



**BOARD OF DIRECTORS REGULAR MEETING  
February 11, 2021**

**Table of Contents**

Agenda	Page 1
January 14, 2021 Meeting Minutes	Page 5
Finance Report	Page 17
President's Report	Page 25
Item X.a.: Round 3 Lot Sale	Page 31
Item X.b.: Limited Alternative Land Use Program	Page 39
Item X.c.: Extend Lot Maintenance Contracts	Page 51
Item X.d.: Acquire Property at 7811 Harrisburg	Page 65





**houston  
landbank**

## **Board of Directors Regular Meeting Agenda**

**Thursday, February 11, 2021**

**Noon Central time**

Note: This meeting will be held by videoconference due to City of Houston Stay Home Work Safe Order, and Governor Abbott's Executive Order regarding Public Meetings during the time of COVID-19. To access and view the meeting online, please go to:

<https://us02web.zoom.us/j/83062769648>

Or join by phone by calling:

877-853-5247 or

888-788-0099

Meeting ID: 830 6276 9648

*The recording will be posted online after the meeting. 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

*Speakers must be registered in advance by 5 p.m. on Wednesday, February 10, 2020, To register, please use our online form at*

*[www.houstonlandbank.org/resources](http://www.houstonlandbank.org/resources), e-mail [info@houstonlandbank.org](mailto:info@houstonlandbank.org) or call us at 281-655-4600. The Chair will call on speakers and allow three minutes per speaker.*

III. Swearing in of Board Members

a. Position 8: Carol Mims Galloway (reappointment – HISD Board of Trustees)

b. Position 9: Courtney Johnson Rose (reappointment – HISD Board of Trustees)

c. Position 10: Tonzaino "Zano" Bailey (new appointment – HISD Board of Trustees)

d. Position 11: Antoinette "Toni" Jackson (reappointment – Harris County)

e. Position 12: Janae Ladet (new appointment – Harris County)

f. Position 13: Juan Cardoza-Oquendo (new appointment – Harris County)

IV. Consideration and Adoption of Meeting Minutes

a. January 14, 2021 Board Meeting

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

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- V. Chairman's Greeting: Matt Zeis
- VI. Committee Reports:
  - a. Executive Committee: Matt Zeis, Chair
    - 1. Recommendation Regarding Lot Maintenance Contract Extensions
  - b. Finance Committee: Laurie Vignaud, Chair
    - 1. Monthly Financial Report
  - c. Program Committee: Curtis Lampley, Chair
    - 1. Update on Round 3 Lot Sales
    - 2. Update and Recommendation to Establish a Limited Alternative Land Use Program
    - 3. Update on Round 4 Lot Sales
  - d. Partnerships Committee: Courtney Johnson Rose, Chair
- VII. President's Report: Anne Gatling Haynes, CEO/President
  - a. Homeowner Report (Video)
- VIII. Mayor's Office/Complete Communities Report: Ex Officio Director Christa Stoneham
- IX. Legislative Affairs Update and Introduction to Legislative Services Team: OneWorld Strategy Group including Jeri Brooks and Josh Sanders
- X. Board Action Items
  - a. Consideration and Possible Action to Accept Program Committee and Staff Builder Lot Selection Recommendation for a Round 3 Lot Sale Under the HLB Traditional Home Building Initiative [Address - HCAD# - Proposed Price (Builder) Listed Below]
    - 1. 8414 Safeguard - 0761490010003 - \$73,459 (Cole Klein Builders)
  - b. Consideration and Possible Action to Accept Program Committee Recommendation to Establish a Limited Alternative Land Use Program
  - c. Consideration and Possible Action to Extend Lot Maintenance Contracts with EA Professional Services, Smartscaping, TransTeq, and AD Construction & Development Through the End of FY 2022 (June 30, 2022)
  - d. Consideration and Possible Action to Delegate Authority and Direct Staff to Acquire 1.67 Acres at 7811 Harrisburg in the Magnolia Park/East End Area for a Price Not to Exceed \$1.9 Million for the City of Houston's New Home Development Program Under the Auspices of the Amended and Restated Acquisition Agreement with the City of Houston (HCAD #s Listed Below)
    - 1. 0250950000034
    - 2. 0250950000033



3. 0250950000031
4. 0250950000029
5. 0250950000027
6. 0250950000025
7. 0250950000022
8. 0250950000020
9. 0250950000018
10. 0250950000015

XI. Executive Session

- a. Discussion regarding the value or transfer of real property

*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.*

- XII. Action Items from Executive Session
- XIII. Board Member Comments
- XIV. Adjournment





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

**January 14, 2021**

A regular meeting of the Board of Directors ("Board") of the Houston Land Bank ("HLB"), a Texas non-profit corporation created and organized by the City of Houston as a local government corporation pursuant to the Texas Transportation Code Annotated, Section 431.101, *et seq.*, and the Texas Local Government Code Annotated, Section 394.001 *et seq.*, was held by video conference due to the City of Houston Stay Home Work Safe Order, and Governor Abbott's Executive Order Regarding Public Meetings during the time of the COVID 19 pandemic, in Houston, Texas, on Thursday, January 14, 2021 at 12:00 p.m. Written notice of the regular meeting, which included the date, hour, place and agenda for the regular meeting, was posted in accordance with the Texas Open Meetings Act.

Board members in attendance were:

Matt Zeis	Curtis Lampley
David Collins	Jesus DeAnda
Carol Galloway	Victor A. Mondragón
Mario Castillo	Courtney Johnson Rose
Christa Stoneham	Antoinette Jackson
Laurie Vignaud	

Board members absent were: Pastor Steve Hall and John David Vasquez. Others in attendance included: Anne Haynes, the CEO/President for the Houston Land Bank; Jennifer Allison, Vice President of Operations and Programs; David Benson, Director of Organizational Excellence for HLB; Marye Barba, Administrative Assistant for HLB; Ivan Zapata, Program Manager of Real Estate and Acquisitions for HLB; Mark Glanowski (Paralegal) of Winstead PC, outside legal counsel for the HLB; Gonzalo Gonzalez, Director of Finance and Accounting for HLB; Gracie Saenz, In-house counsel for HLB; Darice Harris, Legal Counsel and Program Director for HLB; Vincent Marquéz, of the HLB Advisory Board; Kellen Zale, of the HLB Advisory Board; Nicholas Foran of the HLB Advisory Board; Elijah Williams of the HLB Advisory Board; Anderson Stoute of the Houston Housing and Community Development Department; and Jeri Brooks, CEO of One World Strategy Group, LLC, and Josh Sanders, One World Strategy Group/Joshua Sanders LLC.

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

Chairman Matt Zeis called the regular meeting to order at 12:02 p.m. A roll call of the Board members in attendance immediately followed. Chairman Zeis noted that a quorum of the Board was present.

## **II. Public Speakers**

Chairman Zeis then requested Ms. Haynes to introduce any persons who registered to address the Board today. Ms. Haynes announced that no public speakers registered to attend today's meeting.

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

### **a. December 10, 2020 Board Meeting**

Chairman Zeis noted that the minutes for the regular meeting of the Board of Directors were previously circulated for review and comment. He asked if there were any comments for discussion to such minutes. Hearing none he requested a motion on this Agenda item.

Director Castillo made a motion to adopt the minutes, as written, of the December 10, 2020 regular Board meeting, which motion was then duly seconded by Director Stoneham and passed with the unanimous vote of the Board.

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

Chairman Zeis thanked the Board members in attendance for volunteering and being available for this meeting. Chairman Zeis then announced that HLB closed the acquisition for two of the tracts located in the Near Northside which comprised a portion of the former Yellow Cab site on December 31, 2020. Also, he stated that the HLB is still under an option agreement to purchase the remaining tract of the Yellow Cab site upon successful completion of the remediation of the environmental conditions.

Chairman Zeis then stated that he felt compelled to address the events that happened last week at the U.S. Capitol since it was deplorable and embarrassing. He noted the different response by law enforcement between the riots at the U.S. Capitol and the protests last Summer by Black Lives Matter. He hopes that a peaceful transition of power can continue without any more violence.

## **V. Committee Reports:**

### **a. Finance Committee: Laurie Vignaud, Chair**

Chairman Zeis requested Ms. Vignaud to report on the recent meeting of the Finance Committee. Ms. Vignaud asked Gonzalo Gonzalez to report on the status of the financial status of the HLB and the Fiscal Year 2022 Budget.

Mr. Gonzalez addressed the Board and stated that at the meeting of the Financial Committee the financial position of the HLB was discussed and determined to be in good standing with a strong cash standing and up to date on reimbursements with HCDD. The Financial Committee has finally closed the loop with the Fiscal Year 2021 Budget due to all of the back and forth discussions and negotiations with HCDD. As of this morning HCDD will be signing the final memorandum to close out the HLB Fiscal Year 2021 Budget.



Mr. Gonzalez then informed the Board of the key dates with regard to the HLB Fiscal Year 2022 Budget. The first date will be on the March 11, 2021 regular Board meeting wherein the Board will be requested to approve the preliminary numbers for the Fiscal Year 2022 Budget as part of the agreement between HLB and the City of Houston. The next key date is April 30, 2021 wherein the Finance Committee will deliver an itemized budget to the Finance Committee and then to the Board. Then at the May 13, 2021 regular Board meeting the Fiscal Year 2022 Budget will be placed on the Agenda for discussion. Lastly, at the June 10, 2021 Board regular meeting the HLB Fiscal Year 2022 Budget will be on the Agenda as an action item to approve and adopt for Fiscal Year 2022 which commences July 1, 2021.

**b. Program Committee: Curtis Lampley, Chair**

**1. Update and Recommendations for Round 3 Lot Sales**

Director Lampley reported that the Program Committee met on January 5, 2021 to discuss its recommendations for the Round 3 Lot Sales, creation of the Limited Alternative Land Use Program which was previously operated as the Right of First Refusal Program, and a builder submission for a multi-generational duplex in the Fifth Ward Community.

Director Lampley mentioned that there were 16/17 lots in the HLB inventory that were assigned out to the CHDO program with HCDD (Community Housing Development Organization) and now the closing documents for these lots are with the title company for closing.

**2. Update Regarding Community Housing Development Organization Program**

Director Lampley then stated that the Program Committee also has been working with HLB staff to create a revised program in order that lots in the old Right of First Refusal Program can be sold pursuant to the new revised guidelines.

**3. Update Regarding HLB Builders Grant/Subsidy Program**

Lastly, Director Lampley mentioned that the Program Committee discussed review of builder subsidies concerning the requests that have been submitted by certain home builders. He stated that invitations were mailed out to all the home builders during the latter part of December 2020. The staff will review each request and brief the Program Committee on all submissions during the next month.

**c. Oversight Committee: Mario Castillo, Chair**

**1. Procurements Update**

Director Castillo reported that the Oversight Committee met on January 7, 2021 to discuss the status of the Lot Maintenance Program Contract. However, the look back for the Board to review has been moved to the February meeting to give staff time to compile all of the relevant data.

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

Lastly, he mentioned that the Oversight Committee is also reviewing the upcoming schedule of procurements as this Committee will transition to the Oversight and Procurement Committee.

**d. Partnerships Committee: Courtney Johnson Rose, Chair**

Chairman Zeis requested Director Johnson Rose to report on the recent activities being pursued by the Partnerships Committee. Director Johnson Rose deferred to Ms. Haynes to discuss with the Board the grant opportunity with JPMorgan Chase Foundation. Ms. Haynes, as mentioned at prior Board meetings, that the grantor is JPMorgan Chase Foundation which does nationwide investing in urban revitalization including affordable housing. JP Morgan Chase Foundation approached HLB through contacts and networks related to preservation of affordable housing. She also spoke with a community partner, My Connect Community, in Gulfton which is focused on, in part, preservation of affordable housing and creating new affordable housing stock which is lacking in the Gulfton area. JPMorgan Chase Foundation awarded the grant to My Connect Community and HLB would receive a sub-grant to help develop a housing strategy for Gulfton. She stated it will be pretty exciting because it will look at the multi-family stock and the role of HLB, if any, or other partners in the neighborhood to ensure affordability long term and production of new single family houses. Further, she mentioned that this would be a good opportunity to connect the numerous apartment renters in Gulfton to HLB's network of affordable housing being developed throughout the City. She noted that Gulfton is one of the Complete Communities in the Mayor's Strategic Initiative and this grant will begin the feasibility of affordable housing in Gulfton. New production of 300 housing units is identified as needed in the short term in the Complete Communities Report.

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

Ms. Haynes initiated her report with a video tour of an HLB standard purchase house sold to Mr. Walker located on Randolph Street in Acres Homes. Ms. Jen Allison shot the video during the Christmas season and mentioned that Mr. Walker is employed as a counselor by the HCC. He purchased the house in July 2020 for \$175,460. Mr. Walker is 72 years old and this was the first house he was able to purchase and was very thankful for the opportunity to own his first home.

Ms. Haynes mentioned that this video may be added to the HLB website. Director Jackson stated that before the video is uploaded onto the HLB website, a signed release from Mr. Walker will need to be obtained for the HLB records.

**a. Affordability Research and Price Cap Analysis**

Ms. Haynes announced that HLB had a consultant help look at the range of prices for houses at the 120% of AMI but also determine what is the median income in the neighborhoods

in which HLB works. This will help tailor house pricing and select builders' proposals to meet the income ranges which are lower in these neighborhoods than the City as a whole. This work will be ongoing in the Committees in the next month to complete a preliminary report.

**b. Updates on Property Acquisition**

Ms. Haynes next confirmed the recent acquisition of 3.5 acres in the Near Northside Neighborhood which is also one of the Mayor's designated Completed Communities. The process of procuring a developer for this site has been initiated by Houston Community Development Department to take on the role of developing the former site of the Yellow Cab business. She stated that HLB was successful in negotiating an extension of an option for the middle parcel of the Yellow Cab site until the final review work is completed. Another acquisition will be on the agenda for the February 2021 regular Board meeting and HLB is working with the Housing and Community Development Department to assure funding is in place to purchase such property.

**c. Year-End Summary**

Ms. Haynes and HLB staff prepared the 2020 Year End Summary which will be distributed to the Board after today's meeting.

**VII. Mayor's Office/Complete Communities Report: Ex Officio Director Christa Stoneham**

Director Stoneham invited the Board to attend the "Designing for Impact: Building Hubs and Corridors in the Complete Communities" presented by AIA Houston and the National Organization of Minority Architects in partnership with the City of Houston's Complete Communities Initiative. Director Galloway asked who is coordinating the community design workshop and why is Settegast not included in this workshop. Director Stoneham indicated that she will bring Settegast to the team for possible inclusion in this report. She also noted that AIA Houston is conducting this workshop on a volunteer basis.

Director Stoneham then stated that yesterday, City Council approved the lease agreement for an urban solar farm to be constructed in Sunnyside on an old landfill site. This important step will repurpose this blighted land into a 240 acre solar energy development to produce and sell electricity. The property is located on Bellfort Avenue, east of Highway 288 and south of Loop 610. Construction of the \$70 million solar farm project will begin in 2022. In addition to the solar project the lessee will also rehabilitate the property.

**VIII. Board Action Items**

- a. Consideration and Possible Action to Accept Program Committee and Staff Builder Lot Selection Recommendations for Round 3 Lot Sales Under the HLB Home Building Initiative [Address – HCAD# – Proposed Price (Builder) Listed Below]**

1. **3420 Russell - 0701060030008 - \$21,924 (Fifth Ward Community Redevelopment Corp.)**

Ms. Harris announced that the Program Committee recommends that approved home builder Fifth Ward Community Redevelopment Corp. be awarded a contract for an 8400 square foot lot located in Fifth Ward to build a 1,501 square foot multi-generational duplex. This single family structure is designed to allow families who may have elderly or disabled relatives assemble in a cohesive unit, while still having their own separate interior space and outside entrances. Although there is an adjoining wall inside of the duplex, there is also an adjoining door which provides interior access to each unit within the house. There are no plans to have any portion of the duplex rented or leased, as all of the residents will be in the same family.

Ms. Harris indicated that this award was held back from the other builder applications approved at the December meeting to allow the Program Committee and HLB staff time to conduct more due diligence because it was designated as a duplex rather than a single-family house. She informed the Board that HLB will sell the lot for \$21,924 which is located at 3420 Russell Street. The home builder submitted a pro forma which indicates the sales price for this house will be \$211,688. She noted that this home builder is experienced in the Fifth Ward for construction of a 1,501 square foot multi-generational duplex house.

Director Galloway questioned the size of this duplex which must have small rooms since the total square footage is only 1,501 square feet. Director Galloway asked if the duplex will have separate addresses for each of the living quarters. Ms. Harris stated that there would be no separate address for the additional interior living space. Director Jackson then stated that this is not really a duplex since there will be only one address for this housing unit. Therefore, the classification as a duplex is incorrect.

Director Galloway requested additional information as to what will be built because the owner could lease the separate living quarters to someone who is not a family member.

Director Lampley clarified that the duplex section is all contained within the living quarters of the structure itself. What separates the two living areas is an entryway with a door including a lock. The separate space includes a bedroom with some living quarters but is not a separate structure.

Director Collins made a motion to approve the sale of the lot at 3420 Russell to the Fifth Ward Community Redevelopment Corp. for construction of a single-family residence, which was duly seconded by Director Galloway and passed with the unanimous vote of the Board.

b. **Consideration and Possible Action to Adopt the FY 2021-22 HLB Strategic Plan**

Ms. Haynes stated that this agenda item covers the goals and strategies for the HLB as more particularly outlined in the package previously delivered to the Board for review.

She noted that the Strategic Plan was introduced in April/May 2020, and a facilitator, Rhett Dietrich, was engaged for a scope of work to help the HLB frame its strategic goals. Due to initial delays related to Covid-19 and Board Appointments/Orientation, the activity launched

in August with initial Board surveys. The input has been assembled into a simple strategy, which reflects and integrates input from Board, the Mayor's Office, the HCDD, and HLB Staff, and reflects the focus on two HLB core programs and additional expansions of such programs to further support Houstonians. This plan supports the focus for the strategic use of program funds (lot sales), the ability to efficiently prepare a Fiscal Year 2022 budget, and streamline the structure and process for more efficient use of Board time.

The Overreaching Goals – Program Themes are:

- Increase affordability options to support more Houstonians.
- Build Inventory to provide more affordable housing in rapidly changing neighborhoods.
- Demonstrate comprehensive approach to neighborhood development.
- Organizational excellence.

The Goal Strategies – How HLB Achieves Impact:

- With Strategic Geographic Focus.
- Implement Program Refinements.
- Strengthen community engagement to ensure work on behalf of community.
- Identifying new partners and new resources to do the work more impactfully and strategically.

Director Lampley stated that he could not approve the Strategic Plan in this form because the Board has not met with the private developer which owns numerous lots in the Settegast subdivision. The Board has not seen a presentation from the developer regarding any proposed development of the lots it owns in Settegast. He recommended that the Board meet with the private developer to clearly understand the type of development scheme intended for Settegast. He stated that the Board has not been completely briefed on this major component of the Strategic Plan. Ms. Haynes stated that the plan for the Settegast forested lots is well past two years covered by the Strategic Plan.

Chairman Zeis stated that the Strategic Plan covers all of the Mayor's Complete Communities and the organization of HLB as its focal point.

Director Lampley made a motion to approve the Strategic Plan except for matters relating to the development of the lots in Settegast until the Board has consulted with the private developer and are brought to the Board for final approval, which motion was duly seconded by Director Galloway and passed with the unanimous vote of the Board.

- c. **Consideration and Possible Action to Accept Proposed Pre-Qualified Vendors for Urban Planning and Market Analysis Services, and to Establish**

**a Not-To-Exceed Amount to be Paid for Services from Each Vendor for FY 2021 and FY 2022**

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

Director Castillo made a motion to accept the pre-qualified vendors listed above to conduct urban planning and market analysis services, and to establish a not-to-exceed amount to be paid such services from each vendor for Fiscal Year 2021 and Fiscal Year 2022, which motion was duly seconded by Director Vignaud. Director Lampley requested that the motions for Agenda items 8c and 8d be amended to reflect the same amendment for Agenda item 8b in order to provide that the Board has final approval for any matters related to the development of the lots in Settegast.

Director Castillo noted that not all of the planning services for these vendors are related to Settegast. Director Lampley further amended his amendment to the motion to only cover those planning services related to Settegast and not executed on until the Board has met with the private developer and brought back to the Board for final approval.

Director Collins stated that he could not vote on the vendors listed as C4, C5 and C8 because he has working relationships with each of those vendors. Ms. Haynes stated that she wants each of these vendors to be pre-qualified for the planning and analysis services. Director Collins interjected that he thought these vendors had already been pre-qualified. Ms. Haynes noted that they were only used for small scopes of work and each was independently contracted. This Agenda item will finalize them as pre-qualified contractors going forward.

Directors Castillo and Vignaud accepted the amendments to the motion made by Director Lampley.

Director Galloway asked if the Board is voting on each of these vendors separately or together. Ms. Haynes stated that this is a very specific process of procurement for special services by a slate of pre-qualified vendors. Chairman Zeis stated that the motion, as amended, will cover all of these vendors together rather than separately.

The motion, as amended, was approved by the majority vote of the Board. Directors Collins and Galloway voted against the motion, as amended.

d. **Consideration and Possible Action to Authorize the CEO/President to Execute a Contract with APO Urban Planning & Management in an Amount Not to Exceed \$83,918 for Urban Planning Services Related to Settegast Community Development Opportunity**

Chairman Zeis read Agenda item 8d aloud and requested a motion from the Board. Director Galloway made a motion to approve the contract with APO Urban Planning & Management for an amount not to exceed \$83,918. Ms. Haynes stated that the scope of work identified is \$83,000 but the motion is up to \$85,000 because it was better to round up in the event of any printing cost for the report as part of the package.

Director Mondragón seconded the motion. Director Lampley requested that the motion be amended to include that the Board has final approval after consulting with the private developer of lots in Settegast. Directors Galloway and Mondragón accepted the amended motion made by Director Lampley.

Director Galloway then stated that the City should provide for the cost of planning related to Settegast and HLB could use the \$83,000 elsewhere to benefit the community. Ms. Haynes noted that the work by the AIA would not cover infrastructure and public financing. Director Collins stated that HLB owns a lot more lots in Settegast than are shown in the HLB lot inventory. Chairman Zeis mentioned that this contract will provide the staff and the consultants necessary to answer that question.

Chairman Zeis then called for a vote on Agenda item 8d. The motion, as amended, passed with the majority vote of the Board. Directors Collins and Galloway voted against the motion, as amended.

e. **Consideration and Possible Action to Approve an Agreement with One World Strategy Group for Legislative Affairs Services in an Amount Not to Exceed \$50,020**

Director Castillo made a motion to approve the Agreement with One World Strategy Group for legislative services in an amount not to exceed \$50,020.00 which motion was duly seconded by Director Johnson Rose and passed with the majority vote of the Board. Director Collins abstained from voting on this motion.

f. **Consideration and Possible Action to Approve a Subgrant Agreement in the Amount of \$64,000 with My Connect Community for Feasibility Study Related to Preserving Housing Affordability**

Director Johnson Rose made a motion for approval of this item which will direct and authorize HLB staff to sign a sub-grant agreement with My Connect Community, a community development corporation located in Gulfton, which received a grant from JP Morgan Chase Foundation for a one year term. Director Lampley duly seconded the motion.

Director Johnson Rose noted that Gulfton, as a Complete Community under the Mayor's Strategic Initiative, is one neighborhood that has unique housing conditions and land use patterns, requiring a unique strategy as outlined in the 2018 Complete Community report and

various other planning documents. My Connect Community has worked closely with the community to support social services, education, jobs, as well as initiating projects that will support affordable housing needs. The Mayor's Complete Communities report provides that a key goal in this neighborhood is to provide additional affordable housing, and preserve the existing affordable housing.

As the physical conditions are different in the Gulfton community, from the traditional single-family neighborhoods, this project will help identify how the Houston Land Bank can assist this community to achieve the Mayor's affordable housing goals. When presented with an opportunity to address 'Preserving Affordability,' as presented by JP Morgan Chase, My Connect Community and HLB recently collaborated on a grant application that would address the particular needs of the Gulfton community. Gulfton is an area where My Connect Community has been involved, and where HLB has not yet built any affordable houses. The grant budget total is \$150,000, of which HLB would receive \$64,000 to support staff time and project management expertise for this unique feasibility project. JP Morgan Chase Foundation is a national philanthropy which provides significant funding nationwide to support urban redevelopment projects.

Director Johnson Rose stated that the goals of this project are:

1. Develop a multi-modal, including renter-and owner occupied, housing strategy to advance affordable housing goals in Gulfton and adjacent/related neighborhoods, strengthening the ecosystem of community partners around affordable housing.
2. Identify ways to preserve affordability in housing units that are at risk with adaptive reuse of existing structures.
3. Identify sites that may provide new affordable housing, specifically homeownership opportunities, to support adaptive reuse projects and additional housing typologies.
4. Through education and relationship building, develop direct opportunities between renters and homeownership opportunities in adjacent/related neighborhoods and community partners around affordable housing.

She noted that the HLB currently does not own any land in the Gulfton area, therefore it will be necessary to identify available sites for affordable housing. Also, Director Johnson Rose highlighted that \$64,000 of the grant will be placed in the HLB budget to manage the project with in-house staff.

Chairman Zeis stated that he was excited that HLB will be participating in this new project for another community which is also in need of affordable housing.

Chairman Zeis then called for a vote on the motion to approve the Subgrant Agreement for the feasibility study for preserving housing affordability in Gulfton. The Board voted unanimously to pass the motion to approve the Subgrant Agreement with My Connect Community in the amount of \$64,000.



Director Lampley complimented staff for identifying additional and new resources to support the work of the organization.

**IX. Executive Session**

The Board did not meet in Executive Session during this meeting.

**X. Action Items from Executive Session.**

Nothing to report.

**XI. Board Member Comments**

Director Johnson Rose made comments regarding RFPs for Settegast, specifically around the support and consideration for small minority-owned businesses who have been selected to do the work .

Director Galloway stated that her appointment to the Board ended and asked if HLB has received information from the Houston Independent School District (HISD) with regard to new or re-appointment of directors to the Board. Ms. Haynes mentioned that HLB has not received any information on new or re-appointment of directors from HISD or Harris County since last Summer. HLB will follow up with HISD and Harris County with regard to the appointments of directors to the Board.

**XII. Adjournment**

Chairman Zeis asked if there were any additional matters to be considered by the Board. Hearing none, the regular Board meeting adjourned at 1:42 p.m. upon the motion of Director Galloway, which was duly seconded by Director Mondragón.

Minutes Prepared By:

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

Signed on the \_\_\_\_ day of \_\_\_\_\_, 2021.

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Secretary





# Houston Land Bank

## BUDGET VS. ACTUALS: FISCAL YEAR 2021 BAB - FY21 P&L DEPARTMENTS

December 2020

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
<b>Income</b>				
Acquisition and Development Agreement				
Acquisition Proceeds	4,881,825.92	366,767.08	4,515,058.84	1,331.04 %
Disposition of Lots	15,000.00		15,000.00	
Disposition Proceeds	21,650.28	51,708.54	-30,058.26	41.87 %
<b>Total Acquisition and Development Agreement</b>	<b>4,918,476.20</b>	<b>418,475.62</b>	<b>4,500,000.58</b>	<b>1,175.33 %</b>
Administrative Fees	3,750.00	11,250.00	-7,500.00	33.33 %
HLB Program Revenue				
Disposition Proceeds	22,230.00	100,000.00	-77,770.00	22.23 %
<b>Total HLB Program Revenue</b>	<b>22,230.00</b>	<b>100,000.00</b>	<b>-77,770.00</b>	<b>22.23 %</b>
Operations Agreement	130,179.36	179,709.00	-49,529.64	72.44 %
<b>Total Income</b>	<b>\$5,074,635.56</b>	<b>\$709,434.62</b>	<b>\$4,365,200.94</b>	<b>715.31 %</b>
<b>GROSS PROFIT</b>	<b>\$5,074,635.56</b>	<b>\$709,434.62</b>	<b>\$4,365,200.94</b>	<b>715.31 %</b>
<b>Expenses</b>				
Acquisition Cost - NHDP		310,629.17	-310,629.17	
Admin - Other				
Advertising & Marketing		1,286.67	-1,286.67	
Bank Service Charges	340.87	300.00	40.87	113.62 %
Company Insurance				
General Liability	1,633.67	1,617.83	15.84	100.98 %
Officers & Directors Liability	729.13	286.98	442.15	254.07 %
Property Insurance		3,439.52	-3,439.52	
<b>Total Company Insurance</b>	<b>2,362.80</b>	<b>5,344.33</b>	<b>-2,981.53</b>	<b>44.21 %</b>
Computer and Internet Expenses	9.99	589.94	-579.95	1.69 %
Conference & Meeting		45.00	-45.00	
Depreciation Expenses	200.09	2,388.51	-2,188.42	8.38 %
Dues and Subscription	975.25	1,305.00	-329.75	74.73 %
Filing Fees		127.73	-127.73	
Office Expenses		450.78	-450.78	
Leasing Office Equipment	314.31	234.71	79.60	133.91 %
Meals & Entertainment		123.47	-123.47	
Office Supplies		158.79	-158.79	
Postage and Delivery	115.53	16.46	99.07	701.88 %
Printing and Reproduction		162.42	-162.42	
<b>Total Office Expenses</b>	<b>429.84</b>	<b>1,146.63</b>	<b>-716.79</b>	<b>37.49 %</b>
Rental and Lease Expense	4,875.00	4,875.00	0.00	100.00 %
Software Usage	1,509.40	9,000.00	-7,490.60	16.77 %
Storage Rental	77.00	77.00	0.00	100.00 %
Telephone Expense	421.28	611.84	-190.56	68.85 %
Travel and Lodging Expenses				
Lodging Expense		150.00	-150.00	



# Houston Land Bank

## BUDGET VS. ACTUALS: FISCAL YEAR 2021 BAB - FY21 P&L DEPARTMENTS

December 2020

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Mileage Expense	194.00	166.67	27.33	116.40 %
Parking		49.70	-49.70	
Travel Expense		125.00	-125.00	
<b>Total Travel and Lodging Expenses</b>	<b>194.00</b>	<b>491.37</b>	<b>-297.37</b>	<b>39.48 %</b>
<b>Total Admin - Other</b>	<b>11,395.52</b>	<b>27,589.02</b>	<b>-16,193.50</b>	<b>41.30 %</b>
Employee Cost				
Health Insurance	6,632.67	8,424.08	-1,791.41	78.73 %
Payroll Services Fee	188.29	223.79	-35.50	84.14 %
Payroll Taxes	5,009.46	14,002.39	-8,992.93	35.78 %
Retirement	8,862.78		8,862.78	
Wages and Salary	85,269.09	81,544.39	3,724.70	104.57 %
<b>Total Employee Cost</b>	<b>105,962.29</b>	<b>104,194.65</b>	<b>1,767.64</b>	<b>101.70 %</b>
Legal Fees	9,104.20	5,750.00	3,354.20	158.33 %
Miscellaneous Expense	140.00		140.00	
Professional Services				
Accounting Fee	4,250.00	8,921.67	-4,671.67	47.64 %
Consulting Fee	6,140.00	32,013.89	-25,873.89	19.18 %
Contract Work		9,166.67	-9,166.67	
<b>Total Professional Services</b>	<b>10,390.00</b>	<b>50,102.23</b>	<b>-39,712.23</b>	<b>20.74 %</b>
Property Cost - Maintenance		5,638.84	-5,638.84	
Property Expenses				
Standard Lawn Mowing	38,042.60	48,609.59	-10,566.99	78.26 %
<b>Total Property Expenses</b>	<b>38,042.60</b>	<b>48,609.59</b>	<b>-10,566.99</b>	<b>78.26 %</b>
<b>Total Property Cost - Maintenance</b>	<b>38,042.60</b>	<b>54,248.43</b>	<b>-16,205.83</b>	<b>70.13 %</b>
Property Cost - Disposition HLB				
Closing Cost	1,076.33	5,500.00	-4,423.67	19.57 %
Lots COGS	3,375.00	62,500.00	-59,125.00	5.40 %
Pesticide or Weed Treatment		11.37	-11.37	
<b>Total Property Cost - Disposition HLB</b>	<b>4,451.33</b>	<b>68,011.37</b>	<b>-63,560.04</b>	<b>6.54 %</b>
Property Cost -Disposition NHDP				
Cleaning and Supplies	135.00		135.00	
Clearing and Lawn Maintenance	100.00		100.00	
Closing Cost - NHDP		12,000.00	-12,000.00	
Legal Fees - NHDP	1,520.00	11,666.67	-10,146.67	13.03 %
Lots Sold - NHDP				
Initial Cost of Lot	4,100.00		4,100.00	
xImpairment on Lot Sold - (Contra)	-3,649.00		-3,649.00	
<b>Total Lots Sold - NHDP</b>	<b>451.00</b>		<b>451.00</b>	
Pesticide or Weed Treatment		11.37	-11.37	
Property Taxes - NHDP		107.34	-107.34	
Repair and Maintenance	3,649.00	4,666.67	-1,017.67	78.19 %



# Houston Land Bank

## BUDGET VS. ACTUALS: FISCAL YEAR 2021 BAB - FY21 P&L DEPARTMENTS

December 2020

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Security and Secure Property Co	262.38	4,716.33	-4,453.95	5.56 %
Soft Cost of Construction - NHDP	50.00	3,726.00	-3,676.00	1.34 %
Water and Utilities	130.75	1,646.67	-1,515.92	7.94 %
<b>Total Property Cost -Disposition NHDP</b>	<b>6,298.13</b>	<b>38,541.05</b>	<b>-32,242.92</b>	<b>16.34 %</b>
<b>Total Expenses</b>	<b>\$185,784.07</b>	<b>\$659,065.92</b>	<b>\$ -473,281.85</b>	<b>28.19 %</b>
NET OPERATING INCOME	<b>\$4,888,851.49</b>	<b>\$50,368.70</b>	<b>\$4,838,482.79</b>	<b>9,706.13 %</b>
Other Income				
Interest Income	34.59	219.51	-184.92	15.76 %
<b>Total Other Income</b>	<b>\$34.59</b>	<b>\$219.51</b>	<b>\$ -184.92</b>	<b>15.76 %</b>
NET OTHER INCOME	<b>\$34.59</b>	<b>\$219.51</b>	<b>\$ -184.92</b>	<b>15.76 %</b>
NET INCOME	<b>\$4,888,886.08</b>	<b>\$50,588.21</b>	<b>\$4,838,297.87</b>	<b>9,664.08 %</b>



# Houston Land Bank

## PROFIT AND LOSS

July - December, 2020

	JUL 2020	AUG 2020	SEP 2020	OCT 2020	NOV 2020	DEC 2020	TOTAL
<b>Income</b>							
Acquisition and Development Agreement							\$0.00
Acquisition Proceeds	136,039.98	229,110.29	49,061.09	24,553.84	165,251.83	4,881,825.92	\$5,485,842.95
Disposition of Lots	76,150.00	15,000.00	15,000.00	115,000.00		15,000.00	\$236,150.00
Disposition Proceeds	17,769.76	3,838.88	7,627.83	53,474.36	50.00	21,650.28	\$104,411.11
<b>Total Acquisition and Development Agreement</b>	<b>229,959.74</b>	<b>247,949.17</b>	<b>71,688.92</b>	<b>193,028.20</b>	<b>165,301.83</b>	<b>4,918,476.20</b>	<b>\$5,826,404.06</b>
Administrative Fees	11,250.00	3,750.00	3,750.00	22,500.00		3,750.00	\$45,000.00
HLB Program Revenue							\$0.00
Disposition Proceeds	157,448.00	52,367.00	33,769.00	90,569.00	64,224.00	22,230.00	\$420,607.00
<b>Total HLB Program Revenue</b>	<b>157,448.00</b>	<b>52,367.00</b>	<b>33,769.00</b>	<b>90,569.00</b>	<b>64,224.00</b>	<b>22,230.00</b>	<b>\$420,607.00</b>
Operations Agreement	152,532.03	112,632.27	129,366.32	141,592.96	114,214.73	130,179.36	\$780,517.67
<b>Total Income</b>	<b>\$551,189.77</b>	<b>\$416,698.44</b>	<b>\$238,574.24</b>	<b>\$447,690.16</b>	<b>\$343,740.56</b>	<b>\$5,074,635.56</b>	<b>\$7,072,528.73</b>
<b>GROSS PROFIT</b>	<b>\$551,189.77</b>	<b>\$416,698.44</b>	<b>\$238,574.24</b>	<b>\$447,690.16</b>	<b>\$343,740.56</b>	<b>\$5,074,635.56</b>	<b>\$7,072,528.73</b>
<b>Expenses</b>							
Admin - Other							\$0.00
Advertising & Marketing		352.00	352.00	1,584.00			\$2,288.00
Bank Service Charges	216.14	312.27	177.50	244.90	239.77	340.87	\$1,531.45
Company Insurance							\$0.00
General Liability	1,633.67	1,633.67	1,633.67	1,633.67	1,633.67	1,633.67	\$9,802.02
Officers & Directors Liability			582.99	729.13	729.13	729.13	\$2,770.38
Property Insurance					-540.75		\$ -540.75
<b>Total Company Insurance</b>	<b>1,633.67</b>	<b>1,633.67</b>	<b>2,216.66</b>	<b>2,362.80</b>	<b>1,822.05</b>	<b>2,362.80</b>	<b>\$12,031.65</b>
Computer and Internet Expenses	19.98	1,159.92	9.99	838.77	9.99	9.99	\$2,048.64
Conference & Meeting	250.00		100.00	150.00	25.00		\$525.00
Depreciation Expenses	200.09	200.09	200.09	200.09	200.09	200.09	\$1,200.54
Dues and Subscription	1,135.57	947.99	883.54	1,091.79	446.00	975.25	\$5,480.14
Filing Fees	63.36	23.50	47.00				\$133.86
Office Expenses	275.00			105.97	110.06		\$491.03
Leasing Office Equipment	229.00	229.00	470.25	482.50	408.81	314.31	\$2,133.87
Office Supplies	123.62						\$123.62
Postage and Delivery	16.65	26.01	31.94	226.00	11.67	115.53	\$427.80
<b>Total Office Expenses</b>	<b>644.27</b>	<b>255.01</b>	<b>502.19</b>	<b>814.47</b>	<b>530.54</b>	<b>429.84</b>	<b>\$3,176.32</b>
Rental and Lease Expense	4,875.00	4,875.00	4,875.00	4,875.00	4,875.00	4,875.00	\$29,250.00
Software Usage	1,509.40	1,509.40	1,509.40	1,509.40	1,509.40	1,509.40	\$9,056.40
Storage Rental	77.00	77.00	77.00	77.00	77.00	77.00	\$462.00
Telephone Expense	380.97	558.79	420.97	421.28	421.28	421.28	\$2,624.57
Travel and Lodging Expenses							\$0.00
Mileage Expense						194.00	\$194.00
Parking	35.64						\$35.64
<b>Total Travel and Lodging Expenses</b>	<b>35.64</b>					<b>194.00</b>	<b>\$229.64</b>
<b>Total Admin - Other</b>	<b>11,041.09</b>	<b>11,904.64</b>	<b>11,371.34</b>	<b>14,169.50</b>	<b>10,156.12</b>	<b>11,395.52</b>	<b>\$70,038.21</b>
<b>Employee Cost</b>							
Health Insurance	5,772.67	6,522.22	6,241.68	5,336.36	6,622.25	6,632.67	\$37,127.85
Payroll Services Fee	173.17	188.25	128.22	135.24	126.88	188.29	\$940.05
Payroll Taxes	6,021.30	4,259.86	4,305.24	4,130.14	3,574.79	5,009.46	\$27,300.79
Retirement						8,862.78	\$8,862.78
Wages and Salary	80,028.93	56,928.33	57,238.72	56,478.72	57,974.87	85,269.09	\$393,918.66
<b>Total Employee Cost</b>	<b>91,996.07</b>	<b>67,898.66</b>	<b>67,913.86</b>	<b>66,080.46</b>	<b>68,298.79</b>	<b>105,962.29</b>	<b>\$468,150.13</b>



# Houston Land Bank

## PROFIT AND LOSS

July - December, 2020

	JUL 2020	AUG 2020	SEP 2020	OCT 2020	NOV 2020	DEC 2020	TOTAL
Legal Fees	11,965.50	10,672.30	11,721.90	14,116.70	33,750.55	9,104.20	\$91,331.15
Miscellaneous Expense	1,120.00	3,761.38	14,016.46	-18,897.84	-1,120.00	140.00	\$ -980.00
Professional Services							\$0.00
Accounting Fee	10,100.00	9,475.00	7,975.00	5,750.00	4,750.00	4,250.00	\$42,300.00
Audit Fees	14,500.00		500.00				\$15,000.00
Consulting Fee	350.00	350.00	1,350.00	15,955.00	350.00	6,140.00	\$24,495.00
<b>Total Professional Services</b>	<b>24,950.00</b>	<b>9,825.00</b>	<b>9,825.00</b>	<b>21,705.00</b>	<b>5,100.00</b>	<b>10,390.00</b>	<b>\$81,795.00</b>
Property Cost - Maintenance							\$0.00
Property Expenses							\$0.00
Standard Lawn Mowing	45,102.33	43,693.54	44,488.39	45,121.19	38,546.25	38,042.60	\$254,994.30
<b>Total Property Expenses</b>	<b>45,102.33</b>	<b>43,693.54</b>	<b>44,488.39</b>	<b>45,121.19</b>	<b>38,546.25</b>	<b>38,042.60</b>	<b>\$254,994.30</b>
<b>Total Property Cost - Maintenance</b>	<b>45,102.33</b>	<b>43,693.54</b>	<b>44,488.39</b>	<b>45,121.19</b>	<b>38,546.25</b>	<b>38,042.60</b>	<b>\$254,994.30</b>
Property Cost - Disposition HLB							\$0.00
Closing Cost	17,093.23	8,562.68	2,883.22	8,635.58	14,603.76	1,076.33	\$52,854.80
Lots COGS	55,472.71	49,817.88	1,865.34	12,481.24	19,226.45	3,375.00	\$142,238.62
Property Taxes	3,854.95	491.99		643.54	234.32		\$5,224.80
Survey and Appraisal Expenses	112.64	3,795.97	392.61	1,250.00	2,073.28		\$7,624.50
<b>Total Property Cost - Disposition HLB</b>	<b>76,533.53</b>	<b>62,668.52</b>	<b>5,141.17</b>	<b>23,010.36</b>	<b>36,137.81</b>	<b>4,451.33</b>	<b>\$207,942.72</b>
Property Cost -Disposition NHDP							\$0.00
Cleaning and Supplies	1,700.00	540.00	545.00	1,255.00		135.00	\$4,175.00
Clearing and Lawn Maintenance				500.00	50.00	100.00	\$650.00
Clearing and Lawn Maintenance - NHDP	2,400.00	850.00	700.00				\$3,950.00
Land Trust Fee	7,000.00		3,500.00	17,500.00			\$28,000.00
Legal Fees - NHDP	10,239.10	23,466.00	24,924.70	18,884.70	4,233.00	1,520.00	\$83,267.50
Lots Sold - NHDP							\$0.00
Initial Cost of Lot	6,220.00		4,000.00	22,831.82		4,100.00	\$37,151.82
xImpairment on Lot Sold - (Contra)	-3,300.00		-3,560.00	-19,094.49		-3,649.00	\$ -29,603.49
<b>Total Lots Sold - NHDP</b>	<b>2,920.00</b>		<b>440.00</b>	<b>3,737.33</b>		<b>451.00</b>	<b>\$7,548.33</b>
Marketing and Showcase		742.50	742.50	872.25			\$2,357.25
Repair and Maintenance	273.76	115.00			162.13	3,649.00	\$4,199.89
Security and Secure Property Co		299.00		32.95		262.38	\$594.33
Soft Cost of Construction - NHDP	1,150.01	1,480.00		649.80		50.00	\$3,329.81
Water and Utilities	1,282.16	437.15	752.63	1,571.28	-105.57	130.75	\$4,068.40
<b>Total Property Cost -Disposition NHDP</b>	<b>26,965.03</b>	<b>27,929.65</b>	<b>31,604.83</b>	<b>45,003.31</b>	<b>4,339.56</b>	<b>6,298.13</b>	<b>\$142,140.51</b>
<b>Total Expenses</b>	<b>\$289,673.55</b>	<b>\$238,353.69</b>	<b>\$196,082.95</b>	<b>\$210,308.68</b>	<b>\$195,209.08</b>	<b>\$185,784.07</b>	<b>\$1,315,412.02</b>
<b>NET OPERATING INCOME</b>	<b>\$261,516.22</b>	<b>\$178,344.75</b>	<b>\$42,491.29</b>	<b>\$237,381.48</b>	<b>\$148,531.48</b>	<b>\$4,888,851.49</b>	<b>\$5,757,116.71</b>
Other Income							
Interest Income	28.22	34.03	49.57	33.98	33.53	34.59	\$213.92
<b>Total Other Income</b>	<b>\$28.22</b>	<b>\$34.03</b>	<b>\$49.57</b>	<b>\$33.98</b>	<b>\$33.53</b>	<b>\$34.59</b>	<b>\$213.92</b>
<b>NET OTHER INCOME</b>	<b>\$28.22</b>	<b>\$34.03</b>	<b>\$49.57</b>	<b>\$33.98</b>	<b>\$33.53</b>	<b>\$34.59</b>	<b>\$213.92</b>
<b>NET INCOME</b>	<b>\$261,544.44</b>	<b>\$178,378.78</b>	<b>\$42,540.86</b>	<b>\$237,415.46</b>	<b>\$148,565.01</b>	<b>\$4,888,886.08</b>	<b>\$5,757,330.63</b>



# Houston Land Bank

## BALANCE SHEET

As of December 31, 2020

	TOTAL
<b>ASSETS</b>	
Current Assets	
Bank Accounts	
Chase-Operations - 8465	730,505.40
Money Market - Lot Acquisition - 7058	121,186.98
Money Market Unrestricted - 7066	1,287,349.87
MoneyMarket-Unrstr.C Resev 5577	18,023.89
Petty Cash	12.63
<b>Total Bank Accounts</b>	<b>\$2,157,078.77</b>
Accounts Receivable	
Accts Receivable	827,100.32
<b>Total Accounts Receivable</b>	<b>\$827,100.32</b>
Other Current Assets	
Prepaid Expenses	
Prepaid Acquisition Costs	11,015.30
Prepaid Insurance	12,076.01
Prepaid Rent	4,875.00
Prepaid Subscription Services	1,509.40
<b>Total Prepaid Expenses</b>	<b>29,475.71</b>
<b>Total Other Current Assets</b>	<b>\$29,475.71</b>
<b>Total Current Assets</b>	<b>\$3,013,654.80</b>
Fixed Assets	
Equipment	12,005.12
xAccum. Depreciation	-3,926.42
<b>Total Fixed Assets</b>	<b>\$8,078.70</b>
Other Assets	
Earnest Fee	26,100.00
Investments Held For Sale	7,408,638.72
Security Deposit	4,875.00
<b>Total Other Assets</b>	<b>\$7,439,613.72</b>
<b>TOTAL ASSETS</b>	<b>\$10,461,347.22</b>





# Houston Land Bank

## BALANCE SHEET

As of December 31, 2020

	TOTAL
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	91,349.86
<b>Total Accounts Payable</b>	<b>\$91,349.86</b>
Credit Cards	
Chase Credit Card	3,197.75
<b>Total Credit Cards</b>	<b>\$3,197.75</b>
Other Current Liabilities	
Due to Tax Assessor	5,264.55
Liabilities Due to HCDD	240,762.41
Option Fee	250.00
Payroll Liability	1,685.51
<b>Total Other Current Liabilities</b>	<b>\$247,962.47</b>
<b>Total Current Liabilities</b>	<b>\$342,510.08</b>
<b>Total Liabilities</b>	<b>\$342,510.08</b>
Equity	
Retained Earnings-1	4,361,506.51
Net Income	5,757,330.63
<b>Total Equity</b>	<b>\$10,118,837.14</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$10,461,347.22</b>



PRESIDENTS REPORT

11 February 2021

General Activities/Announcements

- **Lincoln Institute’s Accelerating Community Investment Community of Practice** HLB/Anne Haynes was invited to participate in a nationwide convening of affordable housing providers and financing organizations to discuss best practices in providing affordable housing and ways to leverage different types of funding including philanthropic and local investment dollars to increase impact. This convening included people from all over the country and will have a few more topic based convenings over the next year. In particular, through the workshop, HLB connected directly in a breakout with Build Baton Rouge that is a land bank/redevelopment corporation with similar scale and engagement, and with a representative of Texas State Affordable Housing Corporation.
- **Center for Community Progress** is hosting another national conversation with Land Bank leaders on February 8, especially focused on national legislation that has been introduced for a Land Bank Network.
- **Year End Summary** was distributed to over 1100 recipients on our mailing list, and received a 29% open rate which is consistent with our newsletter from last summer.
- Based on conversations with the Board of Directors last November, and HCDD, we have advanced **partnering with Houston LISC** for a revolving acquisition loan by using our existing assets as collateral. This could be used in the NHDP program or for our own programs. We have received a formal LOI and "Hard underwriting" is underway. Any formal loan received would need City Council approval.

January Dashboard: *Although the stories behind these numbers are more important than the numbers.....it helps to see the ‘scale’ of our efforts on a monthly basis*



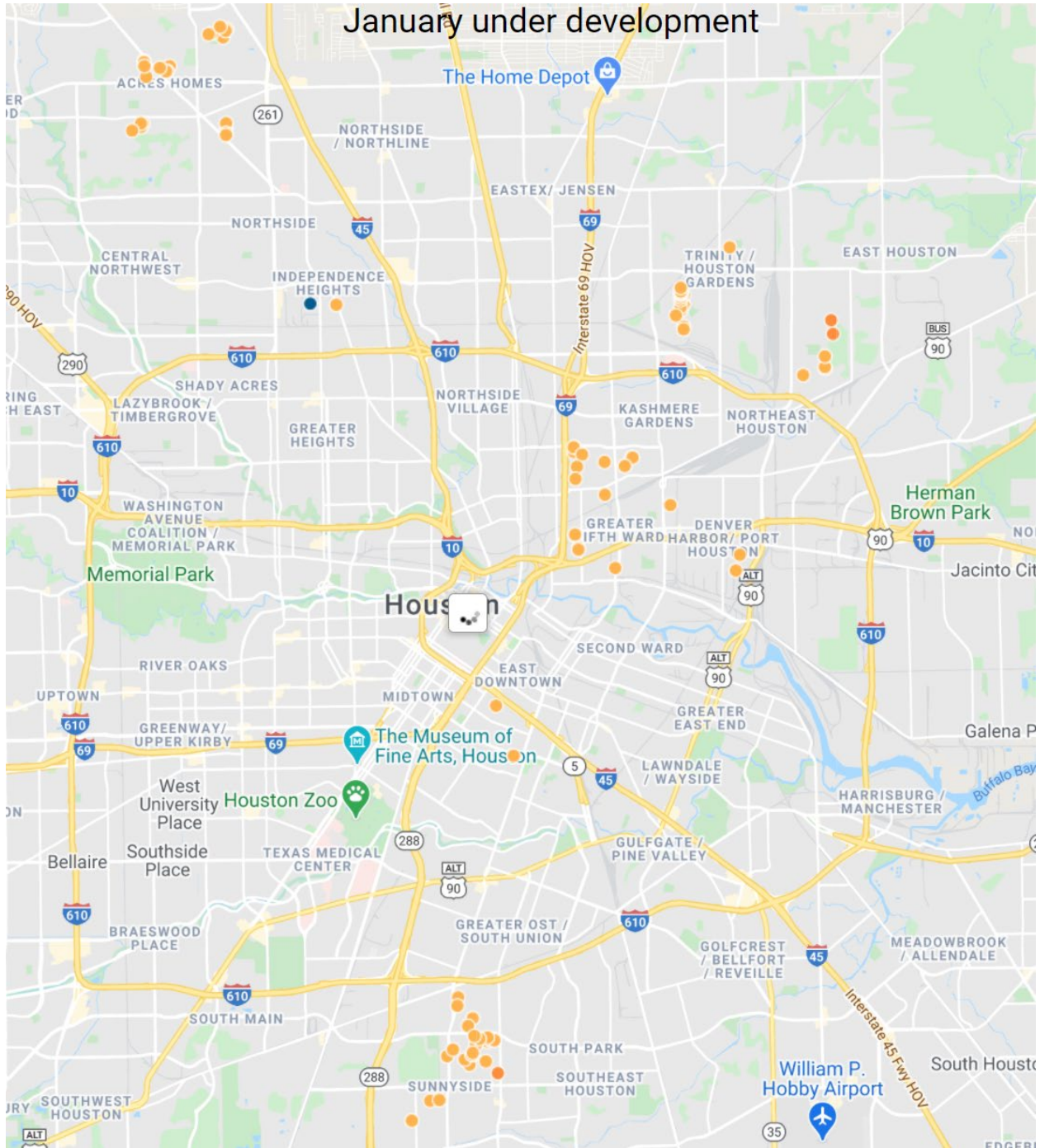
### HLB Lot & Property Maintenance

- Traditional HLB Program, completed 14 Property Verifications and prepared lots for sale.
- Responded to 2 DON violations received.
- NHDP
  - HLB Punch List back check of the two of five nearly finished Crown Ridge houses There were quite a few Punch List Items remaining that needed to be addressed. Facilitated formal TREC inspector walkthrough of same properties
  - Conducted a 33% Complete Construction Review for the three homes
  - Conducted a 66% Complete Construction Review on five homes, only one is officially at the 66% mark. The other houses were approx. 40 to 45% complete.
- Addressed Concern Citizens Request of Illegal Dumping on 7 lots along Sparta Street in Settegast,
- Addressed Concern Citizens Request by removing a tree (Life Safety Concern) that extended over a neighbors house.

### HLB Inventory & Builders under Development

- As of February 1, 2021 (final numbers +/- 5 per week due to ongoing property review around outstanding contracts, as well as any other reconciliation):
  - 513 Properties in Inventory**
  - 229 Holding for Housing**
- New HLB Home Initiative is in full swing.
  - **Round 3 lot sales** –21 Lots have closed, and the remaining 9 are nearing closing completion.
  - **Round 4 lot sales**—Additional lots are being reviewed and prepared for sale in the next month.
- Current Monthly Talley of HLB Home Building Initiative- builders closing with homebuyers:
  - **59 homes sold in 2019**
  - **21 homes sold in 2020**
  - **0 homes sold in 2021** to date
- **96 homes are under development.** (18 in 5th Ward; 2 in Denver Harbor; 24 in Acres Homes; 2 in 3rd Ward; 26 in Sunnyside; 3 in Independence Heights; 16 in Trinity Gardens; 6 in Settegast)
  - 21 lots just closed
  - 37 lots are in permitting/pre construction
  - 26 in active construction
  - 12 are in marketing/sale





Map: HLB Lots under Development (HLB Building Initiative Program

*\*does not include the 21 properties just closed in the past few weeks.*



### NHDP-Highlights

- NHDP in Acres Homes:
  - No houses currently in inventory
  - **38 Houses SOLD** to date (30 HCLT, 8 Standard Sales)
  - **18 Homes are under construction** at approximately 66-88% construction and will be listed for pre-sale in the next weeks. All still in Acres Homes
- FEBRUARY HOMEBUYER HIGHLIGHTS.....HIGHLIGHTING VAENTINES DAY!!!!

**Mr. and Mrs. Ray Menifee** live at 6809 Bethune in a home built by Crown Ridge/Phase II of IV.

The Menifee's purchased via the Standard purchase route (non CLT), he is a Veteran and closed on October 16, 2019.

One thing that is very noticeable when you initially meet the Menifee's is how loving they are toward one another.

**Mr. and Mrs. Victor Cantu and their 11-year-old son Asah Hugo** purchased their new home at 6805 McWilliams (Standard Purchase Buyers/Non CLT) on December 30, 2019. Asah's love for reading led the Cantu family to become knowledgeable of our program (he read a flyer). The Cantus' are God fearing folks and love to share their faith walk.

### Acquisitions & Development - HLB

- HLB Acquisitions: Work initiated to focus on single lot purchases in neighborhoods where we have existing lots, and consistent with the strategic plan, where we can develop increased 'clusters.'
- The property foreclosure auction has been closed since April 2020.

### Acquisitions. City of Houston Partnership. NHDP

- All activities are focused for the NHDP program, per the 'Acquisition and Development' Grant Agreement, approved by City Council on August 31, 2018, and Amended on April 1, 2020.
- NHDP acquisition Activity Update
  - 5-10 Neighborhood focus areas, as determined by HCDD: Complete Communities
  - **Over 950 total properties reviewed thus far.**
  - Progress to date



- Nearly 280,000 SF vacant land contracts closed after approval by the Board of Directors.
- Over 240,000 sf of land in various size parcels in neighborhoods Near Northside, Second Ward and Magnolia, currently undergoing due diligence and feasibility review and remain under contract.
- HCDD will need to request additional funds, 1.4 million, from City Council to finish acquisitions efforts for properties under contract.

### Operations & Finance

- Finance:
  - Finalized Fiscal Year 2021 budget with HCDD. Moving forward to Council for approval.
  - Modified the Clockify/timesheet process to get better stats of where the staff's time is being allocated among the programs.
  - **Developing KPI's** for the staff to compare the financials vs production we're seeing across the organization
  - And finally **FY 2022 budget** is upon us and we will need a board vote for a very preliminary budget for fiscal year 2022 on the March 11, 2021 regular board meeting as is it part of our agreement's requirements. It'll need to be submitted to the City once approved.
- Procurements
  - We are moving to execute agreements with the pre-qualified planning vendors approved at January's board meeting. This should be complete by the end of February.
  - We have executed a contract with One World Strategy Group for legislative affairs services as approved at January's board meeting.
  - **Real estate brokerage and marketing services evaluations and interviews are complete and four respondents have been selected;** notifications of selection and distribution of standard contracts as appropriate is to occur this month.
  - We continue to develop the solicitation approach for **construction- and development-related services**; our intent is to establish pools of pre-qualified vendors in key areas where services are used routinely, and pre-qualification can expedite work. We have received guidance from the City's procurement staff and HLB counsel.
  - We are drafting a **procurement procedures manual** to complement the policies adopted by the board – this will highlight important legal and policy requirements for staff and provide guidance for ensuring compliance with applicable laws and ethical standards.
- Communications



- **HLB issued two press releases** (via e-mail, social media, and posting on houstonlandbank.org) since the January board meeting: one promoting HLB's 2020 year-end report and one announcing our acquisition of the Yellow Cab property in the Near Northside.
- We are still awaiting feedback from a writer retained by the Center for Community Progress to develop stories for potential national placement.
- Lot Maintenance
  - **Secured data set from Department of Neighborhoods (DON)** showing City interactions with HLB re property maintenance through CY 2019 and 2020 and developed presentation responding to questions/comments from Oversight Committee. Finance provided performance data and budget vs. actual comparison of billing for services.

#### Legal and Compliance, HLB Lot Disposition Program Management

- Finalize 501C3 application information
- Facilitate compliance with HCDD regarding weekly reporting
- Draft closing documents and facilitate lot purchases under traditional program
- Work with title company to facilitate outstanding liens and title issues on lots
- Facilitate Program Committee meeting with agendas/minutes and provided required documentation
- Facilitate proposal for Limited Alternative Land Use Program
- Correspond and facilitate legal issues with outside counsel
- Facilitate compliance on houses under construction and builder monthly reporting
- Procurement manual discussion and review







## REQUEST FOR BOARD ACTION

**Meeting Date: February 11, 2021**

**Agenda Item X.a.: Consideration and Possible Action to Accept Program Committee and Staff Builder Lot Selection Recommendation for a Round 3 Lot Sale Under the HLB Traditional Home Building Initiative**

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### **ACTION SUMMARY**

Approval of this item will initiate sale of 21,798 square feet at 8414 Safeguard for \$73,459 to Cole Klein Builders for construction of six two-story townhomes to be sold to income-qualified purchasers.

### **BACKGROUND/OVERVIEW**

The Program Committee and staff have engaged in an extensive collaborative effort to facilitate the third round of lot sales in HLB's inventory under the current Program Guidelines. The approved builders were invited to attend a virtual builder forum where Staff discussed the program guidelines and procedures for submitting applications to purchase lots. The approved builders were sent an email blast letting them know that the lots were up for sale and invited to the public website site which listed the 52 lots for sale. They were then allowed a specific amount of time to submit an application, which included plans/specs, pricing within a construction proforma, and a projected timeline to build for each lot they wished to purchase. During the submission period, staff held open houses each Wednesday for 2 weeks to answer any questions the builders had regarding the Program Guidelines and application submission process. Once the submission period ended, the review period began. The multi-step review process that first included verification of submission of the required documents, such as evidence of entity formation, and a subsequent ranking of applications based on proposed price per square foot, neighborhood context, home enhancements, demonstrated track record, and proximity to other current developments—all as were outlined in the board approved program guidelines.

The Program Committee is now recommending that approved builder Cole Klein Builders be awarded a 21,798 SF lot (currently 3 lots under 1 HCAD) located in Sunnyside to build 6 separate 1,750 SF two story townhomes. This set of homes would require the larger lot to be subdivided into 6 separate lots with their own HCADs. The total price would be \$73,459 for the entire lot, and after subdividing would equal \$12,243 per lot. Each home would be sold for \$212,000. By subdividing this property, we will also be able to accomplish double the amount of affordable homes. The neighborhood is already an area where there have been subdivided lots, and increased density of housing, which is appealing to a variety of existing

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

Sunnyside residents and new residents. Cole Klein has worked in the neighborhood for years, and know the local market and the desirability of this model/price point and product.

The details of the lot proposed for sale are listed on the following page. The corresponding plot plan and proposed proforma will be submitted along with this memo.

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281.655.4600

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

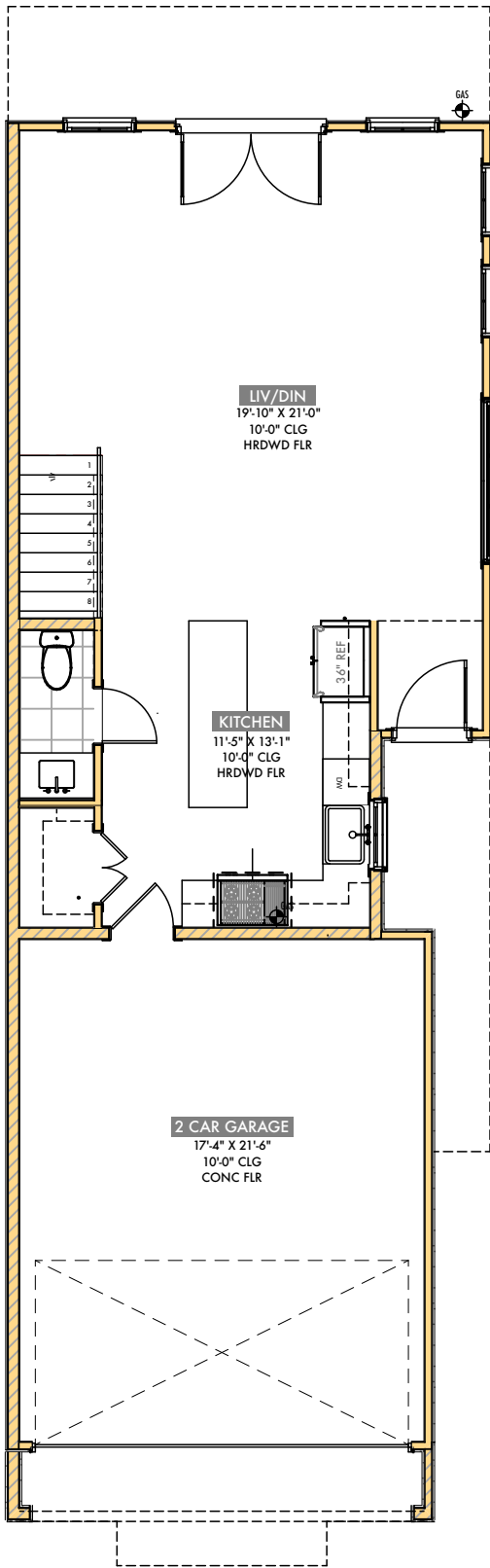
**PROPOSED ROUND 3 LOT SALES  
FOR HLB HOUSING INITIATIVE  
February 11, 2021**

<b>Builder</b>	<b>HCAD</b>	<b>Address</b>	<b>Purchase Price</b>	<b>Home Sales Price</b>	<b>Next Steps</b>
Cole Klein Builders	1. 0761490010003	1. 8414 Safeguard	1.\$73,459	1.\$212,000	Placed on agenda for Board approval

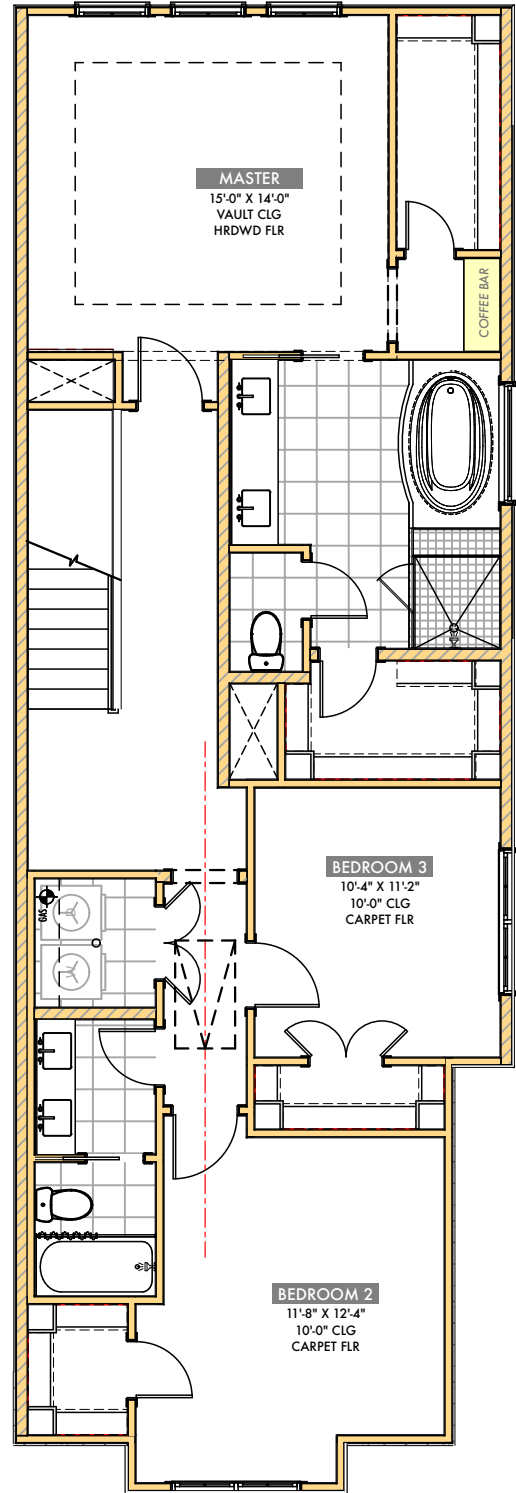
P.O. Box 131106, Houston, Texas 77219  
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1ST LEVEL FLOOR PLAN



2ND LEVEL FLOOR PLAN



1340 W 25th Street  
 Houston, Texas 77008  
 P 713.701.9154  
 C 713.822.4044  
 gene@paradigmhouston.com

# Landbank Concept Plan

1,887 SQ FT PLAN



FRONT ELEVATION



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Landbank Concept Plan

1,887 SQ FT PLAN



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**OWNER/DEVELOPER**  
COLE KLEIN BUILDERS  
3305 GLEN HAVEN  
HOUSTON, TX 77025

**CONTRACTOR**  
COLE KLEIN BUILDERS  
3305 GLEN HAVEN  
HOUSTON, TX 77025

**STRUCTURAL ENGINEER**  
TBD

SAFEWARD DEVELOPMENT  
8414 SAFEWARD STREET  
HOUSTON, TX 77051  
JOB NUMBER: 220014  
CLIENT: COLE KLEIN BUILDERS

DRAWINGS ISSUED FOR

**CONCEPTUAL**

**DOCUMENT INFORMATION**

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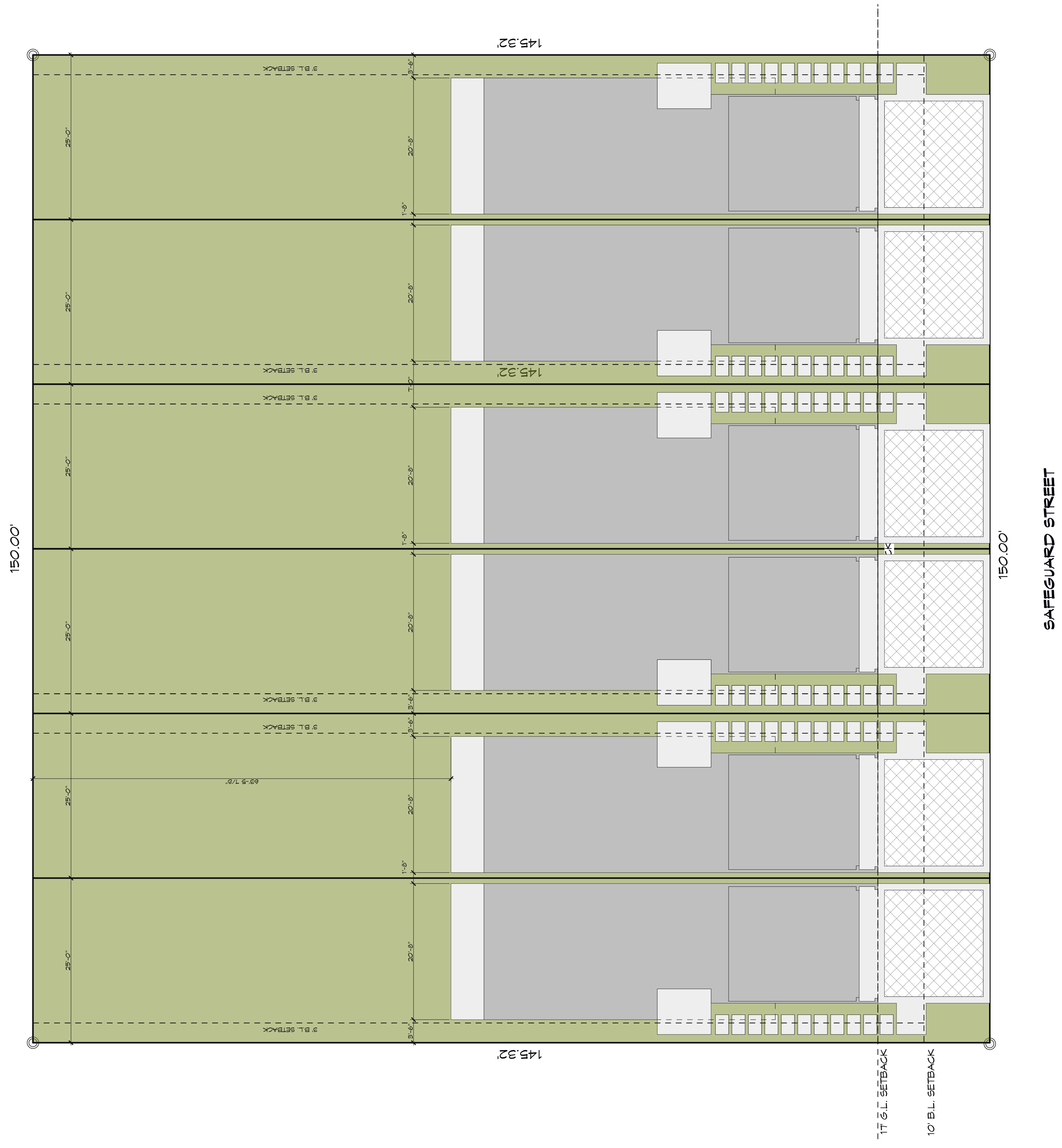
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09.30.2020	CLIENT REVIEW (SD/AD)
00.00.00	Client Review (CD)
00.00.00	Client Review (CD)
00.00.00	CITY COMMENTS (CD)
00.00.00	CITY COMMENTS (CD)
00.00.00	CLIENT REVISIONS

08 DECEMBER 2020

**OVERALL  
CONCEPTUAL SITE  
PLAN**

**A0.5**



**1 OVERALL CONCEPTUAL SITE PLAN**  
SCALE: 1/8" = 1'-0"  
0 4' 8' 16'





1340 W 25TH STREET  
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HOUSTON, TX 77025

**STRUCTURAL ENGINEER**  
TBD

SAFE GUARD DEVELOPMENT  
844 SAFEGUARD STREET  
HOUSTON, TX 77051  
JOB NUMBER: 220014  
CLIENT: COLE KLEIN BUILDERS

**CONCEPTUAL**  
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ISSUE: 0000.00  
CLIENT REVIEW (SD/CD): 0000.00  
CHECKED BY: 0000.00  
CITY COMMENTS (CD): 0000.00  
CITY TRENDS: 0000.00

08 DECEMBER 2020  
**CONCEPTUAL FLOOR PLANS**

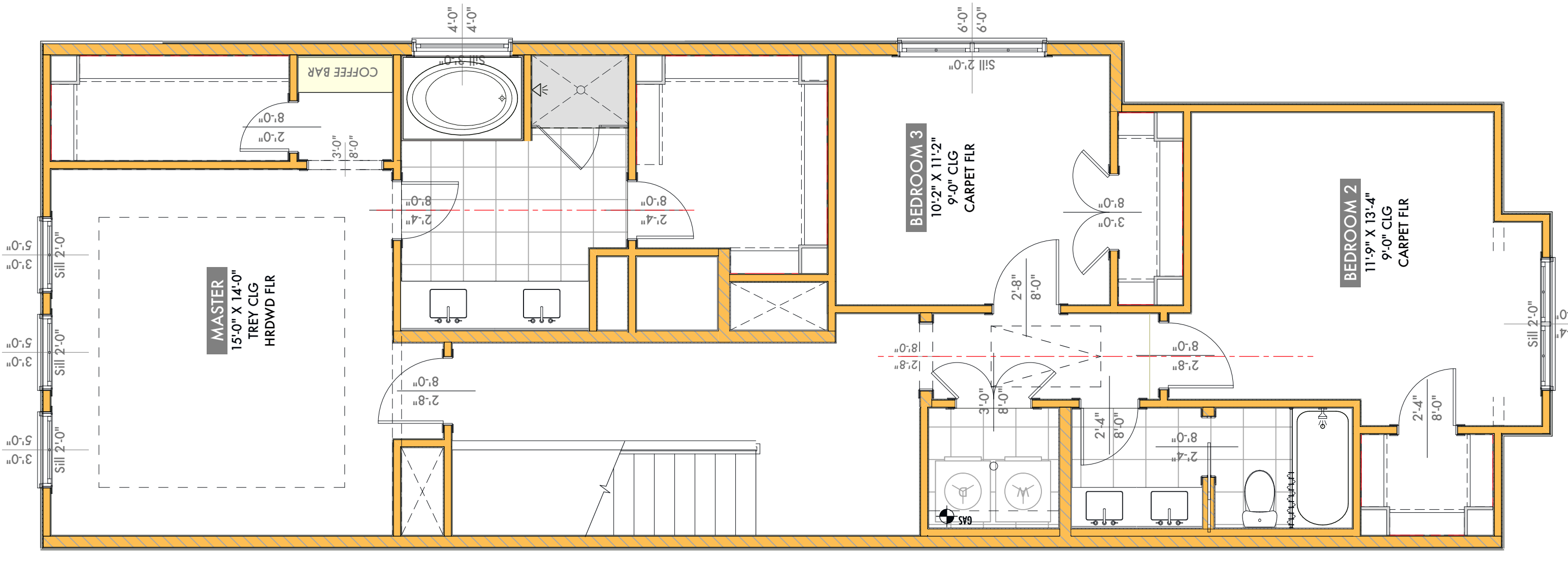
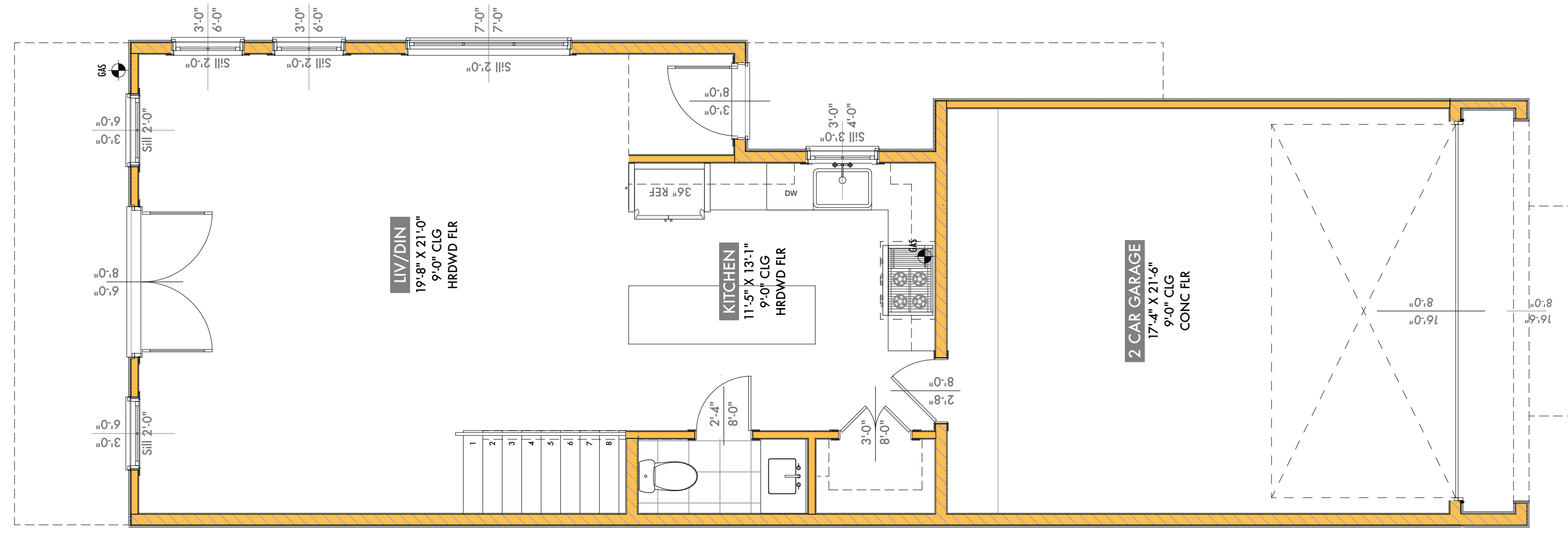
**A1.2**

**GENERAL PLAN NOTES**

- ALL WRITTEN NOTES ON THESE DRAWINGS SHALL TAKE PRECEDENCE OVER ANY DIMENSIONS SHOWN ON SHEET V23.
- DO NOT SCALE DRAWINGS. WRITTEN DIMENSIONS TAKE PRECEDENCE. CONTRACTOR TO VERIFY AND BE RESPONSIBLE FOR ALL DIMENSIONS AND CONDITIONS ON THE JOB AND NOTIFY ARCHITECT IMMEDIATELY OF ANY DISCREPANCIES OR CONDITIONS SHOWN ON THE DRAWINGS PRESENTED HEREIN OR CONDITIONS SHOWN ON THE DRAWINGS PRESENTED HEREIN.
- CEILING HEIGHTS TAKEN FROM WHERE THE NOTE IS LOCATED ON THE PLAN.
- ROOF FLATE HEIGHTS ARE TAKEN FROM NOMINAL (FIRST) FLOOR SLAB LEVEL UNLESS OTHERWISE NOTED.
- ALL ROOF SLOPES LESS THAN 4:12 SHALL USE ICE AND WATER SHIELD IN PLACE OF FELT.
- PROVIDE 6" STEP AND HORIZONTAL FLASHING AT ALL ROOF TO WALL AND INTERIOR WALL PENETRATIONS. MINIMUM OVERLAP AND MINIMUM HEIGHT SHALL BE AS FOLLOWS:  
MIN. 2" TYP. 4" ALL FLASHING TYP. (INCLUDE STEP FLASHING)
- WINDOW DESIGNATION SHALL BE AS FOLLOWS:  
• BH - SINGLE HUNG  
• DH - DOUBLE HUNG  
• CMNT - CASEMENT

**CODE COMPLIANT PLAN NOTES**

- ALL DRAWINGS REFERENCE THE 2012 INTERNATIONAL RESIDENTIAL CODE (IRC) WITH CITY OF HOUSTON AMENDMENTS.
- WINDOWS**
  - SHALL MEET OR EXCEED WINDOW GLASS BEARING REQUIREMENTS. MINIMUM CLEAR OPENING SIZE OF 5.7 SQ. FT. (5 SQ. FT. ON GRADE LEVEL) WITH MINIMUM CLEAR HEIGHT OF 24 INCHES AND A MINIMUM CLEAR WIDTH OF 30 INCHES.
  - ALL ESCAPE OR RESCUE WINDOW SILLS ARE TO BE A MAXIMUM OF 20 INCHES ABOVE THE FINISHED FLOOR.
  - THESE SHALL BE AT LEAST ONE EGRESS WINDOW PER ROOM.
  - IN ROOMS WITH UNITS WHERE THE OPENING OF AN OPERABLE WINDOW IS LOCATED MORE THAN 12 INCHES ABOVE THE FINISHED FLOOR, THE WINDOW SHALL BE A MIN. 24" CLEAR OPENING OF THE ROOM IN WHICH THE WINDOW IS LOCATED. THE WINDOW SHALL BE AT LEAST 24" ABOVE THE FINISHED FLOOR. THE WINDOW SHALL BE AT LEAST 24" ABOVE THE FINISHED FLOOR. THE WINDOW SHALL BE AT LEAST 24" ABOVE THE FINISHED FLOOR. THE WINDOW SHALL BE AT LEAST 24" ABOVE THE FINISHED FLOOR.
- SAFETY GLAZING**
  - SHALL BE AS FOLLOWS PER 2012 IRC SEC. R508.4:
    - BATHROOMS
    - FRENCH DOORS BATHUB ENCLOSURES, SHOWER DOORS.
    - TEMPERED WINDOWS MUST BE INSTALLED IN THE FOLLOWING LOCATIONS:
      - AT THE TOP OF ALL DOORS
      - AT THE TOP OF A STAIR LANDING OR TREAD
      - AT THE TOP OF A STAIR WALKWAY
      - REINFORCED BOTTOM OF GLASS SHOWERS
      - REINFORCED BOTTOM OF GLASS SHOWER ENCL. PARTITION
    - (1) EXPOSED AREA OF AN INDIVIDUAL PANE GREATER THAN 5.7 SQ. FT.
    - (2) LOWER EDGE OF PANE IS LESS THAN 18" ABOVE FINISHED FLOOR
    - (3) WALKING SURFACE IS GREATER THAN 36" ABOVE FINISHED FLOOR
    - (4) WITHIN 36" OF HORIZONTAL WALKING SURFACE
    - WINDOW MANUFACTURER TO VERIFY ALL TEMPERED GLASS LOCATIONS.
  - PROVIDE ATTIC ACCESS WITH A MINIMUM CLEAR OPENING OF 20" ABOVE THE FINISHED FLOOR. THE MINIMUM SIZE OF WHERE FULL-DOWN STAIRS IS 30"x54" AND HAVE A MINIMUM LOAD CAPACITY OF 500 LBS. RE: 2012 IRC SEC. R607 AND SEC. M1505.1.3
  - LOCATE WATER HEATER(S) IN ATTIC ABOVE A LOAD BEARING PARTITION, IN A PAN WITH A RELIEF LINE TO THE OUTSIDE OR SEC. R602.2
  - LOCATE ALL HVAC EQUIPMENT IN ATTIC OR DESIGNATED MECHANICAL ROOM.
  - PROVIDE 24" WIDE PLYWOOD WALKWAY TO ACCESS ALL MECHANICAL EQUIPMENT LOCATED IN ATTIC. MAXIMUM DISTANCE FROM ATTIC ACCESS TO EQUIPMENT SHALL NOT EXCEED 50' FOR ALL EQUIPMENT IN ATTIC.
  - ALL INSULATION SHALL HAVE A FLAME SPREAD RATING NOT TO EXCEED 75 AND SMOKE DENSITY RATING NOT TO EXCEED 450. RE: 2012 IRC SEC. R916.5.
  - ALL FLOOR DRAINS TO HAVE A RELIEF LINE TO OUTSIDE OR STORM SEWER. (DO NOT CONNECT TO SANITARY SEWER).
  - EXPOSED FLOORING TO BE SET AT ALL SHOWERS AND PENETRATE PLATES. ALL PLUMBING VENTS SHALL EXIT THROUGH A ROOF PLANE THAT SLOPES TO THE REAR OF THE RESIDENCE.
  - SEE STAR NOTES AND DETAILS ON SHEET A4.2. CONFORM TO IRC 2012 SECTIONS R311, R312, R314, R315, R316 AND TABLE R301.4.
  - REBARING SYSTEMS MAY BE USED IN FIRE PROTECTED GARAGE CEILING IN RESIDENTIAL GARAGES PROVIDED THE EXPOSED PANEL OF PLYWOOD ON THE GARAGE SIDE IS NOT LESS THAN 1/2" THICK. MINIMUM GARAGE CEILING SHALL BE 8'-0" UNLESS OTHERWISE NOTED. MINIMUM 16 GA. SHEET METAL.
  - ALL RAILINGS (WOOD, METAL OR PRECAST) SHALL HAVE A MAXIMUM SPACING BETWEEN BAULISTERS (SPINDLES) AND TO CONFORM TO 2012 IRC CHAPTER 10, SEC. 1012 AND 1013.
  - ALL INTERIOR STAIRS SHALL BE CONSTRUCTED WITH A MINIMUM FINISHED FLOOR WITH NO LESS THAN 36" DISTANCE FROM THE TOP GUARD TO BOTTOM OF LOBBY TRAVELER. ALL UN-SUPPORTED SPAN OF LOBBY TRAVELER SHALL BE 6'-0".
  - INTERIOR GUARDS SHALL NOT BE CONSTRUCTED WITH RESULTS IN A LADDER EFFECT PER 2012 IRC SEC. R312.2.
  - HANDRAIL AND GUARDRAILS SHALL BE DESIGNED FOR A MINIMUM UNIFORM LIVE LOAD OF 20 LBS/FT. UNIFORM LIVE LOAD APPLIED IN ANY DIRECTION AT ANY POINT ALONG THE TOP OF THE GUARD OR HANDRAIL PER 2012 IRC DESIGN TABLE R301.5 AND FOOTNOTED.
  - ALL GAS APPLIANCE VENTS TO EXIT AN EXTERIOR WALL THROUGH AN EXTERIOR WALL PERPENDICULAR TO A PROPERTY LINE OR COMMON WALL SHALL BE AT LEAST 4'-0" FROM THE PROPERTY LINE OF COMMON WALL.
  - DIRECT VENT TERMINATION** PER SECTION 506.6.1 OF THE 1997 IBC O MECHANICAL CODE
    - VENTING SYSTEMS SHALL TERMINATE 3 FEET ABOVE AN EXTERIOR WALL OR THROUGH AN EXTERIOR WALL AT LEAST 4'-0" FROM A PROPERTY LINE EXCEPT A PUBLIC WAY.
    - EXCEPTION: VENT TERMINATIONS OF DIRECT VENT APPLIANCES PERMITTED TO TERMINATE AT LEAST 2'-0" FROM A PROPERTY LINE EXCEPT A PUBLIC WAY.
    - ALL VENTS SHALL BE AT LEAST 2'-0" FROM A PROPERTY LINE EXCEPT A PUBLIC WAY.
    - PLANNING AND DEVELOPMENT MECHANICAL SECTION POLICY AND PROCEDURES.
  - WHEN PRESENT**
    - OPENINGS ON A 1-HOUR FIRE-RATED EXTERIOR WALL SHALL BE PROTECTED WITH AN ASSEMBLY HAVING A FIRE RATING OF NOT LESS THAN 1 HOUR. THE ASSEMBLY SHALL CONFORM TO 2012 CHAPTER 7, SECTION 703. CONTRACTOR SHALL DETERMINE FINAL MATERIAL AND PROVIDE APPROPRIATE TEST CRITERIA TO LOCAL AUTHORITY.
    - ALL PLUMBING PENETRATIONS THROUGH FIRE WALLS SHALL BE DETAIL 4/AS.2. RE: 2012 IRC SEC. R502.4 AND R502.5.
    - ALL PENETRATIONS THROUGH EXTERIOR WALLS SHALL BE PROTECTED WITH AN ASSEMBLY HAVING A FIRE RATING OF NOT LESS THAN 1 HOUR. THE ASSEMBLY SHALL CONFORM TO 2012 CHAPTER 7, SECTION 703. CONTRACTOR SHALL DETERMINE FINAL MATERIAL AND PROVIDE APPROPRIATE TEST CRITERIA TO LOCAL AUTHORITY.
    - ALL PENETRATIONS THROUGH EXTERIOR WALLS SHALL BE PROTECTED WITH AN ASSEMBLY HAVING A FIRE RATING OF NOT LESS THAN 1 HOUR. THE ASSEMBLY SHALL CONFORM TO 2012 CHAPTER 7, SECTION 703. CONTRACTOR SHALL DETERMINE FINAL MATERIAL AND PROVIDE APPROPRIATE TEST CRITERIA TO LOCAL AUTHORITY.







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**OWNER/DEVELOPER**

COLE KLEIN BUILDERS  
3305 GLEN HAVEN  
HOUSTON, TX 77025

**CONTRACTOR**

COLE KLEIN BUILDERS  
3305 GLEN HAVEN  
HOUSTON, TX 77025

**STRUCTURAL ENGINEER**

TBD

SAFEWARD DEVELOPMENT  
8414 SAFEWARD STREET  
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JOB NUMBER: 220014  
CLIENT: COLE KLEIN BUILDERS

**DRAWINGS ISSUED FOR**

**CONCEPTUAL**

**DOCUMENT INFORMATION**

CAD FILE NAME: 20201209\_Landbank  
Concepts\_V23.plt

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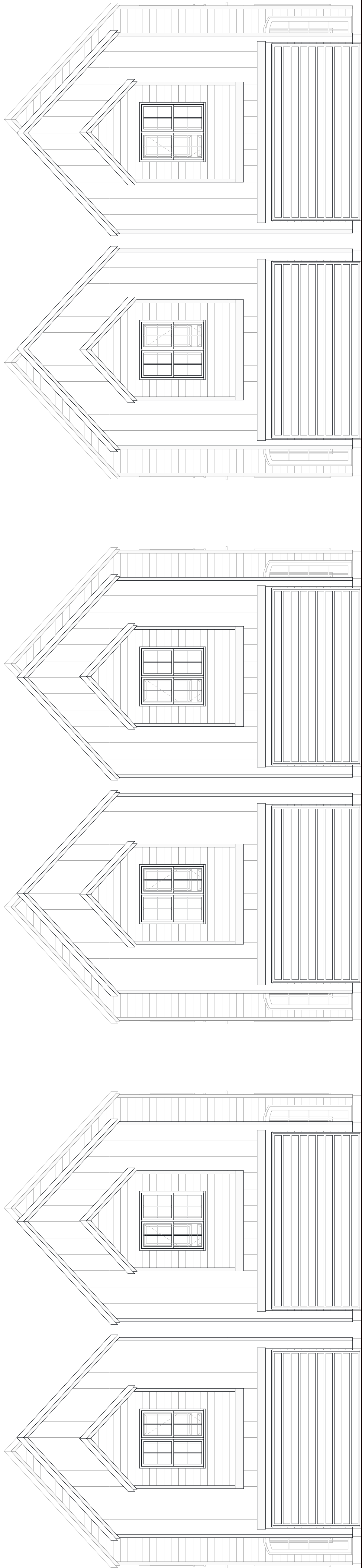
**PROJECT HISTORY**

DATE:	ISSUE:
09.30.2020	CLIENT REVIEW (SD/OD)
00.00.00	Client Review (CD)
00.00.00	Client Review (CD)
00.00.00	CITY COMMENTS (CD)
00.00.00	CITY COMMENTS (CD)
00.00.00	CLIENT REVISIONS

08 DECEMBER 2020

**OVERALL  
CONCEPTUAL STREET  
ELEVATION**

**A2.1**



1 OVERALL CONCEPTUAL STREET ELEVATION  
SCALE: 3/16" = 1'-0"







## REQUEST FOR BOARD ACTION

**Meeting Date: February 11, 2020**

### **Agenda Item X.b.: Consideration and Possible Action to Accept Program Committee Recommendation to Establish a Limited Alternative Land Use Program**

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#### **ACTION SUMMARY**

Approval of this item will allow staff to institute a limited alternative land use program to provide for sale of four lots to faith-based organizations previously approved under the prior Right of First Refusal (ROFR) Program which concluded in 2017.

#### **BACKGROUND/OVERVIEW**

After receiving requests from community faith-based organizations who had prior contractual offers from the LARA Board of Directors based on the prior ROFR program, staff has done a deep dive into the lots labeled with ROFR in the HLB property database. Staff has also researched the old HLB hard drive to gain valuable insight and records of the lots in question. Based on the prior ROFR program, there are 4 lots that were fully vetted and approved to be purchased under the program, but the faith based organizations did not have the money at the time to make the purchase. The pastors for these organizations have been periodically calling in to see if they can still purchase the lots. Due to these requests, staff has created a revised Program to suit the specific needs of the sale of these 4 lots to those organizations but limits the exposure to reviving the prior ROFR program to prioritize lot development for affordable housing. Staff is recommending that these organizations be able to purchase these 4 lots because the lots are unable to support affordable housing due to either their close proximity to the church, or being within the actual church property complex.

Throughout the revision process staff has tried to address some of the problems with the old ROFR program, such as getting plans upfront to ensure that we are aware of what the purchaser will be doing with the lot and enforcing compliance throughout the process. Staff has also written into the program a provision which ensures that each entity is providing an added benefit to the community as it relates to housing by requiring some type of housing educational classes be held at their facilities.

The Program Committee has reviewed and discussed the program on multiple occasions and now recommend that it to moves forward for Board vote. Staff has included the program guidelines, contract template, and previous offer letters for these lots in a separate package to support this Request for Board Action.

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

The purchase price for each lot was derived from the HLB value (full pricing analysis that Staff utilizes when selling lots to builders) along with a 20% discount for providing maintenance on the lot over the last five years.

<b>Builder</b>	<b>HCAD</b>	<b>Address</b>	<b>Purchase Price</b>	<b>Request</b>
Sunbeam Baptist Church	1. 0660250080791	1. 0 Shotwell	1. \$18,055	Approval to sell lot under Alternative Land Use Program
Fellowship Missionary Baptist Church	2. 0690150050023	2. 4429 Brinkley	2. \$29,385	Approval to sell lots under Alternative Land Use Program
	3. 0690150050037	3. 4501 Brinkley	3. \$24,530	
St. Paul Missionary	4. 0511710920002	4. 8305 Brandon	4. \$14,840	Approval to sell lot under Alternative Land Use Program

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## HOUSTON LAND BANK ("HLB")

### ALTERNATIVE LAND USE PROGRAM FOR ELIGIBLE ADJACENT PROPERTY OWNERS

HLB adopts the following policy effective \_\_\_\_\_, 2020. Unless earlier terminated or modified by HLB, this policy shall continue until \_\_\_\_\_, 2022 at which time this policy shall terminate unless earlier terminated or extended by the action of the HLB Board of Directors.

#### **Alternative Land Use Program for Eligible Adjacent Property Owners (the "Program")**

##### **1. HLB Lots Selected for the Program**

In its sole and absolute discretion, HLB may elect to identify and deem certain HLB Lots available for the Program. Any such HLB Lots so designated as eligible for the Program shall be posted on HLB's website <https://houstonlandbank.org>, the "Website". All prior HLB registered interested parties will be notified with an email providing detailed instructions on eligibility, timeline, etc.

##### **2. Eligibility Requirements:**

Property acquired by HLB ("HLB Lot[s]"), may be offered for sale to eligible owners of "Adjacent Property" under the Program. For purposes of this policy an "Adjacent Property" is one that shares at least one (1) common property boundary with the applicable HLB Lot (including, without limitation, a common corner point). For purposes of determining whether the Adjacent Property is "adjacent" to the HLB Lot, HLB Lots that each share common boundaries are deemed to be adjacent to the Adjacent Property if at least one of the HLB Lots shares a common boundary with the Adjacent Property. A tract that is separated from an HLB Lot by an alley (whether constructed or not) shall be deemed "adjacent" to the HLB Lot. A tract that is separated from an HLB Lot by a public street (whether constructed or not) shall not be deemed "adjacent" to the HLB Lot. See Attachment 1 for examples of Adjacent Properties.

To be eligible for consideration under the Program, the owner of an Adjacent Property ("Adjacent Owner") must:

- (a) have owned and continuously occupied or used the Adjacent Property for at least the five (5) preceding years;
  - i. if such owner is an individual, as such person's principal residence,  
or
  - ii. if such owner is a faith based organization (such as a church, mosque, synagogue or other faith based group), the Adjacent Property must have been granted a religious exemption from ad valorem taxes by the Harris County Appraisal District (provided, however, this requirement may be waived by the HLB Board of Directors in its discretion, if such faith based organization obtains the requisite tax

exemption within sixty (60) days after notification from HLB of the fact that such faith-based organization's property has not been granted such religious exemption);

(b) have maintained the adjacent HLB Lot continuously during such time including, without limitation, regular mowing of the HLB Lot, removal of debris, trash, or rubbish from the HLB Lot, and otherwise keeping the HLB Lot in a clean, safe and sightly condition and there shall have been filed against the HLB Lot no weed cutting lien, nuisance abatement lien, or similar lien during each year of the five (5) preceding years; and

(c) have paid all taxes due (as determined by the Harris County Appraisal District) on such owner's Adjacent Property.

For purposes of item 1(a)(ii) above, use of the Adjacent Property as a parking lot, community fellowship hall or other purpose ancillary to and in furtherance of the mission of a faith based organization shall be permitted so long as the Adjacent Property (with such use) has been granted a religious exemption from ad valorem taxes by the Harris County Appraisal District. By way of example, if (i) a church owned a parking lot across the street from its principal place of worship (which it used to provide parking for its place of worship), (ii) such parking lot had been granted a religious exemption from ad valorem taxes by the Harris County Appraisal District, and (iii) such parking lot were adjacent to a HLB Lot, the church would be an "Adjacent Owner."

3. **Proof of Eligibility and Timeline:**

In order to be considered eligible for the Program, Adjacent Owners will be required to submit an affidavit in the form attached hereto as Schedule 1-1 or 1-2 (as applicable) together with such other evidence as HLB may require as proof they have satisfied the requirements set forth above in Section 2 (a), (b), and (c) and otherwise satisfy the conditions set forth below.

Any Adjacent Owner desiring to be considered eligible to exercise the Alternative land use with respect to any HLB Lots which HLB may deem available and post on the Website must deliver the affidavit and other evidence required under Section 2 within sixty (60) days from the date such HLB Lots are posted on the Website. If no Adjacent Owner delivers the affidavit and other evidence establishing eligibility within such sixty (60) day period, all Adjacent Owners shall be deemed to have waived any exercise of the Alternative land use as to such HLB Lots and HLB may market such HLB Lots that have been deemed available for the Program to third parties.

4. **Purchase of the Adjacent HLB Lot:**

(a) Subject to the provisions of Section 3 and Section 4, as applicable, upon receipt of the affidavit and other evidence as required hereunder, and after its review and approval by HLB, such Adjacent Owner shall be deemed an "Eligible Adjacent Owner" and have the ability to purchase the HLB Lot via the following valuation methods:

- i. for a cash amount equal to the greater of the total costs paid by HLB in connection with the acquisition of the HLB Lot (or deemed paid by HLB

in connection with a strike-off), or the appraised land value (only) of the HLB Lot as reflected on the records of the Harris County Appraisal District as of the date of such sale; or

- ii. a land swap between HLB and the Eligible Adjacent Owner of comparable properties; or

(b) Upon receipt of written evidence which has been verified by HLB that the Eligible Adjacent Owner has maintained the HLB Lot for the required 5 year time period, HLB shall apply a 20% discount off of the above determined valuation method for the final purchase price.

(c) If more than one (1) Adjacent Owner satisfies the requirements to be an Eligible Adjacent Owner, then the Adjacent Owner who first delivers the affidavit and other evidence required hereunder shall be the "Eligible Adjacent Owner" for purposes hereof.

(d) Upon being deemed an Eligible Adjacent Owner, HLB will cause a contract to be prepared upon terms and conditions satisfactory to HLB providing for the conveyance of the HLB Lot to the Eligible Adjacent Owner, with the closing to be within thirty (30) days after execution of the contract. The HLB Lot will be conveyed in "as is" condition and basis with all faults.

5. **Use and Transfer Restrictions:**

HLB Lots acquired by individuals shall be restricted to single family residential purpose and such other use restrictions as customarily imposed by HLB on other properties sold by it. HLB Lots acquired by a faith based organization shall be restricted to uses ancillary to and in furtherance of such faith based organization's mission and such other use restrictions as customarily imposed by HLB on other properties sold by it. The proposed use and a detailed timeline for construction must be submitted by the Adjacent Owner along with the eligibility requirements in Section 2 above.

An Eligible Adjacent Owner who purchases an HLB Lot from HLB may not lease, sell, or otherwise transfer the HLB Lot to another party before the 8th anniversary of the date of purchase. This prohibition does not apply where the transfer is a result of the death of an Eligible Adjacent Owner. Following the 8<sup>th</sup> anniversary, the Eligible Adjacent Owner may not lease, sell, or otherwise transfer the HLB Lot to another party unless approved by HLB in writing.

6. **No Subsequent Alternative Land Uses:**

The ability to buy an HLB Lot (or Lots) under this policy is a one-time act and after such Adjacent Owner has acquired an HLB Lot pursuant to this policy (the "Original Purchase"), such Adjacent Owner may not use the HLB Lot acquired in the Original Purchase as the basis for purchasing a future tract subsequently acquired by HLB (even if such Adjacent Owner complies with all requirements set forth herein as to the Original Purchase). The Adjacent Owner cannot

use HLB Lots acquired in the Original Purchase in accordance with this policy, as an "Adjacent Property" to expand ownership to HLB Lots acquired by HLB in the future.

7. **Construction:**

This policy regarding the program to purchase certain HLB Lots is to be liberally construed.

**ATTACHMENT 1**

Owner's Tract is not an "Adjacent Property" for either HLB Lots 2 or 3.

		HLB LOT 3
OWNER'S TRACT	HLB LOT 1	HLB LOT 2

Owner's Tract is an "Adjacent Property" to HLB Lot 1 and, if purchased with HLB Lot 1, also HLB Lots 2 and 3. If HLB Lot 1 is not purchased simultaneously with HLB Lot 2 and 3, neither HLB Lot 2 or 3.

	HLB LOT 1
OWNER'S TRACT	

Owner's Tract is an "Adjacent Property" to HLB Lot 1

OWNER'S TRACT	HLB LOT 1	HLB LOT 2 Acquired by HLB <u>after</u> HLB Lot 1 is purchased by Owner.
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Since HLB Lot 2 was acquired by HLB after Owner purchased HLB Lot 1, neither Owner's Tract nor HLB Lot 1 is an Adjacent Property to HLB Lot 2 unless otherwise approved by the HLB Board of Directors in their sole discretion. (See Item 7 of the policy).

**SCHEDULE 1-1**

Form Affidavit of Eligibility - Individual

AFFIDAVIT

**STATE OF TEXAS §**

**COUNTY OF HARRIS**

§  
§

Before me, the undersigned authority, on this day personally appeared \_\_\_\_\_ ("Adjacent Owner") who, being known to me and having been duly sworn, under oath, does hereby depose and state as follows:

1. My name is \_\_\_\_\_.
2. I have owned and continuously occupied the property described on Exhibit "A" attached hereto (the "Owner's Property") for a period of at least five (5) years prior to the date hereof as my principal residence. Owner's Property shares at least one (1) common property boundary with the property described on Exhibit "B" (the "HLB Lot").
3. During the five (5) year period preceding the date hereof, I have maintained the HLB Lot continuously during such time, including, without limitation, regular mowing of the HLB Lot and removal of debris, trash or rubbish from the HLB Lot and have otherwise kept the HLB Lot in a clean, safe and sightly condition. During each year of the preceding five (5) years, there has not been filed against the HLB Lot any weed cutting lien, nuisance abatement lien or similar lien. I have paid all taxes due during such five (5) year period (as determined by the Harris County Appraisal District) on Owner's Property.
4. This Affidavit is made by Adjacent Owner for the purpose of establishing Adjacent Owner's eligibility to acquire the HLB Lot pursuant to HLB's policies regarding adjacent owner's exercise of Alternative land use to purchase certain property owned by HLB. Adjacent Owner acknowledges and agrees that but for this Affidavit, HLB would not convey the HLB Lot to Adjacent Owner.

EFFECTIVE this the \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
"ADJACENT OWNER"



STATE OF TEXAS

§

§

COUNTY OF HARRIS

§

Sworn to and subscribed before me by \_\_\_\_\_ on this, the  
\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public, State of Texas

**SCHEDULE 1-2**

Form Affidavit of Eligibility – Religious Organization

AFFIDAVIT

**STATE OF TEXAS**       §  
                                  §  
**COUNTY OF HARRIS**   §

Before me, the undersigned authority, on this day personally appeared \_\_\_\_\_, the \_\_\_\_\_ of \_\_\_\_\_ ("Adjacent Owner") who, being known to me and having been duly sworn, under oath, does hereby depose and state as follows:

1. My name is \_\_\_\_\_. I am the \_\_\_\_\_ of \_\_\_\_\_ of \_\_\_\_\_ (the "Organization").
2. The Organization has owned and continuously used the property described on Exhibit "A" attached hereto (the "Owner's Property") for a period of at least five (5) years prior to the date hereof for a use ancillary to and in furtherance of the mission of the Organization. Based on such use, Owner's Property has been granted a religious exemption from ad valorem taxes by the Harris County Appraisal District. Owner's Property shares at least one (1) common property boundary with the property described on Exhibit "B" (the "HLB Lot").
3. During the five (5) year period preceding the date hereof, the Organization has maintained the HLB Lot continuously during such time, including, without limitation, regular mowing of the HLB Lot and removal of debris, trash or rubbish from the HLB Lot and have otherwise kept the HLB Lot in a clean, safe and sightly condition. During each year of the preceding five (5) years, there has not been filed against the HLB Lot any weed cutting lien, nuisance abatement lien or similar lien. During the preceding five (5) years, Owner's Property was granted a religious exemption from ad valorem taxes, as evidenced by the most recent statement available by the Harris County Appraisal District that is attached hereto.
4. This Affidavit is made by Adjacent Owner for the purpose of establishing Adjacent Owner's eligibility to acquire the HLB Lot pursuant to HLB's policies regarding adjacent land owners' exercise of Alternative land use to purchase certain property owned by HLB. Adjacent Owner acknowledges and agrees that but for this Affidavit, HLB would not convey the HLB Lot to Adjacent Owner.

EFFECTIVE this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

"ADJACENT OWNER"

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

Sworn to and subscribed before me by \_\_\_\_\_, the  
\_\_\_\_\_ of \_\_\_\_\_, on behalf of such  
organization, on this, the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public, State of Texas





## **REQUEST FOR BOARD ACTION**

**Meeting Date: February 11, 2021**

**Agenda Item X.c.: Consideration and Possible Action to Extend Lot Maintenance Contracts with EA Professional Services, Smartscaping, TransTeq, and AD Construction & Development Through the End of FY 2022 (June 30, 2022)**

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### **ACTION SUMMARY**

Approval of this item will authorize extension of HLB's four lot maintenance contracts for 16 months through the end of FY 2022 (June 2022) at current rates and under current terms, excepting minor administrative changes to contract language to improve vendor coordination and efficiency.

### **BACKGROUND/OVERVIEW**

HLB initiated its new lot maintenance program at the beginning of March 2020 with four vendors selected through a request for qualifications. The solicitation was presented as an opportunity for a two-year contract with the option for subsequent one-year extensions. The board voted to approve one-year contracts; these are to expire at the end of February 2021.

The new approach is performing well below initial cost projections and within the FY 2021 budget, and data from the Department of Neighborhoods shows HLB achieving compliance at an improved rate, even as City inspectors initiate more inspections of HLB properties without prompting from citizen complaints. Based on this success, it is proposed that HLB extend its current contracts with its four lot maintenance vendors for 16 months through the end of the 2022 fiscal year, or June 30, 2020.

A PowerPoint presentation highlighting key points about HLB's new lot maintenance initiative is attached.



# Houston Land Bank Lot Maintenance Board of Directors Update

February 11, 2021



# Summary

- ▶ Nearly a year after adoption by the Board and implementation by staff, HLB’s new lot maintenance initiative is showing benefits:
  - ▶ Costs are under budget and well below initial projections
  - ▶ Performance against City standards is holding strong in the face of increased scrutiny by inspectors
  - ▶ HLB’s “Good Neighbor” approach is drawing attention from nearby residents who recognize our work
- ▶ Staff is pursuing adjustments to improve performance
- ▶ Current contracts are expiring and should be extended



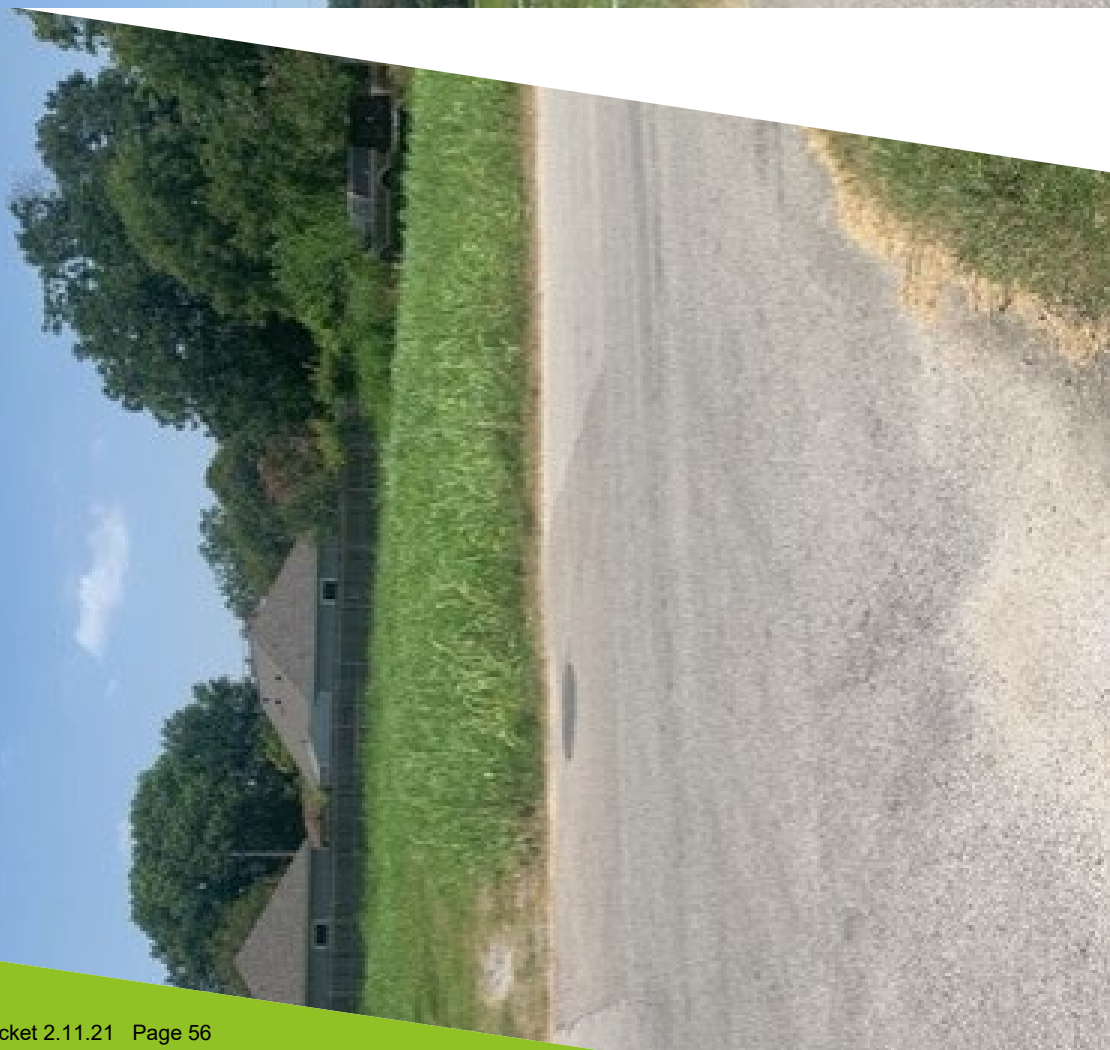
# Lot Maintenance Overview

- ▶ Challenge: Maintain ~545 lots in compliance with City code, HLB policy and neighborhood standards
  - ▶ Total area of almost 78 acres (~3,385,518 square feet)
  - ▶ Scattered from Acres Home and Fifth Ward to Settegast, Third Ward and Sunnyside
- ▶ New contracts took effect March 1, 2020
- ▶ New approach
  - ▶ Maintain on four-week cycles
  - ▶ Four vendors assigned lots by geographic quadrant
  - ▶ Initial approach was no cuts in December and January; December cycle added to address code compliance issues

Network: Jul 14, 2020 at 1:11:40 PM CDT  
Local: Jul 14, 2020 at 1:11:40 PM CDT

# Improving compliance with City standards

Network: Jul 14, 2020 at 1:50:55 PM CDT  
Local: Jul 14, 2020 at 1:50:55 PM CDT



# Focus on community and compliance

- ▶ “Good neighbor” policy: We will be good stewards of public resources and maintain our property properly in the communities we serve
- ▶ Goal: no DON citations
  - ▶ Relatively easy to manage with regard to mowing
  - ▶ Greater difficulty arises where illegal dumping occurs
- ▶ Goal: community engagement
  - ▶ Work with our neighbors to keep properties at or above standard
  - ▶ Anecdotal evidence suggests improved neighbor satisfaction



# Focus on community and compliance

- ▶ Safety vests with HLB branding for workers -- we want people to recognize our contractors' good work



# Quality assurance and control

- ▶ Monthly invoices from contractors designed to identify work done on each assigned property
- ▶ Before and after photography of all work done
- ▶ Utilization of EPP software
  - ▶ Tracking and management of property inventory
  - ▶ Assignment of properties to vendors based on location
  - ▶ Issuance of work orders as needed, including maintenance in response to notices of violation from City of Houston (notice of violation initiates remedy period of 7-10 days)
- ▶ Improved communication with Department of Neighborhoods regarding identified violations



# Keeping costs below budget

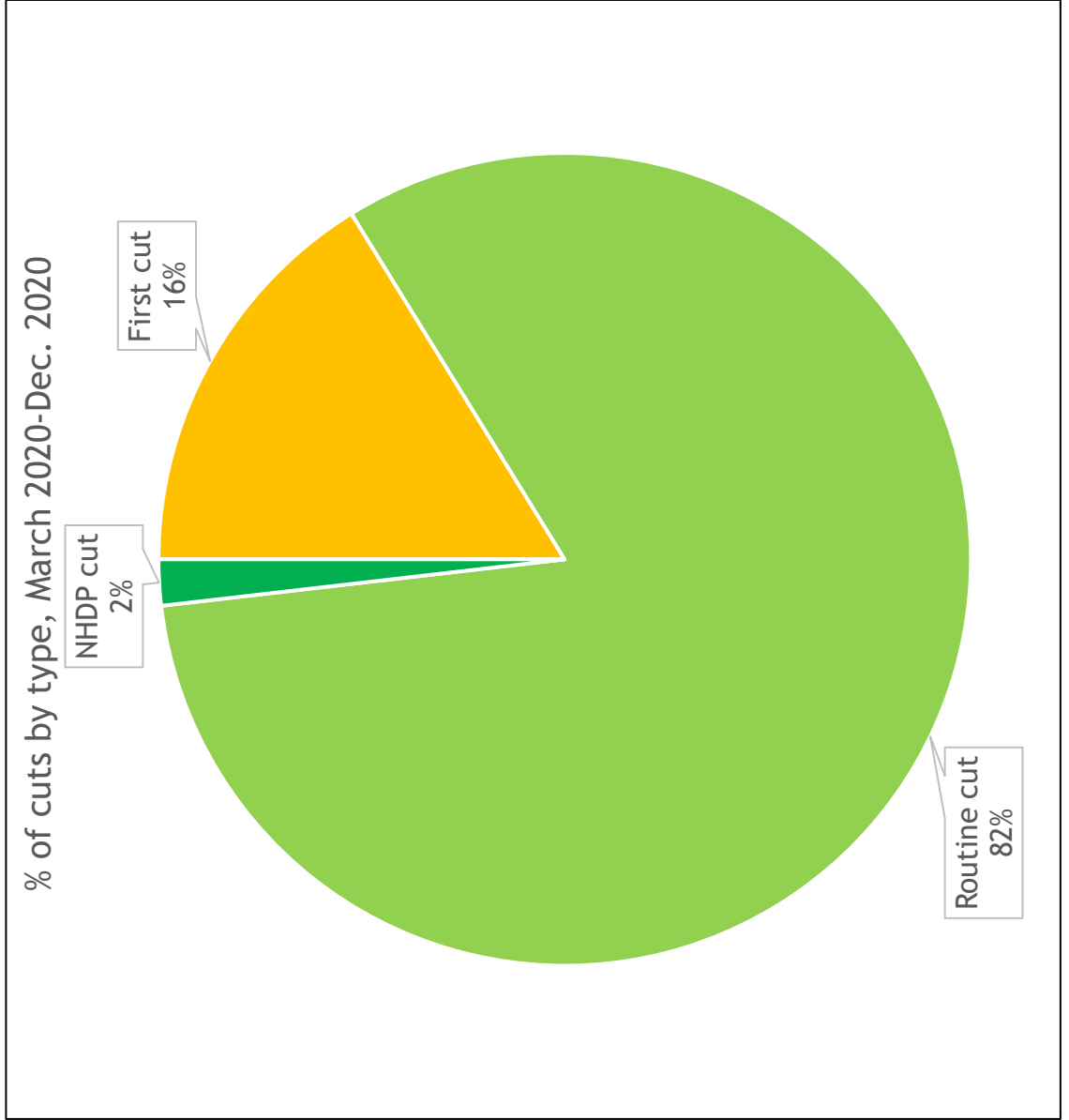
- ▶ Conservative projections at time of presentation to board in early 2020
- ▶ Staff estimates were based on initial evaluations of lot conditions
- ▶ Actual expenses are well below pre-implementation projections
  - ▶ Projected costs for FY 2020 were \$544,262; actual was \$192,049 for four months March-June 2020
  - ▶ Expenses for first six months of FY 2021 (July-Dec. 2020) are \$249,334, suggesting a full-year total of approximately \$500,000 vs. FY 2021 budget of \$536,650
    - ▶ Projected FY 2021 expenditures are about 93 percent of budget
- ▶ Initial conditions evaluations undercounted number of accessible lots
- ▶ Percentage of first cuts vs. routine cuts is less than anticipated (grass is generally staying at 9” or less per contractors)
- ▶ Recurring quantities of tires and debris are significantly less than original estimates
- ▶ Additional 10 percent contingency in proposal to board magnified other overages

# Keeping costs below budget

## HOUSTON LAND BANK PROPOSED LOT MAINTENANCE BUDGET (CONTRACT FUNDING FOR SIX MONTHS -- REMAINDER OF FY20)

Vendor	Lots	Total SF	SF to be maintained	First cut	First cut SF	Routine cut	Routine cut SF	NHDP	NHDP SF	Lot inaccessible except perimeter (estimated SF to mow 15' strip)	Tires	Debris (CY)	Trees for removal (diameter > 3")	Estimated total mowing costs	Estimated total other costs (includes tires, debris and trees)	10% contingency	Estimated FY20 total and proposed contract amount
AD	166	1,184,739	700,094	89	605,582	17	94,512	-	-	-	298	158	129	\$ 95,923.39	\$ 71,649.00	\$ 16,757.24	\$ 184,329.63
EA	91	629,681	629,681	72	519,233	19	110,448	-	-	-	61	123	65	\$ 85,995.89	\$ 35,479.50	\$ 12,147.54	\$ 133,622.93
SS	81	666,228	606,671	44	353,721	31	252,950	-	-	-	20	11	2	\$ 81,241.48	\$ 2,199.50	\$ 8,344.10	\$ 91,785.08
TT	207	904,870	683,615	70	312,755	59	240,750	26	119,110	11,000	14	125	32	\$ 102,818.68	\$ 19,476.50	\$ 12,229.52	\$ 134,524.70
<b>TOTALS</b>	<b>545</b>	<b>3,385,518</b>	<b>2,620,061</b>	<b>275</b>	<b>1,791,291</b>	<b>126</b>	<b>698,660</b>	<b>26</b>	<b>119,110</b>	<b>11,000</b>	<b>393</b>	<b>417</b>	<b>228</b>	<b>\$ 365,979.44</b>	<b>\$ 128,804.50</b>	<b>\$ 49,478.39</b>	<b>\$ 544,262.34</b>

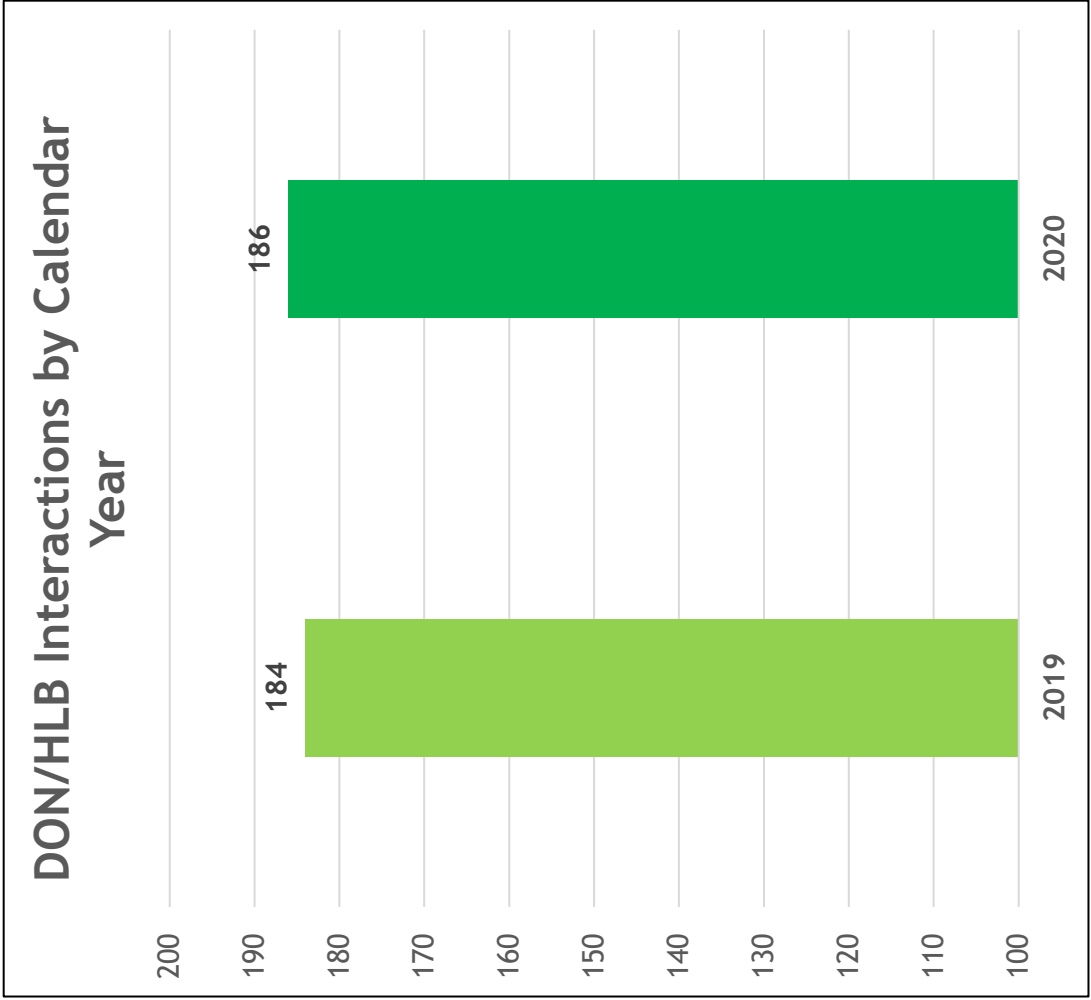
# Keeping costs below budget



- ▶ Initial assumption was that first cuts would represent about 30 percent of total square footage
- ▶ Actual experience is that first cut billing represents only about 16 percent of total mowing expenses, and about 10 percent of total cuts
- ▶ Initial projections anticipated nearly 100 tires/month; actual average is about 15



# Improving compliance with City standards



- ▶ DON interactions with HLB properties appeared to increase slightly from 2019 to 2020
- ▶ This occurred while HLB was actively selling lots, indicating increased interest from the City in code compliance at HLB properties
  - ▶ Analysis is ongoing, but staff believes at least 10 percent of 2020 interactions are on properties that HLB no longer owned (lag in updating of property records between City and County)
- ▶ DON data show more City-driven reviews of HLB property in addition to traditional complaint-driven activity
- ▶ DON data also indicate better compliance by HLB after initial inspections
  - ▶ Fewer work orders/abatements

# Next steps and recommendation

- ▶ Staff initiatives to improve performance
  - ▶ Expanded use of EPP, including requirement that vendors use new mobile app to improve efficiency of HLB data tracking
  - ▶ Continued development of productive coordination with DON to continue improvement in compliance
  - ▶ Neighborhood outreach to identify and contact individuals using HLB property without proper authorization
  - ▶ Possible use of cameras and engagement with law enforcement to identify and stop perpetrators of repeated illegal dumping
  - ▶ Evaluation of “champion-challenger” approach to gauge vendor performance and assign more properties to better performers
- ▶ Recommend extending contracts for 16 months through the end of FY 2022 (June 2022)



## REQUEST FOR BOARD ACTION

**Meeting Date: February 11, 2021**

**Agenda Item X.d.: Consideration and Possible Action to Delegate Authority and Direct Staff to Acquire 1.67 Acres in Houston’s Magnolia Park/East End Area for a Price Not to Exceed \$1.9 Million for the City of Houston’s New Home Development Program Under the Auspices of the Amended and Restated Acquisition Agreement with the City of Houston**

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### **ACTION SUMMARY**

Approval of this item will direct and authorize staff to acquire 1.67 acres in Magnolia Park/East End as directed by HCDD under the auspices of the Acquisition and Development Agreement to support the NHDP program and Mayor’s affordable housing goals.

### **BACKGROUND/OVERVIEW**

Following the contractual obligation of the Acquisition & Development (A&D) agreement between the Houston Land Bank (HLB) and the City’s Housing and Community Development Department (HCDD) to acquire land for its New Home Development Program (NHDP), this acquisition of 1.67 acres of property can produce 35 – 55 total units of affordable housing, providing new home ownership opportunities to this neighborhood. This acquisition will not only directly and significantly impact the Mayor’s goals of new affordable housing units in the City, but coupled with the 6.8 acre acquisition in Near Northside, exceed them. This acquisition will solidify the role of the Houston Land Bank in securing land to support Houston’s affordable housing efforts.

HLB entered into a purchase and sale agreement for this parcel in August 2020, with an initial 60 day feasibility period (which has since been extended by agreement through Feb 19, 2021) and initiated a variety of due diligence activities to review the parcel and its suitability for housing, and HCDD’s affordable housing goals in the NHDP program. Due Diligence completed or ongoing:

- Survey—the parcel has been confirmed as slightly smaller site than HCAD records demonstrate
- Appraisal—has returned at the contracted unit price of \$23.50, however, since the survey shows a smaller site than public records (approx.. 4360 SF smaller) the total purchase amount is slightly less than the contract price. HLB has successfully negotiated a price reduction to reflect the smaller sized parcel while maintaining the same unit price.

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- Phase I Environmental Review–this reviewed the historic uses of the property, and identified some offsite historical uses that were recognized. However, nothing was found on the site itself, and a Phase II was not required nor recommended.
- Test Fits to analyze yield of site—many versions of the site have been developed to assess various configurations and development patterns. The final design of the site would be a part of the Developer’s proposal, and finalized once selected for the project. The test fits provided a variety of mixed-income scenarios, including a variety of price points with a majority slated for Houstonians below 80% AMI. The final distribution of affordable housing will be determined by HCDD who is providing the subsidies necessary to accomplish.
- Development pro-forma was created to help assess all the costs that would be encountered in the purchase, carry and disposition of the property. As well developer’s costs were estimated across a variety of models such that between the purchase and development, the related subsidies to accommodate affordable home pricing by HCDD/City of Houston could be analyzed

As described in the A&D Agreement, section 4.1.2.a, the development model anticipates that the HLB would acquire the parcel, the City’s HCDD would select the master developer through a competitive process, secure construction financing, and enter into a development agreement with the City to secure performance of public policy goals.

Per HLB policy and prior Board resolution, the Acquisitions Committee is the Executive Committee and they have been updated on every month, with no objections, from the time we entered into contract and the due diligence as it has unfolded. HLB’s Board of Directors has been briefed on this item in detail at its August 13 and November 5, 2020 meetings. HLB has received the go ahead from HCDD at every step, as they are the funder of this acquisition and all related expenses.

HLB, under the Amended and Restated Acquisition and Development Agreement, as amended, approved by City Council on April 1, 2020 with Ordinance No. 2020-279, will use previously appropriated Tax Increment Reinvestment Zone (TIRZ) Affordable Housing funds to provide for the acquisition of properties, and increase affordable housing production.

As of October 2020, HLB has accelerated its work to identify and facilitate the acquisition of real property to support HCDD and the NHDP. HLB has acquired approximately 280,000 SF in four separate neighborhoods and has another approximately 240,000 SF of sites under contract with a combined total estimated value of \$13,032,187.00. HLB has reviewed and considered well over 950 individual sites for acquisition in various locations across Houston.

The salient facts of the transaction are as follows:

Location: Magnolia Park, 7811 Harrisburg Boulevard HCAD#:

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

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

Original Contract Purchase Price: \$1,812,437.50

New Contract Price: \$1,710,000.00

Total Acquisition Cost: \$1,859,812

Size: ~~77,125 SF (1.77 AC)~~ 72,765 SF (1.67 AC)

\$/psf: \$23.50 (Appraisal confirmed this)

Approved Ranges for 2<sup>nd</sup> Ward/East End: \$10 - \$40 psf

Development Opportunities:

35 - 55 Single Family Affordable Homes --Townhome and multi-family condominium.

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