

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

February 13, 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 of Houston Permit Building, 900 Bagby Street, City Hall Annex, Council Chambers, Houston, Texas, on Thursday, February 13, 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	Mario Castillo
Pastor Steve Hall	Curtis Lampley
Ana Yáñez-Correa	Courtney Johnson Rose
Vincent Marquéz	

Board members absent were: David Collins, John Vasquez, Jesus DeAnda, Matt Zeis, Carol Galloway and 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; Marye Barba, Administrative Assistant for HLB; Greg Erwin and Mark Glanowski (Paralegal) of Winstead PC, outside legal counsel for the HLB; Sam Dike, Vice President of Community and Partnerships for HLB; Gracie Saenz, In-house counsel for HLB; Darice Harris, Compliance Officer for HLB; and Lance Gilliam with Harris County Precinct No. 1.

I. Call to Order and Roll Call

Chairman Nicholas Hall called the meeting to order at 12:25 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 Previous Meetings

a. Adopt Minutes of Regular Meeting on January 9, 2020

Chairman Hall noted that the minutes for the Board of Directors regular meeting held on January 9, 2020 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.

b. Adopt Minutes of Special Meeting on January 29, 2020

Chairman Hall then noted that the minutes for the Board of Directors special meeting held on January 29, 2020 were previously circulated for review and comment. He asked if there were any discussion and/or comments to these 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. Public Speakers

Nothing to report.

IV. Chairman's Greeting—Nicholas Hall, Chair

Chairman Hall thanked the Board members in attendance for being available for this meeting. He then informed the Board that the Housing Collaborative is conducting a Housing Affordability Breakthrough Challenge conference call today at 3:00 p.m. and encouraged the Board members to attend this initiative because HLB is a member of the Housing Collaborative.

V. Committee Reports

a. Program Committee: Curtis Lampley

Director Lampley reported that the Program Committee met on February 6, 2020 to continue working on the lot disposition program including changes and amendments to the terms of the lot acquisition contracts. Also, on February 10, 2020 the Program Committee attended two orientation sessions with the recently approved home builders to discuss the reporting dashboard now required by the HLB to track the progress of the construction of the affordable houses and the sales of such houses.

Mr. Dike stated that HLB is now selling its lots at an increased cost basis rather than under the \$1 Lot Program. Director Marqu ez informed the Board that one home builder attempted to change the construction plans from pier and beam foundation to concrete slab foundation and increase the selling price of the house. Directors Lampley and Marqu ez toured the lots on Knox Street but did not see any framing for houses on those lots. They also toured the house at 3013 Bolt Street and were pleased with the progress of construction to complete this house except for the light insulation by the attic door.

b. Partnership Committee: Courtney Johnson Rose

Director Rose reported that the Partnership Committee met on January 28, 2020 with the Community Land Trust and with Wells Fargo Bank to develop relationships for the affordable housing programs in the Complete Communities. She then stated that the Partnership Committee

met with the Marketing Committee to discuss HLB's website which recently had a major overhaul.

c. Marketing Committee: Vincent Marquéz

Director Marquéz informed the Board that representatives with the New Home Development Program will be meeting with the Marketing Committee for an educational session to understand the process of closing the sales of the affordable houses because it is a complicated process.

d. Oversight Committee: Mario Castillo

Director Castillo reported that the Oversight Committee met on February 7, 2020 to discuss new computer software for the pilot program, reviewed the new Lot Acquisition Contract terms and provisions, and discussed the changes to the policies and procedures of the HLB.

VI. Consideration and possible action to create the Ad Hoc Policies and Procedures Committee

Ms. Haynes informed the Board that this new committee would be responsible for HLB's policies and procedures. This committee will be chaired by Chairman Hall and will review all proposed changes.

Director Rose made a motion to create the Ad Hoc Policies and Procedures Committee which motion was duly seconded by Director Marquéz and passed by unanimous vote of the Board. Director Yanez-Correa requested to serve on this new committee.

VII. President's Report: Anne Gatling Haynes, CEO/President

Ms. Haynes informed the Board that she will be attending the Texas Association of Community Development Corporation conference to be held in Corpus Christi during March 1-3, 2020 and welcomed any Board members to also attend. She is preparing a budget for attending this conference and requested that anyone wishing to also attend let her know as soon as possible.

She noted that six Board members attend the Community Land Trust and HLB partnering session to learn more about the partnerships and the Catalytic Land Cohort program with the cities of Atlanta and Portland.

She then reported that the HLB staff participated in three Complete Community planning sessions last month in the Kashmere Gardens, Magnolia, and Sunnyside neighborhoods. The HLB staff meet with the local leaders and community members in each of these neighborhoods. Director Galloway attended the session held in Kashmere Gardens. Also, on January 26, 2020 a Brunch-N-Launch open house was held for the Phase III and Phase IV houses by the two new listing brokers and HLB staff. Over 100 residents and home buyers attended this event to walk through five open houses available for purchase on Willow and Sealey Streets.

Ms. Haynes then informed the Board that final discussions were held with the Houston Community Development Department in connection with the revised primary Operations Grant and Amended and Restated Acquisition and Development Agreement concerning the reimbursement of administrative costs for HLB. The Operations Grant will provide additional administrative and program funding for Fiscal Year 2020-2021 while the Acquisition and Development Agreement is being revised to track more closely the day-to-day operations of the HLB with the New Home Development Program. Ms. Haynes reported that upon reviewing the time sheets of the HLB employees it was determined that 50% of employee time is for work related to the HLB housing program and 50% to the New Hope Development Program.

She noted that a significant amount of time is required for invoicing of HCDD activities between HLB's internal staff and the external bookkeeper because billing for utilities, security and marketing costs for the New Home Development Program is complex. Improved processes will be needed to streamline this work.

She then reported that the HLB has posted the Accounting Manager position and is finalizing the RFQ for legal services to provide a broader pool of legal services as needed, and is now drafting an RFQ for Bookkeeping/Accounting services.

Ms. Haynes then updated the status of matters relating to legal and compliance which included finalizing the draft of the new Lot Disposition Contract with the Program Committee and outside legal counsel and finalizing new compliance procedures for new lot disposition activities. In addition, the Limited Waiver of Reverter was completed which will assist lenders with their concerns with HLB's reverter rights when funding construction financing. Further, an inventory reconciliation was completed for all properties sold in 2019 and all former strike-off properties in coordination with the law firm of Linebarger Goggan Blair & Sampson, LLP.

Ms. Haynes next reported that the current inventory of HLB properties as of February 1, 2020 now totals 559 properties with 249 properties being held for the Houston Housing and Development Department, and 20 of those properties being held for the CHDO program. The remaining properties for disposition are still under review by the Program Committee which are primarily located in the Sunnyside, Trinity Gardens, and Settegast neighborhoods.

She then reported that 50 affordable houses were sold in 2019 and one in January 2020. There are now 38 houses under development related to prior lot purchase contracts which were recently revised under reset agreements. The Lot Maintenance Manager is visiting the properties to verify the status of construction of the affordable houses under the lot acquisition contracts.

Mr. Dike then addressed the Board to report on the progress of the Lot Disposition Program and the New Home Development Program. As promised to the Board at the January 29th Special Board meeting the public lot disposition website for the home builders to bid on was launched as of yesterday. A kick-off meeting was held on Monday with the builders to announce the new Lot Disposition Program for construction of affordable housing. Mr. Dike reported that 13 builders have submitted the forms required to indicate they are interested in purchasing certain lots. The Program Committee will then review the submitted applications. HLB will be conducting a builder open house every Wednesday where builders will be able to

select times to discuss with HLB the new lot purchase process and submit questions. The answers to such questions will be submitted to the other builders to keep them informed as well.

He then informed the Board that 13 houses of the 35 made available to the New Home Development Program have been sold to date and 3 are under contract to sell this month. An additional 19 houses have been made available to this program about two weeks ago. And four houses are still under construction.

VIII. Executive Session

a. Request by CEO/President for executive session for approval of amendments to Contract No. 072517-03 for Urban Meridian.

At 1:04 p.m. Chairman Hall announced that the meeting will now be conducted in Executive Session.

Director Castillo made a motion to end the Executive Session of the meeting which was duly seconded by Director Rose and passed by the unanimous vote of the Board.

Chairman Hall announced that the Board meeting has now returned to an open session at 1:27 PM.

During the open session Director Marquéz made a motion to approve the requested amendments to Contract Nos. 072517-01 and 072517-03 with Urban Meridian which motion was duly seconded by Director Castillo and passed with the unanimous vote of the Board. The reset agreements will be written with the 120 days (4 months) for permitting and 150 days (5 months) for construction (270 days – 9 months total).

b. Request by CEO/President for executive session for approval of amendments to Contract No. 102417-01 for Houston Business Development Inc.

Chairman Hall announced that this item has been pulled from the Agenda.

IX. Board Member Comments

Director Lampley announced that he wishes to be included as part of the discussion when existing lot acquisition contracts are re-bid with the home builders.

X. 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 1:29 p.m. upon the motion of Director Collins and duly seconded by 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 _____, 2020.

President