



BOARD OF DIRECTORS REGULAR MEETING

September 14, 2023

Table of Contents

Agenda	Page 3
August 17, 2023, Meeting Minutes	Page 7
Financial Report	Page 14
President's Report	Page 17
<u>Item VII a:</u>	Page 23
Consideration and Possible Action to Approve the Successful Bidders under the Request for Qualifications for Professional and Technical Real Estate Development Services issued March 31, 2023.	
<u>Item VII b:</u>	Page 27
Consideration and Possible Action to Approved the Market Purchase of Land from Private Owners in Trinity/Houston Gardens and Acres Homes Neighborhoods.	
<u>Item VII c:</u>	Page 28
Consideration and Possible Action to Approve the Successful Bidders under the Request for Qualifications for Builders/Developers issued August 18, 2023.	
<u>Item VII d:</u>	Page 30
Consideration and Possible Action to Approve and Authorize the CEO/President to Execute Expanded Contract Amount with Community Lattice	

Item VII e:

Page 40

Consideration and Possible Action to Approve
the update/revision and execution of Houston Land Bank (HLB)
bylaws and organizational policies to reflect the governance
of HLB under Texas S.B 1679.



BOARD OF DIRECTORS REGULAR MEETING
AGENDA

Thursday, September 14, 2023 – Noon Central
Time

United Way of Greater Houston

50 Waugh Drive, Houston, Texas 77007

The meeting will be in person and open to the public, but restrictions regarding masks, allowable room capacity, and seating arrangements may be in place.

The public meeting location will be at the United Way of Greater Houston, 50 Waugh Drive, Houston, Texas 77007. The Board Chair, as presiding officer of the Board, will be physically present; Board members will also be physically present.

Please contact info@houstonlandbank.org or call us at 281-655-4600 with any questions.

AGENDA

- I. Call to Order and Roll Call
- II. Public Speakers & Registered Attendees

Speakers must be registered by 5 p.m. on Wednesday, September 13, 2023. To register, please use the online form at www.houstonlandbank.org/resources, e-mail info@houstonlandbank.org or call 281-655-4600. The Chair will call on speakers and allow three minutes per speaker.

- a. Cedrick LeSane, City of Houston- Housing & Community Development

- III. Consideration and Adoption of Meeting Minutes
 - a. August 17th, 2023 Board Meeting

- IV. Chairman's Greeting: Matt Zeis

- V. Committee Reports:

- a. Executive Committee: Matt Zeis, Chair
- b. Finance Committee: Laurie Vignaud, Chair
- c. Partnership and Program Development: Commissioner Janae Ladet, Chair
- d. Real Estate Acquisition and Disposition: Victor Mondragón, Chair
- e. Procurement and Oversight: Jesus DeAnda, Chair

- VI. President's Report: Christa Stoneham, CEO/President

- VII. Board Action Items

- a. Consideration and Possible Action to Approve the Successful Bidders under the Request for Qualifications for Professional and Technical Real Estate Development Services issued March 31, 2023 as listed below:

Historic Preservation Consultants

Post Oak Preservation Solutions, LLC

Urban Planning and Programming

Architangent

Asakura Robinson

UH – Community Design Resource Center

Hines Architecture + Design

Opticos Design, Inc

Realinc, LLC

Street Plans

SWA Group

TBG Partners

The Goodman Corporation

UltraBarrio

Engineering Services

Doucet & Associates, Inc.

The Goodman Corporation

Architectural Design Services

3rd Business Solutions

Architangent

Asakura Robinson

Element Architects

GSMA

HarrisonKornberg Architects

Hines Architecture and Design

Mirador Group

Opticos Design, Inc.

TBG Partners

UltraBarrio

Construction Estimation Services

Urbangreen Spaces

Urban Tactical Services

Asakura Robinson

UH-Community Design Resource Center

Community Lattice

Realinc, LLC

Street Plans

UltraBarrio

Realty Brokerage Services

Berkshire Hathaway Premier Properties

CCD Ventures LLC

Cortney Johnson

Equinox Realty Group

ERA Legacy Living

George E. Johnson Properties LLC

KLPTX Group, LLC

Realinc, LLC

Transwestern

Yves Ozoude

Environmental and Brownfield Consultant

Community Lattice

Ensafe

The Goodman Corporation

Market Analysis and Feasibility

3rd Business Solutions

Community Lattice

Hines Architecture + Design

Realinc, LLC

The Goodman Corporation

Fundraising Services

Amny Consulting Group, LLC

Citrine Solutions Group

Community Lattice

- b. Consideration and Possible Action to Approve the Market Purchase of Land from Private Owners in Trinity/Houston Gardens and Acres Homes Neighborhoods.
- c. Consideration and Possible Action to Approve the Successful Bidders under the Request for Qualifications for Builders/Developers issued August 18, 2023 as listed below:

- A. DSW Homes
 - B. Houston Habitat for Humanity
 - C. JWT Construction
 - D. MHL
 - E. Burghli Group
- 2. Established Builder**

- A. Fifth Ward CRC
- B. JLSC Inc.
- C. MH Builder
- D. MHL
- E. Burghli Group

3. Startup Builder

- A. JLSC, Inc.
- B. New Community Construction
- C. Titanium Group

4. Non-Traditional Builder

- A. Key HTX

5. Rehab/Reconstruction Services

- A. Fifth Ward CRC
- B. Jimmy Nathan Zarate LLC
- C. New Community Construction
- D. Titanium Group

6. Neighborhood Commercial or Community Facility Builder

- A. Fifth Ward CRC
- B. JLSC, Inc.
- C. Burghli Group

- d. Consideration and Possible Action to Approve and Authorize the CEO/President to Execute Expanded Contract Amount with Community Lattice.
- e. Consideration and Possible Action to Approve the update/revision and execution of Houston Land Bank (HLB) bylaws and organizational policies to reflect the governance of HLB under Texas S.B 1679.

VIII. Executive Session

NOTE: The Houston Land Bank Board may go into executive session, if necessary, pursuant to Chapter 551 of the Texas Government Code, for one or more of the following reasons: (1) consultation with its legal counsel to seek or receive legal advice or consultation regarding pending or contemplated litigation; (2) discussion about the value or transfer of real property; (3) discussion about a prospective gift or donation; (4) consideration of specific personnel matters; (5) discussion about security personnel or devices; or (6) discussion of certain economic development matters. The Board may announce that it will go into executive session on any item listed on this agenda if the subject matter is permitted for a closed session by provisions of Chapter 551 of the Texas Government Code.

Discussion may occur in executive session as provided by State law, but all Board actions will be taken in public.

IX. Board Member Comments

X. Adjournment

P.O. Box 131106, Houston, Texas 77219
281.655.4600

houstonlandbank.org

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

August 17, 2023

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, August 17, 2023 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:

Elaine Morales	Janae Ladet
David Collins	Danielle Keys Bess
Chrishelle Palay	Marilyn Muguerra
Matt Zeis	

Board directors absent were: Jesus DeAnda, Antoinette Jackson, Victor A. Mondragón, Tonzaino Bailey, Dwantrina Russell, and Laurie Vignaud. Others in attendance included: Christa Stoneham, Chief Executive Officer/President of the HLB; Donald Hughes, Acquisition and Development Director for the HLB; LaTosha Okoiron, In-house Legal Counsel and Compliance Director for the HLB; Isai Mendez, Finance Director for the HLB; Mark Glanowski (Paralegal) of Winstead PC, outside legal counsel for the HLB; Lindsey Williams, Director of Community Development for the HLB; Donesha Albrow, Administrative Manager for the HLB; Jen Allison, Chief Operations Officer for the HLB; Gracie Saenz, outside legal counsel for the HLB; Charles Keys, Asset and Disposition Manager for the HLB; and Shelby Duncan, Geographic Information Systems Analyst for Community Lattice.

I. Call to Order and Roll Call

Chairman Zeis called this regular meeting to order at 12:13 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

Nothing to report.

III. Consideration and Adoption of Meeting Minutes

a. July 13, 2023 Board Meeting

Chairman Zeis noted that the minutes for the July 13, 2023 regular meeting of the Board were previously circulated for review and comment. He asked if there were any comments for discussion to such minutes. Hearing none he asked for a motion on the minutes.

Director Morales made a motion to approve the minutes of the Board meeting held on July 13, 2023, as written, which motion was then duly seconded by Director Muguera and passed with the unanimous vote of the Board.

IV. Chairman's Greeting: Matt Zeis

Chairman Zeis stated that he attended a field trip to explore the Settegast Forest with Jaime Gonzalez of The Nature Conservancy and Carolyn _____ of Harris County and photographed the interior of this forested area which was dense and hot. He mentioned that they found some powerlines in the back of the Settegast Forest along with a number of survey stakes. Mr. Gonzalez with The Nature Conservancy will furnish a report on the findings made during this visit.

V. Committee Reports:

a. Executive Committee: Matt Zeis, Chair

Chairman Zeis reported that the Executive Committee met last week to discuss the RFQ for professional services which closes tomorrow, which included a briefing by HLB staff, funding opportunities for the HLB Fund 501(c)3 including the Hershey Grant, and the update on the status of builder non-compliance under the construction contracts for affordable houses.

b. Finance Committee: Laurie Vignaud, Chair

Mr. Mendez reported that the Finance Committee met on July 25, 2023 to discuss the current financial statement, funding for the NHDP, the appraised valuations of the lots in the lot inventory, and closing out of Fiscal Year 2023.

c. Partnership and Program Development Committee: Janae Ladet, Chair

Director Ladet reported that the Partnership Committee met and reviewed the results of the GIS mapping project prepared by Shelby Duncan of Community Lattice.

d. Real Estate Acquisition and Disposition Committee: Victor Mondragón, Chair

Don Hughes reported that the READ Committee met to discuss the status of the development of the Yellow Cab site, data related to the lot price analysis, and the presentation by The Goodman Corporation with regard to the Settegast Project.

Mr. Hughes reported that the analysis conducted of the median household income by neighborhood yielded a key finding which revealed that the buyers can only afford houses priced between \$200,000 to \$215,000 as their average income is in the \$30,000 to \$40,000 range. Most buyers are only able to afford a monthly mortgage payment of approximately \$1,500 before taxes and insurance. He also reported that the home builders are concerned about the current lot sale prices.

Mr. Hughes asked if HLB can operate a sustainable housing program if 5,000 square foot lots are necessary, and does not recommend increasing the lot prices at this time.

e. **Procurement and Oversight Committee: Jesus DeAnda, Chair**

Chairman Zeis reported that the Procurement and Oversight Committee met on Monday which included Christa Stoneham, Jesus DeAnda, LaTosha Okoiron, and Jen Allison to discuss the RFQ for various professional services. Chairman Zeis said he was impressed with the diversity of the pool of vendors to choose from.

VI. President's Report: Christa Stoneham, CEO/President

Ms. Stoneham announced the hiring of Charles Keys who will manage the assets and dispositions for the HLB and work to reduce the number of home builders who are out of compliance with regard to their construction contracts. She then mentioned the creation of the Community Purpose Lot Program last month, and the need for the HLB to take the lead on stakeholder engagement to facilitate information gathering from local developers.

Ms. Stoneham then reported that LaTosha Okoiron attended the 45th Annual Advanced Real Estate Law Course: Land Banking. She requested Ms. Okoiron to report on her experience at the course. Ms. Okoiron indicated that there was great interest in HLB's programs, and that this course was another opportunity to learn about land banking.

Lastly, Ms. Stoneham reminded everyone that the Builders RFQ ends tomorrow.

VII. Houston Land Bank Real Estate Inventory Presentation: Donald Hughes

Chairman Zeis requested that the Board discuss this Agenda item in Executive Session before taking any action on this item in order to discuss sensitive real estate pricing, valuation, and market analysis.

Director Bess made a motion for the Board to enter into Executive Session to discuss the status of the lot inventory which motion was duly seconded by Director Palay. The Board then entered into Executive Session at 12:29 p.m.

At 1:01 p.m., Director Bess made a motion to adjourn the Executive Session and return to the regular meeting which motion was duly seconded by Director Palay and passed with the unanimous vote of the Board. The meeting returned to its regular session at 1:03 pm.

Chairman Zeis announced that any action on this Agenda item will be taken at the next Board meeting.

VIII. Board Action Items

a. Consideration and Possible Action to Approve the Successful Bidders under the Request for Qualifications for Professional and Technical Real Estate Development Services

Ms. Stoneham announced that approval of this Agenda item will authorize HLB to create a resource pool of professional and technical real estate developers as described in the Houston Land Bank Request for Qualifications for Professional and Technical Real Estate Development Services issued March 31, 2023. She noted that each of the successful vendors will then qualify for one 2- year term.

Ms. Stoneham noted that the HLB issued this RFQ on March 31, 2023, which closed on April 27, 2023. As a result of the RFQ, 53 submissions were received among the various categories, with 38 of those being successful vendors as determined by HLB staff. Each submission category had an HLB procurement panel of four staff members reviewing and evaluating the submissions. The evaluation criteria were based on those posted in the RFQ.

The HLB conducted its search for consultants for the following areas of expertise: market analysis and feasibility services, urban programming and community engagement services, master urban planning services, architectural design services, engineering services, historic preservation services, environmental and brownfield consultants, construction estimation services, tactical urbanism services, real estate brokerage services, and fundraising services.

The HLB welcomed respondents certified as HUBs or MWBEs (Minority Women, Business Enterprise) by the City of Houston or comparable public entities. HLB's goals in seeking statements of qualifications include:

1. Qualify firms to support housing, community, and economic development planning efforts in various Houston neighborhoods to guide affordable home development strategy and provide community-centric real estate development and redevelopment plans as needed.
2. Organize firms by area of expertise and capacity to identify potential team members for numerous projects and as-identified project needs.
3. Encourage and support holistic and resilient planning and development efforts that create affordable housing units and encourage community-centric redevelopment of underutilized land tracts in various Houston sub-markets.

After review and evaluation of the submissions, the scoring results contain the points assessed for each submission based on the highest possible points of 100 (see below). Submissions receiving a combined average score of 80 points or more were considered successful and be included in the contractor pool upon Board approval.

Historic Preservation Consultants

Post Oak Preservation Solutions, LLC Combined Score: 98.75

Urban Planning and Programming

Architangent Combined Score: 89.5
Asakura Robinson Combined Score: 98
UH – Community Design Resource Center Combined Score: 74.25
Hines Architecture + Design Combined Score: 63
Opticos Design, Inc Combined Score: 86.50
Realinc, LLC Combined Score: 71.25
Street Plans Combined Score: 68.75
SWA Group Combined Score: 95.50
TBG Partners Combined Score: 93.37
The Goodman Corporation Combined Score: 94.75
UltraBarrio Combined Score: 93.75

Engineering Services

Doucet & Associates, Inc. Combined Score: 100
The Goodman Corporation Combined Score: 100

Architectural Design Services

3rd Business Solutions Combined Score: 70
Architangent Combined Score: 97.50
Asakura Robinson Combined Score: 99.50
Element Architects Combined Score: 98.75
GSMA Combined Score: 100
HarrisonKornberg Architects Combined Score: 94
Hines Architecture and Design Combined Score: 82.75
Mirador Group Combined Score: 96.75
Opticos Design, Inc. Combined Score: 96
TBG Partners Combined Score: 94.75
UltraBarrio Combined Score: 98.75

Construction Estimation Services

Urbangreen Spaces Combined Score: 81.25

Urban Tactical Services

Asakura Robinson Combined Score: 94.75

UH-Community Design Resource Center Combined Score: 82.50

Community Lattice Combined Score: 53.25

Realinc, LLC Combined Score: 60

Street Plans Combined Score: 97.50

UltraBarrio Combined Score: 98.25

Realty Brokerage Services

Berkshire Hathaway Premier Properties Combined Score: 85.37

CCD Ventures LLC Combined Score: 92.50

Cortney Johnson Combined Score: 0.00 (incomplete)

Equinox Realty Group Combined Score: 70.75

ERA Legacy Living Combined Score: 83

George E. Johnson Properties LLC Combined Score: 98.75

KLPTX Group, LLC Combined Score: 91.87

Realinc, LLC Combined Score: 87.37

Transwestern Combined Score: 77

Yves Ozoude Combined Score: 82.25

Environmental and Brownfield Consultant

Community Lattice Combined Score: 100

Ensafe Combined Score: 100

The Goodman Corporation Combined Score: 89.5

Market Analysis and Feasibility

3rd Business Solutions Combined Score: 67.50

Community Lattice Combined Score: 78.50

Hines Architecture + Design Combined Score: 64.50

Realinc, LLC Combined Score: 72.00

The Goodman Corporation Combined Score: 95.25

Fundraising Services

Amny Consulting Group, LLC	Combined Score: 95
Citrine Solutions Group	Combined Score: 72
Community Lattice	Combined Score: 98.75

Director Morales made a motion to approve the named highlighted successful bidders under the Request for Qualifications, which motion was then duly seconded by Director Muguerza.

Director Collins and Director Morales voiced concerns that they have business relationships with one or more of these vendors and therefore would need to abstain from voting on this Agenda item. Chairman Zeis agreed to postpone the vote on this Board Action Item until the next meeting.

IX. Executive Session

Director Bess made a motion for the Board to enter into Executive Session to discuss the status of the lot inventory which motion was duly seconded by Director Palay. The Board then entered into Executive Session at 1:29 p.m.

At 1:01 p.m., Director Bess made a motion to adjourn the Executive Session and return to the regular meeting which motion was duly seconded by Director Palay and passed with the unanimous vote of the Board. The meeting returned to its regular session at 1:03 pm.

X. Board Member Comments

Nothing to report.

XI. 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 1:17 p.m. with the motion of Director Collins which was duly seconded by Director Muguerza 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 _____ day of _____, 2023.

Secretary

Houston Land Bank

Balance Sheet

As of July 31, 2023

	Total
ASSETS	
Current Assets	
Bank Accounts	
10100 Chase - Operating 8465	288,619
10200 UNB - Operating MM 4992	179,693
10300 Chase - Lot Acquisition MM 7058	485,855
10400 Chase - Unrestricted MM 7066	2,881,295
10500 Chase - Unrestricted Reserve 5577	18,197
10600 Susser Bank - MM 7878	250,531
10700 Susser Bank - Savings Sweep 78781	54,670
10800 Petty Cash	13
Total Bank Accounts	4,158,872
Accounts Receivable	
12100 Accts Receivable	1,067,396
Total Accounts Receivable	1,067,396
Other Current Assets	
Prepaid Expenses	
14100 Prepaid Acquisition Costs	5,500
14200 Prepaid Insurance	21,888
14300 Prepaid Rent	3,689
14400 Prepaid Security Deposit	8,978
14500 Prepaid Subscription Services	12,933
Total Prepaid Expenses	52,988
Total Other Current Assets	52,988
Total Current Assets	5,279,256
Fixed Assets	
15100 Equipment	14,665
15900 Accum. Depreciation	-10,317
Total Fixed Assets	4,348
Other Assets	
16100 Earnest Fee	125,100
16200 Lease Asset	67,042
Total 17100 Investments Held For Sale	9,718,027
Total Other Assets	9,910,169
TOTAL ASSETS	15,193,773
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20100 Accounts Payable	102,437
Total Accounts Payable	102,437

Other Current Liabilities	
21100 Liabilities Due to HCDD	483,519
21400 Liabilities Due to HLB Fund	3,000
21500 Accrued Expense	0
21600 Lease Liability - Current	44,171
Total Other Current Liabilities	<u>530,690</u>
Total Current Liabilities	633,128
Long-Term Liabilities	
22600 Lease Liability - Noncurrent	22,871
Total Long-Term Liabilities	<u>22,871</u>
Total Liabilities	655,998
Equity	
30100 Unrestrict (retained earnings)	14,565,343
Net Income	-27,568
Total Equity	<u>14,537,774</u>
TOTAL LIABILITIES AND EQUITY	15,193,773

Houston Land Bank
Profit and Loss
July 2023

	Total
Income	
40100 Acquisition and Development Agreement	
40200 Administrative Fees	
40300 HLB Program Revenue	
40400 Operations Agreement	129,096
40500 Outside Sources Contributions	25,942
Total Income	\$ 155,038
Gross Profit	\$ 155,038
Expenses	
60100 Salaries and Fringe	56,640
60200 Legal Fees	20,128
60300 Professional Services	38,255
60400 Property Cost - Lot Maintenance	30,018
60500 Software and Subscriptions	4,014
60600 Rent Expense	4,291
60700 Advertising and Marketing	
60800 Bank Fees	1,083
60900 Conference and Meetings	
61000 Depreciation Expense	244
61100 Filing Fees	
61200 Insurance	2,534
61300 Membership and Dues	
61400 Office Expense	413
61500 Phone and Internet	314
61600 Training and Development	580
61700 Travel Expense	1,317
62100 Acquisition Costs - HLB Traditional	
62200 Property Cost Disposition - HLB Traditional	15,614
63100 Acquisition Cost - NHDP	
63200 Property Cost Disposition - NHDP	12,667
Total Expenses	\$ 188,113
Net Operating Income	-\$ 33,075
Other Income	
70100 Interest Income	5,507
Total Other Income	\$ 5,507
Net Other Income	\$ 5,507
Net Income	-\$ 27,568

Annual Developer & Builder Procurement

The Houston Land Bank plays a significant role in fostering the growth of minority-owned businesses through its innovative builder/ developer program. Understanding the importance of diversity and inclusion in the construction industry, the land bank actively seeks. Through mentorship, financial assistance, and access to resources, the land bank empowers minority builders to thrive and succeed, contributing to the overall growth and vitality of Houston's diverse building industry.

HLB's Traditional Home Program is crucial in expanding the affordable housing inventory in Houston. By acquiring and holding onto vacant, abandoned, or underutilized properties, HLB ensures that these properties do not fall into the hands of speculators or developers who may prioritize profit over housing affordability. HLB actively partners with our procured developers and builders to repurpose these properties for affordable housing initiatives.

We are excited to see the robust response to our annual Builder/ Developer RFO and will present successful submissions for an approval vote at an upcoming HLB Board of Directors meeting.



Categories and number of submissions from our annual Builder/Developer RFO:

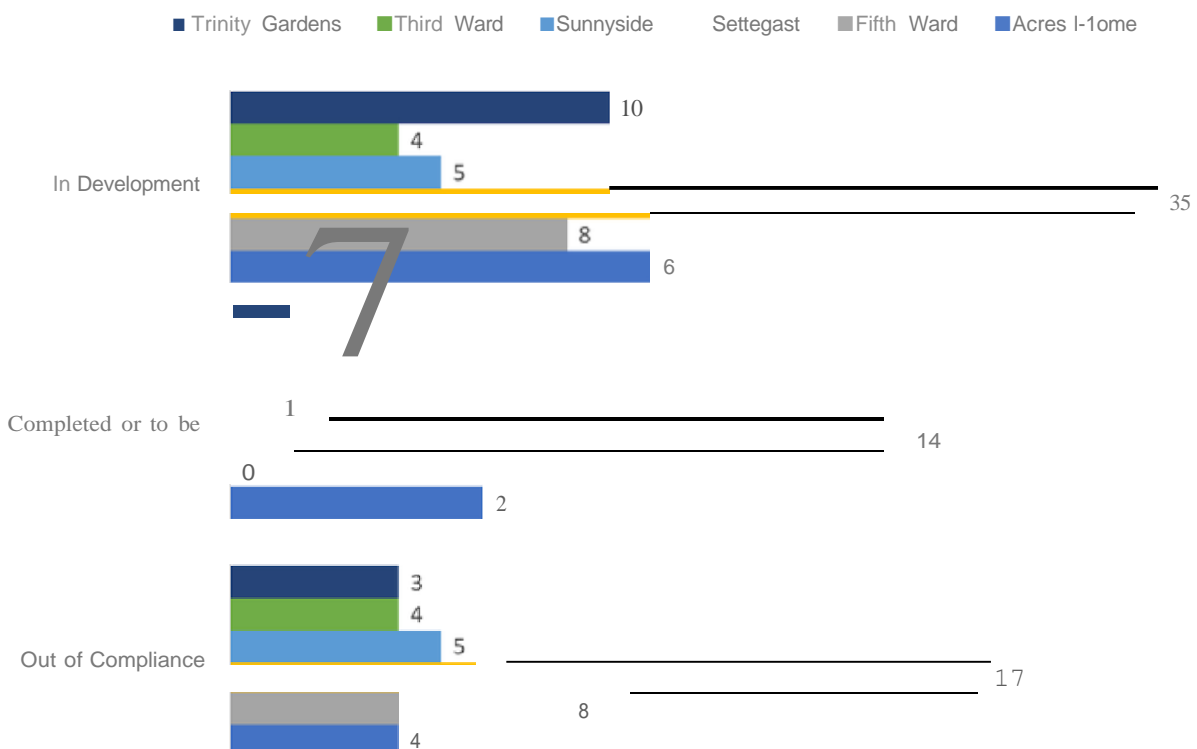
- Master Community Builder: 5
- Established Builder: 5
- Startup Builder: 3
- Non-Traditional Builder: 1
- Rehab/Reconstruction Services: 4
- Neighborhood Commercial or Community Facility Builder: 3

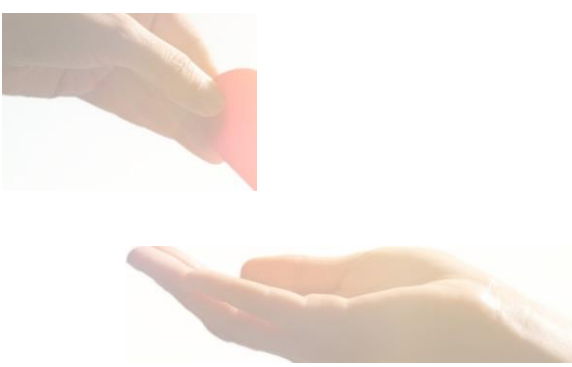
HLB DEVELOPMENT

Development by Neighborhood



There are 68 properties in development and 42 properties out of compliance.





HLB FUND

We would like to thank all the incredible individuals and organizations who have generously donated to the Houston Land Bank! Your support means the world to us and brings us one step closer to achieving our mission of revitalizing and redeveloping vacant abandoned, or blighted properties to create thriving communities. By contributing to the Houston Land Bank, you are making a significant impact in transforming neighborhoods and improving the quality of life for residents in our beloved city. If you're inspired and would like to also contribute to our cause, please don't hesitate to contact us at community@houstonlandbank.org. Together, we can make a lasting and positive change!



**ASSIST
HOME BUYERS &
HOME BUILDERS**



**ASSEMBLE
LAND**

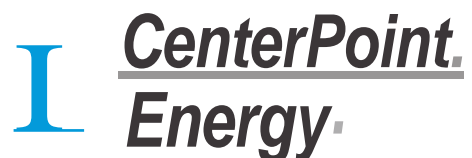


**LAND
ACTIVATION**



**STABILIZE
COMMUNITIES**

OUR VALUED HLB FUND DONORS:



HLB IN THE COMMUNITY



The Houston Land Bank and the Community Lattice team recently had the opportunity to showcase our commitment to community engagement and design at the prestigious National Brownfields Conference hosted by the EPA in Detroit, Michigan. Through our participation as a speaker, we highlighted the successful strategies we have implemented to revitalize brownfields and engage local communities in the decision-making process. Our presentation highlighted the importance of promoting collaboration among stakeholders, including residents, businesses, and government agencies, to meet community needs. This experience has further solidified our dedication to finding innovative solutions for redeveloping underutilized land while prioritizing the interests and aspirations of Houston's diverse communities.

Houston Land Bank leadership was asked to collaborate with LISC Houston, Houston Habitat for Humanity, and AMNY Consulting to submit a panel proposal on housing affordability solutions at the 2024 South by Southwest festival. The panel was chosen to proceed to the next round of public votes in August. Final selection announcements will be made in the upcoming months.



A graphic for a panel proposal at SXSW 2024. At the top, there are four circular headshots of the panelists. Below the headshots are their names and affiliations: "LISC Houston" (with a logo), "wanatar", "HGIA HW, Ph.D. Founder", and "ChriaD. IIdnIhan cmPNIkIt". Below the headshots, the text reads "From Crisis to Action: Solutions for Housing Affordability". At the bottom, it says "SXSW 2024 SXSW" and "Vote for My PanelPiker. Proposal".

MEADY GROUP



Save the Dates



JUICE & JUSTICE

BROWNFIELD CONFERENCE CONNECT

FRIDAY, SEPTEMBER 15 | 9 A.M. -11 A.M

DELUXE THEATER

3300 LYONS AVE



HLB LOT SALES

FALL 2023



Thank You

HLB collaborates and convenes cross agencies and partners working together to maximize land use and impact. Thank you to all of the vendors, consultants and HLB Team for continued service to accelerate our impact.

Acres Home Town Center Project Site Visit



Phone Number:
281-655-4600
Email Address:
info@houstonlandbank.org
Website:
www.houstonlandbank.org

CONTACT US





REQUEST FOR BOARD ACTION

Meeting Date: August 17, 2023

Agenda Item VII a: Consideration and Possible Action to Approve the Successful Bidders under the Request for Qualifications for Professional and Technical Real Estate Development Services issued March 31, 2023.

ACTION SUMMARY

Approval of this agenda item will authorize HLB to create a contracting pool of professional and technical real estate developers as described under the Houston Land Bank Request for Qualifications for Professional and Technical Real Estate Development Services issued March 31, 2023. This action is necessary to facilitate the real estate development work of the Houston Land Bank.

BACKGROUND/OVERVIEW (Background of the Agreement and Summary)

Houston Land Bank (HLB) adopts a holistic approach that considers the community's and other stakeholders' needs and aspirations, achieving success through innovative practices that expand the organization's capacity to serve our community. HLB seeks to create an ecosystem of resilient neighborhoods and districts where all individuals can thrive. Our community partners supplement our community-focused approach, which requires empathy and understanding of disinvested neighborhoods' unique challenges and opportunities.

Additionally, HLB aligns with the goals and objectives of the City of Houston's Complete Communities Plans, which center around a healthy, economically thriving, equitable, and sustainable Houston for everyone. HLB will also work with these partners to create specific program and policy solutions to address development needs in pilot and future neighborhoods and advance public trust and community partnerships. HLB sought consultants with these areas of expertise: market analysis & feasibility services, urban programming & community engagement services, master urban planning services, architectural design services, engineering services, historic preservation services, environmental and brownfield consultants, construction estimation services, tactical urbanism services, real estate brokerage services, and fundraising services.

In furtherance of these goals and objectives, HLB issued an RFQ on March 31, 2023, that closed on April 27, 2023. As a result of the RFQ, fifty-three (53) submissions were received across categories, with thirty-eight (38) successful bidders across categories. Each submission category had an HLB procurement panel of four staff reviewing and evaluating the submissions. The evaluation criteria were based on the posted RFQ .

After review and evaluation of the submissions, the scoring results contain the points received from each submission based on the highest possible points of one hundred (100) (see attached). Companies receiving a combined average score of eighty (80) points are considered

successful and should the Board of Directors approve this item they will be added to the Real Estate Professional and Technical Contractor pool.



Appendix A

2023 Professional Services RFQ Submissions: Successful Bidders

Historic Preservation Consultants: One Submission, One Successful Bidder

- | | |
|---|-----------------------|
| 1. Post Oak Preservation Solutions, LLC | Combined Score: 98.75 |
|---|-----------------------|

Urban Planning & Programming: Eleven Submissions, Seven Successful Bidders

- | | |
|----------------------------|-----------------------|
| 1. Architangent | Combined Score: 89.5 |
| 2. Asakura Robinson | Combined Score: 98 |
| 3. Opticos Design, Inc | Combined Score: 86.50 |
| 4. SWA Group | Combined Score: 95.50 |
| 5. TBG Partners | Combined Score: 93.37 |
| 6. The Goodman Corporation | Combined Score: 94.75 |
| 7. UltraBarrio | Combined Score: 93.75 |

Engineering Services: Two Submissions, Two Successful Bidders

- | | |
|------------------------------|---------------------|
| 1. Doucet & Associates, Inc. | Combined Score: 100 |
| 2. The Goodman Corporation | Combined Score: 100 |

Architectural Design Services: Eleven Submissions, Ten Successful Bidders

- | | |
|--------------------------------|-----------------------|
| 1. Architangent | Combined Score: 97.50 |
| 2. Asakura Robinson | Combined Score: 99.50 |
| 3. Element Architects | Combined Score: 98.75 |
| 4. GSMA | Combined Score: 100 |
| 5. HarrisonKornberg Architects | Combined Score: 94 |
| 6. Hines Architecture & Design | Combined Score: 82.75 |
| 7. Mirador Group | Combined Score: 96.75 |
| 8. Opticos Design, Inc. | Combined Score: 96 |
| 9. TBG Partners | Combined Score: 94.75 |
| 10. UltraBarrio | Combined Score: 98.75 |



Construction Estimation Services: One Submission, One Successful Bidder

- | | |
|----------------------|-----------------------|
| 1. Urbangreen Spaces | Combined Score: 81.25 |
|----------------------|-----------------------|

Urban Tactical Services: Six Submissions, Four Successful Bidders

- | | |
|--|-----------------------|
| 1. Asakura Robinson | Combined Score: 94.75 |
| 2. UH-Community Design Resource Center | Combined Score: 82.50 |
| 3. Street Plans | Combined Score: 97.50 |
| 4. UltraBarrio | Combined Score: 98.25 |

Realty Brokerage Services: Ten Submissions, Seven Successful Bidders

- | | |
|--|-----------------------|
| 1. Berkshire Hathaway Premier Properties | Combined Score: 85.37 |
| 2. CCD Ventures LLC | Combined Score: 92.50 |
| 3. ERA Legacy Living | Combined Score: 83 |
| 4. George E. Johnson Properties LLC | Combined Score: 98.75 |
| 5. KLPTX Group, LLC | Combined Score: 91.87 |
| 6. Realinc, LLC | Combined Score: 87.37 |
| 7. Yves Ozoude | Combined Score: 82.25 |

Environmental and Brownfield Consultant: Three Submissions, Three Successful Bidders

- | | |
|----------------------------|----------------------|
| 1. Community Lattice | Combined Score: 100 |
| 2. Ensafe | Combined Score: 100 |
| 3. The Goodman Corporation | Combined Score: 89.5 |

Market Analysis & Feasibility Consultant: Five Submissions, One Successful Bidder

- | | |
|----------------------------|-----------------------|
| 1. The Goodman Corporation | Combined Score: 95.25 |
|----------------------------|-----------------------|

Fundraising Services: Three Submissions, Two Successful Bidders

- | | |
|-------------------------------|-----------------------|
| 1. Amny Consulting Group, LLC | Combined Score: 95 |
| 2. Community Lattice | Combined Score: 98.75 |



REQUEST FOR BOARD ACTION

Meeting Date: September 14, 2023

Agenda Item: VII b. Consideration and Possible Action Regarding Market Purchase of Land from Private Owners in Trinity/Houston Gardens and Acres Homes Neighborhoods

ACTION SUMMARY

Approval of this item will authorize the Houston Land Bank (HLB) to pursue the acquisition of 2 large parcels of land from private owners in Trinity/Houston Gardens and Acres Homes neighborhoods. The purpose of acquiring larger properties is to replat or subdivide as necessary to maintain affordability in these neighborhoods experiencing significant increases in the per-square-foot cost for residential lots.

BACKGROUND/OVERVIEW

As part of our ongoing efforts to address affordable housing needs, HLB staff identified an urgent need to acquire land in Trinity/Houston Gardens and Acres Homes neighborhoods due to the substantial increase in the per-square-foot cost for residential lots in core areas of the City.

To maintain affordability in these neighborhoods and continue providing housing options for low and moderate-income families, HLB must acquire larger parcels of land and replat or subdivide them as necessary. This strategic approach will allow us to create more affordable housing units while addressing rising property costs. The proposed land acquisitions will be from private owners, and staff will engage with brokers to facilitate the purchase process.

By acquiring larger parcels and implementing replating or subdivision strategies, HLB can optimize land use and maximize the number of affordable housing units in these neighborhoods. This approach will contribute to the preservation of affordable housing stock and help prevent the displacement of low-income residents.

Staff will negotiate purchase prices for the specific properties with their corresponding owners and brokers. In addition, HLB staff will exercise fiscal responsibility throughout the process to ensure that the acquisitions are made at fair market value and align with our budgetary constraints.

Staff requests that the Board authorize HLB staff to pursue the acquisition of land from these private owners in Trinity/Houston Gardens and Acres Homes neighborhoods, with final approval to close on these properties at the end of the contingency or due diligence period after assessing the necessary environmental, market valuation, replating, subdivision, or other feasibility costs. The success of this initiative will contribute to the long-term sustainability and inclusivity of these neighborhoods, providing affordable housing options for residents in need.

Staff is available to provide any additional information or clarification regarding this request for board action in an executive session.



REQUEST FOR BOARD ACTION

Meeting Date: September 14, 2023

Agenda Item VII c.: Consideration and Possible Action to Approve the 2023-2025 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.

ACTION SUMMARY

Approval of this item will accept the READ Committee's recommended selection of the 2023-2025 Approved Builders. Approval of this item will officially induct each of these builders into 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.

BACKGROUND/OVERVIEW

The HLB Traditional Home Buyer Program currently has a total of 17 approved builders. HLB posted its request for qualifications for new builders and developers on July 03, 2023. From that posting, HLB received twenty-eight responses for the 2023-2025 RFQ for Builders/Developers requesting applications from new builders and from current builders renewing applications from 2021. Twenty-six responses came from new applicants, and two responses were from current HLB Approved Builders wishing to renew their status as required every two years. Staff reviewed all statements of qualifications and recommends renewing two of the two current builder submissions and twelve of the twenty-six new applicants who also scored high enough in the evaluation process (conducted by three HLB staff members) to be proposed for approval. HLB staff proposed the attached builder list (Appendix a) to the READ Committee for review, recommending the listed builders to participate in the HLB Traditional Homebuyer Program through the end of 2025:

If the HLB Board approves the above-mentioned builders, the approved builders will be eligible to apply to purchase lots for the construction of affordable homes and projects through the Houston Land Bank.

Appendix A

2023 Builder RFQ: 28 Total Submissions

Builder's Obtaining a Minimal Passing Score of 70

1. Master Community Builder

- A. DSW Homes Score Average: 95
- B. Houston Habitat for Humanity Score Average: 82
- C. JWT Construction Score Average: 83
- D. MHL Score Average: 90
- E. Burghli Group Score Average: 92

2. Established Builder

- A. Fifth Ward CRC Score Average: 82
- B. JLSC Inc. Score Average: 73
- C. MH Builder Score Average: 90
- D. MHL Score Average: 88
- E. Burghli Group Score Average: 92

3. Startup Builder

- A. JLSC, Inc. Score Average: 86
- B. New Community Construction Score Average: 77
- C. Titanium Group Score Average: 75

4. Non-Traditional Builder

- A. Key HTX Score Average: 73

5. Rehab/Reconstruction Services

- A. Fifth Ward CRC Score Average: 82
- B. Jimmy Nathan Zarate LLC Score Average: 77
- C. New Community Construction Score Average: 75
- D. Titanium Group Score Average: 73

6. Neighborhood Commercial or Community Facility Builder

- A. Fifth Ward CRC Score Average: 78
- B. JLSC, Inc. Score Average: 77
- C. Burghli Group Score Average: 92



REQUEST FOR BOARD ACTION

Meeting Date: September 14, 2023

Agenda Item VII d: Consideration and Possible Action to Authorize the CEO/President to Execute Expanded Contract Amount with Community Lattice.

ACTION SUMMARY

Community Lattice is assisting HLB with Brownfields Inventory, Phase II ESAs, RAPs, Reuse Planning, and Community Outreach. The current contract does not exceed the amount of \$49,566, however, the funds have been expended due to the recent increase of Brownfield activities, including community engagement, project management, grant administration. With HLB Board approval, the contract will be increased not to exceed the amount of \$45,754.50 to establish and authorize specific scopes of work to complete projects and ongoing program support for the HLB's EPA brownfields grant.

BACKGROUND/OVERVIEW

Under the current work plan, Community Lattice is focused on target neighborhoods identified in the EPA grant; however, several projects have been identified where Community Lattice is subcontracting for more partnership opportunities to ensure quality control and cost efficiency. Community Lattice is requesting authorization for a Quality Assurance Project Plan/Field Sampling Plan. Upon approval from EPA, we will finalize the budget for field sampling activities. Community Lattice is also supporting Houston Land Bank with brownfields cleanup planning of the city-owned Velasco incinerator as the land bank acquires ownership and positions the property for cleanup funding. Brownfields redevelopment planning helps HLB and communities make informed decisions about where to direct scarce resources to benefit the existing community. Area-wide planning also helps implement locally driven initiatives, such as housing, parks, environmental improvement, community wealth building, and equitable and environmentally-just economic development. The services include:

- Community Lattice will complete GIS-based brownfields inventory work, including finalizing the Hidden Gems program, brownfields inventory dashboard, and brownfields inventory story map.
- Community Lattice will continue to provide HLB with programmatic support services, including quarterly reporting, weekly program meetings, budget recommendations, updates to Work Plans, grant closeout and other management tasks.
- Community Lattice will support Houston Land Bank with brownfields cleanup planning of the city-owned Velasco incinerator as the land bank acquires ownership and positions the property for cleanup funding.
- Community Lattice will work with subcontractors to plan a Phase II Environmental Site Assessment/Site Investigation and prepare a QAPP for authorizing by the EPA. Upon review, scope negotiation, and approval from HLB and EPA, we will finalize the budget for field sampling activities.
- Community Lattice to provide support with coordinating community and stakeholder engagement for promoting the brownfield program; communicating the mission of the

Houston Land Bank relative to brownfields acquisition, cleanup, reuse, and related environmental/climate justice initiatives; hosting engagement event





3302 Canal Street, #32
Houston, Texas 77003
info@communitylattice.com

September 5, 2023

Ms. Christa Stoneham
President & CEO
Houston Land Bank
PO Box 131106
Houston, Texas 77219
Christa.Stoneham@houstonlandbank.org

Re: Proposal for Brownfields Program Services

Dear Ms. Stoneham:

We appreciate the opportunity to assist the Houston Land Bank (HLB) with the implementation of your U.S. Environmental Protection Agency (EPA) Brownfields Assessment Coalition Grant. Community Lattice has been assisting the HLB under the “On-Call Environmental Planning & Analysis Service” scope of work authorized by HLB on December 15, 2021, which has been expended as of August 31, 2023.

The purpose of this new proposal is to establish and authorize specific scopes of work to complete projects and ongoing program support for the HLB’s EPA brownfields grant. Attachment 1 presents details of each of the tasks summarized below, including labor breakdown, scope of work, deliverables, and schedule.

EPA Work Plan Task	Community Lattice Task ID	Estimated Cost
Task 1: Brownfields Inventory	Task 1: Brownfields Inventory	\$6,434.50
Task 3: Phase II ESAs, RAPs, and Reuse Planning	Task 3a: Program Management	\$13,850.00
	Task 3b: Velasco Cleanup	\$10,030.00
	Task 3c: 0 Navigation Blvd QAPP	\$4,360.00
	Task 3d: 0 N. Charles St QAPP	\$3,720.00
Task 4: Community Outreach	Task 4 – Community Engagement	\$7,360.00
TOTAL		\$45,754.50



Services furnished by Community Lattice shall be subject to the terms and conditions set forth by the most recently executed Consultant Agreement between Community Lattice and Houston Land Bank.

We appreciate the opportunity to provide the HLB with these services. If additional information is needed, please contact me directly at 401-339-3997.

Sincerely,



Danielle Getsinger, PG
Cofounder & CEO

Proposal Acceptance Statement

Community Lattice's proposal to Houston Land Bank for Brownfields Program Services, dated September 5, 2023, is hereby accepted on behalf of Houston Land Bank, except as follows (insert exceptions, if any, or state "none").

Exceptions or comments, if any: _____

Accepted By: _____
signature

Date: _____

Name: _____

Title: _____



WORK AUTHORIZATION

Houston Land Bank

5-Sep-23

PROJECT: TASK 1: Brownfields Inventory
EPA TASK: Task 1: Brownfields Inventory

PROJECT TOTAL: \$ 6,434.50 *Not to exceed*

SCHEDULE: Estimated completion by September 30, 2023

DESCRIPTION: Community Lattice will complete GIS-based brownfields inventory work, including finalizing the Hidden Gems program, brownfields inventory dashboard, and brownfields inventory storymap.

Personnel	Est. Hours	Rate	Total	Description
Danielle Getsinger	2.5	\$ 160	\$ 400	Administration & oversight
Deshara Goss	4	\$ 125	\$ 500	Project management
Shelby Duncan	101	\$ 55	\$ 5,555	Finalize inventory work with HLB through September.
TOTAL LABOR			\$ 6,455	EPA budget set at \$6434.5. CL invoice will not exceed remaining EPA Work Plan budget.

Expense	Unit	Rate	Total
Expense Subtotal			\$ -
Expense Markup			10% Reduced markup for HLB projects.
TOTAL EXPENSES			\$ -



WORK AUTHORIZATION

Houston Land Bank

5-Sep-23

PROJECT: TASK 3A: Program Management
EPA TASK: Task 3: Phase II ESAs, RAPs, and Reuse Planning

PROJECT TOTAL: \$ 13,850 *Not to exceed*

SCHEDULE: September - October 31, 2023

DESCRIPTION: Community Lattice will continue to provide HLB with programmatic support services, including quarterly reporting, weekly program meetings, budget recommendations, updates to Work Plans, grant closeout and other management tasks.

Personnel	Est. Hours	Rate	Total	Description
Danielle Getsinger	40	\$ 160	\$ 6,400	Program management meetings, contractor coordination/oversight, budget management, quarterly reporting, EPA coordination/liaison, and quality control. Includes final closeout report and documents.
Deshara Goss	20	\$ 125	\$ 2,500	Finalize Brownfields banking strategy and project management.
Shelby Duncan	30	\$ 55	\$ 1,650	Program support & reporting
TOTAL LABOR			\$ 10,550	

Expense	Unit	Rate	Total	
Sheila Turner	20	\$ 150	\$ 3,000	Resource roadmaps and reuse planning
Expense Subtotal			\$ 3,000	
Expense Markup			10%	Reduced markup for HLB projects.
TOTAL EXPENSES			\$ 3,300	



WORK AUTHORIZATION

Houston Land Bank

5-Sep-23

PROJECT: TASK 3B: Velasco Cleanup Planning
EPA TASK: Task 3: Phase II ESAs, RAPs, and Reuse Planning

PROJECT TOTAL: \$ 10,030 *Not to exceed*

SCHEDULE: Estimated completion by September 30, 2023

DESCRIPTION: Community Lattice will support Houston Land Bank with brownfields cleanup planning of the city-owned Velasco incinerator as the land bank acquires ownership and positions the property for cleanup funding.

Personnel	Est. Hours	Rate	Total	Description
Danielle Getsinger	22	\$ 160	\$ 3,520	Meeting attendance, roadmapping, coordination of stakeholders, writing of Analysis of Brownfields Cleanup Costs, and support of regulatory strategies.
Shelby Duncan	6	\$ 55	\$ 330	GIS support for project maps
Krisandra Provencher	8	\$ 85	\$ 680	Document preparation and project management support
TOTAL LABOR			\$ 4,530	

Expense	Unit	Rate	Total	
SKA Consulting	1	\$ 5,000	\$ 5,000	Regulatory strategy & technical support; VCP application to TCEQ
Expense Subtotal			\$ 5,000	
Expense Markup			10%	Reduced markup for HLB projects.
TOTAL EXPENSES			\$ 5,500	



WORK AUTHORIZATION

Houston Land Bank

5-Sep-23

PROJECT: TASK 3C: 0 Navigation Phase II Planning
EPA TASK: Task 3: Phase II ESAs, RAPs, and Reuse Planning
PROJECT TOTAL: \$ 4,360
SCHEDULE: September 1 - October 31, 2023

DESCRIPTION:

Community Lattice will work with SKA Consultants to plan a Phase II Environmental Site Assessment/Site Investigation and prepare a QAPP for authorizing by the EPA. We recommend using SKA Consultants as they have been the primary consultant representing Buffalo Bayou Partnership through previous environment due diligence and site investigations. SKA is not only qualified as environmental professionals, offering fair market value services, they are uniquely knowledgeable about site conditions, regulatory pathways, and stakeholder relations. We recommend Houston Land Bank use SKA as a subcontractor to Community Lattice to perform this service to ensure quality control and cost efficiency. SKA's Phase II proposal is attached. At this time, Community Lattice is requesting authorization for a Quality Assurance Project Plan/Field Sampling Plan only. Upon review, scope negotiation, and approval from HLB and EPA, we will finalize the budget for field sampling activities. These efforts are currently estimated to be above \$100,000.

Personnel	Est. Hours	Rate	Total	Description
Danielle Getsinger	8	\$ 160	\$ 1,280	Oversight & EPA reporting
TOTAL LABOR			\$ 1,280	

Expense	Unit	Rate	Total	
SKA Consulting - QAPP	1	\$ 2,800	\$ 2,800	Regulatory strategy & technical support; VCP application to TCEQ
Expense Subtotal			\$ 2,800	
Expense Markup			10%	Reduced markup for HLB projects.
TOTAL EXPENSES			\$ 3,080	



WORK AUTHORIZATION

Houston Land Bank

5-Sep-23

PROJECT: TASK 3C: 0 Navigation Phase II
EPA TASK: Task 3: Phase II ESAs, RAPs, and Reuse Planning
PROJECT TOTAL: \$ 3,720
SCHEDULE: September 1 - October 31, 2023
DESCRIPTION:

Community Lattice will work with SKA Consultants to perform a Phase II Environmental Site Assessment/Site Investigation based on the QAPP authorized by the EPA. We recommend using SKA Consultants as they have been the primary consultant representing Buffalo Bayou Partnership through previous environment due diligence and site investigations. SKA is not only qualified as environmental professionals, offering fair market value services, they are uniquely knowledgeable about site conditions, regulatory pathways, and stakeholder relations. We recommend Houston Land Bank use SKA as a subcontractor to Community Lattice to perform this service to ensure quality control and cost efficiency. SKA's Phase II proposal is attached. At this time, Community Lattice is requesting authorization for a Quality Assurance Project Plan/Field Sampling Plan. Upon approval from EPA, we will finalize the budget for field sampling activities.

Personnel	Est. Hours	Rate	Total	Description
Danielle Getsinger	4	\$ 160	\$ 640	Oversight & EPA reporting
TOTAL LABOR			\$ 640	

Expense	Unit	Rate	Total	
SKA Consulting	1	\$ 2,800	\$ 2,800	Regulatory strategy & technical support; VCP application to TCEQ
Expense Subtotal			\$ 2,800	
Expense Markup			10%	Reduced markup for HLB projects.
TOTAL EXPENSES			\$ 3,080	



WORK AUTHORIZATION

Houston Land Bank

5-Sep-23

PROJECT: TASK 4: Community Engagement
EPA TASK: Task 4: Community Outreach

PROJECT TOTAL: \$ 7,360 *Not to exceed*
SCHEDULE: September 1, 2023 - October 31, 2023

DESCRIPTION:

Community Lattice to provide support with coordinating community and stakeholder engagement for promoting the brownfield program; communicating the mission of the Houston Land Bank relative to brownfields acquisition, cleanup, reuse, and related environmental/climate justice initiatives; hosting engagement events, including Juice and Justice (September 2023), Disrupt Development (Dec 2023), and Urban Land Institute Technical Assistance Panel for Yellow Cab site (Jan 2024).

Personnel	Est. Hours	Rate	Total	Description
Danielle Getsinger	5	\$ 160	\$ 800	Meeting attendance, event planning, event facilitation, engagement strategies oversight
Treasa Antony	5	\$ 125	\$ 625	Community engagement support
Deshara Goss	40	\$ 125	\$ 5,000	Event planning and engagement strategies
TOTAL LABOR				\$ 6,425

Expense	Unit	Rate	Total	Description
Myra Johnson	0	\$ 5,000	\$ -	Communication strategies for stakeholder engagement, event coordination, and marketing/promotions for events.
DeLuxe Theater	1	\$ 500	\$ 500	Juice and Justice September (no December)
DeLuxe Theater	0	\$ 1,000	\$ -	Disrupt Development
Photographer	1	\$ 350	\$ 350	Estimate for Eduardo
Event Space - ULI	0	\$ 2,500	\$ -	Estimate for Greater Hou Partnership
Expense Subtotal			\$ 850	
Expense Markup			10%	Reduced markup for HLB projects.
TOTAL EXPENSES			\$ 935	



REQUEST FOR BOARD ACTION

Meeting Date: September 14, 2023

Agenda Item VII e.: Consideration and Possible Action to Adopt Updates to Houston Land Bank Policies and Bylaws.

ACTION SUMMARY

Approval of this item will update and amend Houston Land Bank (HLB) policies and governing activities to reflect the expansion of the capacity and mission of the HLB reflected via the City of Houston, Texas ordinance No. 2023-720. This update is reflective of the expanded land banking authority pursuant to the 87th Texas State Legislature, Texas Senate Bill 1679, Chapter 379H of the Texas Local Government Code.

BACKGROUND/OVERVIEW

HLB was established under the City of Houston, Texas Resolution No. 1999-59 (1999) and City of Houston Ordinance No. 2018-598 (2018). These governing documents are the basis of Current HLB Policies and Bylaws. It established the capacity and way in which HLB could operate under the governing municipality.

With the passage of Texas Senate Bill 1679 (2021), the Urban Land Bank Act was established and created expanded capacity and operational opportunities for Land Banks. To be in compliance with this new legislation, HLB needs to amend its governing documents to be in step with Texas SB 1679. The proposed updates and amendments to the HLB policies and bylaws are reflective of this new legislation and consist of the incorporation of the Interlocal Agreement between the City of Houston and the Houston Land Bank, effective August 2023, establishing the tax recapture agreement between the two entities (attached).

Should the Board of Directors approve this item, HLB board policies and bylaws will be amended per the City of Houston of Texas ordinance No. 2023-720 (attached), more specifically, Exhibit and Exhibit B.

City of Houston, Texas, Ordinance No. 2023 - **720**

AN ORDINANCE RELATING TO THE EXPANSION OF THE CAPACITY AND MISSION OF THE HOUSTON LAND BANK ("HLB"); APPROVING AND AUTHORIZING AN AMENDMENT TO THE CERTIFICATE OF FORMATION OF HLB AND HLB POLICIES AND PROCEDURES; CONTAINING OTHER FINDINGS AND PROVISIONS RELATING TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.

* * * *

WHEREAS, pursuant to City of Houston Resolution No. 1999-59, passed by the City of Houston (the "City") on October 27, 1999, the City approved the creation of the Land Assemblage Redevelopment Authority ("LARA"), together with its Articles of Incorporation ("Articles") and bylaws ("Bylaws"); and

WHEREAS, the City, acting pursuant to Ordinance No. 2018-598, passed on July 25, 2018, where the capacity and mission of LARA was approved and authorized the name change to Houston Land Bank ("HLB"), amending the certificate of formation and amended and restated the Bylaws of HLB; and

WHEREAS, pursuant to the 87th Texas State Legislature, Texas Senate Bill 1679, Chapter 3791-1 of the Texas Local Government Code became effective September 1, 2021 creating the Urban Land Bank Program for a city with a population of two million or more and HLB qualifies as a land bank subject to that Chapter; and

WHEREAS, HLB is a land bank pursuant to Subchapter 3791-1 of the Texas Local Government Code, local government corporation created pursuant to Subchapter D of Chapter 431, Texas Transportation Code ("Chapter 431") and Chapter 394 of the Local Government Code ("Chapter 394") for various purposes, including without limitation acquiring from the City certain tax-foreclosed properties and conveying those properties, at a price which may be less than the amount of the applicable tax judgments, to developers who will build affordable single-family homes on the properties to be sold to qualified low-income purchasers; and

WHEREAS, the City Council finds that the activities of HLB are expected to be expanded to include all of those activities and powers provided under the Urban Land Bank Program (Texas Local Government Code Chapter 379H) (the "Expanded Mission"); and

WHEREAS, Chapter 431 and Chapter 394 of the Texas Transportation Code and §394.016 of the Texas Local Government Code require that the governing body of the local government sponsoring the local government corporation approve amendments to its Articles of Incorporation and Section 379H.1 OI allows for the approval of the same by the governing body; and

WHEREAS, the City Council finds that the City is the local government sponsoring HLB and that it is in the City's best interest to amend the Articles and the HLB Policies and Procedures to provide for the Expanded Mission and to streamline certain administrative processes as set forth in the Amendment to Certificate of Formation of Houston Land Bank ("Amendment to Certificate") attached hereto as Exhibit "A" and in the Houston Land Bank Policies and Procedures attached hereto as Exhibit "B"; and; **NOW, THEREFORE**,

* * * *

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:

Section 1. That the facts and recitals contained in the preamble of this Ordinance are hereby found and declared to be true and correct and are adopted as part of this Ordinance.

Section 2. That the City Council hereby approves and authorizes the following:

- I. the Amendment to Certificate of Formation of Houston Land Bank in substantially the form of Exhibit "A" attached hereto; and
2. the Houston Land Bank Policies and Procedures in substantially the form of Exhibit "B" attached hereto.

Section 3. That the Mayor, or the Mayor's designee, is hereby authorized to execute such documents and related documents, or other undertakings in the event of changed circumstances. The City Secretary (or in the absence of the City Secretary, any Assistant City Secretary) is hereby authorized to attest to all such signatures and to affix the seal of the City to all such documents. The City Attorney is hereby authorized to take all action necessary to enforce legal obligations under said related documents without further authorization from City Council.

Section 4. That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this **30-ii** day of _____, 2023.

APPROVED this ____ day of _____, 2023.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is **In w**

City Secretary

II DocuSigned by:

Prepared by Legal Dept. VJ L-
(KC/ea/08/11/2023) Senior Assistant City Attorney
Requested by Andrew Icken, Chief Development Officer
L.D. File No. LD-RE-0000001794

HighQ/Renl Eslatc/Housing/EA.KC/Ordinances/Ordinance_HLB Amended Cert. and HLB Policies 2023

Meeting 8/30/2023

Aye	No	
		Mayor Turner
....	Council Members
Absent on personal business		Peck
		Jackson
		Kamin
		Evans-Shabazz
		Martin
		Thomas
		Huffman
		Cisneros
		Gallegos
		Pollard
		Castex-Tatum
		Knox
		Robinson
		Kubesh
		Plummer
		Alcorn
Caption	Adopted	

Captions Published in DAILY COURT REVIEW
 Date: 9/5/2023

EXHIBIT "A"

**AMENDMENT TO CERTIFICATE OF FORMATION OF
HOUSTON LAND BANK**

Reference is hereby made to the Articles of Incorporation of the Land Assemblage Redevelopment Authority dated November I, 1999, as filed with the Secretary of State of the State of Texas (under File No. 155688901) and as amended by the First Amendment to the Articles of incorporation of the Land Assemblage Redevelopment Authority dated effective. as of March 8, 2004, filed with the Secretary of the State, State of Texas (collectively, the "Original Atticles").

Pursuant to Subchapter D of Chapter 431, Texas Transportation Code (the "Act"), and pursuant to Chapter 394, Sec.394.016, the City Council of the City of Houston ("City") by Ordinance dated July 31, 2018 approved and adopted by a majority of the members of the City Council of the City on July 25, 2018, hereby amends the Original Articles by removing Article IV, thereof and replacing the same with the following:

ARTICLE I

SUBSTANCE OF AMENDMENT

A. Article IV of the Original Articles is amended to read as follows:

The Corporation is formed pursuant to and is governed by the provisions of Subchapter D of Chapter 431 of the Act, which authorizes the Corporation to aid, assist and act on behalf of the City and to engage in activities in furtherance of the purposes for its creation. The Corporation is organized for the purpose of reclaiming vacant, abandoned, and deteriorated properties on behalf of the City in the performance of its governmental functions to promote the common good and welfare of the City. On behalf of the City, the Corporation is also organized to undertake one or more projects to include, without limitation, the strategic acquisition, assemblage, management, marketing, development, and disposition of properties throughout the City, and to create one or more programs to include, without limitation, the development of affordable housing, workforce. housing, grocery stores, retail space, green space, and other community programs that stimulate economic development and create jobs as Part of the Complete Communities Initiative or as otherwise directed by the Mayor of the City.

The Corporation shall have and exercise all of the rights, powers, privileges, authority, and functions given by the general laws of Texas to non-profit corporations incorporated under the Act, including, without limitation, the Texas Non-Profit Corporation Law, Chapters 20 and 22 of the Texas Business Organizations Code (the "Non-Profit Act").

The Corporation shall have and exercise all of the rights, powers, privileges, authority and functions given by the general laws of Texas to a land

bank under Texas Local Government Code Chapter 3791-1 (the "Urban Land Bank Act").

The Corporation shall have all other powers of a like or different nature not prohibited by law which are available to non-profit corporations in Texas and which are necessary or useful to enable the Corporation to perform the purposes for which it is created, including the power to issue bonds, notes, or other obligations, and otherwise exercise its borrowing power to accomplish the purpose for which it is created, provided that the Corporation shall not incur obligations or notes or issue bonds without consent of the City Council of the City. The Corporation shall not be authorized to make or acquire home mortgages, or make loans to lending institutions, the proceeds of which are to be used to make home mortgages or make loans on residential developments.

The Corporation is created as a local government corporation pursuant to the Act, shall be a governmental unit within the meaning of Subdivision (2) of Section 101.001, Texas Civil Practices and Remedies Code, and its operations are governmental and not proprietary functions for purposes of the Texas Tort Claims Act, Section 101.001 et seq, Texas Civil Practice and Remedies Code. In the manner and to the extent required by applicable law, the corporation will comply with the provisions of the Texas Open Meetings Act (Tex. Govt. Code §§551.001 to 551.146) and the Texas Public Information Act (Tex. Gov't. Code §§552.001 to 442.353) in force in the State of Texas from time to time. .

ARTICLE II

PROCEDURE USED IN ADOPTING AMENDMENT

On October 27, 1999, the City Council of the City duly adopted Resolution No. 1999-59 authorizing the Corporation to act on behalf of the City to further the public purposes stated in the Resolution and approved certain Articles of Incorporation, which were filed with the Secretary of the State of Texas on November 1, 1999. On November 5, 2003, the City Council of the City passed and adopted Ordinance No. 2003-1018 approving the form of the Articles of Amendment. On July 25, 2018, the City Council of the City passed and adopted Ordinance No. 2018-0598, approving the form of this Amendment to Certificate of Formation.

The Corporation has no members entitled to vote on this Amendment to Certificate of Formation. This Amendment to the Certificate of Formation was adopted at a meeting of the Board of Directors of the Corporation held on _____, 2023, pursuant to the vote of the majority of the directors in office.

WHEREFORE, I have been duly authorized to execute this Amendment to Certificate of Formation on the Corporation's behalf on _____, _____, 2023

**HOUSTON LAND BANK
(formerly known as The Land
Assemblage Redevelopment
Authority)**

BY _____

NAME: _____

TITLE :Chief Executive Officer

BY _____

NAME: _____

TITLE : Secretary

**STATE OF TEXAS
COUNTY OF HARRIS**

Before me, a notary public, on the _ day of _____, 2023, personally appeared _____, in his/her capacity as _____, _____, _____ of the Houston Land Bank, a Texas local government non-profit corporation, known to me to be the person whose name is subscribed to the foregoing document and. being by me first duly sworn, declared that the statements therein contained are true and correct.

Notary Public, State of Texas

EXHIBIT "B"

Houston Land Bank
Policies and Procedures

August __ __, 2023

SECTION I: GENERAL

1) Name.

The name of the corporation is the Houston Land Bank (HLB).

2) Overview.

- a) These policies and procedures serve to guide the real estate acquisition and disposition activities of the Houston Land Bank (HLB). These Policies and Procedures are intended to work in conjunction with other HLB governing documents, including the Bylaws, Articles of Incorporation, and enabling ordinances and statutes.
- b) The terms and conditions of these Policies and Procedures may be implemented through such contracts, restrictive covenants, declarations, deeds, or other instruments as shall have the force and intent of these Policies and Procedures.
- c) In the case of a conflict between these Policies and Procedures and the laws of the City of Houston, Harris County, State of Texas, or the United States, these Policies will be subordinate to the law in question.
- d) Purpose: The purpose of the HLB is to effectively and efficiently facilitate the reactivation of tax delinquent, abandoned, foreclosed, dilapidated and/or functionally obsolete properties for productive reuse through the creative leverage of public resources, leadership, and/or strategies benefitting residents of the City of Houston.
- e) Organizational Structure.
 - i. The HLB is a Texas nonprofit corporation subject to the Texas Non-Profit Corporation Act ("the Act") and created pursuant to provisions of Subchapter D of Chapter 431, Texas Transportation Code, as amended ("the Transportation Code"), Chapter 394 of the Local Government Code and Texas Local Government Code Chapter 3791-I "Urban Land Bank Act".
 - ii. The HLB is comprised of no less than five (5) and no more than thirteen (13) Directors, collectively known as the Board of Directors.
 - iii. The Board is authorized to hire such staff and consultants as are necessary to execute the mission of the land bank.

3) General Obligations. The HLB shall:

- a) Maintain adequate controls and accountability systems for all property and resources under its care and control.
- b) Periodically, but not less than on an annual basis, assess the value of its inventory, which value shall be reported to the City Controller along with other HLB financial statements.
- c) Work diligently to return property in its inventory to productive use, generally within not more than 36 months from the date a property is acquired by the HLB.

- d) Produce regular written reports on the HLB's operations, inventory, and finances.
 - e) Endeavor to work with a high degree of transparency, integrity, and accountability to the public and in constructive collaboration between public and private stakeholders.
 - f) Establish adequate staff, whether employees, contractors, or others to maintain all properties under its care and control in clean, safe, secure and attractive condition, so as not to diminish the value of surrounding property, nor the quality of life of residents and businesses located near HLB properties.
- 4) Enabling Authority.
- a) The HLB is organized and is to be operated for the purposes set forth in the Articles of Incorporation of the Land Assemblage Redevelopment Authority dated October 27, 1999, filed with the Secretary of State of Texas on November 1, 1999 As last Amended by the Articles of Amendment dated _____ filed with the Secretary of State of Texas on _____ as the same may hereafter be amended from time to time (the "Certificate of Formation").
 - b) The Amended and Restated Certificate of Formation, as well as the Texas Non-Profit Corporation Act and provisions of Subchapter D of Chapter 431, Texas Transportation Code, as amended ("the Act"), Chapter 394 of the Texas Local Government Code ("the Local Government Code" and Texas Local Government Code Chapter 379H "Urban Land Bank Act", authorizes creation of the HLB and vests the responsibility to operate the HLB with its appointed Board of Directors.
 - c) The Certificate of Formation, as well as the Act and provisions of the Transportation Code and Local Government Code authorize creation of the HLB and vests the responsibility to operate the HLB with its appointed Board of Directors.
 - d) The HLB Board of Directors may appoint such staff for executing the HLB and empower the staff with such powers, duties, and authority as are necessary to perform their responsibilities, provided such extension of authority does not violate existing ordinance of the City, County, or 1-IISD or the by-laws of the HLB.
- 5) Funding to support HLB.
- a) I-ILB shall be funded by the City of Houston generally, proceeds generated from transactions of the HLB, fees collected for services rendered by the HLB, grants from public or private parties, loans received by the HLB, or from other such sources or funds as the HLB is authorized to accept, provided such acceptance does not violate the laws, regulations, or ordinances of the City of Houston, Harris County, the HISD, the State of Texas, or the United States, and the various departments, agencies, or commissions thereof.
 - b) HLB may not accept any grant funds or enter into any loan or financial obligation that is not authorized in advance by the Board of Directors, notwithstanding authority that is otherwise expressly granted in these Policies and Procedures.

- 6) Eligible Property: The HLB may acquire any property for which such acquisition advances the mission of the HLB.
- 7) Priorities Generally.
 - a) Acquisitions: In evaluating properties that it may acquire, the HLB shall evaluate the following types of properties.
 - i. Tax delinquent, vacant, abandoned, and/or foreclosed property,
 - ii. Property previously acquired for a community purpose, and
 - iii. Property acquired for a community development project on behalf of a government, not-for-profit, or LLC participant in a community development project.
 - b) End Uses: In evaluating properties that it may acquire, the HLB shall prioritize properties that may serve one or more of the following end uses.
 - i. Activate vacant land for productive use,
 - ii. Affordable housing for low- and moderate-income households,
 - iii. Advance community or neighborhood plans,
 - iv. Stimulate community and economic development,
 - v. Increase public open spaces and community gardens,
 - vi. Government and public use, and
 - vii. Other community uses.
 - c) Dispositions: In evaluating dispositions that it may execute the HLB shall prioritize dispositions that:
 - i. Advance the mission of the HLB
 - ii. Satisfy the requirements of the HLB
 - iii. Comply with the specific disposition objectives and policies outlined herein.
 - iv. Maintain the integrity and positive standing of the HLB in the eyes of the public at large.
 - d) Transferees: In evaluating third parties to whom it may convey property, the HLB shall exercise sound business judgment in selecting transferees to include, but not limited to:
 - i. Government entities
 - ii. Not-for-profits engaged in affordable housing development
 - iii. Other non-profits
 - iv. Public/private partnerships engaged in community and economic development

V. For-profit firms engaged in a Low-to-Moderate Income (LMI)
Homeownership Program as Builders

- e) Neighborhood plans: To the extent possible, the real estate acquisitions and dispositions activities of the HLB shall align with, anticipate, and not conflict with neighborhood plans that have been created or approved by the Houston Department of Planning.
- 8) Maintenance of Inventory List for Public Review
- a) HLB shall maintain a list of all properties owned by or under the care of the HLB. The list shall, to the extent practical, be searchable by:
- Standard property characteristics, such as property type, neighborhood location, street address, zoning classification, parcel and structure size, physical description,
 - The source from which the property was acquired
 - Approved uses for the property
 - Minimum sale or transfer price, if any
 - Eligible use(s)
 - Eligible transferee(s)
 - Incentives that may accompany the property
 - Information on its condition, if known
 - Information from the Harris County Appraisal District, County Treasurer, City of Houston, or HISD that pertains to the property's legal, financial, or physical condition or characteristics;
- i. Other information that HLB may choose to provide to encourage the timely and expeditious transacting of HLB property.
- b) The HLB Inventory List for Public Review will be updated not less than once per month.
- c) The HLB Inventory List for Public Review shall be published in electronic format via a website that is accessible to the general public and which includes geospatial and other information to expedite the conveyance of HLB to qualified transferees at the highest and best value and use.
- d) The HLB Inventory List for Public Review shall be available in print form within ten (10) business days upon receipt by the Chief Executive Officer of the HLB (as hereafter defined) of a written request properly addressed and delivered to the HLB.

SECTION 2: DEFINITIONS

- 1) **General:** Capitalized terms using in these Policies and Procedures shall have, unless the context clearly requires otherwise, the meanings specified in this Section 2. Certain additional terms may be defined elsewhere in these Policies and Procedures.
- 2) **Generic Terms:** Unless the context clearly indicates otherwise, where appropriate the singular term shall include the plural and the masculine shall include the feminine or neuter, and vice/versa, to the extent necessary to give the terms defined in this Section 2 and/or the terms otherwise used in these Policies and Procedures their proper meanings.

"Acquire" shall mean the transfer to the HLB of title or any beneficial interest in Real Property in accordance with these policies and the laws of the state of Texas

"Acquisition" shall refer to Real Property acquired by the HLB.

"Affordable Housing" shall be defined by the Director and unless otherwise defined, shall conform to the definition used by the US Department of Housing and Urban Development to describe housing that is affordable to an owner or renter occupant whose household income is 120% or less of the Area Median Income for the Houston MSA.

"Affordability Compliance Period" means the period of time from the date a residential 1- 4 unit property is transferred to a LMI Purchaser from the HLB or from an Approved Builder who had acquired the property from the HLB for the purposes of providing said residential property.

"Board of Directors or Board" shall mean the individuals appointed by the City of Houston, Harris County, and the Houston Independent School Board, who collectively comprise the directors of the HLB.

"Approved Builder" means a qualified builder, real estate developer or construction company that has applied and been approved to receive land from the HLB for the purposes of developing affordable housing.

"Certifying Entity" means an individual or corporate entity that has been designated by the City and/or the HLB to assist HLB process applications from entities wishing to obtain property from the HLB.

"Chief Executive Officer of the Land Bank" shall be the person who is authorized by the Board of Directors to execute the day-to-day operations of the HLB.

"City Investment" means the amount of total cash value declared by the City of Houston to represent the cash value of the city's investment in a single property for redevelopment by HLB. Cash investment shall be the greater of \$10,000 or the actual value contributed by the City.

"Commercial Property" shall mean property under current use as commercial, industrial or mixed-use and residential property with five or more residential units.

"Compliance Officer" shall mean an individual or entity designated by the HLB to monitor the satisfaction of all commitments made to the HLB by a transferee, purchaser, or

successor title holder to property subject to a Declaration of the HLB up to and through the end date of an assigned compliance period.

"Compliance Period" shall mean the period of time, as described hereunder, by which a transferee agrees to maintain a property obtained through the HLB according to the terms and conditions stipulated in the Declaration governing that property.

"Community Organization" shall be an organization incorporated with the State of Texas and formed with the purpose of societal or general benefit.

"Conduit Agreement" shall mean a written tri-party agreement among the HLB and two parties, whereby the HLB will acquire property from one party with the intention of holding it and subsequently transferring it to the second party.

"Conveyance Agreement" shall mean a formal agreement governing the acquisition of a specific property or properties by HLB on behalf of another entity, in which the Conveyance Agreement describes the rights and obligations of both parties.

"Consideration" shall mean the payment of cash or other value, in whatever form, that shall be provided by a party to the HLB in exchange for the transfer of title to property from the HLB to such party. Consideration may be provided as cash, deferred financing, performance of contractual obligations to achieve a public benefit, imposition of restrictive covenants, and/or other obligations and responsibilities of the buyer, or a combination thereof.

"Declaration" means the Declaration of Land Use Restrictions (Restrictive Covenants) that governs the future disposition of any property conveyed from the HLB.

"Development Agreement" shall mean a written agreement between the HLB and a Transferee that describes how the Transferee will redevelop property received from the HLB. Such agreement shall also define the rights and recourse of both parties, including penalties, should either party fail to uphold their respective part(s) of the agreement.

"Director" shall mean the Director (or the chief executive officer, if otherwise designated) of the City of Houston Department of Housing and Community Development, or of such Department's successor entity.

"Dispose" shall mean to transfer of title or other beneficial interest in Real Property from the HLB to a third party by sale, transfer, donation, or any other means of conveyance that is allowed by these Policies and Procedures and not otherwise prohibited by the laws of Harris County, the State of Texas, and/or the United States of America.

"Donation" shall mean the transfer of property to the HLB from a third party, in which the third party has no expectation of receiving any consideration other than a donation tax credit, such as may be allowed by the tax laws of the United States, State of Texas, and/or Harris County.

"Government Entity" shall mean a unit of federal, state, county or local government; an authority or administration created by Public Act, statute or ordinance; or a public body as defined by applicable state or federal law.

"Holding Period" shall mean the period of time from the date upon which the HLB acquires title to a Property and the date upon which title to said property is conveyed to a third party.

"HUD" shall mean the US Department of Housing and Urban Development, or any duly constituted successor designee thereof.

"Land Bank or HLB" shall mean the Houston Land Bank, a local government corporation formed as Land Assemblage and Redevelopment Authority or LARA.

"LMI Purchaser" means a Low-or-Moderate Income Household who has applied and been approved to purchase property through a HLB Home Ownership Program and to abide by any and all conditions established in the Declaration governing that property.

"Low- or Moderate-Income Household" shall mean households whose annual incomes do not exceed 120% of the Houston MSA Area Median Income, as determined by HUD.

"Low- or Moderate-Income Community or Neighborhood" means a census tract where the median household income is not greater than 80% of the Houston MSA median household income. To determine if a subject property is located in a LMI tract, HLB shall reference <https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx>.

"Neighborhood Association" shall be an organization incorporated with the State of Texas and formed for the purposes of improving one or more recognized neighborhoods in the City of Houston. A Neighborhood Association shall be registered with the City of Houston Department of Neighborhoods prior to receiving title to or approved use of any real property from or by the HLB.

"Neighborhood Plan" shall mean a written plan promulgated and approved by a government or quasi-government entity or a recognized nonprofit, community organization or neighborhood association, provided such plan shall be available from the City of Houston Planning Department.

"Not-for-Profit Organization" shall mean a corporation incorporated under the Texas Not-for-Profit Corporation Act and in good standing.

"Policies and Procedures" shall mean these Policies and Procedures governing the HLB.

"Principal Residence" shall mean a residence that the owner maintains as his or her primary residence for not less than 180 days of any 365-day period. A primary residence may include a single-family home or a 2-4 unit residential development, provided that the owner maintains and occupies one of the units as his or her principal residence.

"Public Funds" shall mean any funds provided, whether in the form of a grant or other consideration, where such funds comprise revenues collected from the public.

"Purchase" shall mean payment of consideration by or to the HLB by or to a third party to effect the transfer of title to Real Property.

"Purchaser" refers generally to a public agency, nonprofit organization, or an individual, corporation, partnership, or other entity, which is approved by the HLB as a purchaser of HLB property.

"Real Property" shall mean lands, lands under water, structures and any and all easements, air rights, franchises, and incorporeal hereditaments and every estate and right therein, legal and equitable, including terms for years and liens by way of judgement, mortgage or otherwise, and any and all fixtures and improvements located thereon.

"Related Entity" means, with respect to any party which has been an Owner hereunder:

(i) any spouse, parent, child, grandchild, sibling of such Owner; or (ii) any person or entity

(A) that directly or indirectly controls or is controlled by or is under common control with such Owner, (B) that is an officer of, partner in or trustee of, or serves in a similar capacity with respect to, such Owner or of which such Owner is an officer, partner or trustee, or with respect to which such Owner serves in a similar capacity, or (C) that is the beneficial owner, directly or indirectly, of 10% or more of any class of equity securities of such Owner, or of which such Owner is directly or indirectly the owner of 10% or more of any class of equity securities.

"Side Yard" refers to land, vacant or improved, that will be used and maintained by the owner of an adjacent property, where such adjacent property shares a common boundary comprised of not less than 2/3 the total linear dimension of the common property line.

"Total Property Costs" shall mean the total costs incurred by the HLB to acquire, maintain, and convey a piece of real property, inclusive of purchase costs, legal and insurance costs, listing and transaction fees, transfer fees, and any closing costs stemming from the original transfer to the HLB or subsequent transfer from the HLB to the transferee.

"Transferee" shall mean the party who is acquiring or who has acquired Real Property from the HLB, no matter the process by which conveyance occurs.

"Vacant Land" is unimproved.

SECTION 3: POLICIES GOVERNING THE ACQUISITION OF PROPERTIES

In keeping with its mission and not intending to be the long-term holder of property without end use, the adequate maintenance of the HLB's existing portfolio of property shall take priority over new acquisition in any given budget year. Upon ensuring the adequate maintenance of its existing portfolio, the HLB may elect to acquire new properties per its annual strategic priorities with its remaining budgetary resources.

- 1) Acquisition of property by the HLB may be through one of the following methods:
 - a) Tax foreclosure,
 - b) Mortgage foreclosure,
 - c) Donation,
 - d) Deed-in-lieu of foreclosure,
 - e) Purchase at market value,
 - f) Purchase at less than market value as part of a conditional sale,
 - g) Transfer from another government or quasi-government entity,
 - h) Any other means of acquisition which the Board of Directors shall authorize.
- 2) In determining which (if any) properties it shall acquire, the HLB shall prioritize the following:
 - a) Acquisition of properties that support the mission of the HLB.
 - b) Acquisitions requested by governmental, nonprofit and for-profit entities that identify specific properties for ultimate acquisition and redevelopment, which:
 - i) Catalyze further community and economic development,
 - ii) Are part of a comprehensive development plan,
 - iii) Reduce blight in the community,
 - iv) Assist in the development of affordable housing,
 - v) Contribute to commercial and industrial development,
 - vi) Enhance community infrastructure, public space and/or which comprise green infrastructure projects, including community gardens.
 - vii) Promote affordable home ownership,
 - viii) Reduce the risk of homelessness for LMI households,
 - ix) Mitigate long-term risks from flooding or other natural disasters, or
 - x) Address the environmental remediation of property or land that is contaminated.

- c) Acquisitions where HLB participation is necessary to complete the redevelopment and tax reactivation of the property.
 - d) Properties that are available for immediate development, without need for substantial rehabilitation and whose transfer will generate operating resources for the functions of the HLB.
 - e) Properties located in reinvestment areas whose acquisition aligns with and advance strategic neighborhood stabilization and revitalization plans.
 - t) Properties that meet the criteria for demolition, where such demolition will support blight elimination and neighborhood revitalization plans.
 - g) Properties that are part of a land assemblage development plan by either the HLB or its partnering entities.
 - h) Vacant, non-conforming, or undevelopable properties that could support a planned development.
 - i) Properties that will generate operating support for the functions of the HLB and which otherwise conform with and no not conflict with the stated objectives and policies of the HLB.
- 3) Policies governing acquisitions at the request of a third-party entity ("requestor"), which may include, but not limited be to governmental, nonprofit and for-profit entities.
- a) In the event that a requestor asks HLB to acquire a property on its behalf, HLB may require, at its discretion, a Conveyance Agreement that includes, but is not limited to:
 - i) A description of the purpose for which an acquisition is intended. Such purpose must conform to the accepted uses specified in Section 1 (7), unless an exception to these policies is granted by the HLB.
 - ii) Any parties to a redevelopment agreement for the property to be acquired between the requestor and one or more third parties, which must be disclosed to the HLB.
 - iii) Terms and conditions governing the redevelopment of the property that may have been agreed to by the requestor and a third party, provided that HLB shall not reveal any confidential or privileged information contained therein to any other party without express written approval of the requestor and any third parties involved in the redevelopment.
 - iv) Whether subsequent redevelopment of the property shall require a competitive request for proposal ("RFP") process and the timetable by which such an RFP will be initiated and completed.
 - v) The date by which any subsequent conveyance to a third party for redevelopment is to commence. Such date shall be not more than 36 months

from the date the property is conveyed to the HLB, unless expressly waived by the Board of Directors.

- b) Requestor agrees that:
 - i) It shall reimburse HLB all or a portion of the cost incurred by HLB to complete the acquisition of a property at the request of the third party, such reimbursement being at the discretion of the HLB and the percentage to be reimbursed specified in the Conveyance Agreement.
 - ii) It shall commence or cause to commence conveyance to a third party for the redevelopment of the property for such purposes as were described, substantially or expressly, in the Conveyance Agreement not later than the date specified in the Conveyance Agreement.
 - iii) That should it fail to convey to the third party, as described in the Conveyance Agreement, it may request an extension of the Conveyance Agreement. HLB may grant not more than two 1-year extensions.
 - iv) If at the end of the Conveyance Agreement term, the requestor and/or the third parties to the redevelopment plan described in the Conveyance Agreement have not accepted transfer of the property from the HLB, the parties automatically forfeit any rights to the property and HLB may put the property up for sale and retain any and all proceeds from the sale.
 - c) Such requests shall be made in writing to the HLB, identifying the name, title, and organization represented by the Requester.
 - d) HLB shall have at least 30 and not more than 90 days to respond to the request. During such period, HLB shall have the right to request and receive access to any information necessary to perform due diligence and ensure that the requested acquisition conforms to these policies and procedures and applicable city, state, and federal law.
 - e) All conveyance agreements must be reviewed by the Chairman of the HLB and the Executive Committee or such Committee of the Board of Directors that shall be named, provided at least three (3) Directors shall comprise the Committee.
 - f) In the event HLB declines to enter into the Conveyance Agreement, or the terms and conditions of the Conveyance Agreement are declined by the requestor, or the requestor shall withdraw its request, HLB shall notify the requestor in writing of the final determination of the request and shall record the decision in the minutes of its next available Board meeting.
- 4) HLB may consider and acquire:
- a) Properties that involve pre-existing financial obligations, such as tax liens or a mortgage, provided that any and all financial liabilities and encumbrances are disclosed to the HLB ahead of transfer to the HLB.

- b) Properties that are environmentally contaminated, where funds have been secured for the clean-up and reuse of the property, provided that:
 - i) The HLB is made aware of any environmental conditions to its satisfaction and with evidence satisfactory to the HLB provided to as to the status of any obligations that the HLB may assume on the part of the conveying party with respect to local, state, or federal regulations.
 - ii) If any adverse conditions are determined, a remediation plan satisfactory to the HLB must be in place prior to transfer to the HLB.
 - c) Blighted or distressed properties near schools, senior centers, or high visibility areas, where further deterioration of those properties pose safety hazards to the community.
 - d) Bank-foreclosed properties, which are located in a neighborhood that is an area of focus, or with the purpose of preventing the further decline of a neighborhood due to conditions of blight.
- 5) In determining the nature and extent of the properties to be acquired, the HLB shall also consider:
- a) The condition, marketability, potential holding, tax, utility, legal, environmental and maintenance costs, and possible end uses of every property prior to acquisition.
 - b) The likelihood that a property can be resold for adequate consideration to reimburse HLB for its Total Project Costs;
 - c) The financial resources available for acquisitions and/or ongoing management of property by HLB; and
 - d) The projected holding time before HLB might transfer such properties to the ultimate transferee(s), provided such time does not exceed 36 months from the date of conveyance to the HLB.
- 6) Where applicable, the HLB may request the Harris County Treasurer to combine tax-foreclosed properties from one or more of the previous statutorily-required auctions of tax foreclosed properties, and may acquire any such properties prior to auctions, at such auctions, or subsequent to auctions, as authorized by law.
- 7) If public funds will support redevelopment and/or ongoing maintenance of a property, HLB shall determine that its acquisition of such property is approved as an eligible activity by the funds provider.
- 8) Acquisition Agreements between HLB and the Conveying Party
- a) HLB will execute written agreements describing the terms and conditions of all acquisitions in a form that is acceptable to the HLB and the conveying party.
 - b) Such agreements shall specify all rights and obligations, if any, of all parties involved in the acquisition.

- c) A standard agreement document may be used, with appropriate attachments and addenda as may be necessitated to complete the acquisition in question.
- 9) HLB may acquire properties for the express purpose of Land Banking on behalf of an approved third party (see Section 10: LAND BANKING).
- 10) Title Insurance for Acquisitions by the HLB
 - a) HLB generally requires that any property accepted by the HLB have a policy of title insurance insuring HLB, subject to such title exceptions that are acceptable to the HLB in its sole discretion.
 - b) In those circumstances when the title is not insurable, HLB may elect to acquire the property with the intention of initiating a quiet title action.
- 11) Donated Property
 - a) HLB may choose to accept, at its own discretion, property offered by a private, non-governmental entity, as a donation for which no monetary or other material compensation is anticipated by the donor party.
 - b) Properties with adverse environmental conditions will not be accepted without a satisfactory and funded plan for remediation approved by the HLB prior to conveyance of the property to the HLB.
 - c) Properties with immediate maintenance requirements may be accepted, subject to the donor providing a cash contribution to cover the costs HLB will bear to remedy outstanding maintenance issues.
 - d) Donated Property Procedures: HLB shall establish procedures governing the acquisition of properties by donation, which shall include, but not be limited to the following:
 - i) The HLB will complete an analysis of the property to be donated which will include the following information:
 - Whether property is located within a focus neighborhood.
 - Anticipated redevelopment use and potential market value.
 - Potential for assembly with other parcels to create a larger and more attractive redevelopment opportunity.
 - Whether the property is occupied or vacant.
 - Fair market value of the property.
 - Any environmental concerns, if known.
 - A description of any outstanding liens, with a description of each and the anticipated cost to clear them.
 - Any known issues that would prevent HLB from obtaining marketable title.

- Anticipated immediate and on-going maintenance costs.
 - Whether the donor is offering a cash contribution to assist in remediating hazards or nuisances or to resolve liens.
 - Neighborhood market conditions.
- ii) HLB staff will present the Board of Directors with a Donation Report to review and approval prior to acceptance of any donated property.
- iii) The Board of Directors shall approve or decline donation of property in all cases, unless such authority is expressly delegated through these Policies and Procedures.
- iv) HLB will not determine donation value for purposes of tax benefits to the Donor, but will provide a letter describing the property donated as a contemporaneous written acknowledgement under section 170(f)(8) of the Internal Revenue Code.

SECTION 4: Policies Governing the Disposition of Properties

- 1) General
 - a) In order for HLB to convey property to another party, the future use of the property must promote a public purpose or bestow a benefit on the community.
 - b) All proposals for and subsequent transfer of a property must stipulate the following:
 - i) The property in question is considered surplus by the city and not needed for any city use.
 - ii) The transfer of the property to another party is intended to achieve a public purpose or bestow a community benefit, which includes one or more of the following:
 - (1) Blight remediation
 - (2) Creation of affordable housing
 - (3) Creation of employment opportunities or employment training opportunities
 - (4) Neighborhood stabilization and revitalization
 - (5) Historic preservation
 - (6) Community improvement or beautification
 - (7) Increase tax revenues
 - (8) Other public purpose or community benefit
 - c) In determining the requirements for property disposition by the HLB to a transferee, the following considerations shall be made:
 - i) The transferee, whether directly or through a related entity, must not own any real property in Harris County that:
 - (1) has any un-remediated citation or violation of the state and local codes and ordinances. Property for which a remediation plan is in effect shall not disqualify transferee from accepting property from the HLB, provided notice of such plan is provided in writing to the HLB; OR
 - (2) is tax delinquent
 - ii) The transferee, whether directly or through a related entity, may not have been the prior owner of any real property in Harris County that was transferred to the Harris County Treasurer as a result of tax delinquency.
 - iii) All tax incentives, funding and financing necessary for the proposed redevelopment of a property must be committed prior to transfer from the HLB.

- (1) Proof of such commitment must be provided to HLB prior to conveyance.
- (2) HLB may enter into a contingent disposition agreement prior to commitment of funds, however.
- iv) Parcels of property transferred shall be transferred for consideration in an amount not less than Total Project Costs or fair market value, whichever is greater.
- v) HLB may, at its discretion, choose to encumber a property with a forgivable mortgage equal to the Total Project Cost to satisfy its demand for compensation. The terms by which the mortgage obligation may be forgiven must be described in a development agreement between the HLB and the acquiring party and governed by a declaration recorded against the Property at closing.
- vi) The HLB may consider 'Land Leasing' as a method of disposition in any transactions.
- vii) Option Agreement:
 - (1) HLB may offer Purchasers the Option to purchase real estate for percentage of the purchase price, provided the Purchaser exercises the option by a mutually agreeable date.
 - (2) An Option fee shall be collected to bind an Option Agreement.
 - (3) Any Option fee collected by the HLB shall be credited to the Purchaser at closing.
 - (4) If closing does not occur by the appointed Option date, the Option fee is forfeited to HLB.
 - (5) All option agreements are subject to these Policies and Procedures pertaining to property transfers.
- d) Development Agreements.
 - i) All development projects not otherwise addressed in these Policies and Procedures shall require a 'development agreement' governing the terms and conditions by which a proposed redevelopment of a property will be completed.
 - ii) Where rehabilitation of a property by the transferee is a condition of the transfer, the requirement for such rehabilitation shall be in accordance with rehabilitation standards as established by the City of Houston and adequate completion of such rehabilitation shall be a condition to the release of restrictions or lien securing such performance.
 - iii) A precise narrative description of future use of the property is required prior to approval of a development plan or transfer of a property by the HLB.
 - iv) The future use must be in-line with local development plans.

- v) The development agreement shall apply to stated use.
 - e) If code or ordinance violations exist with respect to the property at the time of the transfer, the development agreement shall specify a maximum period of time for elimination or correction of such violations, with the period of time be established as appropriate to the nature of the violation of the anticipated redevelopment or reuse of the property.
 - t) The proposed use must be consistent with current zoning or land use requirements or a waiver for non-conforming use as a condition precedent to the transfer must be secured by the applicant developer.
 - g) The transferee must agree to pay future property taxes from time of transfer.
- 2) Factors in Determining Consideration Due Upon Transfers
- a) The following factors shall constitute general guidelines for determination of the Consideration to be received by the HLB from the purchaser for the transfer of properties.
 - (1) In each and every transfer of real property, the HLB shall require good and valuable Consideration in an amount determined by the HLB in its sole discretion.
 - (2) The HLB will consider both the fair market value of the property and the Total Project Costs in making its determination of Consideration for each property.
 - (3) Fair market value shall be determined by a written appraisal or brokers price opinion received by the HLB that is not older than 60 days from date of the property request.
 - b) Any exception to the policies governing Consideration shall be taken to the Board of Directors of the HLB for approval.
- 3) Approvals of Transfers
- a) Transfers Requiring Staff Approval Only:
 - b) The Chief Executive Officer may approve on his own authority all single-family property transfers (1-4 unit single-family) and transfer of vacant lots intended for single family residential use.
 - i) All transfers authorized by the Chief Executive Officer must be reported in writing to the Board of Directors at the first Board meeting following the date of the closing of any property transferred under §3.3.a.I.
 - ii) The Director's delegated authority must be recorded in written policy.
 - c) Transfers Requiring Board Approval:
 - i) The Board of Directors must approve all transfers:

- (1) That require an exception to the priorities, policies and procedures adopted by the Board of Directors.
 - (2) in which the property in the hands of the transferee will be exempt from property taxes.
 - (3) for non-residential projects.
 - (4) to governmental entities.
 - (5) if the transferee has acquired more than three (3) properties within a twelve-month period and a request to transfer an additional property is made within the twelve-month period.
- 4) Priorities Concerning the Disposition of Properties
- a) The disposition of properties shall be based upon a combination of two different factors:
 - i) The first factor involves the intended or planned use of the property.
 - ii) The second factor considers the nature and identity of the transferee of the property.
 - b) Within each factor is a ranking of priorities. The disposition of any given parcel will be based upon an assessment of the most efficient and effective way to maximize the aggregate priorities.
 - c) As a general rule, the HLB will seek to convey properties to be reactivated as productive parcels that can generate property taxes, stimulate community and economic investment or improvement, or meet a stated public purpose.
 - d) The Board and Staff of the HLB shall, at all times, retain flexibility in evaluating the appropriate balancing of the priorities for development or use of the property and the consideration for the conveyance of those properties.
 - e) Priorities for Use of Property (order does not imply priority ranking)
 - i) Promote affordable homeownership
 - ii) Promote single and Multi-family affordable rental housing
 - iii) Mixed use development
 - iv) Neighborhood revitalization
 - v) Market rate housing development that is part of a larger community development plan
 - vi) Community gardens
 - vii) Development of public green space (parks and gardens)
 - viii) Public infrastructure

- ix) Long term "banking" of properties for future strategic uses
 - x) Return of the property to productive taxpaying status
 - xi) Retail and commercial development
 - xii) Industrial and manufacturing
 - xiii) Demolition to remove blighted properties
 - xiv) For purposes of environmental clean-up
 - xv) Historic preservation
 - xvi) Storm water management/flood mitigation
- f) Priorities as to the nature of the Transferee (order does not imply priority ranking)
- i) Qualified nonprofit or for-profit corporations that will hold title to the property on a long-term basis as affordable rental housing.
 - ii) Qualified non-profit or for-profit corporations that will hold title to the property for purposes of subsequent redevelopment and re-conveyance to private third parties for homeownership, market rate or affordable rental housing.
 - iii) LMI Purchasers who will own and occupy the property as their primary residence.
 - iv) Developers completing commercial or mixed-use projects that help revitalize a low or moderate-income community or neighborhood
 - v) Businesses that will own and occupy commercial property providing economic opportunity in a low- or moderate-income community or neighborhood
 - vi) Entities that are a partnership, limited liability corporation, or joint venture comprised of a private nonprofit corporation and a private for-profit entity. In the case of a joint venture, the nonprofit corporation must maintain a substantial participation in the venture.
 - vii) Nonprofit or tax-exempt institutions such as academic, social service and religious institutions
- g) Individuals and entities that were the prior owners of property at the time of the tax foreclosure which transferred titled to the Treasurer shall be ineligible to be the transferee of such property from the HLB.
- h) HLB may disqualify applicants to receive property for reasons that may include, but are not limited to:
- i) Applicant having settled a suit or legal action in which the applicant was a defendant in landlord tenant dispute;

- ii) Applicant being a defendant in a chronic nuisance violation complaint;
 - iii) Applicant being convicted previously in a criminal case involving a felony; fraud complaint; violation of one or more state or federal laws concerning nonpayment of taxes; case involving a serious environmental complaint; or other legal dispute that is a matter of public record and which the HLB finds sufficient reason to disallow a transfer.
- i) The decisions of the HLB are final.
- 5) Methods of Disposition:
- a) Negotiated Sale.
 - i) Competitive Listing. Open market competition shall be used to establish the fair market value of Land Bank property. Staff shall list property for sale with a licensed real estate broker and/or on the Land Bank's website to solicit such competition.
 - ii) Listing Price. Listing price shall be determined by staff based on one or more of the following:
 - (1) Comparative market analysis ;
 - (2) Brokers price opinion;
 - (3) Appraisal;
 - (4) Consideration of the extent ofrenovations needed and, as needed,
 - (5) Consultation with a licensed real estate broker or agent.
 - (6) The HLB is empowered to negotiate a proposed purchase price with interested purchasers, taking into consideration all reasonable business and financial justifications for accepting offers above or below listing price. In addition, a number of defined discount programs are contained in this Policy which may result in a property being sold for less than fair market value
 - iii) The Board of Directors, in its sole discretion, may sell property to an applicant who has not submitted the highest purchase offer (i.e. sell for less than fair market value) for a variety of reasons consistent with the HLB's mission and purpose including, by way of example and not limitation, the submission of a redevelopment plan which provides for:
 - (1) A more comprehensive renovation of the property,
 - (2) A valuable community service, or
 - (3) Other community benefit.
 - (4) The Board of Directors will also take into consideration the applicant's qualifications and experience, financial capacity, the quality and extent of

their redevelopment plan, and the planned use for the property when selecting to which applicant a sales contract will be awarded.

- b) Requests for Proposals. A Request for Proposals (RFP) may be used for the disposition and redevelopment of certain properties identified by the Land Bank to solicit from a specific pool of potential buyers, to allow a greater length of time for interested buyers to develop an offer and development plan, or to solicit development proposals that meet certain criteria set forth by the Land Bank.
- c) Auction. A public auction may be used to sell certain properties identified by the Land Bank when:
 - i) Minimum criteria for renovation/redevelopment of the property have been established and included in the terms of sale to be enforced by a Development Agreement, Declaration, or similar mechanism.
 - ii) Eligible bidders will be pre-screened to ensure they are qualified Applicants.
 - iii) Winning bidders must demonstrate proof of funds sufficient to purchase and renovate the property in accordance with the predetermined minimum criteria for renovation/redevelopment of the property.
 - iv) Staff will set starting bid and reserve prices based on comparable market analysis and the extent of renovations needed.
- d) Noncompetitive Sale. The Board of Directors may authorize the sale of property to a buyer without first undertaking the other methods of disposition set forth herein when it determines that a benefit to the community will be had by authorizing such sale without competitive procedures for reasons consistent with the Land Bank's mission and purpose and upon a demonstration that the buyer is uniquely qualified to own, develop or otherwise return the property to productive use.
- 6) Methods of Disposition: HLB shall select the method of disposition which shall permit obtaining the competition that is feasible and desirable to ensure properties disposed of generate the best aggregate return on the investment of public resources, whether that return is cash, community benefit, or a combination thereof.

SECTION 5: Transfers to LMI Purchasers

These policies apply specifically to transfers to support the development of affordable home ownership to LMI Purchasers.

- 1) Primary Residence Required: The property may not be used as income generating rental property, unless the property consists of a 2-4 unit building and the owner occupies one unit as his or her primary residence.
- 2) Homebuyer Education: HLB may require that any LMI buyer (as defined in item 5 below) attend, complete, and provide proof of completion of a comprehensive homebuyer education course delivered by a certified Houston-area I-IUD-approved housing counseling agency, provided that the date of completion is not more than 180 days previous from the date the property is to be conveyed to the LMI Buyer.
- 3) Properties needing rehab:
 - a) An LMI buyer may receive transfer of a home requiring minor final renovations, provided the owners agrees to complete renovations according to a rehab and redevelopment plan submitted in advance and approved by the HLB, and
 - b) Such plan shall allow the LMI buyer to occupy the property as his or her primary residence within a time frame acceptable to the HLB.
 - c) Minor rehab includes cosmetic repairs, final coat of interior paint, decorative landscaping, or similar repairs and shall not include any major repairs, replacement, or installation of essential systems or structural elements, including roof, foundation, or supporting walls of the residential structure.
- 4) Compliance Period for Affordability: To any extent this section conflicts with the Land Use Assembly Agreement ("LURA"), the LURA shall control. The period of affordability shall be the earliest to occur of the following:
 - a) The date upon which the particular single-family property has been occupied by one or more LMI Purchasers for the Affordability Compliance Period, which shall be ten (10) years from the date the property was transferred to the original LMI Purchaser.
 - b) In the event the owner experiences an involuntary loss of the particular property by seizure, condemnation, foreclosure, deed in lieu of foreclosure or a change in federal or State law, which involuntary loss prevents the City from enforcing this Declaration; provided, however, that in the event of loss of the Single Family Property caused by foreclosure or deed in lieu of foreclosure, and if at any time thereafter, the party which was the Qualifying Low-Income Purchaser at the time of or immediately prior to such foreclosure or deed in lieu of foreclosure, or a Related Entity of such party, acquires an ownership interest in such Single Family Property, then the covenants and restrictions set forth in this Declaration shall be revived and shall remain in force until the further occurrence of an event described in this subsection

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- c) the date which is the later of (i) twenty (20) years from the date of this Declaration or (ii) fifteen (15) years from the date the particular Single-Family Property was initially sold to a Qualifying Low-Income Purchaser; or
- 5) Qualifications: A Qualified LMI buyer is one who meets the following qualifications:
- a) Has a household income at the time of application and up to the conveyance of a property from the HLB does not exceed 120% of the Houston area median income for their household size.
 - b) Has completed an application to purchase from the HLB as a Qualified LMI buyer
 - c) Is not otherwise disqualified as a Transferee by these Policies and Procedures.
 - d) Is not subject to any tax liens for unpaid or past due taxes on property located in Harris County.
 - e) Is not subject to collection for any unpaid or past due taxes, bills, fines, or fees to the City of Houston, Harris County, or another government unit.
 - f) Has not owned a partial interest in property in Harris County that was foreclosed upon for tax delinquency or which has outstanding liens from the City of Houston for violations of the city's Property Maintenance standards or other city codes and ordinances.
- 6) HLB shall provide an application for individuals who wish to participate in a Qualified LMI Buyer purchase program.
- 7) HLB may require applicants to provide a nonrefundable Application Fee, which will be credited toward the purchase of a property or forfeited to the HLB if the applicant does not purchase a property within 24 months of the date of application.
- 8) Sale by Qualifying Low-Income Purchaser. In the event that during the Affordability Compliance Term, the Qualifying Low-Income Purchaser ("Homeowner") sells his Single-Family Property, then the following agreements shall apply:
- a) Homeowner must sell the property at a price that is affordable to buyers with income not exceeding 120% of the Area Median Income.
 - b) From the sale proceeds, the Homeowner shall be required to refund to the City the City Investment. The City Investment shall be reduced pro rata based upon the time the Single-Family Property has been actually occupied by a Qualifying Low-Income Purchaser, measured against the required Affordability Compliance Period. For the purpose of prorating the City Investment, each complete year of ownership and occupancy by a Qualifying Low-Income Purchaser shall reduce the City Investment by the same percentage which such year bears to the entire applicable Affordability Compliance Period.
 - c) If the net proceeds (i.e., the sales price minus closing costs and repayment of loans other than the City Investment) are not sufficient to recapture the full City

Investment, prorated as described in subsection (a) above, plus enable the Homeowner to recover the amount of the Homeowner's down payment and any capital improvement investment, the net profits shall be divided proportionally as set forth in the following formulas:

INSERT FORMULAS

- d) Except as provided in subsection (e) below, the Homeowner shall not be required to return to the City more than the amount of net sales proceeds actually realized upon a sale of the Single-Family Property.
 - e) The limitation in subsection (d) above shall not apply if Homeowner commits fraud, waste or mismanagement or otherwise fails to comply with the Affordability Compliance Period such as by vacating and/or using the Single Family Property as other than his primary residence.
 - f) If, at any time during the affordability compliance period, the property ceases to be the homeowner's primary residence due to voluntary relocation, then the owner will be considered in default of this Declaration and 1-ILB shall be eligible to pursue all rights full amount of the City Investment recaptured not more than 60 days from the time the owner vacates the property.
 - g) The mechanisms for enforcing resale and recapture provisions must be recorded against the property. To survive a mortgage satisfaction that could occur if the homebuyer sells the property or even refinances it, the resale restriction may be contained in a declaration of covenants that is also recorded against the property.
- 9) Compliance Review
- a) Certification by Owner. During the Term, on each anniversary of the date upon which this Declaration was first recorded in the Official Public Records of Real Property of Harris County, Texas, or upon such other annual date as City, in its discretion, upon reasonable notice to the Owner, shall establish, Owner shall submit to City a certification, in a form prescribed by City, as to Owner's compliance with all of the terms and provisions of this Declaration. Failure to return the certification form, and any supporting documentation required to satisfy the Compliance review, within a reasonable time, which shall not exceed 60 days of the receipt of such request by the City, shall be considered a material breach of the Declaration governing the property and cause for legal action by the City to enforce its rights.
 - b) Owner's Responsibility: City or designated agent of the City, periodically will monitor Owner's compliance with the requirements of this Declaration. In conducting its compliance review, City or Certifying Entity will rely primarily on information obtained from Owner's records and reports, findings from on-site monitoring, and audit reports. City or the Certifying Entity may also consider relevant information gained from other sources, including litigation and citizen complaints. Owner shall cooperate with City or the Certifying Entity in any such compliance review and shall furnish all notices, information and reports reasonably required by City or the Certifying Entity for such purpose, but

not longer than 60 days following the receipt of a request for information from the city or its designated agent. Failure to respond or satisfy the Compliance review shall be considered a material breach of the Declaration governing the property and cause for legal action by the City to enforce its rights.

10) Releases:

- a) City shall execute such documents as may be required to evidence release of the Single Family Property, or any portion thereof, from the covenants and restrictions set forth in this Declaration based upon the expiration of the Term as provided in Section 1.1 (t) hereof (subject, in the event of foreclosure or deed in lieu of foreclosure, to revival as set forth in Section 1.1(t)(1)), upon receipt from Owner of a certification as to the occurrence of the event giving rise to such expiration and such other evidence as City may reasonably require.
- b) If City shall have contracted with the Certifying Entity for the performance of its responsibilities hereunder, the Certifying Entity shall execute the appropriate release and/or modification to this Declaration in the name of City in accordance with the terms of subsection (a) of this Section, and shall provide appropriate evidence to Owner of its authorization so to act in the name of City.

SECTION 6: TRANSFERS FOR DEVELOPMENT OF PROJECTS OTHER THAN RESIDENTIAL DEVELOPMENTS 1-4 OR VACANT LAND LESS THAN 6,000 SQUARE FEET

- 1) Transfers of property shall require consideration not greater than the Total Project Cost or Fair Market Value, which may be paid in the form of cash or contractual commitments to perform and deliver a specified public benefit.
- 2) To the extent that the Fair Market Value is less than the Total Project Costs, the difference shall be reflected by a combination of contractual obligations to develop, maintain, or preserve the property for specified development purposes. Such amount may be secured by subordinate financing in which amortization of the obligation occurs by virtue of annual performance of the required conditions.
- 3) The dominant priority in determining the amount of and method of payment of the consideration is the extent to which pricing facilitates development that aligns with the priorities on use and concerning neighborhood and community development.

SECTION 7: HLB ISSUED FINANCING

- 1) HLB financing may consist of a deed of trust and promissory note between the HLB and the buyer of real property in which there is a need for the HLB to provide the financing to buy the property for an agreed-upon purchase price and the buyer repays the loan in installments.
- 2) The sale price will be paid in periodic installments, often with a balloon payment at the end to make the time-length of payments shorter than a corresponding fully amortized loan without a final balloon payment.
- 3) An initial down payment of not less than 5% of the purchase price, not including closing costs, fees, or other costs, shall be paid by the buyer to the HLB.
- 4) Installment payments
 - a) The installment payments are determined according to a mortgage amortization schedule. In effect, each installment payment is partially payment of the purchase price and partially payment of interest on the unpaid purchase price.
 - b) If the buyer defaults on installment payments, the HLB may consider the failure to timely pay installments a breach of contract and the land equity may be forfeited to the HLB, depending on the deed of trust provisions.
 - c) The following policies shall establish the instances when the HLB may consider a HLB financed loan (rather than traditional third-party loan or cash sale). All exceptions to this policy shall be decided by the governing body of the HLB.
 - i) HLB financing may be used only when the property being sold is as an affordable owner-occupied-single residential structure. The loan terms (down-payment amount, interest rate, amortization schedule and length of loan) will be determined by the governing body of the HLB.
 - ii) All terms of the loan may be renegotiated between the HLB and the buyer based on approvals from the governing body of the HLB.

SECTION 8: TRANSFER OF REHABILITATED PROPERTIES

- 1) Rehabilitation and Marketing
 - a) The HLB may undertake rehabilitation of properties prior to the transfer to third parties. The nature and extent of any such rehabilitation shall be determined by the HLB in its sole discretion.
 - b) Properties assisted with public funds will be rehabilitated in accordance with the rehabilitation standards for the program by the grantee.
 - c) At the commencement of rehabilitation, a sign shall be placed on the property indicating that the property is owned by the HLB.
- 2) A real estate agent, or realtor, may be selected in accordance with HLB guidelines to assist in the marketing of the property. A listing agreement will be signed with such agent prior to completion of the rehabilitation.
- 3) A nonrefundable escrow deposit shall be required for all contracts for the disposition of property rehabilitated by the HLB. Such deposit shall be in an amount established by the HLB, but shall not be \$500 or 3% of the purchase price, whichever is greater.
- 4) A sales contract must be completed and must comply with all policies and procedures of the HLB and public funds sales requirements (i.e. sales at no greater than project costs), if applicable. The sales contract shall not be binding upon the HLB until approved by the Director, or by the Board of Directors if required by HLB policies and procedures.
- 5) Closing of the transfer shall occur with the assistance of a title company selected and approved in accordance with the HLB guidelines.

SECTION 9: OCCUPIED FORECLOSED PROPERTY PROCEDURE

- 1) HLB may elect to acquire occupied property.
- 2) Prior to acquiring any occupied property, the HLB will contact a qualified nonprofit or for-profit partners to determine their interest in purchasing the property and working with the tenant to prevent displacement.
- 3) The HLB will offer the property for sale or 'option to purchase' to the current tenant if the tenant was not party to the original tax foreclosure. The HLB may offer to sell the property using HLB issued financing.

The HLB may opt to enter into a rental agreement if the HLB establishes a rental program.

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SECTION 11: LAND BANKING POLICIES

- 1) The HLB is able to receive title to properties from community development corporations, government agencies, and all other public entities, and hold title to such properties pending future use by the HLB, by the transferor of the property, or by other third parties.
- 2) The receipt by the HLB of any and all conveyances of real property shall at all times be solely within the discretion of the HLB. Nothing in this policy shall be deemed to require the HLB to take title to any properties nor to limit the discretion of the HLB in negotiating the terms of its acquisition of any property, whether as donated transfers or otherwise.
- 3) All conveyances received by the HLB in its land banking capacity must comply with the requirements and in accordance with the procedures set forth below.
- 4) If the transfer is approved by the HLB, the HLB shall hold the subject property, and may use or convey the subject property or any interest in the subject project, subject only to the right of repurchase set forth below.
- 5) Following the transfer of any properties to the HLB in accordance with this policy, the HLB shall have the right, but not the obligation, to maintain, repair, demolish, clean, and grade the subject property and perform any and all other tasks and services with respect to the subject property as the HLB may deem necessary and appropriate in its sole discretion.
- 6) Requirements for conveyances to the HLB in its Land Banking Capacity
 - a) Property that is intended to be conveyed to the HLB and to be held by the HLB in its Land Banking capacity shall be clearly designated as such in the proposal for the transfer, and in the records of the HLB.
 - b) No property shall be transferred to the HLB pursuant to this land banking policy unless the transferor is either a private nonprofit entity or a governmental entity.
 - c) The subject property must not be occupied by any party or parties as of the date of transfer to the HLB.
 - d) The subject property must, as of the date of the transfer to the HLB, be free or released of any and all liens for ad valorem taxes, special assessments, and other liens or encumbrances in favor of local, state or federal government entities.
 - e) The subject property must, as of the date of the transfer to the HLB, be free or released of all outstanding liens, claims, mortgages and security instruments.
 - f) If the property that is to be conveyed by the HLB has benefitted from public funding, then all such property will be required to comply with all program requirements.
- 7) Procedures for Conveyances to the HLB in its Land Banking Capacity

- a) The transferor of any proposed conveyance to the HLB in its Land Banking capacity shall prepare a written proposal containing the following information:
 - b) A legal description of the property.
 - c) A title report, or other similar evidence, indicating that the property is free of all liens and encumbrances specified by the HLB policies
 - d) A description of the transferor's intended uses of the property and the time frame for use and development of the property by the transferor.
- 2) Following receipt of the proposal, the HLB shall review the proposal and notify the transferor of its approval or disapproval and of any changes or additions that may be necessary as determined by the HLB in its sole discretion. If approved, HLB shall enter into a land banking agreement.
- 3) All land banking agreements shall be reported to the Board of Directors at the next monthly Board Meeting.
- 4) Right of Repurchase by the Transferor
 - a) The transferor shall have a right to repurchase the subject property from the HLB at any time within a timeline determined by the HLB on a case-by case basis by giving notice to the HLB.
 - b) The right of repurchase may be exercised by the transferor upon payment to the HLB of the Purchase Price. The Purchase Price shall be an amount equal to:
 - i. all expenditures of the HLB (whether made directly by the HLB or through payments to a third-party contractor) in connection with the subject property that were incurred subsequent to the date of conveyance and
 - ii. an amount determined by the HLB as its average indirect costs, on a per parcel basis, of holding its portfolio of properties.
 - iii. The HLB shall have the right, at any time within a period designated by the land banking agreement, following the date of the original transfer, to require the transferor to exercise its right of repurchase by giving written notice to the transferor that it exercises its right of repurchase and the amount of the purchase price.
 - iv. The transferor must exercise its right of repurchase, and close the re-conveyance of the property within a time-period designated by such notice. Failure of the transferor to exercise and close upon its right of repurchase within such time period shall result in a termination of all rights of repurchase with respect to the subject property.

SECTION 12: PARTICIPATION IN A HOUSTON COMMUNITY LAND TRUST

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SECTION 13: MISCELLANEOUS

- 1) Amendment: These Policies and Procedures are subject to modification and amendment at the discretion of the HLB.
- 2) Posting: These Policies and Procedures shall be posted to the HLB website with a date showing their adoption date.
- 3) Annual Review: These Policies and Procedures shall be reviewed at least on an annual basis by the HLB Board of Directors and approved, with any amendments or modifications therein.

Controller's Office

To the Honorable Mayor and City Council of the City of Houston:

I hereby certify, with respect to the money required for the contracts, agreements, obligation or expenditure contemplated by the ordinance set out below that:

() Funds have been encumbered out of funds previously appropriated for such purpose.

() Funds have been certified and designated to be appropriated by separate ordinance to be approved prior to the approval of the ordinance set out below.

() Funds will be available out of current or general revenue prior to the maturity of any such obligation.

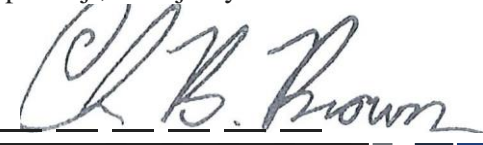
(vf) No pecuniary obligation is to be incurred as a result of approving the ordinance set out below.

() That the money required for the expenditure or expenditures specified below is in the treasury, in the fund or funds specified below, and is not appropriated for any purposes.

() A certificate with respect to the money required for the expenditure or expenditures specified below is attached hereto and incorporatej,,-IJerejn by this reference.

() Other - Grant Funds Available

Date: 01-J/1.



City Controller of the City of Houston

FUND REF: fl) IA AMOUNT: AJ/tt: ENCUMB. NO.:

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City of Houston, Texas, Ordinance No. 2023 - 7:??

AN ORDINANCE APPROVING AND AUTHORIZING AN INTERLOCAL AGREEMENT ("AGREEMENT") BETWEEN THE CITY OF HOUSTON ("CITY") AND HOUSTON LAND BANK ("HLB") FOR THE TRANSFER OF REAL PROPERTY TAX REVENUES COLLECTED BY THE CITY ON SUBJECT PROPERTIES PURSUANT TO SECTION 379H.203 OF THE TEXAS LOCAL GOVERNMENT CODE; APPROVING THE CREATION OF THE HLB TAX REV FUND (THE "FUND") TO RECEIVE REAL PROPERTY TAX REVENUES COLLECTED FROM PROPERTIES SUBJECT TO THE AGREEMENT; APPROPRIATING ANY AND ALL PROPERTY TAX REVENUES RECEIVED INTO THE FUND FOR THE PURPOSES SET OUT IN THE AGREEMENT; CONTAINING FINDINGS AND PROVISIONS RELATING TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.

* * * *

WHEREAS, pursuant to City of Houston Resolution No. 1999-59, passed by the City of Houston (the "City") on October 27, 1999, the City approved the creation of the Land Assemblage Redevelopment Authority ("LARA"), together with its Articles of Incorporation ("Articles") and bylaws ("Bylaws"); and

WHEREAS, the City, acting pursuant to Ordinance No. 2018-598, passed on July 25, 2018, where the capacity and mission of LARA was approved and authorized the name change to Houston Land Bank ("HLB"), amending the certificate of formation and amended and restated the Bylaws of HLB; and

WHEREAS, pursuant to the 87th Texas State Legislature, Texas Senate Bill 1679, passed on June 16, 2021, and became effective September 1, 2021, was formally enacted under Chapter 379H of the Texas Local Government Code ("Chapter 379H") as it relates to the creation and authorities of urban land banks for certain municipalities; and

WHEREAS, HLB qualifies as an urban land bank under Chapter 379H; and

WHEREAS, Section 379H.203 of the Texas Local Government Code provides that the municipality that created the land bank shall annually remit to the land bank no more than 75 percent of the real property tax revenues the municipality collected on applicable real properties; and

WHEREAS, the City and HLB desire to enter into an Interlocal Agreement ("Agreement") to memorialize the City's collection of tax revenues on applicable real properties and the annual remittance of 75 percent of the such tax revenues to HLB, pursuant to Section 379H.203 of the Texas Local Government Code; and

WHEREAS, the City further desires to create the HLB Tax Rev Fund (the "Fund") to receive real property tax revenues subject to the Agreement and requests approval to appropriate any and all property tax revenues received into the Fund for the purposes set out in the Agreement; and

WHEREAS, the City is acting pursuant to the authority of Chapter 373 and/or 374 of the Local Government Code; **NOW THEREFORE**,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:

Section 1. That the City Council hereby finds and determines that the facts and recitals contained in the preamble of this Ordinance are true and correct and hereby adopts the recitals set forth above.

Section 2. That the City Council hereby approves and authorizes the contract, agreement or other undertaking described in the title of this Ordinance, in substantially the form as shown in

the document which is attached hereto as **EXHIBIT "A"** and incorporated herein by this reference. The Mayor is hereby authorized to execute such document and all related documents on behalf of the City of Houston. The City Secretary is hereby authorized to attest to all such signatures and to affix the seal of the City to all such documents. The City Attorney is hereby authorized to take all actions necessary to enforce legal obligations under said Contract without further authorization from the City Council.

Section 3. That the City Council hereby approves and authorizes the creation of the HLB Tax Rev Fund (the "Fund") to receive funds from sources set out in this Ordinance for the purposes set out in the Ordinance.

Section 4. That the City Council hereby approves and authorizes the appropriation of any and all funds received into the Fund for the purposes set out in this Ordinance.

Section 5. That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this **30th** day of _____, **2023.**

ADOPTED this _____ day of _____, **2023.**

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is-----




City Secretary

I, DocuSigned by:

Prepared by Legal Dept. -----
(KC/ea/08/11/2023) Senior Assistant City Attorney
Requested by Andrew Icken, Chief Development Officer
L.D. File No. LD-RE-0000001795
HighQ/Real Estate/Housing/EA.KC/Ordinances Ordinance_HLB_ILA_SB1679_2023

Meeting 8/30/2023

Aye	No	
....	Mayor Turner
Absent on personal business		Council Members
		Peck
		Jackson
		Kamin
		Evans-Shabazz
		Martin
		Thomas
		Huffman
		Cisneros
		Gallegos
		Pollard
		Castex-Tatum
		Knox
		Robinson
		Kubesh
		Plummer
		Alcorn
Caption	Adopted	

Captions Published in DAILY COURT REVIEW

Date: 9/5/2023

INTERLOCAL AGREEMENT

This Interlocal Agreement ("Agreement") is made and entered into by and among the **City of Houston**, a municipal corporation and home-rule city of the State of Texas, principally situated in Harris County, Texas, acting by and through its governing body, the City Council of the City of Houston ("City") and the **Houston Land Bank**, a Texas local government corporation created pursuant to Tex. Transp. Code Ann. § 431.101 (Vernon 2000) ("HLB," f/k/a the Land Assemblage Redevelopment Authority), collectively referred to as the "Parties".

I. Purpose and Background

- A Pursuant to the 87th Texas State Legislature, Texas Senate Bill 1679 ("SB 1679"), passed on June 16, 2021, and became effective September 1, 2021. SB 1679 relates to the creation of urban land banks for certain municipalities. HLB qualifies as an urban land bank under SB 1679. The purpose of this Agreement is to memorialize the collection of taxes on real property conveyed by HLB pursuant to SB 1679, which was formally enacted under Section 379H.203 of the Texas Local Government Code. Section 379H.203 reads:

". COLLECTION OF TAXES ON PROPERTY CONVEYED BY LAND BANK. Not more than 75 percent of the real property taxes the municipality that created the land bank collected on real property, excluding any school district or county ad valorem tax, conveyed by a land bank under the laws of this state shall be remitted to the land bank. The real property taxes of any other taxing unit, as to real property of the land bank, may also be allocated to the land bank in a similar manner under an interlocal agreement between the other taxing unit and the land bank. The specific percentage of those taxes to be remitted shall be established by ordinance, resolution, or interlocal cooperation agreement of the land bank. The allocation of property tax revenue shall begin with the first taxable year following the date of conveyance and shall continue for a period of five years. The funds shall be remitted to the land bank in accordance with the administrative procedures established by the assessor-collector of the county in which the land bank is located. The allocation of property tax revenue may not occur if those taxes have been previously allocated to a tax increment reinvestment zone, or to secure a debt of the municipality or other taxing unit, unless the municipality or other taxing unit enters into an agreement with the land bank for the remittance of those funds to the land bank."

- B. The Parties agree that the City shall remit to HLB 75 percent of the real property taxes collected on the Conveyed Property (as defined below in Section III of this Agreement).

II. Term and Termination

The term of this Agreement shall commence on the Effective Date, which shall be the date on which this Agreement has been approved and executed as required by law by all Parties (provided, however, that notwithstanding anything herein to the contrary, this Agreement shall not take effect until after countersignature of the City Controller), and

Interlocal Agreement re. 5B1679

shall terminate ten (10) years after the Effective Date, unless terminated earlier by any of the Parties pursuant to this Agreement.

111. HLB Conveyed Property

"Conveyed Property" shall mean property conveyed by HLB, on or after the Effective Date, to (i) individuals and/or households, (ii) approved builders and developers or (iii) local government corporations (i.e. Houston Community Land Trust) or political or governmental entities (the "Conveyed Property"). All Conveyed Property shall be subject to the real property tax remittance provided under Section V. of this Agreement but excluding those real property tax revenues previously allocated to a tax increment reinvestment zone.

IV. ReQorts and Audits

- A. HLB will prepare and deliver to the City without demand, annual reports regarding the Conveyed Property from the time period of January 1 through December 31. These reports will contain all information pertinent to the sales of the Conveyed Property.
- B. To determine the amount to remit to HLB, the City requires a report detailing actual tax collected on Conveyed Properties. By April 1, annually, the Harris County Tax Office ("Tax Office") shall provide a report detailing such collections to the City and HLB. The City shall remit to HLB by June 1 of the following year 75 percent of the actual tax collected on the Conveyed Property, as reported by the Tax Office, subject to appropriation by City Council.
- C. HLB acknowledges and agrees that the City shall have the right, during the term of this Agreement and within three years after its termination, to audit the books and records of HLB at its or their own expense. Furthermore, this right to perform an audit shall be independent of any other party's right or obligation to audit the books and records of HLB.

V. Pa_yment

- A. The City, in conjunction with the Tax Office, shall remit to HLB by June 1 of the following year of the first annual report from HLB, 75 percent of the real property tax collected on the Conveyed Property. Pursuant to Section 379H.203 of the Texas Local Government Code, the allocation of property tax revenue for each Conveyed Property shall begin with the first taxable year following the date of conveyance and shall continue for a period of five years. The payments will continue annually until the termination on this Agreement.
- B. Pursuant to Section 379H.203 of the Texas Local Government Code, Harris County of the State of Texas, through the Tax Office, has established the requisite

Interlocal Agreement re. S81679

administrative procedures for remittance of the real property tax revenues to the Tax Office, on behalf of HLB ("Administrative Procedures"). The requirements of the Administrative Procedures, attached hereto as **Exhibit A**, as may be amended from time to time, are incorporated into this Agreement for all purposes.

- C. The City and HLB agree that the City's annual remittance of real property tax revenues pursuant to this Agreement shall be fully applied toward the acquisition of real property and other necessary operational costs of HLB.
- D. The City and HLB agree that the City's annual remittance of real property tax revenues pursuant to this Agreement are subject to annual appropriation by City Council.

VI. Miscellaneous

A. **Written Amendment.** This Agreement may be amended by only the mutual agreement of the Parties in writing.

B. **Severability.** If any part of this Agreement is for any reason found to be unenforceable, all other parts remain enforceable unless the result materially prejudices any party.

C. **Entire Agreement.** This Agreement embodies the entire agreement of the Parties. No other agreements, assurances, conditions, covenants (expressed or implied), or other terms of any kind, exist between the Parties regarding this Agreement.

D. **Non-Waiver.** Failure of any Party hereto to insist on the strict performance of any of the agreements herein or to exercise any rights or remedies accruing hereunder upon default or failure of performance shall not be considered a waiver of the right to insist on, and to enforce by any appropriate remedy, strict compliance with any other obligation hereunder or to exercise any other right or remedy occurring as a result of any future default or failure of performance.

E. **No Waiver of Immunity.** No Party hereto waives or relinquishes any immunity or defense on behalf of itself and its officers, employees and agents as a result of its execution of this Agreement and performance of the covenants contained herein.

F. **Default and Expiration of Agreement.** During the period covered by this Agreement and any amendments thereto, any of the Parties may declare a default hereunder and terminate this Agreement upon thirty (30) days' notice to the other Party if any of the Parties breaches any covenant or condition of this Agreement and fails to cure the breach within sixty (60) days of receiving written notice from any of the Parties describing the breach in detail. The Parties expressly acknowledge that the failure of HLB to undertake and thereafter to actively pursue providing affordable and low-income housing shall constitute a default under this Agreement.

G. **Ambiguities.** If any term of this Agreement is ambiguous, it shall not be construed for or against any Party on the basis that the Part did or did not write it.

Interlocal Agreement re. 5B1679

H. **Notices.** All notices required or permitted by this Agreement must be in writing and are deemed delivered on the earlier of the date actually received or the third day following: (1) deposit in the United States Postal Service post office or receptacle, (2) with proper postage (certified mail, return receipt requested), and (3) addressed to other Party at the address set out in the preamble of this Agreement or at such other address as the receiving Party designates by proper notice to the sending Party.

I. **Remedies Cumulative.** Unless otherwise specified elsewhere in this Agreement, the rights and remedies contained in this Agreement are not exclusive but are cumulative of all rights and remedies which exist now or in the future. Neither Party may terminate its duties under this Agreement except in accordance with its provisions.

J. **Necessary Parties.** All Parties acknowledge and agree that this Agreement is conditioned upon and shall not be effective unless and until each of the Parties has approved and executed this Agreement.

K. **Applicable Law.** The conduct of activities and the interpretation and application of this Agreement shall be in accordance with all applicable laws, regulations and procedures of the United States, the State of Texas and the State of Texas regulatory agencies, as they may from time to time be amended ("Applicable Law"). To the extent of any conflict between this Agreement and Applicable Law, Applicable Law will control. City of Houston ordinances are applicable to this Agreement to the extent that such ordinances do not conflict with this Agreement.

L. This Agreement is binding only after execution of all the Parties hereto.

M. The Parties may execute this Agreement in multiple copies, each of which shall be deemed an original.

VII. Liability_

Each Party to this Agreement, including HLB, agrees that it shall have no liability whatsoever for the actions or omissions of an individual employed by another Party, regardless of where such individual's actions occurred. Each Party is solely responsible for the actions and/or omissions of its employees and officers.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective after execution by all of the Parties hereto (the "Effective Date").

[Signature pages follow.]

Interlocal Agreement re. 5B1679

DS

SEAL/ATTEST:



DocuSigned by:

Pat Jefferson-Daniel

Pat Jefferson-Daniel, City Secretary

CITY:

CITY OF HOUSTON, TEXAS

Sylvester Turner

Sylvester Turner, Mayor

DocuSigned by:

Amanda Washington

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APPROVED:

Andrew Icken,
Chief Development Officer

COUNTERSIGNED:

Chris B. Brown

Chris B. Brown, City Controller

DocuSigned by:

Chanelle Clark

B172D137C7AD44E...

APPROVED AS TO FORM:

DocuSigned by:

- VJI -

Senior Assistant City Attorney
LO #0000001795

COUNTERSIGNATURE DATE:

9/6/2023

Internal Arrangement re. SO1 G79

HLB;

HOUSTON LAND BANK



~~Christopher Stoneham~~ Chief Executive Officer

Interlocal Agreement re. 5B1679

EXHIBIT A
ADMINISTRATIVE PROCEDURES



ANN HARRIS BENNETT

Tax Assessor-Collector
www.hctax.net

February 6, 2023

Administrative Procedures to Remit Collection Data to the Houston Land Bank and City of Houston

Background

On June 16, 2021, SB1679 was passed in the 87th Legislative session and became effective on September 1, 2021. In accordance with Section 379H.203, certain City of Houston real property tax revenue owed to the Houston Land Bank are to be remitted in accordance with the administrative procedures established by the Tax Assessor-Collector of the county in which the land bank is located. The HLB is located within Harris County.

Harris County Tax Office Remittance Procedures

- The City of Houston and the Houston Land Bank shall establish by official action the percentage of real property taxes collected to be remitted to the Houston Land Bank. This official action must be submitted to the Tax Assessor-Collector's Office.
- By February 1st of each year during the term of the HLB revenue program the Houston Land Bank shall compile the list of accounts that have been conveyed to homebuilders from the HLB. The HLB will provide the compiled list of accounts to the Tax Assessor-Collector's Office and the City of Houston's Mayor's Office of Economic Development (MOED). This list will include:
 - o Harris Central Appraisal District Account number
 - o Physical Address
 - o Date of Conveyance
 - o Beginning Tax Year
 - o Ending Tax Year
- By March Pt, the City of Houston's Mayor's Office of Economic Development will review the list of accounts to determine if any account is within the boundary of a Tax Increment Reinvestment Zone and report those accounts to the Tax Assessor-Collector's Office.
- By April 1st, on an annual basis, the Tax Assessor-Collector's Office shall provide collection data for 5 years (Current year plus 4) to the City of Houston and Houston Land Bank. The parties agree that the first year of collection data shall be for Tax Year 2023.
- By June Pt, the the MOED shall remit to the Houston Land Bank payment of the real



ANN HARRIS BENNETT

Tax Assessor-Collector
www.hctax.net

property tax revenues collected on the subject tax accounts.

- Any adjustments to levy such as refunds or late payment from the prior 4 years will be adjusted on the annual report.

Respectfully submitted,

Ann Harris Bennett
Harris County Tax Assessor-Collector