



## **BOARD OF DIRECTORS REGULAR MEETING**

**June 15, 2023**

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Consideration and Possible Action  
to Approve the Acquisition of Two  
Properties Approximately 31,000  
a Square Feet from the City of Houston.



BOARD OF DIRECTORS SPECIAL MEETING  
AGENDA

Thursday, June 15, 2023 – Noon Central Time  
Sunnyside Health & Multi-Service Center,  
Room 2127  
4410 Reed Houston, Texas 77051

This special meeting is being held due to an official quorum not being met at the last standing board meeting on June 08, 2023. This special meeting will cover agenda items as posted below. This meeting will be open to the public via in-person physical appearance but restrictions regarding masks, allowable room capacity, and seating arrangements may be in place.

The public meeting location will be at the Sunnyside Health & Multi-Service Center, Room 2127, 4410 Reed Houston, Texas 77051. The Board Chair, as presiding officer of the Board, will be physically present; and Board members will also be physically present.

Please contact [info@houstonlandbank.org](mailto: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, June 14, 2023. To register, please use the online form at [www.houstonlandbank.org/resources](http://www.houstonlandbank.org/resources), e-mail [info@houstonlandbank.org](mailto:info@houstonlandbank.org), or call 281-655-4600. The Chair will call on speakers and allow three minutes per speaker.*
- III. Consideration and Adoption of Meeting Minutes

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

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[houstonlandbank.org](http://houstonlandbank.org)

- a. May 11, 2023 Board Meeting
- IV. Chairman's Greeting: Matt Zeis
- V. President's Report: Christa Stoneham, CEO/President
- VI. Board of Directors Fiscal Presentation: HLB 2024 Budget: Isai Mendez, Accounting Manager & Director of Finance
- VII. Board Action Items
  - a. Consideration and Possible Action to Approve Houston Land Bank to accept Grant funds conditioned on application proposal approval and acceptance for the 2023 Rockwell Fund Grant.
  - b. Consideration and Possible Action to Approve and Adopt the Houston Land Bank Proposed Fiscal year 2024 Budget.
  - c. Consideration and Possible Action to Approve the maximum home sales price increase request submitted by Education Based Housing, Inc. from \$180,000.00 (\$136/SF) to \$190,000.00 (\$144/SF).
  - d. Consideration and Possible Action to Approve the Acquisition of Property in the Second Ward Neighborhood at Auction or through Purchase.
  - e. Consideration and Possible Action to Approve the Acquisition of Two Properties Approximately 31,000 Square Feet from the City of Houston.

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.*

*HLB anticipates the need to enter into Executive Session for the June 08, 2023 Board of Directors Meeting in order to discuss property acquisition strategies and pricing points which deal directly with the value and transfer of real property and economic development matters.*

- IX. Board Member Comments
- X. Adjournment





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

**May 11, 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, May 11, 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:

|                    |                     |
|--------------------|---------------------|
| Tonzaino Bailey    | Matt Zeis           |
| David Collins      | Victor A. Mondragón |
| Danielle Keys Bess | Dwantrina Russell   |
| Elaine Morales     |                     |

Board directors absent were: Jesus DeAnda, Antoinette Jackson, Janae Ladet, Marilyn Muguerza, Chrishelle Palay, 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; 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; and Sandy Hellums-Gomez with Husch Blackwell LLP, outside legal counsel for the HLB.

**I. Call to Order and Roll Call**

Chairman Zeis called this regular meeting to order at 12:14 p.m. A roll call of the Board members in attendance immediately followed. Chairman Zeis then announced that a quorum of the Board is present for this meeting.

**II. Public Speakers**

Nothing to report.

**III. Consideration and Adoption of Meeting Minutes**

**a. April 13, 2023 Board Meeting**

Chairman Zeis noted that the minutes for the April 13, 2023 regular meeting of the Board of Directors were previously circulated for review and comment. He asked if there were any comments for discussion to such minutes. Hearing none, Chairman Zeis then requested a motion to approve and adopt such minutes as written.

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

**IV. Chairman's Greeting: Matt Zeis**

Chairman Zeis thanked the Directors for attending this Board meeting and requested that each Director attend the retreat scheduled for Friday, May 19, 2023 at the offices of the Avenue CDC on Washington Avenue.

**V. Committee Reports:**

**a. Executive Committee: Matt Zeis, Chair**

Chairman Zeis reported that the Executive Committee met last week to discuss the agenda items for this meeting, adjustments to the draft property tax agreement with the City of Houston which will divert a portion of the ad valorem taxes on land the HLB develops, the budget for Fiscal Year 2024 in detail, and an update on the Yellow Cab site which is still on hold pending the required clearance letter from the TCEQ to close on the remaining tract. He mentioned that the Committee also reviewed feedback from the foreclosure auction attended by Don Hughes and that it may need to revise the parameters established at the last meeting. Mr. Hughes will attend another foreclosure auction to refine the parameters for bidding on properties at the foreclosure sales.

**b. Finance Committee: Laurie Vignaud, Chair**

Mr. Mendez reported that the Finance Committee met on April 18, 2023 to discuss the current Financial Statement, updates to the Fiscal Year 2024 preliminary budget, the status of the operational budget, and the bank account for the HLB 501(c)3 Fund.

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

Ms. Williams reported that the Committee met on May 3, 2023 and discussed the site selected for the Acres Home Neighborhood Community building, working with the home builders on their construction financing, the Interlocal Agreement with the city of Houston with regard to SB 1679, the Union Pacific Grant, and increasing capacity for the Brownfields EPA Grant. Lastly, she mentioned that the Community Purchase Lots Program will be rolling out soon.

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

Director Mondragón reported that the READ Committee met on April 26, 2023 which included a discussion with guest speaker Jay Mason of the Houston Housing Authority regarding the Yellow Cab site, possible revisions to the process of approving prospective home builders to obtain a greater rate of acceptance, and progress of the Acres Home Town Center. The Committee also discussed the results of the lot inventory performed by Don Hughes which disclosed that many lots are in wooded areas and others which are over 8,000 square feet. Mr. Hughes noted that the larger tracts could be re-platted to accommodate various residential developments. He stated that lots in the Third Ward are currently priced at \$45 per square foot.

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

Ms. Okoiron reported that the Procurement and Oversight Committee met last week to discuss the differing insurance requirements for the pool of professionals included in the RFP for numerous services which has now been extended to close on May 26, 2023 to allow respondents more time to provide their respective insurance certificate.

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

Ms. Stoneham reported that the HLB is now focusing on the content portions of the HLB website to better explain "what the HLB does, the services it provides, and management of its assets." She then reported that the RFQ for 10 professional and technical support services is now open which will provide more capacity for HLB's development projects. The real estate brokerage services included in this RFQ will be for HLB's acquisition needs rather than for sales transactions. This RFQ is scheduled to close on May 26, 2023. The final list of vendors to provide support services will be presented to the Board for approval at its June meeting.

Ms. Stoneham announced that a builders' forum is scheduled for June 9, 2023 for the new home builders to discuss the HLB updated guidelines and to educate the builders on how to submit a RFQ which will hopefully add more builders to the program. She noted that another builders' forum is tentatively scheduled for June 30<sup>th</sup> in conjunction with the Houston Housing Collaborative at the Federal Reserve Bank building in Houston to provide an opportunity for the home builders to meet the banks.

Ms. Stoneham then discussed the status of the development data and the need to add more builders to the program. She noted that there are 28 houses in development, many of which started late and with some having difficulties obtaining access to electrical transformers.

Director Collins asked how many builders are out of compliance with regard to the house construction contracts in the Settegast area. Ms. Stoneham reported that there are 26 houses out of compliance under their respective construction contracts and that HLB may need to re-purchase some of these lots. Director Mondragón requested a summary of the categories for the reasons the construction is out of compliance (i.e., electric service line connection, water service hookup). Chairman Zeis requested a list of the houses which still require electricity service to complete construction. Also, she will be looking into repurchasing some of the lots to address the compliance problem.

The lot inventory was then discussed by Mr. Hughes who noted that some lots are inaccessible (forested lots), some of which are too small for housing, some of which are in the flood plain, and those which are 5,000 – 6,000 square feet that may be set aside for disposition or re-platted. Director Collins noted that the lots in Settegast and Trinity Gardens which have roads should not be re-platted so as "not to disrupt the haven" as HLB is not in the re-platting business.

Ms. Stoneham reported that there are currently three NHDP houses for sale in Acres Home, one of which is under contract for with a home buyer. She mentioned that Director Russell and Director Palay will attend the next "Juice in Justice" event to be held on June 2, 2023 at the East River Nine development concerning environmental justice. Ms. Stoneham then discussed the 2023 benchmark goals and noted that approval of the new builders occurred earlier than scheduled and

that the Yellow Cab closing has now been pushed to the third quarter. Director Morales asked if land banks can be property managers and/or owners for multi-family developments. Ms. Okoiron indicated that land banks could be property managers or owners but would need to determine how to execute such a plan to meet the HLB mission purpose. Lastly, Ms. Stoneham reported that she had twelve speaking engagements last month, along with ten local presentations, and three national conferences.

## **VII. Board Action Items**

- a. **Consideration and possible action to approve the Interlocal Agreement and corresponding Administrative Procedures between the Houston Land Bank, The City of Houston and Harris County reflecting the authorization of the collection of taxes on property conveyed by the Land Bank under Texas Senate Bill 1679 ("SB1679")**

Chairman Zeis announced that approval of this agenda item will authorize the HLB Board of Directors to execute the Interlocal Agreement between Houston Land Bank, the City of Houston and Harris County, and the Administrative Procedures to Remit Collection Data to the Houston Land Bank and City of Houston in order for the Houston Land Bank to avail itself to the collection of taxes on property conveyed by the Land Bank under the authorization of Texas Senate Bill 1679 ("SB 1679"). He noted that these taxes will bring approximately \$50,000 to the HLB and that there is general support for this agreement within Houston City Council which will need to approve and adopt the agreement at a future City Council meeting.

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. In accordance with Section 379H.203, certain City of Houston real property tax revenue owed to the Houston Land Bank will be remitted in accordance with the administrative procedures established by the Tax Assessor-Collector of Harris County.

The agreement will be for a ten-year fixed term agreement which provides that the City of Houston remit to HLB 75% of the ad valorem taxes collected on real property conveyed by the Houston Land Bank, pursuant to the agreed Administrative Procedures. There will be no exclusion for land located within the 100-year flood plain, however lots in a Tax Increment Reinvestment Zone would be excluded.

The Administrative Procedures provide that by February 1<sup>st</sup> of each year, HLB will send a list of its real property that have been conveyed by it to the Harris County Tax Assessor-Collector's Office. The City of Houston's Mayor's Offices of Economic Development will then review the accounts by March 1<sup>st</sup> of that same year to ensure that none of the real property then is in a Tax Increment Reinvestment Zone and report those findings to the Harris County Tax Assessor-Collector's Office. By April 1<sup>st</sup> Harris County Tax Assessor-Collector's Office will provide the collection data to the City of Houston and HLB. By June 1<sup>st</sup> the Mayor's Offices of Economic Development will remit payment of the real property tax revenue to HLB. The first year of collection data will be for Tax Year 2023.

Director Mondragón made a motion to approve the Interlocal Agreement and the corresponding Administrative Procedures for execution among the HLB, the City of Houston and Harris County, which motion was duly seconded by Director Bailey and approved with the unanimous vote of the Board.

**b. Consideration and possible action to approve the amendment of the HLB contract with Community Lattice facilitating the expansion of the scope of work to accommodate additional services needed.**

Ms. Stoneham informed the Board that Community Lattice has been assisting the HLB with Brownfield's Inventory, Phase II ESAs, RAPs, Reuse Planning, and Community Outreach. The current contract includes a provision not to exceed the amount of \$49,566 by September 30, 2023. With HLB Board approval, the contract will be increased not to exceed the amount of \$98,216 to build more capacity for stakeholder engagement in neighborhoods, identify more partners, and to assist with administration of the EPA Grant. Community Lattice will then be able to employ additional contractors to build capacity and exclusively work with HLB Staff to apply for more testing and cleanup funds. These additional funds will be only used for testing at this time. She noted that the real estate developers will not clean up the affected sites like the HLB can. Director Mondragón asked if this will alter HLB's appetite for environmentally challenged lots. Chairman Zeis noted that the increase in the contract will allow HLB to analyze more lots for the testing phase.

Under the current work plan, Community Lattice focuses on target neighborhoods identified in the EPA grant; however, as more partnership opportunities and neighborhoods are identified, additional capacity is now being requested to identify resources and partners for community engagement and acquisition strategies for any "catalyst brownfield" site HLB intends to redevelop. Brownfield's redevelopment planning will help HLB and communities make informed decisions about where to direct scarce resources to benefit the existing community. Area-wide planning can also help implement locally driven initiatives, such as housing, parks, environmental improvement, community wealth building, and equitable and environmentally-just economic development. The amended contract will:

- Identify resources or leveraging opportunities to implement the plans, including specific strategies for public and private sector investments necessary to help with cleanup and area revitalization.
- Condense the brownfield's project into distinct, fundable components and assign lead responsibilities.
- Develop a multi-layered funding plan to support brownfield's cleanup and reuse.
- Create a timeline for pursuing grants, loans, private and other sources of funds related to our brownfield project.
- Develop strategies for leveraging public and private sector investments necessary to help with brownfield's cleanup and area revitalization.

Director Bailey made a motion to approve the amendment of the contract with Community Lattice to expand the scope of the services needed, which motion was duly seconded by Director Bess and approved with the unanimous vote of the Board.

**c. Consideration and Possible Action to Approve Houston Land Bank to submit application for the 2023 Union Pacific Foundation Grant.**

Ms. Williams announced that approval of this agenda item will authorize HLB staff to submit a grant proposal to the Union Pacific Foundation requesting \$25,000 to fund the HLB "Community Purpose" program initiative focused on activating HLB's parcels which are less than 2500 square feet or smaller. The proposed funding will be utilized and governed as outlined in the grant proposal to activate these smaller parcels.

Ms. Williams explained that the Community Purpose Lot Program is an innovative initiative designed to activate small, underutilized lots in communities for community purposes and organizations. This program aims to transform these small lots into vibrant spaces that serve the needs and interests of the local community and to deter illegal dumping.

With funding from Union Pacific Foundation, community members and organizations can access resources and technical assistance to develop and implement projects on these small lots. This may include creating community gardens, urban farms, public art installations, or pop-up markets. The program is designed to be flexible and responsive to the unique needs and interests of each community, ensuring that the projects developed reflect the vision and values of concerned community members. The program works closely with local organizations and leaders to identify opportunities and barriers to activation and to leverage local resources and expertise.

Chairman Zeis acknowledged that there may be some risk accepting funds from Union Pacific given its history of friction within certain neighborhoods where it operates its businesses nearby. He noted that it is possible that Union Pacific could use HLB's name in its public relations with regard to the grant. He requested that the grant should be made conditional such that Union Pacific is not permitted to use the HLB brand in any publicity in connection with the grant. Chairman Zeis stated that it is important to protect the HLB brand. Director Mondragón proposed that no conditions be requested during the application process. However, he concurred that Union Pacific may want it known that it made such grant to the HLB and receive recognition of same. It was noted that the grant does not include a "branding" requirement by Union Pacific.

In the event the Board of Directors approves this Agenda item, HLB staff will submit its grant proposal to Union Pacific. The grant is anticipated to be distributed in September/October 2023. HLB will present the formal Community Purpose Lot Program to the Board in the Summer of 2023 and launch the Community Purpose initiative in the Fall of 2023.

Director Mondragón made a motion to submit an application for the 2023 Union Pacific Foundation Grant, which motion was duly seconded by Director Russell and approved with the unanimous vote of the Board.

**VIII. Executive Session**

Nothing to report.

**IX. Board Member Comments**

Nothing to report.

**X. 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 1:14 p.m. upon motion by Director Collins and duly seconded by Director Bailey 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.

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Secretary

# HLB Board Retreat

The Houston Land Bank recently held a board retreat to discuss strategies and priorities for the upcoming year. Some key topics of discussion included increasing transparency within the organization, improving communication with community stakeholders, and identifying more opportunities for partnerships and collaborations. The board also discussed the need to prioritize affordable housing initiatives and to address the issue of blight and vacant properties in the city. Overall, the retreat was productive and a deep look into land bank legislation provided a roadmap for the Land Bank's future efforts.

## Texas Senate Bill 1679 87th Legislation: Land Bank







# HLB STRATEGIC PLAN

## PROGRESS YTD

The Houston Land Bank strategic plan is a comprehensive approach to revitalizing neighborhoods in the city through the acquisition, management, and disposition of vacant and abandoned properties. The plan aims to encourage economic development in underserved areas, promote affordable housing, and reduce blight. Key components of the project include working with community-based organizations to prioritize the acquisition of properties, creating partnerships with developers to redevelop properties, and establishing a program for removing environmental hazards from properties. Additionally, the plan strongly emphasizes transparency, community engagement, and equitable distribution of resources. By leveraging public and private funding, the Houston Land Bank strategic plan hopes to create a more sustainable and equitable future for Houston's diverse residents.

Last Year the HLB Team focused on initiating and accelerating certain key areas under the organization's strategic plan.



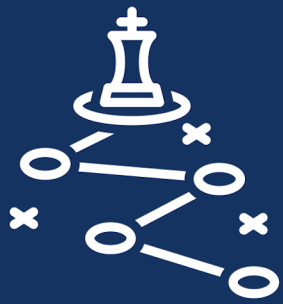
### Initiated

|                                   |
|-----------------------------------|
| <b>Community Engagement</b>       |
| <b>Needs Assessment</b>           |
| <b>Master Planning</b>            |
| <b>SB 1679: 75% ILA agreement</b> |
| <b>Brownfield Program</b>         |



### Accelerated

|  |
|--|
| <b>Teamwork</b>                              |
| <b>Strategic Planning &amp; Partnerships</b> |
| <b>Capacity Building</b>                     |
| <b>Public Engagements</b>                    |
| <b>Hiring &amp; Onboarding</b>               |

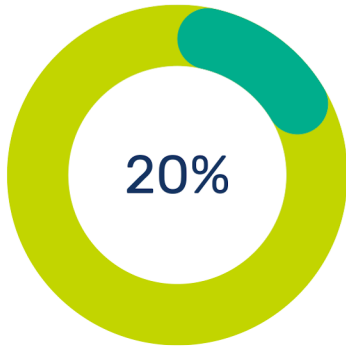


# HLB STRATEGIC PLAN

## PROGRESS YTD

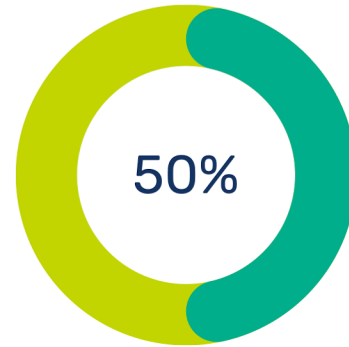
Step 1

Investing in Impactful Solutions



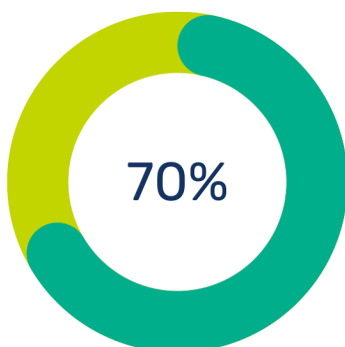
Step 2

Align with Strategic Partners & Stakeholders



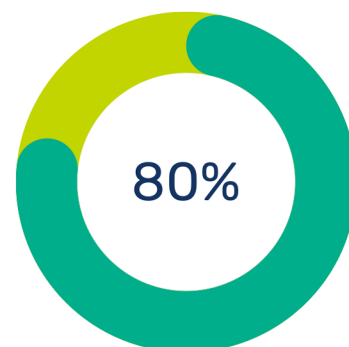
Step 3

Develop continuous flow of properties and single-family homes in the pipeline



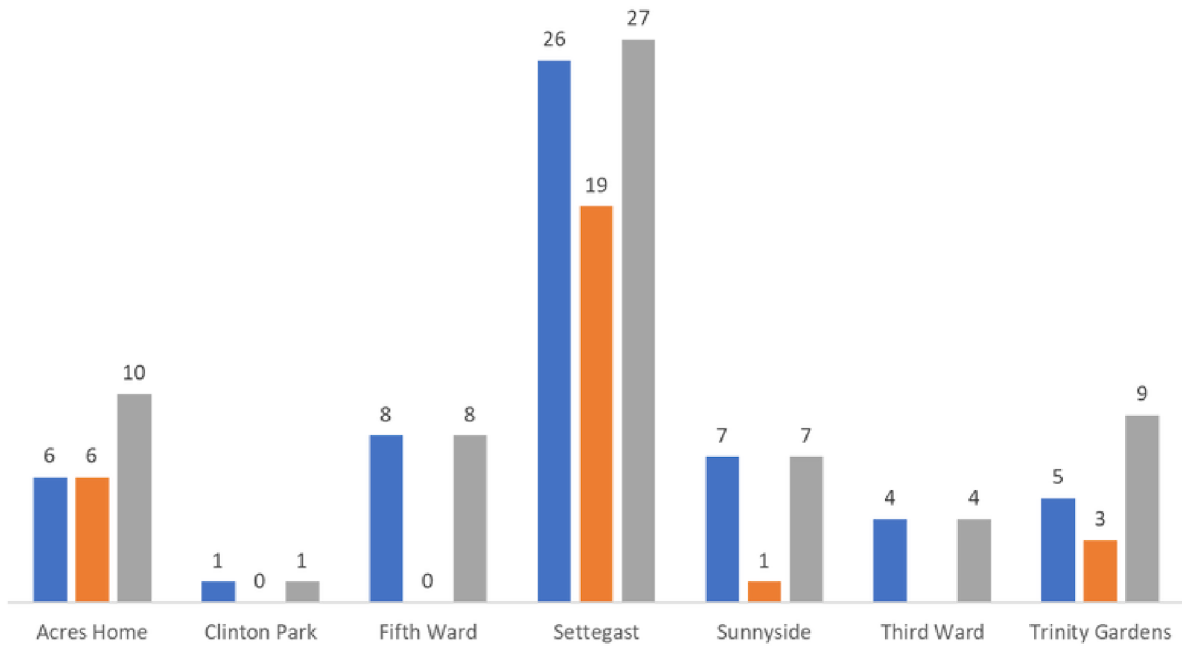
Step 4

Integrate and educate community stakeholders and residents

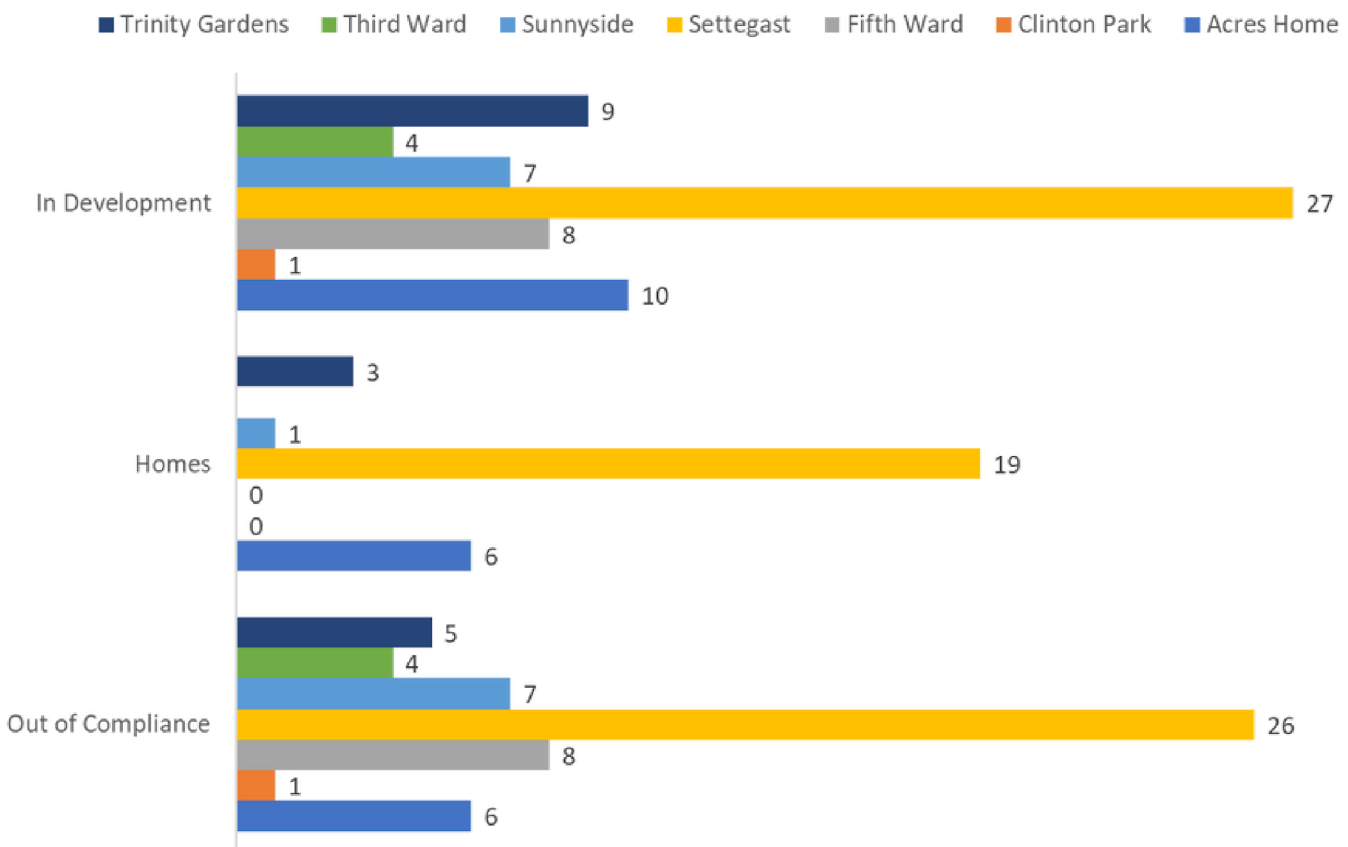


# HLB DEVELOPMENT

## Development by Neighborhood



There are 65 properties in development and 54 properties out of compliance. Out of the 54 properties that are out of compliance, 7 are currently being purchased back from the builders.





# HLB IN THE COMMUNITY



The Houston Land Bank Team attended a ribbon cutting and groundbreaking in Settegast to help celebrate the Community Housing Development Organization (CHDO) in Settegast. HLB provided 32 lots at \$1 each, resulting in over 2.7 acres for the CHDO program to support the affordability of the homes. Affordable homes are essential for building strong and healthy communities and increasing equity across Houston. These homes will serve those in the 80% area median income (AMI) and below.

HLB helped steward the development process by ensuring the title was free and clear, environmental reports were assessed, and finalizing the lot and Development and Purchase Agreements



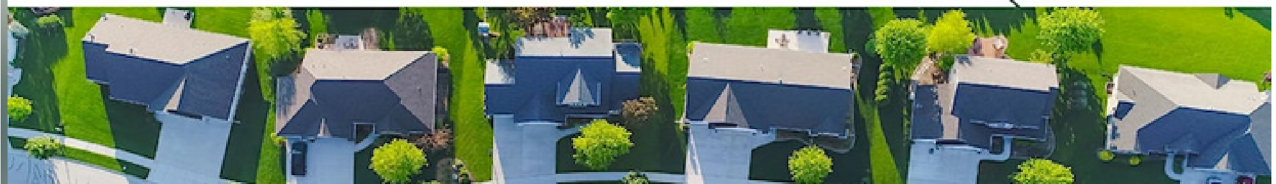




# Save the Dates

**BANKERS' FAIR JUNE 30, 2023**

**CONNECTING DEVELOPERS &  
BUILDERS WITH LENDERS & LAND**



The HOUSTON HOUSING COLLABORATIVE, in conjunction with HOUSTON LAND BANK, invite lenders to promote their financial services to Houston nonprofits and other local developers and builders with an affordable housing focus. The Houston Land Bank also aims to connect developers with land by providing insight into entering the HLB Builders program.

Register here: <https://bit.ly/bankersfair>

FEDERAL RESERVE BUILDING  
1801 ALLEN PARKWAY  
HOUSTON, TEXAS 77019



**HLB BUILDER RFQ  
JULY 2023**



**HLB LOT SALES  
ROUND 9  
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](mailto:info@houstonlandbank.org)  
Website:  
[www.houstonlandbank.org](http://www.houstonlandbank.org)

## CONTACT US



**Houston Land Bank**  
**Balance Sheet**  
As of April 30, 2023

|  | <b>As of Apr 30,<br/>2023</b> |
|--|-------------------------------|
| <b>ASSETS</b>                          |                               |
| <b>Current Assets</b>                  |                               |
| <b>Bank Accounts</b>                   |                               |
| 1040 Petty Cash                        | 13                            |
| Chase-Operations - 8465                | 332,367                       |
| Money Market - Lot Acquisition - 7058  | 254,462                       |
| Money Market Unrestricted - 7066       | 2,847,728                     |
| MoneyMarket-Unrstr.C Resev 5577        | 18,141                        |
| Susser Money Market - 7878             | 250,455                       |
| Susser Savings Sweep - 78781           | 52,898                        |
| Unity National Bank PMM - 4992         | 191,628                       |
| <b>Total Bank Accounts</b>             | <b>\$ 3,947,691</b>           |
| <b>Accounts Receivable</b>             |                               |
| Accts Receivable                       | 928,211                       |
| <b>Total Accounts Receivable</b>       | <b>\$ 928,211</b>             |
| <b>Other Current Assets</b>            |                               |
| Prepaid Expenses                       | 2,303                         |
| Prepaid Acquisition Costs              | 5,500                         |
| Prepaid Insurance                      | 30,968                        |
| Prepaid Rent                           | 11,216                        |
| Prepaid Subscription Services          | 17,696                        |
| <b>Total Prepaid Expenses</b>          | <b>\$ 67,683</b>              |
| <b>Total Other Current Assets</b>      | <b>\$ 67,683</b>              |
| <b>Total Current Assets</b>            | <b>\$ 4,943,585</b>           |
| <b>Fixed Assets</b>                    |                               |
| Equipment                              | 12,005                        |
| xAccum. Depreciation                   | -9,329                        |
| <b>Total Fixed Assets</b>              | <b>\$ 2,676</b>               |
| <b>Other Assets</b>                    |                               |
| Earnest Fee                            | 132,224                       |
| <b>Total Investments Held For Sale</b> | 9,684,385                     |
| <b>Total Other Assets</b>              | <b>\$ 9,816,609</b>           |
| <b>TOTAL ASSETS</b>                    | <b>\$ 14,762,871</b>          |
| <b>LIABILITIES AND EQUITY</b>          |                               |
| <b>Liabilities</b>                     |                               |
| <b>Current Liabilities</b>             |                               |
| <b>Accounts Payable</b>                |                               |
| 2010 Accounts Payable                  | 76,065                        |
| <b>Total Accounts Payable</b>          | <b>\$ 76,065</b>              |

|  |                      |
|--|----------------------|
| <b>Other Current Liabilities</b>       |                      |
| Liabilities Due to HCDD                | 252,806              |
| <b>Total Other Current Liabilities</b> | <b>\$ 252,806</b>    |
| <b>Total Current Liabilities</b>       | <b>\$ 328,871</b>    |
| <b>Total Liabilities</b>               | <b>\$ 328,871</b>    |
| <b>Equity</b>                          |                      |
| 3010 Unrestrict (retained earnings)    | 14,227,620           |
| Net Income                             | 206,380              |
| <b>Total Equity</b>                    | <b>\$ 14,434,000</b> |
| <b>TOTAL LIABILITIES AND EQUITY</b>    | <b>\$ 14,762,871</b> |



**Houston Land Bank**  
**Profit and Loss**  
July 2022 - April 2023

|                                       | <b>TOTAL</b>        |
|---------------------------------------|---------------------|
| <b>Income</b>                         |                     |
| Acquisition and Development Agreement | 143,818             |
| Administrative Fees                   | 15,000              |
| HLB Program Revenue                   | 179,966             |
| Operations Agreement                  | 1,171,290           |
| Outside Sources Contributions         | 69,972              |
| <b>Total Income</b>                   | <b>\$ 1,580,047</b> |
| <b>Gross Profit</b>                   | <b>\$ 1,580,047</b> |
| <b>Expenses</b>                       |                     |
| 6100 Personnel                        | 716,094             |
| 6200 Legal Fees                       | 35,659              |
| 6300 Professional Services            | 134,226             |
| 6400 Property Cost - Maintenance      | 288,753             |
| 6500 Software and subscriptions       | 28,324              |
| 6600 Office space rental              | 35,874              |
| 6700 Admin - Other                    | 80,695              |
| 6900 Property Cost - Disposition HLB  | 45,385              |
| 7000 Property Cost -Disposition NHDP  | 42,172              |
| <b>Total Expenses</b>                 | <b>\$ 1,407,182</b> |
| <b>Net Operating Income</b>           | <b>\$ 172,864</b>   |
| <b>Other Income</b>                   |                     |
| Interest Income                       | 33,516              |
| <b>Total Other Income</b>             | <b>\$ 33,516</b>    |
| <b>Net Other Income</b>               | <b>\$ 33,516</b>    |
| <b>Net Income</b>                     | <b>\$ 206,380</b>   |



## REQUEST FOR BOARD ACTION

**Meeting Date: June 15, 2023**

**Agenda Item VIII. A:** Consideration and Possible Action to Approve Houston Land Bank to accept Grant funds conditioned on application proposal approval and acceptance for the 2023 Rockwell Fund Grant.

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### **ACTION SUMMARY**

HLB is seeking a grant for \$200,000 from the Rockwell Fund for operations and acquisitions support. The Rockwell Fund plays a critical role in driving sustainable development and improving quality of life. Approval of this item will allow HLB to accept grant funds upon proposal submission being approved.

### **BACKGROUND/OVERVIEW**

Rockwell Fund is a private foundation, founded in 1931, seeking to promote positive community change by supporting nonprofits located in the Greater Houston area. Rockwell Fund provides grants to organizations providing affordable housing and supportive housing in the Houston region. They support organizations in the construction, acquisition, or rehabilitation of property designated for affordable housing. They also welcome applications proposing innovative approaches to addressing affordable housing in the region. The Rockwell Fund's mission and focus areas align closely with our organization's goals and would provide a significant opportunity to advance our mission.

HLB has thoroughly reviewed the fund's guidelines and believes that our organization's work and proposed project meet their criteria and objectives. HLB will seek \$200,000 for operations and acquisition support.

The grant proposal we intend to submit outlines a transformative project that addresses a critical need within our community. It highlights our innovative approach and demonstrates our capacity to deliver measurable outcomes in line with the Rockwell Fund's goals. This grant opportunity has the potential to significantly enhance our impact and advance our mission.

Overall, the Rockwell Fund serves as a catalyst for transformative social impact. It seeks to empower organizations and individuals who are committed to creating positive change, fostering innovation, and building a more equitable and resilient future for all. HLB firmly believes that the Rockwell Fund's grant can significantly bolster our efforts and make a lasting impact on the communities we serve.

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## REQUEST FOR BOARD ACTION

**Meeting Date: June 15, 2023**

### **Agenda Item VIII. B: Consideration and Possible Action to Approve and Adopt the Houston Land Bank Proposed Fiscal year 2024 Budget.**

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#### **ACTION SUMMARY**

Approval of this item will adopt the Houston Land Bank's Proposed Fiscal Year 2024 Budget, which anticipates expenditures of \$5 million against projected revenues of \$5.36 million, generating an expected \$353,750 increase to fund balance. This budget will be revisited once final TIRZ allocation funding is confirmed, and HCDD support is confirmed, by Fall 2023.

#### **BACKGROUND/OVERVIEW**

The Proposed Budget for FY 2024 (July 1, 2023, through June 30, 2024) was put together under the collaborative effort of the Houston Land Bank staff members, and initiated dialogue with HCDD; a preliminary version was reviewed in the March 2023 regular Board meeting.

There are numerous influences on the organization's annual budget including the foundational administrative overhead (staff and expenses) to run a local government corporation, the maintenance of our real estate assets, as well as program-specific activity and expenses. There are two major programs for the organization, one of which is the traditional lot sales to builders, and the other is based on an agreement with the City of Houston Housing and Community Development Department (HCDD) called the New Home Development Program. The proposed budget for FY 2024 HLB budget includes significant expenses and revenues that are projected based on the activity projected and controlled by the City. Therefore, expenses and revenues in the NHDP program activity are subject to change.

After the Board of Directors passes the budget, the budget will be submitted to HCDD for approval as required by the agreement between HLB and the City regarding Operational Agreement funding. If necessary to make adjustments based on input from the City, or in response to unanticipated circumstances during the fiscal year, the budget can be amended by board action.

The FY 2024 Proposed Budget is summarized in the table on the following page: a PowerPoint presentation is also being shared with the Board. Highlights include:

- Total projected revenues are \$5,362,856.
- Total projected expenditures are \$5,009,106.
- Projected change in net assets or increase in fund balance is \$353,750.

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**Houston Land Bank**  
**Budget Summary**  
**FY2024**

|  | <b>Total</b>        |
|--|---------------------|
| <b>Revenue</b>                         |                     |
| HLB Traditional Disp Proceeds          | \$ 1,000,000        |
| A&D Disposition Proceeds               | 852,670             |
| Operational Reimbursement              | 1,985,186           |
| Administrative Fees                    | 112,500             |
| Interest Income                        | 2,500               |
| Outside Sources Other (Grants & 501c3) | 1,410,000           |
| <b>Total Revenue</b>                   | <b>\$ 5,362,856</b> |
| <b>Expense</b>                         |                     |
| Salaries & Fringe                      | 1,057,521           |
| Legal Fees                             | 122,930             |
| Professional Services                  | 226,840             |
| Lot Maintenance                        | 377,000             |
| Software & Subscriptions               | 45,860              |
| Office Rent                            | 45,150              |
| Advertising and marketing              | 10,070              |
| Bank fees                              | 350                 |
| Conference and meetings                | 5,260               |
| Depreciation                           | 2,450               |
| Filing fees                            | 500                 |
| Insurance                              | 36,080              |
| Membership and dues                    | 3,645               |
| Office expense                         | 10,880              |
| Phone and internet                     | 10,250              |
| Rent expense                           | 980                 |
| Training and Development               | 16,800              |
| Travel expense                         | 12,620              |
| Grant & 501c3 Expenditures             | 1,410,000           |
| HLB Traditional Acquisitions           | 510,000             |
| HLB Traditional Disposition Cost       | 701,250             |
| NHDP Disposition Cost                  | 402,670             |
| <b>Total Expense</b>                   | <b>\$ 5,009,106</b> |
| <b>Net Income (loss):</b>              | <b>\$ 353,750</b>   |



# FY2024 Budget Presentation

June 8, 2023

## FY2024 Budget - Highlight Notes

- Projecting 100 lot dispositions under HLB Traditional Program and 30 house dispositions under the NHDP program.
- Salaries and Fringe is expected to increase from prior fiscal year budget due to a change in staff members. The budget reflects 8 FTEs.
- Legal fees are expected to increase from PY budget due to additional administrative and real estate services.
- Professional services are expected to increase from PY budget. Projected services include: accounting, audit, design services, paralegal support, grant consulting, office support, IT services, and market studies.
- The Other budget category has been expanded to 12 new budget categories.

# FY2024 Budget

## Houston Land Bank Summary Budget Comparison

|  | <u>FY2023</u>       | <u>FY2024</u>       | <u>Difference</u>  |
|--|---------------------|---------------------|--------------------|
| <b>Revenue</b>                         |                     |                     |                    |
| HLB Traditional Disp Proceeds          | \$ 1,100,000        | \$ 1,000,000        | \$ (100,000)       |
| A&D Disposition Proceeds               | 422,385             | 852,670             | 430,285            |
| Operational Reimbursement              | 1,776,992           | 1,985,186           | 208,194            |
| Administrative Fees                    | 56,250              | 112,500             | 56,250             |
| Interest Income                        | 2,500               | 2,500               | -                  |
| Outside Sources Other (Grants & 501c3) | 1,410,000           | 1,410,000           | -                  |
| <b>Total Revenue</b>                   | <u>\$ 4,768,127</u> | <u>\$ 5,362,856</u> | <u>\$ 594,729</u>  |
| <b>Expense</b>                         |                     |                     |                    |
| Salaries & Fringe                      | \$ 970,030          | \$ 1,057,521        | \$ 87,491          |
| Legal Fees                             | 106,000             | 122,930             | 16,930             |
| Professional Services                  | 143,726             | 226,840             | 83,114             |
| Lot Maintenance                        | 420,007             | 377,000             | (43,007)           |
| Software & Subscriptions               | 31,229              | 45,860              | 14,631             |
| Office Rent                            | 46,800              | 45,150              | (1,650)            |
| Advertising and marketing              | 6,400               | 10,070              | 3,670              |
| Bank fees                              | -                   | 350                 | 350                |
| Conference and meetings                | 3,500               | 5,260               | 1,760              |
| Depreciation                           | -                   | 2,450               | 2,450              |
| Filing fees                            | 50                  | 500                 | 450                |
| Insurance                              | 7,650               | 36,080              | 28,430             |
| Membership and dues                    | 6,900               | 3,645               | (3,255)            |
| Office expense                         | 11,500              | 10,880              | (620)              |
| Phone and internet                     | 7,500               | 10,250              | 2,750              |
| Rent expense                           | 1,000               | 980                 | (20)               |
| Training and Development               | 1,700               | 16,800              | 15,100             |
| Travel expense                         | 13,000              | 12,620              | (380)              |
| Grant & 501c3 Expenditures             | 1,410,000           | 1,410,000           | -                  |
| HLB Traditional Acquisitions           | 500,000             | 510,000             | 10,000             |
| HLB Traditional Disposition Cost       | 515,625             | 701,250             | 185,625            |
| NHDP Disposition Cost                  | 197,385             | 402,670             | 205,285            |
| <b>Total Expense</b>                   | <u>\$ 4,400,002</u> | <u>\$ 5,009,106</u> | <u>\$ 609,104</u>  |
| <b>Net Income (loss):</b>              | <u>\$ 368,125</u>   | <u>\$ 353,750</u>   | <u>\$ (14,375)</u> |
| <b>Total Operational Expenses:</b>     | 1,776,992           | 1,985,186           | 208,194            |

# FY2024 Budget

|  | FY2020               | FY2021              | FY2022              | FY2023              | FY2024              |
|--|----------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Revenue</b>                         |                      |                     |                     |                     |                     |
| HLB Traditional Disp Proceeds          | \$ 1,125,020         | \$ 1,200,000        | \$ 937,500          | \$ 1,100,000        | \$ 1,000,000        |
| A&D Disposition Proceeds               | 13,583,002           | 4,939,503           | 703,988             | 422,385             | 852,670             |
| Operational Reimbursement              | 1,932,000            | 1,820,817           | 1,782,214           | 1,776,992           | 1,985,186           |
| Administrative Fees                    | 206,848              | 135,000             | 93,750              | 56,250              | 112,500             |
| Interest Income                        | 1,500                | 2,634               | 3,000               | 2,500               | 2,500               |
| Outside Sources Other (Grants & 501c3) | -                    | -                   | 189,000             | 1,410,000           | 1,410,000           |
| <b>Total Revenue</b>                   | <b>\$ 16,848,370</b> | <b>\$ 8,097,954</b> | <b>\$ 3,709,452</b> | <b>\$ 4,768,127</b> | <b>\$ 5,362,856</b> |
| <b>Expense</b>                         |                      |                     |                     |                     |                     |
| Salaries & Fringe                      | \$ 864,140           | \$ 753,050          | \$ 983,212          | \$ 970,030          | \$ 1,057,521        |
| Legal Fees                             | 100,000              | 113,836             | 100,000             | 106,000             | 122,930             |
| Professional Services                  | 555,000              | 284,798             | 197,800             | 143,726             | 226,840             |
| Lot Maintenance                        | 872,423              | 536,650             | 502,666             | 420,007             | 377,000             |
| Software & Subscriptions               | 97,490               | 123,660             | 57,740              | 31,229              | 45,860              |
| Office Rent                            | 75,000               | 65,700              | 47,700              | 46,800              | 45,150              |
| Other                                  | 45,000               | 74,523              | 50,937              | -                   | -                   |
| Advertising and marketing              | -                    | -                   | -                   | 6,400               | 10,070              |
| Bank fees                              | -                    | -                   | -                   | -                   | 350                 |
| Conference and meetings                | -                    | -                   | -                   | 3,500               | 5,260               |
| Depreciation                           | -                    | -                   | -                   | -                   | 2,450               |
| Filing fees                            | -                    | -                   | -                   | 50                  | 500                 |
| Insurance                              | -                    | -                   | -                   | 7,650               | 36,080              |
| Membership and dues                    | -                    | -                   | -                   | 6,900               | 3,645               |
| Office expense                         | -                    | -                   | -                   | 11,500              | 10,880              |
| Phone and internet                     | -                    | -                   | -                   | 7,500               | 10,250              |
| Rent expense                           | -                    | -                   | -                   | 1,000               | 980                 |
| Training and Development               | -                    | -                   | -                   | 1,700               | 16,800              |
| Travel expense                         | -                    | -                   | -                   | 13,000              | 12,620              |
| Grant & 501c3 Expenditures             | -                    | -                   | 189,000             | 1,410,000           | 1,410,000           |
| HLB Traditional Acquisitions           | -                    | 250,000             | 725,000             | 500,000             | 510,000             |
| HLB Traditional Disposition Cost       | 204,600              | 500,000             | 515,625             | 515,625             | 701,250             |
| NHDP Disposition Cost                  | 6,420,310            | 991,408             | 328,988             | 197,385             | 402,670             |
| A&D Acquisitions                       | 8,475,500            | 370,906             | -                   | -                   | -                   |
| <b>Total Expense</b>                   | <b>\$ 17,709,463</b> | <b>\$ 4,064,531</b> | <b>\$ 3,698,668</b> | <b>\$ 4,400,002</b> | <b>\$ 5,009,106</b> |
| <b>Net Income (loss):</b>              | <b>\$ (861,093)</b>  | <b>\$ 4,033,423</b> | <b>\$ 10,784</b>    | <b>\$ 368,125</b>   | <b>\$ 353,750</b>   |
| <b>Total Operational Budget:</b>       | 2,609,053            | 1,952,217           | 1,940,055           | 1,776,992           | 1,985,186           |
| <b>Increase (decrease) from PY:</b>    |                      | (656,836)           | (12,162)            | (163,062)           | 208,194             |
| <b>% Increase (decrease) from PY:</b>  |                      | -25%                | -1%                 | -8%                 | 12%                 |

FY2024 budget reflects a 12% increase from the PY budget





## REQUEST FOR BOARD ACTION

Meeting Date: June 15, 2023

**Agenda Item VIII. C: Consideration and Possible Action to Approve the maximum home sales price increase request submitted by Education Based Housing, Inc. from \$180,000.00 (\$136/SF) to \$190,000.00 (\$144/SF).**

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### **ACTION SUMMARY**

Approval of this item will authorize staff to amend existing contracts to reflect the recommended sales prices. READ and Executive Committees have reviewed, analyzed, and recommended these new sales prices. The table below denotes the details of each request and the new recommended sale price.

### **BACKGROUND/OVERVIEW**

The continued increase in land and construction costs in Houston has resulted in several HLB-approved builders requesting sales price increases based on the newly approved sales price framework. As both material and labor costs remain volatile and have recently increased significantly, builders have asked to increase the sales prices of homes under construction. According to Education Based Housing Inc staff, *"The request comes as a result of unexpected increases in framing and foundation materials. All supplies have been paid for and installed. No further increases are expected. The homes are 90% complete."* The READ Committee met on 5/31/2023 to discuss the price increase requests and made recommendations to the Executive Committee.

#### **The details for each property are listed below:**

*Education Based Housing – 5705 Haight (Settegast)*

Sold to builder 6/10/22 (Round 6) for \$6500. Original home sales price \$180,000 (\$136/SF)

Requesting new price of \$190,000 @ 1321 SF (\$144/SF)

Permitting took approximately 4-5 months

Anticipated completion date is 5/23

*Education Based Housing – 5709 Haight (Settegast)*

Sold to builder 6/10/22 (Round 6) for \$6500. Original home sales price \$180,000 (\$136/SF)

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## REQUEST FOR BOARD ACTION

Meeting Date: June 15, 2023

**Agenda Item: VIII.D: Consideration and Possible Action to Approve the Acquisition of Property in the Second Ward Neighborhood at Auction or through Purchase.**

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### **ACTION SUMMARY**

Approval of this item will authorize the Houston Land Bank (HLB) staff to pursue the acquisition of a property located in the Second Ward neighborhood through the Harris County Tax Foreclosure Sale or directly from the owner for a price not to exceed an amount established by the Board of Directors.

### **BACKGROUND/OVERVIEW**

The Second Ward neighborhood has experienced significant growth and increased property values in recent years, leading to challenges in maintaining affordable housing options for the community. HLB staff seeks to acquire a property in the neighborhood through the Harris County Tax Foreclosure Sale or negotiate directly with the property owner to address this issue.

Acquiring properties in the Second Ward neighborhood aligns with HLB's mission of preserving and expanding affordable housing opportunities within the city. By acquiring properties at the tax foreclosure sale or directly from owners, HLB can secure parcels of land that can be consolidated, replatted, and subdivided to create and expand affordable housing options for low- to moderate-income residents.

The specific property to be acquired was identified through thorough research and due diligence, considering its location, size, condition, and potential for development. The property's purchase price will not exceed an amount established by the Board of Directors, ensuring that HLB operates within its budgetary constraints.

Acquiring properties in the Second Ward neighborhood will require collaboration with brokers, property owners, and other stakeholders involved in the transaction. HLB will negotiate to secure the property at a fair price, ensuring that it aligns with the organization's strategic goals of promoting affordable housing and community development.

The acquisition of the property in the Second Ward neighborhood will allow HLB to expand its affordable housing inventory, address the increasing demand for affordable housing options, and contribute to the revitalization and stabilization of the neighborhood.

### **COSTS OF ACQUISITION**

This acquisition's financial cost will depend on the negotiated purchase price and any associated costs, such as closing costs, due diligence expenses, and potential rehabilitation or development costs. The financial details will be presented to the Board of Directors for approval before the acquisition is finalized.

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## REQUEST FOR BOARD ACTION

**Meeting Date: June 15, 2023**

**Agenda Item VIII. E: Consideration and Possible Action to Approve the Acquisition of Two Properties Approximately 31,000 Square Feet from the City of Houston.**

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### **ACTION SUMMARY**

Approval of this item will initiate execution of agreements for the purchase of two properties from the City of Houston.

### **BACKGROUND/OVERVIEW**

During recent discussions regarding the City of Houston's disposition of properties, City staff informed HLB staff that two properties owned by the City of Houston are available for purchase. These properties present an opportunity for HLB to expand its inventory of developable land in the area and contribute to the development of affordable housing in areas of the City outside of HLB's traditional neighborhoods.

The acquisition of these properties aligns with HLB's mission to address the need for affordable housing in the community. By acquiring these properties, HLB can expand its expertise and resources to develop affordable housing units that meet the community's needs.

The properties for acquisition are as follows:

#### **Property 1:**

Address: Southeast corner of Elmex Drive and Old North Belt Drive

Legal Description: Lot 58, Block 1 of Eastex Oaks Village Section 2

Size: 16,391 SF

#### **Property 2:**

Address: Eastside of Donegal Way at the intersection with Hifrod Drive

Legal Description: Lot 3, Block 16 of Shamrock Manor Addition

Size: 14,632 SF

In addition to the purchase price, staff anticipates additional expenses for the proposed acquisition including due diligence costs, which will cover surveying, environmental reports, and legal fees. Closing costs will also be incurred as part of the acquisition process.

Staff requests the Board approve this request for action, allowing staff to acquire these properties from the City of Houston. This acquisition presents a valuable opportunity for HLB to further its mission and contribute to developing affordable housing in the City's far north and far south areas.



By acquiring these properties, HLB can leverage its expertise in affordable housing development and positively impact the community. This acquisition aligns with our strategic goals and will further strengthen our position as a leader in affordable housing initiatives.