

Ms. Allison stated that HLB received seven responses to the request for qualifications issued in September 2020. The evaluation of responses was completed in November and were reviewed and evaluated by a four-member committee comprised of:

- Courtney Johnson Rose (HLB Board of Directors)
- Jen Allison (HLB Staff)
- Gonzalo Gonzalez (HLB Staff)
- Darren Blakemore (Houston Community Land Trust Staff)

Ms. Allison noted that the scoring matrix included (a) the ability to provide full maintenance services, (b) creativity and innovation with regard to marketing affordability, (c) familiarity with affordable housing, (d) experience in the HLB neighborhoods, (e) customer service, and (f) accessibility.

After initial scoring, the evaluation and review committee conducted virtual interviews with three respondents (TAS Realty Group and Exit Realty 360 were not interviewed as they are current brokerage service providers to HLB) during January 2021, eventually selecting four businesses to provide real estate marketing and brokerage services as follows:

- TAS Realty Group
- Exit Realty 360
- Womack Development and Investment Realtors
- Walzel Properties

Director Mondragón asked if these real estate brokerage firms will receive the same sales commissions as currently paid by HLB. Ms. Allison responded that the new Listing Agreement will provide for the same sales commission as currently paid to the real estate firms under contract with HLB.

Director Jackson Rose then made a motion to approve the agreements for real estate marketing and brokerage services with Exit Realty 360, TAS Realty Group, Womack Development & Investment Realtors, and Walzel Properties which motion was duly seconded by Director Jackson and passed with the majority vote of the Board. Director Collins abstained from voting on the motion to approve this Agenda item.

**f. Consideration and Possible Action to Approve the Proposed HLB Fiscal Year 2022 Draft Budget for Submittal to the City of Houston**

Mr. Gonzalez stated that this Agenda item will approve HLB's Proposed Fiscal Year 2022 Draft Budget for submittal to the City of Houston as required by City of Houston requirements for local government corporations. He noted that this is not the final Fiscal Year 2022 budget, which will be brought to the Board for approval before the current fiscal year ends on June 30, 2021.

Mr. Gonzalez informed the Board that the City of Houston Administrative Procedure 2-10 requires all local government corporations created to support City operations or programs to submit a draft budget for the upcoming fiscal year by March of each year to the City's Finance Department. He noted that this preliminary budget is not the final HLB budget for Fiscal Year 2022. The final budget will be presented for Board approval and will likely include adjustments to the preliminary budget (because the annual reimbursements from the City via the Housing and Community Development Department are not set until October of each year).

Mr. Gonzalez and HLB Staff prepared the preliminary HLB Fiscal Year 2022 Budget which includes anticipated revenue of \$3.98 million to fund \$3.87 million in planned expenditures, leaving a projected one-year surplus of more than \$100,000. The proposed Fiscal Year 2022 expenditures in the preliminary budget are down slightly from the \$4.06 million Fiscal Year 2021 budget approved by the Board in June 2020 for the current fiscal year.

He then presented a table comparing the Fiscal Year 2021 annualized revenues and expenditures (based on performance to date and projections) to the Fiscal Year 2021 budget approved by the Board and to the preliminary Fiscal Year 2022 budget as proposed. The latter is driven by the following assumptions and highlights:

#### Revenue

- HLB Traditional Program dispositions will decrease from the Fiscal Year 2021 amount as fewer lots will be available for sale due to lack of infrastructure, the need for significant clearing of property, and other factors.
- The City's New Home Development Program anticipates 35 home sales for the fiscal year which lots are to be reimbursed at market value along with the administrative fee per closing.
- Funding from the City of Houston through the Operational Agreement is relatively unchanged from year to year.

#### Expenditures

- Staffing levels hold constant from year to year, with 10 full-time positions and one part-time position funded for a total of 10.5 FTEs.
- Legal fees are projected to increase slightly as a result of adding procurement and organizational development legal expertise, along with various property issues that may arise.
- Lot maintenance expenses are expected to decrease from the current fiscal year as reduced inventory will yield less land to maintain.
- A planned \$500,000 allocation toward an acquisitions pool for HLB's Home Building Initiative is intended to replenish inventory available for the organization's traditional program for home builders.

- The proposed Fiscal Year 2022 Budget assumes full expenditure of Acquisition and Development Agreement funding in Fiscal Year 2021, with no new funding allocated to acquisitions under the agreement.

Director Galloway made a motion to approve the proposed HLB Fiscal Year 2022 Draft Budget, which motion was duly seconded by Director Johnson Rose and passed with the unanimous vote of the Board.

**IX. Executive Session**

- a. Discussion Regarding the Value or Transfer of Real Property

The Board did not meet in Executive session during this meeting.

**X. Action Items from Executive Session.**

Nothing to report.

**XI. Board Member Comments**

Director Mondragón proposed providing assistance to any of the HLB homeowners affected by the winter storm last month in a similar fashion as the assistance it provided during the lumber price increases. He proposed assisting with providing plumbing supplies needed to repair any problems with frozen water pipes. Ms. Allison mentioned that HLB sent out information to its homeowners with regard to due diligence to take to protect their homes prior to the storm. She noted that she has not received any communications from any of the HLB homeowners concerning problems with plumbing matters.

**XII. Adjournment**

Chairman Zeis asked if there were any additional matters to be considered by the Board. Hearing none, the regular Board meeting adjourned at 12:51 p.m. upon the motion of Director Johnson Rose, 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, PLLC

Signed on the \_\_\_\_ day of \_\_\_\_\_, 2021.

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Secretary