

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

October 17, 2024

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 at 50 Waugh Drive, Houston, Texas, on Thursday, October 17, 2024 at 12:00 p.m. Written notice of the rescheduled 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:

Elaine Morales	David Collins
Matt Zeis	Danielle Keys Bess
Tonzaino Bailey	Janae Ladet
Francisco Castillo	

Board directors absent were: Marilyn Muguerza, Chrishelle Palay and Dwantrina Russell. Others in attendance included: Christa Stoneham, Chief Executive Officer/President of the HLB; Isai Mendez, Finance Director for the HLB; Lindsey Williams, Director of Community Development for the HLB; Donesha Albrow, Operations Manager for the HLB; LeKendra Drayton, Administrative Assistant for the HLB; Graciela Saenz, outside legal counsel to the HLB.

I. Call to Order and Roll Call

Chairman Zeis called this regular meeting to order at 12:11 p.m. A roll call of the Board members attending in person immediately followed. Chairman Zeis then announced that an in-person quorum of the Board was present for this meeting.

II. Public Speakers & Registered Attendees

Nothing to report.

III. Consideration and Adoption of Meeting Minutes

a. September 12, 2024 Board Meeting

Chairman Zeis then announced that the minutes for the September 12, 2024 regular meeting of the Board were previously circulated for review and comment. He asked if there were any comments and/or changes for discussion to such minutes.

Director Bess then made a motion to approve the minutes as written of the Board meeting held on September 12, 2024, which motion was duly seconded by Director Bailey and passed with the unanimous vote of the Board.

IV. Chairman's Greeting: Matt Zeis

Chairman Zeis thanked everyone for attending today's meeting. He then stated that he attended the ground breaking ceremony and demolition of the old buildings at the former Yellow Cab site along with Harris County Commissioner Adrian Garcia, representatives of Precinct 1 and Precinct 2, and Director Bess and Director Russell of the HLB Board of Directors.

Chairman Zeis then mentioned that the Board will need to meet in November and December. The November meeting will be scheduled for November 14, 2024, which is the regular meeting date, however, he would like to schedule the December meeting earlier in that month possibly on December 3, 2024, and have a social event thereafter with the Directors and HLB staff.

V. Committee Reports:

a. Executive Committee: Matt Zeis, Chair

Chairman Zeis reported that the Executive Committee met on October 7, 2024, to discuss the partnership with Harris County for the Yellow Cab housing development, the pending projects in the Fifth Ward and Settegast neighborhoods, grant funding for Settegast area for infrastructure, and the re-platting for larger lots to provide additional inventory to build more affordable houses.

b. Finance Committee: Danielle Keys-Bess, Chair

Mr. Mendez reported that the Finance Committee met on September 26, 2024 with the auditor A Bricks Coggin CPA, LLC to discuss the results of the financial external audit for the year ending June 30, 2024, and the addition of the HLB Fund to the financial statement which was a challenge. He then informed the Board that no findings or issues were disclosed by this audit.

c. Partnership and Program Development Committee: Chrishelle Palay, Chair

Ms. Williams reported that the Partnership and Program Committee did not meet this month. She noted that the community purpose lots, the submitting of grant forms to the EPA with regard to the Valesco incinerator remediation, and acquiring property between the HLB and Houston Housing Development are moving forward. She then mentioned that the kickoff for the Finding Home Initiative is scheduled for November 20, 2024.

d. Real Estate Acquisition and Disposition Committee: Tonzaino Bailey, Chair

Directory Bailey reported that the READ Committee held a meeting on September 25, 2024, to discuss acquisitions in Settegast, and lot maintenance and clean-up activities caused by illegal dumping, and including one lot where a developer across the street is dumping dirt on the HLB lot. The committee also discussed status of the litigation with Ms. Carr, a lot acquisition in Settegast to add to the stock there, disposition of a lot to a church for parking, and properties out of compliance including but not limited to the Mayberry Homes compliance issue.

Director Bailey noted that the RFQ for home builders closed in August and 27 submissions were received and reviewed by the committee. Also, the Greater American Episcopal Church has

offered to pay \$5,000.00 for HLB lots, however the market value for such lots is more like \$21,000.00.

e. **Procurement and Oversight Committee: Elaine Morales, Chair**

Director Morales reported that the Procurement and Oversight Committee met on October 7, 2024, to review the 27 RFQ submissions from home builders, qualifications for new home builders the approval of which is on today's Agenda, review of the 27 RFQ submissions from home builders, and drafts of the RFPs for marketing and brokerage services which will open in November.

VI. Board Action Items

a. **Consideration and Possible Action to Approve the 2024-2026 Houston Land Bank Recommended Builders. Approval of this action item would officially induct these builders into the standing Houston Land Bank Approved Builder List, allowing them to purchase lots for the construction of affordable homes through the Houston Land Bank.**

Ms. Stoneham announced that approval of this item will accept the READ Committee's recommended selection of the 2024-2026 Approved Builders. This will officially induct each of approved home builders onto the Houston Land Bank Approved Builders List which will allow them to apply to purchase lots for construction of affordable homes through the HLB Traditional Homebuyers Program.

The HLB Traditional Home Buyer Program currently has a total of 18 approved builders. HLB posted its request for qualifications for new builders and developers on June 14, 2024 and closed the RFQ on August 9, 2024. HLB received 27 responses for the 2024-2026 RFQ for Builders/Developers from new builders and from current builders renewing applications from 2022. Twenty-six responses came from new applicants, and one response was from a current HLB Approved Builder wishing to renew its status as required every two years. Staff reviewed all statements of qualifications and recommends renewing the one current builder submission and 15 of the 26 new applicants who also scored high enough in the evaluation process to be proposed for approval. HLB staff proposed the builder list to the READ Committee for review, recommending the listed builders to participate in the HLB Traditional Homebuyer Program through the end of 2026.

Under the HLB Traditional Homebuyer Program, Approved Builders may purchase lots from the HLB to construct quality affordable homes, with the sale price and design approved by the HLB during the lot sale closing process.

Director Collins asked for the construction contract timeline from the execution date of the contract to the date to begin construction to the date for final completion of the affordable house. Ms. Albrow stated that under the contracts the home builders must start construction within 120 days from the execution date of the contract and complete construction of the house within 9-12 months after the start date of construction.

Director Bess made a motion to approve the list of the recommended 2024-2026 Houston Land Bank home builders, which motion was duly seconded by Director Ladet and approved with the unanimous vote of the Board.

b. Consideration and Possible Action to Approve the Land Banking Interlocal Agreement between Harris County and the Houston Land Bank

Chairman Zeis announced that approval of this Agenda item will authorize execution of an Interlocal Agreement with Harris County for a one-year term to conduct land banking in Harris County under the authorization of Texas Senate Bill 1679 and extend HLB's jurisdiction to include Harris County. Currently, the HLB's jurisdiction is within the boundaries of the city of Houston. Chairman Zeis then noted that approval of this item will need to be tabled due to the lack of a quorum to approve this action item because Director Garcia, who is employed by Harris County, would need to excuse himself from any discussions and voting on this action item due to a conflict of interest. Therefore, this Agenda item will need to be placed on the agenda for the next Board meeting.

c. Consideration and Possible Action to Approve and Adopt the FY 2024 financial external audit conducted by A Bricks Coggin, CPA PLLC.

Chairman Zeis announced that approval of this agenda item will authorize the HLB Board Chair and Chief Executive Officer to approve and adopt the Fiscal Year 2024 financial external audit as of year-end June 30, 2024, along with the audit management representation letter.

Pursuant to the HLB organizational documents, the annual FY 2024 Financial Audit was conducted at the fiscal year end (June 30, 2024) by A Bricks Coggin CPA, PLLC, and the financial report was submitted on September 25, 2024. In summary, below are the respective findings of the report:

1. Independent Auditor's Report, Opinion –
 - In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and major fund of Houston Land Bank as of June 30, 2024, and the respective change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.
2. Management Representation Letter, Financial Statements
 - The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
 - Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and

guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

3. Management Representation Letter, Government Specific
 - Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
 - Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
 - Provisions for uncollectible receivables have been properly identified and recorded.
 - Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
 - Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
 - Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
 - Special and extraordinary items are appropriately classified and reported.
 - Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
 - Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated, or amortized.
4. No material misstatements that required corrective action were identified.
5. No disagreements arose because of the audit with Management and A Bricks Coggin CPA, PLLC.
6. There were no other significant matters, findings or issues.

Director Garcia made a motion to approve the Fiscal Year 2024 financial external audit as of year-end June 30, 2024, which motion was duly seconded by Director Morales and approved with the unanimous vote of the Board.

d. Consideration and Possible Action to Approve HLB CEO and President to sign and execute MOU with Wesley House Houston.

Chairman Zeis announced that this portion of the Board meeting may need to be held in Executive Session due to discussions on real estate matters. Director Bess made a motion for the Board to enter into Executive Session which motion was duly seconded by Director Garcia and passed with the unanimous vote of the Board. The Board meeting then entered into an Executive Session at 12:47 pm.

Ms. Stoneham stated that the approval of this agenda item will authorize the HLB Board Chairman or the HLB Chief Executive Officer to execute a Partnership Agreement with the Wesley Community Center; which is necessary to move forward with the application for the 2024 EPA Environmental and Climate Justice Community Change Grant.

The Houston Land Bank is seeking to apply for the 2024 EPA Environmental and Climate Justice Community Change Grant. This grant program is designed to support climate resilience and environmental justice initiatives in disadvantaged communities. Established under the Inflation Reduction Act, it allocates \$2 Billion to projects aimed at addressing climate change, pollution, and long-standing community disinvestment.

The program operates under two main tracks:

1. **Track I: Community-Driven Investments for Change** - This track provides large-scale grants (\$10-\$20 million) for projects like green infrastructure, renewable energy solutions, brownfield redevelopment, and community resilience hubs. These projects are intended to enhance climate adaptation and community health.
2. **Track II: Meaningful Engagement for Equitable Governance** - This smaller-scale track (\$1-\$3 million) focuses on increasing community participation in governance related to environmental and climate justice, encouraging local engagement in decision-making processes.

Eligible applicants must form statutory partnerships between community-based organizations (CBOs) and other entities such as local governments, tribes, or educational institutions, application support, and community outreach. In compliance with this requirement, HLB is requesting approval from the Board to enter into a partnership agreement with the Wesley Community Center, which is experienced in the subject matters that the grant seeks to address.

Director Bailey made a motion to reconvene the meeting in an open session, which motion was duly seconded by Director Bess and passed with the unanimous vote of the Board. The meeting then reconvened in open session at 12:57pm.

Director Bess made a motion to approve the HLB CEO and President to sign and execute and enter into a partnership agreement with the Wesley Community Center, which motion was seconded by Director Ledet and approved with a unanimous vote of the Board.

VII. Executive Session

Director Bess made a motion to close the open session of this meeting at 12:47 pm and enter into Executive Session to discuss the value of real property in Agenda item VI(a), which motion was duly seconded by Director Garcia and passed with the unanimous vote of the Board. The open session of the meeting reconvened at 12:57 pm.

VIII. Board Member Comments

Director Garcia asked if a Board retreat had been scheduled for 2024. Chairman Zeis stated that no retreat has been planned for 2024.

IX. Adjournment

Chairman Zeis asked if there were any additional matters to be discussed or considered by the Board. Hearing none, this regular Board meeting then adjourned at 1:00 p.m. upon the motion of Director Bailey which was duly seconded by Director Morales and passed with the unanimous vote of the Board.

Minutes Prepared By:

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

Signed on the _____ 03/21 / 2025 _____, 2025

Elaine Morales

Houston Land Bank Secretary

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