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**NEW AFFORDABLE HOMES TO COME
AS HOUSTON LAND BANK CLOSES A MAJOR PROPERTY PURCHASE
IN HOUSTON'S NEAR NORTHSIDE**

The Houston Land Bank (HLB) ended 2020 with a milestone land acquisition, buying 3.6 acres in Houston's Near Northside. The purchase is the largest parcel acquired in HLB history and is expected to be followed with the subsequent acquisition of another contiguous 3.2 acres currently under an option contract. HLB is acquiring the property for construction of quality affordable homes through the City of Houston's New Home Development Program (NHDP) for single-family homeownership, in coordination with the City of Houston's Housing and Community Development Department.

On December 31, HLB closed on the first two city blocks of a four-block site that can accommodate up to 160 new homes, per City and HLB estimates. The purchase price for the completed acquisition was \$4.8 million and was funded by the City of Houston using tax increment reinvestment zone (TIRZ) monies targeted to supporting development of affordable homes and the City's Complete Communities initiative.

With this purchase, HLB has demonstrated that it has expanded its scope beyond the acquisition of single lot tax delinquent properties to include strategic acquisition of larger parcels that can accommodate a larger number of homes, such as the Near Northside purchase.

"The Complete Communities effort was launched to look at a variety of key Houston neighborhoods and meet the community's needs, such as affordable housing, while coordinating across public and private agencies to achieve comprehensive support," said Mayor Sylvester Turner. "I am pleased to see the Houston Land Bank, working in concert with the Housing and Community Development Department, leading the way with this acquisition to make more affordable housing possible."

City Council Member Karla Cisneros expressed strong support for the purchase and anticipated project. "The need for quality affordable homes in the Near Northside is urgent and with this purchase of land, we will see a transformation that will benefit area residents who live near this site. This new homeownership opportunity will help income-qualified Houstonians who are finding it increasingly difficult to afford to purchase and own a home."

HLB entered into a purchase and sale option agreement for the 6.8-acre parcel in July 2020. After completing surveys, appraisals, and environmental assessments, HLB negotiated the final phased purchase plan to accommodate additional feasibility review for

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the remaining 3.2 acres under contract. The property seller, the Victoria Harter Phyllis Family Educational Trust, is to lease a portion of the property for Yellow Cab operations and oversee other site preparation activity before redevelopment starts.

“The new acquisition will be a huge boost to our work to build quality affordable homes for Houstonians,” said Tom McCasland, director of the City’s Housing and Community Development Department (HCDD). “We are on the verge of a flagship project that demonstrates the redevelopment capacity of a partnership between the City and HLB. This allows us to initiate repurposing and reuse of underutilized commercial and industrial parcels as a thriving residential community.”

Steve Harter, representing the Victoria Harter Phyllis Spisak Family Educational Trust, said the family is “pleased to be involved in the City’s efforts for affordable housing and looks forward to seeing development in the Near Northside area.”

“This is a great opportunity for our organization to support the creation of more affordable homes in Houston, especially in the Near Northside where affordability is increasingly scarce,” said HLB Chair Matt Zeis. “Credit goes to our former and current board members who shared in the vision for this site and to our great staff for closing a complex deal.”

The development model anticipates that HLB’s acquisition of the property will be followed by the City’s solicitation and selection of a master developer responsible for designing the property, securing construction financing, and obtaining necessary permits. The developer would be expected to enter into a development agreement with the City to secure performance of public policy goals, including the build out of infrastructure, housing, and any other community amenities that can be accomplished on the site.

Since 2019, HLB has accelerated its acquisition of real property to support HCDD and the NHDP. With this purchase HLB has acquired approximately 270,000 square feet in four neighborhoods and has another approximately 246,000 square feet of sites under contract.

HCDD procures builders and oversees construction for the City’s NHDP program on lots held in the HLB inventory. The program has completed and sold 38 homes in the past two years, starting in Acres Homes. Thirty-one properties have been sold to buyers with Houston Community Land Trust participation. Another 18 homes are under construction, with 38 more in the preconstruction phase. Buyers in this program cannot earn more than 80 percent of the Houston area median income.

Houston Land Bank has seen over 80 homes sold under its traditional lot disposition program since 2019 and has accelerated its process to sell lots to prequalified builders; HLB presently has approximately 75 properties in development. These houses market to first-time homebuyers at earning no more than 120 percent of area median income, and can be found primarily in Acres Homes, Settegast, Sunnyside, and Trinity Gardens.

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Houston Land Bank Background

HLB is a not-for-profit local government corporation incorporated in the State of Texas and is a component unit of the City of Houston. HLB is committed to be a strong, innovative partner in the equitable redevelopment of vacant, abandoned, or damaged properties in Houston's neighborhoods, and a good neighbor to the communities in which we work to provide affordable homes for low- and moderate-income Houstonians. HLB was established by the City of Houston in 1999 as the Land Assemblage and Redevelopment Authority (LARA), a local government corporation charged with facilitating redevelopment of vacant and/or tax-delinquent residential real estate in targeted Houston neighborhoods. HLB's 14-member Board of Directors includes representatives appointed by Houston's Mayor and City Council, Harris County, and the Houston Independent School District. HLB receives local funds from the City of Houston and generates additional revenue from the sale of lots and homes.

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