

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

January 25, 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 Auditorium of the City of Houston Emancipation Cultural Center, 3018 Emancipation Avenue, Houston, Texas, on Friday, January 25, 2019 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:

Nicholas Hall	Matt Zeis
Pastor Steve Hall	Vincent Marquéz
David Collins	John Vasquez
Carol Galloway	

Board members absent were: Antoinette Jackson and Curtis Lampley.

Others in attendance included: Anne Haynes, the CEO/President for the Houston Land Bank; Greg Erwin and Mark Glanowski (Paralegal) of Winstead PC, outside legal counsel for the HLB; Gracie Saenz, attorney for the HLB; Sam Dike, Vice President of Community and Partnerships for HLB; City of Houston Council Member Jerry Davis of District B; City of Houston Council Member Robert Gallegos of District I; Mario Castillo (Director Elect); Jesus DeAnda (Director Elect); Courtney Johnson Rose (Director Elect); Erin Brown of Houston Business Development, Inc.; Edwin Harrison of Row House Community Development Corporation; Rupa Sen, Real Estate Manager of the City of Houston; and Stephan Fairfield (former Director); Felicia Lacy of the Texas Organizing Project; and Verone SESCO of the Texas Organizing Project.

I. Call to Order and Roll Call

Chairman Nicholas Hall called the meeting to order at 12:11 p.m. A roll call of the Board members in attendance immediately followed. Chairman Nicholas Hall noted that a quorum of the Board was present.

II. Chairman's Greeting—Director Nicholas Hall, Chair

Chairman Hall stated that the meeting with the Housing Community Affairs Committee was held on Tuesday, January 22, 2019. Chairman Hall also informed the Board that HLB now has a sponsor for the legislation for revising the statutes related to land banks to be considered by the Texas State Legislature.

III. Swearing-In Ceremony of the Houston Land Bank Board of Directors

- (a) City of Houston Mayoral Appointees, Terms through 12.30.2019:
 - i. David Collins, Vice Chair * Position 1
 - ii. Vincent Marquéz* Position 2
 - iii. Matthew Zeis* Position 3
 - iv. Jesus DeAnda Position 4
 - v. Nicholas Hall, Chair* Position 5

- (b) City of Houston Council Member, Terms:
 - vi. Pastor Steve Hall * Position 6
 - vii. John David Vasquez Position 7 (Sworn in 11.8.18)

- (c) HISD Appointees, Two Year Term:
 - i. Carol Galloway * Position 8
 - ii. Courtney Johnson Rose Position 9
 - iii. Mario Castillo Position 10

**Directors Reappointed to the Board*

City of Houston Council Member Jerry Davis then formally conducted the swearing-in ceremony and oath of office pledges for the above listed appointees to the HLB's Board of Directors. The appointees then executed the written Oath of Office form to be held on file with the City of Houston.

IV. Adopt Minutes of Previous Meeting – November 8, 2018

Chairman Nicholas Hall noted that the minutes for the Board of Directors special meeting held on November 8, 2018 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 Zeis made a motion to approve the minutes of the special Board meeting held on November 8, 2018, which motion was duly seconded by Pastor Hall and passed by the unanimous vote of the Board.

V. Presentation by Houston Land Bank CEO/President

Ms. Haynes presented a brief overview of the operations update. She stated that the temporary office is now fully functional with the purchased equipment and health insurance for the staff members. Further, an on-call broker has been employed to assist with marketing the NHDP properties in Acres Home. The Fiscal Year 2018 Audit has now been completed and will be presented to the Board at the next meeting. Also, the Phase 1 Inventory Audit has been completed.

Ms. Haynes reported that she has met with state legislators and City Council Members with regard to the proposed legislation prepared for the HLB and attended the presentation to the Houston City Council Housing and Community Affairs Committee on January 22, 2019.

Ms. Haynes then noted that she is hiring more staff for the positions of Operation Manager and Real Estate Program Manager and noted that Ty Anderson has relocated to Denver, Colorado and is no longer an employee of HLB. She is initiating financial planning and updating the accounting process and quick books transitions. Also, she is preparing the first annual builder survey to acquire status updates from the builders for requalification and for updating the HLB database.

Sam Dike, the Vice President of Community and Partnerships, will be in charge of the Good Neighbor Plan established to maintain the lots and develop strategies and programs for community engagement.

Ms. Haynes reported that the HLB has 525 properties in its inventory, however 130 of those properties are designated for the New Home Development Project in Acres Home, two are covered by Urban Garden Leases, and six are designated as strategic properties.

The results of the Property Conditions Report indicated that most of the lots are in fair to poor conditions. Observed conditions included wooded lots, fenced lots, lots occupied with boats, animals, and one small business. Ms. Haynes noted that two of the contractors completed the reports differently, therefore visual inspections will be necessary to align the reporting.

Ms. Haynes then discussed the new legislation relating to land banks to better align various organizing statutes and provide opportunity to auction land expeditiously. She attended the Opening Day of the Texas State Legislature and met with the legislators and/or their staff of nearly every district in the Houston Delegation garnering broad support. Sam Dike stated that the land bank legislation has now been introduced into legislative counsel through State Representative Senfronia Thompson. He expects to hear from legislative counsel within the next few weeks.

Ms. Haynes then proceeded to update the Board on the progress of the partnership with the City to construct 130 new houses in Acres Home. The first eight houses were completed in January and are ready for sale. Eighteen houses are now under construction with ten about to start and ten others under consideration for contracting. These lots are being sold to homebuyers, rather than builders, which differs from prior projects wherein the lots were sold to builders.

Ms. Haynes stated that the HLB will be focusing on preparing a strategic plan for each unique neighborhood to leverage scale with the homebuilders who have a proven track record with HLB. Initially, HLB will begin preparing neighborhood-centric strategies for the Acres Home, Third Ward, and Sunnyside neighborhoods. In Acres Home, she noted that there is more opportunity to purchase lots for affordable housing; however, in the Third Ward, the downtown development is progressing in the direction of the Third Ward.

Ms. Haynes will also prepare a proposed budget for consideration at the next meeting. Currently, HLB is under budget.

Finally, Ms. Haynes requested input from the Board with regard to the strategic planning structure and dates for a Board retreat.

VI. Consideration and possible action to appoint Stephan Fairfield as Chairman of the Advisory Board

Chairman Hall recommended that Stephan Fairfield, a former Director of the HLB, be appointed as Chairman of HLB's Advisory Board. Director Galloway asked, what is the role of the Advisory Board? Chairman Hall explained that the Advisory Board was formed approximately two years ago for executive leadership to have a resource regarding the past endeavors of the HLB and guidance to successfully achieve current goals. Ms. Galloway requested that the purpose/duties of the Advisory Board be placed in writing for the HLB's records. Chairman Hall stated that the experience and influence of Steve Tinnermon who is the current advisor to the HLB will be assisted with the experience and knowledge with regard to affordable home development and related financing for home buyers held by Stephan Fairfield.

Director Marquéz made a motion to appoint of Stephan Fairfield to serve as Chairman of the Advisory Board, which motion was duly seconded by Director Zeis and passed by the unanimous vote of the Board.

VII. Consideration and possible action to elect Director Matt Zeis as Treasurer of the Board of Directors

Chairman Hall recommended that Director Zeis be elected to serve as Treasurer of HLB's Board of Directors. Director Zeis has been the Chair of the HLB Finance Committee for several years and has a Master in Business Administration degree.

Pastor Hall made a motion to elect of Director Zeis to serve as Treasurer of the Board of Directors of HLB, which motion was duly seconded by Director Galloway and passed by the unanimous vote of the Board.

VIII. Consideration and possible action to elect Director Mario Castillo as Secretary of the Board of Directors

Chairman Hall recommended that Director Castillo be elected to serve as Secretary of the Board of Directors of the HLB because he has experience with handling secretarial duties, including but not limited to, preparing the minutes of the meetings for other community boards in Houston.

Pastor Hall made a motion to elect of Director Castillo to serve as Secretary of the HLB's Board of Directors, which motion was duly seconded by Director Zeis and passed by the unanimous vote of the Board.

IX. Consideration and possible action to approve the Interim Procurement Policy

Chairman Hall stated that this policy will allow Ms. Haynes to operate the day to day functions of the HLB which will alleviate him from having to sign checks for minor matters such as the purchase of a projector. Ms. Haynes stated the HLB has a Procurement and Policy

handbook that was recently approved by the Board. However, she noted that there was not a lot about procurement in the handbook to obtain the best qualified services and equal representation from small businesses. The handbook will need to be updated after the Strategic Planning meetings with the Board over the next few months.

Director Collins made a motion to table this agenda item, which motion was duly seconded by Director Marquéz.

Mr. Zeis recommended amending Item 2 with regard to delegating authority to act on matters under \$50,000.00 to include "as funds are available in the budget."

Director Castillo asked how long before the permanent procurement policy will be in place. Ms. Haynes stated that it will be a couple of months before the permanent procurement policy is completed for examination and consideration by the Board.

Director Rose announced that she is abstaining from voting on this agenda item.

Directors Collins, Galloway, and Marquéz voted in favor of tabling this agenda item and Chairman Hall, Pastor Hall, Director Castillo, Director Zeis, Director DeAnda, and Director Vasquez voted against the motion to table this agenda item. Director Rose abstained from voting on this matter. Therefore, the motion to table this agenda item did not pass.

Director Zeis then made a motion to approve the Interim Procurement Policy with the amendment to item 2 to be in line with the budget, which motion was duly seconded by Director DeAnda and passed with the majority of aye votes of the Board, and with Directors Collins, Galloway, Marquéz, and Rose abstaining from voting on this matter.

X. Consideration and possible action to approve the resolution (1) establishing 12-1:00 p.m. CST on the second Thursday of each month as the regular meeting date for the Board of Directors, and (2) not having a regular meeting for the months August and December.

Director Marquéz made a motion to schedule the regular Board meetings for the second Thursday of each month except for August and December where no meetings will be conducted, which motion was duly seconded by Director Zeis and passed with the unanimous vote of the Board.

XI. Ratification of Contract No. 102417-01 with Houston Business Development, Inc. to begin construction of affordable homes on lots subject to possibility of reverter

Ms. Haynes reported that Houston Business Development, Inc. ("HBDI") is requesting the Ratification of Agreement Regarding Reverted Lots concerning five lots in Acres Home. The title to such lots closed in December 2017, however, due to delays with permitting HBDI, requested an extension of the original construction timeline which the Board granted in July 2018. Then in August, HBDI requested a subordination of HLB's reversionary rights in favor of its lender, Local Initiative Support Corporation, a New York not for profit corporation ("LISC"). Due to the transition from LARA to HLB and HBDI's request for subordination, the construction commencement date was again compromised. LISC agreed not to require a subordination of the

reverter rights and HLB agreed to approve the Agreement Regarding Reverted Lots which again resets the clock for construction of the affordable houses and security to HLB if construction does not proceed as required.

Discussion then ensued with regard to the date the Agreement should be made effective. It was agreed to use the date LISC signed the document as the effective date.

Director Castillo made a motion to ratify Contract No. 102417-01 with Houston Business Development, Inc. which motion was duly seconded by Director Marqu ez and passed by the unanimous vote of the Board.

XII. Public Comments

Ms. Felicia Lacy with the Texas Organizing Project asked the Board for information with regard to the sales prices for the affordable houses being constructed in Acres Home. Ms. Haynes stated that the meeting among HLB, the real estate broker, and the builder to determine the price of the new affordable houses in Acres Home has not yet occurred. Ms. Lacy stated that she lives in the Sunnyside neighborhood and the house being constructed next to her house is selling for \$240,000.00. Ms. Haynes stated that the HLB affordable houses are capped at \$212,000.00, therefore the lot next to her lot would not be an HLB lot.

Verone Sesco, a representative of the Texas Organizing Project, stated she goes out into the low income communities to understand how the HLB housing process works so that the community can be represented during the acquisition of land and construction of affordable housing process.

XIII. Board Member Comments

Director Castillo asked if the Board meetings could be live-streamed so more constituents would have access to the Board meetings. Ms. Haynes stated she would endeavor to have the future Board meetings recorded and available on the HLB website to provide greater accessibility to the public. Director Collins requested the name of the on-call real estate broker for properties in Acres Home. Ms. Haynes informed him that Ann Watkins of The Watkins Group Realty is the on-call broker handling the lots in Acres Home. In addition, Ms. Haynes announced that the HLB is working with Row House Community Development Corporation to acquire land in the Third Ward suitable for affordable housing including apartments.

XIV. 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 1:26 p.m.

Minutes Prepared By:

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

Signed on the ____ day of _____, 2019.

President