

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

November 12, 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 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, November 12, 2020 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	Curtis Lampley
David Collins	Jesus DeAnda
Carol Galloway	Victor A. Mondragón
Mario Castillo	Courtney Johnson Rose
John David Vasquez	Antoinette Jackson

Board members absent were: Laurie Vignaud 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; David Benson, Director of Organizational Excellence for HLB; Marye Barba, Administrative Assistant for HLB; Ivan Zapata, Program 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, Director of Finance and Accounting for HLB; Gracie Saenz, In-house counsel for HLB; Darice Harris, Legal Counsel and Program Director for HLB; Christa Stoneham, Board Liaison Ex-Officio Board Member; 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 Stout of the Houston Housing and Community Development Department; and Kiona Davis, a resident in Settegast.

I. Call to Order and Roll Call

Chairman Matt Zeis called the regular meeting to order at 12:02 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 asked if Kiona Davis was present. Ms. Davis acknowledged that she was in attendance to inform the Board of the illegal dumping occurring in Settegast. Ms. Davis stated that she lives on Sparta Street in Settegast. She then mentioned HLB owns 13 lots on this same street which have not been frequently inspected because there is a lot of dumping of trash occurring on these lots which detracts from the neighborhood. Chairman Zeis stated that illegal dumping on HLB property is a concern that the HLB discusses every week to find solutions to reduce this activity. Ms. Davis described the debris as building materials, tree trunks/limbs and canisters. Ms. Galloway asked if she called 3-1-1 to report the illegal dumping. Ms. Davis confirmed she had called 3-1-1 but nothing has been done to correct the illegal dumping problems for the past two years. Then she contacted Jen Allison at HLB who was able to have the lot next to Ms. Davis' house cleaned up. Ms. Allison informed Ms. Davis to call her at any time she sees illegal dumping occurring in Settegast. Ms. Haynes mentioned that more illegal dumping occurs in Settegast than in the other HLB neighborhoods and will schedule more visits in Settegast.

Director Lampley recommended contacting the City councilperson responsible for the Settegast neighborhood to have cameras installed to catch the persons responsible for the illegal dumping and prosecute them. The Board thanked Ms. Davis for addressing this situation with the Board.

Ms. Haynes then announced that Lisa Walker also signed up to attend the meeting but did not wish to speak to the Board.

III. Adopt Minutes of October 8, 2020 Regular Meeting

Chairman Zeis noted that the minutes for the 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, Chairman Zeis requested a motion to adopt the minutes.

Director Galloway made a motion to adopt the minutes of the October 8, 2020 regular meeting, which motion was duly seconded by Director Mondragón and passed with the unanimous vote of the Board.

IV. Chairman's Greeting—Matt Zeis, Chair

Chairman Zeis thanked the Board members in attendance for volunteering and being available for this meeting concerning this worthy cause. He then stated that there will be a Board Meeting on December 10, 2020 due to the number of matters which need attention prior to the January 2021 meeting.

Chairman Zeis noted that yesterday was Veterans Day and thanked Directors Hall and Collins and Ivan Zapata for their military service. He also wished everyone a safe Thanksgiving holiday later this month.

V. Committee Reports:

a. Finance Committee: Laurie Vignaud, Chair

Chairman Zeis stated Ms. Vignaud is not present for today's Board meeting; therefore, he reported that the Finance Committee met to review the Profit/Loss Balance Sheet, a copy of which is in the Board packet for the meeting.

b. Program Committee: Curtis Lampley, Chair

1. Update on Results of Builder RFQ and Recommendations for Qualified Builders (see item VII.a. below)

Director Lampley reported that the Program Committee is recommending six new home builders to become Qualified Builders which is on the Agenda for approval by the Board later in this meeting.

Director Lampley then stated that the Program Committee also has been working with HLB staff to create a revised program in order that lots in the old Right of First Refusal Program can be sold pursuant to the new revised guidelines. Lastly, he mentioned that the Program Committee continues to research the lumber material pricing issues with HLB's current home builders.

c. Oversight Committee: Mario Castillo, Chair

1. Update on HLB Lot Maintenance Program

Director Castillo reported that the Oversight Committee met on November 5, 2020 to discuss the status of the Lot Maintenance Program Contract.

Director Castillo stated that the Oversight Committee is examining the Lot Maintenance Program Contract and the current expenditures for lot maintenance against the budget, and the cycle of maintenance for the lots in the HLB inventory. He hopes to have the recommendations of the Oversight Committee with regard to the Lot Maintenance Program Contract available for the Board's review at the January 2021 meeting.

d. Partnerships Committee: Courtney Johnson Rose, Chair

Chairman Zeis noted that there will be no Partnerships Committee report for today's meeting.

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

Ms. Haynes reported that she gave a presentation to the Greater Houston Community Foundation a couple of weeks ago on a panel discussing housing issues. Also, Director Mondragón presented the HLB program to the Charla Comunitaria which is an activity of the My Home is Here campaign concerning the HLB's work. She stated that the HLB is continuing to look for resources to help support current and future activities. HLB submitted an application

for a grant to the US EPA Brownfields Program as a coalition with the City of Houston and Avenue CDC with regard to environmental issues found on the real property. She noted that March 2021 would be the earliest to receive confirmation of the grant. HLB also applied to the JPMorgan Chase Foundation with regard to the Gulfton neighborhood which is part of the Complete Communities. Next, she mentioned that there was an Ad Hoc Committee meeting on October 31 to continue to discuss the goals of the HLB for the next several years and that there will be another meeting before it submits its recommendations to the Board for review and finalization of a Strategic Plan.

Ms. Haynes reported that there were six lots closed from a prior Board approved lot disposition program and six houses sold under the New Home Development Program. She noted that there are 23 houses under development in the NHDP which will be placed with HLB inventory in a couple of months. In addition, there are 89 properties under development between the two programs. Ron Butler and Jen Allison participated in a walk through for the 33% construction review during the past week on a number of NHDP houses. In addition, there are five houses which are further along in development so these will be the first ones to be delivered to HLB for marketing and sale. HLB is working diligently with the Houston Housing Department on a series of pre-sales marketing opportunities prior to the completion of construction of the houses.

Ms. Allison reported that there are five houses stuck in limbo. One is stuck in permitting, and there are eight that are 66% complete as of two weeks ago. She noted that 47 houses were permitted as of last week and construction will start soon.

Ms. Haynes mentioned that she will be scheduling a lender's forum to align home builders and homebuyers with financing for the purchase of the HLB affordable homes.

Lastly, she mentioned there are 525 properties currently in the HLB inventory of which approximately 226 are being held for the Houston Housing Department and 17 for the CHDO program for development of affordable housing.

VII. Board Action Items

Chairman Zeis then stated that items VII.e and VII.f are being pulled from the Agenda for today's meeting and moved to the December meeting for consideration.

a. **Consideration and Possible Action to Approve Program Committee Recommendations for New Builders for Potential Property Transfer and Construction of Affordable Homes Through the Houston Land Bank Housing Initiative**

1. Byrdson Services LLC (dba Excello Homes)
2. St. Bernard Project, Inc (dba SBP, Inc)
3. Nelrod Properties LLC
4. Lawrence Builders

5. L.I.Z. Enterprises
6. Europa Homes Corporation

Director Lampley made a motion to approve the Program Committee recommendations for the new home builders itemized above for construction of affordable houses through the Houston Land Bank Housing Initiative, which motion was duly seconded by Director Mondragón and passed with the unanimous vote of the Board.

b. Consideration and Possible Action to Acquire Two Parcels in Settegast:

1. 0 Bobby Burns: HCAD 0121840000004, \$8,500
2. 0 Bobby Burns: HCAD 0122690000004, \$8,500

Director Galloway made a motion to acquire the two parcels in Settegast itemized above, which motion was duly seconded by Director Jackson and passed with the unanimous vote of the Board.

c. Consideration and Possible Action to Direct Staff to Secure Financing Not to Exceed 70% of the Estimated \$9.6 Million Cost of Possible Acquisition of 6.8 Acres in the Near Northside Area of Houston for the City of Houston's New Home Development Program Under the Auspices of the Acquisition and Development Agreement

Director DeAnda made a motion to direct staff to secure financing not to exceed 70% of the acquisition cost of 6.8 acres in the near northside of Houston for the New Home Development Program, which motion was duly seconded by Director Castillo and passed with the majority vote of the Board as Directors Collins and Galloway abstained from voting.

d. Consideration and Possible Action to Direct Staff to Secure Financing Not to Exceed 70% of the Estimated \$2 Million Cost of Possible Acquisition of 1.77 Acres in the Magnolia Park/East End Area of Houston for the City of Houston's New Home Development Program Under the Auspices of the Acquisition and Development Agreement

Director Lampley made a motion to direct staff to secure financing not to exceed 70% of the acquisition cost for 1.77 acres in Magnolia Park for the New Home Development Program, which motion was duly seconded by Director Mondragón and passed with the majority vote of the Board as Director Galloway abstained from voting on this Agenda item.

e. Consideration and Possible Action to Delegate Authority and Direct Staff to Acquire Up To 6.8 Acres in Houston's Near Northside Area for a Price Not to Exceed \$9.6 Million for the City of Houston's New Home Development Program Under the Auspices of the Amended and Restated Acquisition Agreement with the City of Houston (HCAD Numbers Listed Below)

1. HCAD 0310230000001

2. 0310300000011
3. 0310300000008
4. 0310300000004
5. 0310300000005
6. 0310230000003
7. 0312350000001
8. 0312350000002
9. 0310160000001
10. 0310130000009
11. 0310130000005
12. 0310130000004
13. 0310130000003
14. 0310130000002
15. 0310130000011
16. 0310130000001

This Agenda item was pulled from consideration at this meeting and will be addressed at the December 2020 Board meeting.

f. Consideration and Possible Action to Delegate Authority and Direct Staff to Acquire 1.77 Acres in Houston's Magnolia Park/East End Area for a Price Not to Exceed \$2 Million for the City of Houston's New Home Development Program Under the Auspices of the Amended and Restated Acquisition Agreement with the City of Houston (HCAD Numbers Below)

1. HCAD 0250950000034
2. 0250950000033
3. 0250950000031
4. 0250950000029
5. 0250950000027

6. 0250950000025
7. 0250950000022
8. 0250950000020
9. 0250950000018
10. 0250950000015

This Agenda item was pulled from consideration at this meeting and will be addressed at the December 2020 Board meeting.

g. Consideration and Possible Action Regarding Amending the Fiscal Year 2021 Budget to Realign Expenditures and Revenues

Mr. Gonzalez provided a screen shot of the proposed changes to the 2021 Fiscal Year Budget previously approved by the Board on June 11, 2020 with the condition that certain current outside consultants providing services for bookkeeping, accounting, and legal be maintained at existing levels with the budget adjustments requested by the Houston Community Development Department due to the shortfall the City of Houston is experiencing, and therefore decreasing its TRIZ funding expenditures to the HLB in the amount of \$278,243.00. The changes to the 2021 Fiscal Year Budget mandated by the HCDD are highlighted below:

- Under Professional Services the HLB had budgeted for a lobbyist, however, the HCDD declined to reimburse the HLB for this expense based on the fact it's the City's task to advance lobbying.
- HLB had budgeted a company car purchase, but HCDD did not support the expense of purchasing/owning a car and preferred HLB leasing a vehicle because it's more cost effective with the maintenance included.
- HLB had budgeted for two additional headcounts for a Communications Director and for a Marketing/Sales Manager, however, the HCDD requested that such positions be removed since they are not needed to currently operate both existing programs.
- Lastly the HCDD rejected keeping the existing consultants for Bookkeeping and Accounting due to being more cost effective by internalizing the positions.

Director Lampley stated that the Board had approved the existing bookkeeper and accountant for the 2021 Fiscal Year Budget. Director Collins confirmed that the Board did approve expenses for the existing bookkeeper and accountant in the 2021 budget. Chairman Zeis explained that the Houston Community Development Department is not in agreement with regard to these four budget items and will not reimburse the HLB for such items from the TRIZ funds it shares with the HLB. He noted that alternatively the HLB could use its own funds from the HLB Traditional Program income to fund the existing external services for bookkeeping and accounting as approved in the budget.

Anderson Stout explained that each division within the HCDD receives an allocation from the TRIZ funding every year. The allocation for his division is not sufficient to support all of the activities he needs to accomplish. At least 60% of his division's TRIZ funds goes to the HLB and therefore he has to determine which costs he can get approved by the City when the budget goes back to the City for approval. At this time only \$2 Million of the \$3.65 Million requested by the HLB has been approved by the City. He believes the HLB should be running out of funds at the end of November 2020 and will need \$1.65 Million to get to June 2021.

Chairman Zeis reiterated that the Houston Community Development Department did not approve the costs for services of a lobbyist and will not reimburse such expenses pursuant to the Operations Agreement. Should the HLB decide to retain its outside bookkeeper and accountant and employ a lobbyist it would decrease the HLB Fund Balance by \$157,060.00 and bring the projected balance to \$430,574.00 for the 2021 Fiscal Year Budget.

Director Collins asked why this is now all of a sudden being brought to the Board since the HLB has other sources of funds to pay for these external professional services. He stated that this situation has never occurred before and appears to be strange for it to be happening now.

Chairman Zeis also mentioned that contracts for bookkeeping, accounting, and legal services are currently under negotiation. Ms. Haynes stated that the car purchase in the budget was not approved by HCDD as it appears renting/leasing a car is more cost effective and that this is something that can be discussed at a later date.

Director Lampley made a motion for HLB to realign its expenditures based on the revised 2021 Budget items recommended by the HCDD, which motion was duly seconded by Director DeAnda. Director Collins then made a motion to amend the motion to table this Agenda item for further discussion by the Board. Director Lampley stated he would accept the amended motion by Director Collins which Director DeAnda also agreed to accept as the amended motion to table this Agenda item for further discussion, which passed with the unanimous vote of the Board.

h. Consideration and Possible Action to Accept Proposed Pre-Qualified Vendors for Urban Planning and Market Analysis Services and to Set a Not-To-Exceed Amount to be Paid for Services from Each Vendor

1. James Lima Planning and Development
2. HR&A Advisors
3. Torti, Gallas & Partners
4. Gensler
5. APD Urban Planning & Management
6. Community Lattice
7. Utile

8. Asakura Robinson

Director Collins made a motion to table this Agenda item for further discussion by the Board which motion was seconded by Director Lampley and passed with the unanimous vote of the Board.

VIII. Executive Session Items (Discussion may occur in executive session as provided by State law, but all Board actions will be taken in public)

Director Galloway requested that the Board discuss Agenda item VII.c in Executive Session. Ms. Haynes noted that this item only concerns the financing of the acquisition and not the acquisition of the property.

Director Galloway then made a motion to move the meeting into Executive Session to discuss this Agenda item, which motion was duly seconded by Director Lampley and passed by the unanimous vote of the Board.

The meeting was moved into Executive Session at 12:40 pm to discuss item VII.c of the Agenda to approve funding of the acquisition for the New Home Development Program before the funding is approved by City Council next week so that the property can be acquired.

Chairman Zeis requested a motion to return the meeting back into Open Session. Director Mondragón made a motion to return the meeting to open session, which motion was duly seconded by Director DeAnda and passed with the unanimous vote of the Board. Chairman Zeis noted that the meeting returned to Open Session at 1:32 PM.

IX. Action Items from Executive Session.

See above.

X. Board Member Comments

Director Jackson invited the Board to attend the Forum on Affordable Housing and Community Development Law on Tuesday, November 17, 2020 with Richard Rothstein, the author of “The Color of Law: A Forgotten History of How Our Government Segregated America”.

XI. Adjournment

Chairman Zeis asked if there were any additional matters to be considered by the Board. Hearing none, the regular Board meeting adjourned at 1:55 p.m. upon the motion of Director Lampley, 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

Signed on the ____ day of _____, 2020. 12 / 22 / 2020

Mario Castillo

Secretary

TITLE	November 12 Minutes
FILE NAME	Minutes - HLB Mee...9-3651-4258 1.doc
DOCUMENT ID	fff392dd6e8251d179bdc90d2ae93a476ff6feaf
AUDIT TRAIL DATE FORMAT	MM / DD / YYYY
STATUS	● Completed

Document History



SENT

12 / 22 / 2020
16:15:51 UTC

Sent for signature to Mario Castillo
(mcastillo@houstonlandbank.org) from
ahaynes@houstonlandbank.org
IP: 209.6.114.85



VIEWED

12 / 22 / 2020
17:38:21 UTC

Viewed by Mario Castillo (mcastillo@houstonlandbank.org)
IP: 172.56.12.170



SIGNED

12 / 22 / 2020
17:38:41 UTC

Signed by Mario Castillo (mcastillo@houstonlandbank.org)
IP: 172.56.12.170



COMPLETED

12 / 22 / 2020
17:38:41 UTC

The document has been completed.