



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

Table of Contents

Agenda	Page 1
February 11, 2021 Meeting Minutes	Page 4
Finance Report	Page 15
President's Report	Page 27
Items VIII.b. and c.: Board Committee Structure and Chairs	Page 31
Item VIII.d.: Sale of Lots Via Limited Alternative Land Use Program	Page 33
Item VIII.e.: Agreements for Real Estate Marketing/Brokerage Services	Page 34
Item VIII.f.: Proposed FY 2022 Draft Budget	Page 55

NOTE: Item VIII.a. is regarding confirmation of the Board Chair's appointment of Jesus DeAnda as Board Secretary and does not carry an accompanying Request for Board Action memorandum.



Board of Directors Regular Meeting Agenda

Thursday, March 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 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, March 10, 2021. To register, please use our online form at www.houstonlandbank.org/resources, e-mail info@houstonlandbank.org or call us at 281-655-4600. The Chair will call on speakers and allow three minutes per speaker.
- III. Consideration and Adoption of Meeting Minutes
 - a. February 11, 2021 Board Meeting
- IV. Chairman's Greeting: Matt Zeis
- V. Committee Reports:
 - a. Executive Committee: Matt Zeis, Chair
 - b. Finance Committee: Laurie Vignaud, Chair
 1. Monthly Financial Report
- VI. President's Report: Anne Gatling Haynes, CEO/President
- VII. Mayor's Office/Complete Communities Report: Ex Officio Director Christa Stoneham
- VIII. Board Action Items
 - a. Consideration and Action to Confirm Appointment of Jesus DeAnda as Board Secretary

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

- b. Consideration and Possible Action to Approve Proposed Revisions to HLB Committee Structure
- c. Consideration and Possible Action to Confirm Appointment of HLB Committee Chairs
 - 1. Finance Committee: Laurie Vignaud
 - 2. Partnership and Program Development: Courtney Johnson Rose
 - 3. Real Estate Acquisition and Disposition: Victor Mondragón
 - 4. Procurement and Oversight: Jesus DeAnda
- d. Consideration and Possible Action to Accept Program Committee and Staff Builder Lot Selection Recommendation for the Sale of Property to Fellowship Missionary Baptist Church Through the HLB Limited Alternative Land Use Program [Address – HCAD# - Proposed Price Listed Below]
 - 1. 4429 Brinkley – 0690150050023 -- \$29,385
 - 2. 4501 Brinkley – 0690150050037 -- \$24,530
- e. Consideration and Possible Action to Approve Agreements for Real Estate Marketing and Brokerage Services to Be Provided through December 31, 2022
 - 1. Exit Realty 360
 - 2. TAS Realty Group
 - 3. Womack Development & Investment Realtors
 - 4. Walzel Properties
- f. Consideration and Possible Action to Approve the Proposed HLB FY 2022 Draft Budget for Submittal to the City of Houston

IX. 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.

X. Action Items from Executive Session



- XI. Board Member Comments
- XII. Adjournment



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

February 11, 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, February 11, 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	Courtney Johnson Rose
Christa Stoneham	Antoinette Jackson
Pastor Steve Hall	

Board members absent were: Mario Castillo, Laurie Vignaud, John David Vasquez and Victor A. Mondragón. Others in attendance included: Anne Haynes, the CEO/President for the Houston Land Bank; Jennifer Allison, Vice President of Operations and Programs for HLB; David Benson, Director of Organizational Excellence for HLB; Marye Barba, Manager–Inventory and Administration for HLB; Ivan Zapata, Manager of Real Estate and Acquisitions for HLB; Greg Erwin and Mark Glanowski (Paralegal) of Winstead PC, outside legal counsel for the HLB; Gonzalo Gonzalez, Vice President of Finance and Accounting for HLB; Gracie Saenz, In-house counsel for HLB; Darice Harris, Vice President, 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; Jeri Brooks, CEO of One World Strategy Group, LLC; Josh Sanders, One World Strategy Group/Joshua Sanders LLC; Ron Butler, Manager–Property Maintenance for HLB; and Matt Kreis of _____.

I. Call to Order and Roll Call

Chairman Matt Zeis called the regular meeting to order at 12:06 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. 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)

Ms. Saenz conducted the swearing in of each of the above named individuals with regard to their respective appointment or reappointment to the Board. Ms. Haynes then noted that each of the appointed Board members will need to execute the oath of office document to file with the City of Houston.

IV. Consideration and Adoption of Meeting Minutes

a. January 14, 2021 Board Meeting

Chairman Zeis noted that the minutes for the January 14, 2021 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 Galloway made a motion to adopt the minutes, as written, of the January 14, 2021 regular Board meeting, which motion was then duly seconded by Director DeAnda. Director Collins then requested that the reference to C5 be deleted from the third paragraph on page 8 of the January minutes. The amended minutes were then passed with the unanimous vote of the Board.

V. 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 Mario Castillo has resigned from the Board and as Chairman of the Oversight Committee. He noted that Director Castillo worked on the Policy and Procedures document which will govern how this organization will operate for years to come, and provided valuable guidance during the last Texas legislative session. He then

announced that Curtis Lampley has also resigned from the Board of Directors after twelve years of service and as Chairman of the Program Committee. Directors Galloway and Johnson Rose thanked and complimented Curtis Lampley for his many years of service on the Board and committees.

Chairman Zeis then congratulated Director Galloway for receiving a distinguished service award from Mayor Turner as one of the Black History Month Honorees.

Chairman Zeis announced that pursuant to the Strategic Plan approved last month HLB re-organized its committees slightly. He informed the Board that there will now be five committees as follows:

- (1) Executive Committee
- (2) Finance Committee
- (3) Partnership Committee
- (4) Real Estate Acquisition Committee
- (5) Procedures and Oversight Committee

He then requested each of the newly appointed Board members to choose one or more committees to work on.

VI. Committee Reports:

a. Executive Committee: Matt Zeis, Chair

Chairman Zeis announced that the Executive Committee met last week to discuss the analysis of the Lot Maintenance Contract over the preceding 18 months and recommended that the Board approve an extension of the Lot Maintenance Contract with the current vendors at the current rate. The approval to extend the Lot Maintenance Contract is on today's meeting Agenda under item X(c).

b. Finance Committee: Laurie Vignaud, Chair

Chairman Zeis noted that Ms. Vignaud was not present for today's meeting and therefore requested Mr. Gonzalez to report on the recent meeting of the Finance Committee.

Mr. Gonzalez addressed the Board and stated that at yesterday's meeting of the Financial Committee, the December 2020 financial position of the HLB was discussed and was determined to be in good standing with a strong cash standing. The Committee also discussed the acquisition of the two tracts of land comprising the former Yellow Cab site, which was the largest acquisition to date by the HLB.

Mr. Gonzalez then reminded the Board that the first key date with regard to the HLB Fiscal Year 2022 Budget will be on March 11, 2021 at the regular Board meeting wherein the

Board will be requested to approve the preliminary numbers for the Fiscal Year 2022 Budget as required by the operations agreement between HLB and the City of Houston. He noted that the Finance Committee also discussed the acquisition of two tracts of land comprising a portion of the former Yellow Cab site which is the largest land acquisition to date by the HLB.

c. Program Committee: Curtis Lampley, Chair

Director Lampley reported that the Program Committee met on February 2, 2021 to discuss the update on the Round 3 Lot Sales, revisions to the Limited Alternative Land Use Program which was previously operated as the Right of First Refusal Program, and the Round 4 Lot Sales.

1. Update on Round 3 Lot Sales

Director Lampley reported that 23 lots have now closed with eight more anticipated to close this month.

2. Update and Recommendation to Establish a Limited Alternative Land Use Program

Director Lampley then stated that the Program Committee also has been working with HLB staff to create a revised program to address outstanding lots remaining from the previous Right of First Refusal Program. The details of the revised program will be provided under Agenda item X.b. for approval by the Board.

3. Update on Round 4 Lot Sales

Lastly, Director Lampley mentioned that the Program Committee is now working on assembling the lot sales for this round which will begin March 1, 2021 and include lots in Settegast to accommodate affordability.

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 stated that there would be no report for this meeting. She thanked the Board for passing the Subgrant Agreement with JPMorgan Bank Foundation last month.

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

Ms. Haynes stated that the HLB is operating on all cylinders and wished everyone a happy Black History Month to learn more about black history in the United States. She then acknowledged Director Galloway for the Mayor's History Makers Award she received for her lifetime of volunteer service to the community. Director Galloway was nominated by the NAACP for this award. She then made a special mention to Director Lampley and offered him a seat at the offices of HLB for spending the most time in committee meetings of any Board member ever especially with regard to the audit of properties along with Director Marquéz. She

then thanked Director Castillo for his time and effort on the Policy and Procedures document which will remain a part of this institution.

Ms. Haynes announced that she 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. The Lincoln Institute's Accelerating Community Investment Community of Practice meeting included people from all over the country and will have additional topic based meetings during the next year. In particular, through the workshop, HLB connected directly in a breakout group with Build Baton Rouge which is a land bank/redevelopment corporation with similar scale and engagement, and also with a representative of Texas State Affordable Housing Corporation.

Ms. Haynes informed the Board that the Center for Community Progress conducted another national conversation with land bank leaders on February 8, 2021, which focused on national legislation that has been introduced for a Land Bank Network.

She then stated that the HLB Year End Summary was distributed to over 1100 recipients on its mailing list, and received a 29% open rate, which is consistent with the newsletter sent out last summer. Based on conversations with the Board of Directors last November, and HCDD, HLB has advanced partnering with Houston LISC for a revolving acquisition loan by using HLB existing assets as collateral. This could be used in the NHDP program or for the HLB programs. HLB has received a formal letter of intent and "hard underwriting" is now underway. She noted that any formal loan received would need City Council and Board approval.

a. Homeowner Report (Video)

Ms. Haynes then provided the Board with a video of Mr. and Mrs. Ray Menifee who live at 6809 Bethune in a house built by Crown Ridge/Phase II of IV. Ms. Jen Allison recently visited the Menifees and shot a video tour of their home. The Menifees purchased the house via the Standard Purchase Buyers (non CLT) Program. He is a retired military veteran and she is originally from the Virgin Islands and closed the purchase of their home on October 16, 2019. The Menifees did not believe they could afford a home but with the HLB affordable home programs they were able to purchase this house.

Ms. Haynes also provided the Board with a video tour of an HLB standard purchase house sold to Mr. and Mrs. Victor Cantu located at 6805 McWilliams. Ms. Jen Allison shot the video and mentioned that their son Asah Hugo read a flyer he found at the library and became informed of the HLB home purchase program. He brought the flyer to his parents and told them this is how we can buy a house. They purchased their new home under the Standard Purchase Buyers/Non CLT program on December 30, 2019.

Ms. Haynes mentioned that these videos may be added to the HLB website. Director Jackson stated that before the videos are uploaded onto the HLB website, a signed release from Mr. and Mrs. Victor Cantu and Mr. and Mrs. Menifee will need to be obtained and retained for the HLB records. Mr. Anderson stated that the City of Houston has a form of release that can be utilized by HLB.

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

Director Stoneham noted that the three part "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 started last Tuesday. She thanked Director Collins for attending the first presentation among 300 others to hear about community led design. She noted that the community workshop will be held on February 20, 2021.

In connection with the revitalization strategy, the community designing initiative will be expanded to all of the Complete Communities, rather than the initial five communities, along with the Yellow Cab site recently acquired.

Director Stoneham announced that through the action planning process for Acres Homes it was agreed to move forward with the revitalization of Bethune Academy Middle School which will be converted into an economic development and workforce hub. This acquisition was passed last week by Houston City Council to purchase this property from the Aldine Independent School District. City Council also approved \$4 Million of CDC funds to order a Phase I report. The operator of this hub will be Houston Business Development, Inc. which will manage the facility located in Acres Homes and close to numerous HLB lots and homes developed in its affordable home programs. She stated that this hub should be a huge catalyst for the Acres Homes community.

IX. Legislative Affairs Update and Introduction to Legislative Services Team: One World Strategy Group including Jeri Brooks and Josh Sanders

Ms. Brooks stated that she was more than excited for this opportunity to serve the HLB and work has already started in Austin which Josh Sanders will update the Board on regarding meetings held with legislators, the city of Houston, and the Governor's Office. She requested a document from the HLB Board of its member relationships for building teams, lobbying, advocating the issues, and engaging the Board.

Mr. Sanders stated that he would be reaching out to the Board to better understand the relationships the directors have with people in Austin. He noted that during the last legislative session Directors Lampley and Castillo attended hearings in Austin and gave written and verbal testimony to support the land bank legislation.

Mr. Sanders noted that in 2007 the state passed land bank statutes for the city of Houston with a bracketed bill. LARA, the predecessor to the HLB, was created in 1999 prior to the Code, and has never operated under that section of the Code at the state level.

The proposal now is to scrap that section of the Code that the HLB has never operated under and doesn't use and replace it with the structure and powers the HLB currently operates under. This will provide clarity for the legislators and for HLB. In addition, there may be additional uses for land owned by HLB such as flood control, open space and food deserts which legislation is needed to dispose of that land and enter into partnerships and agreements with other organizations and individuals.

Mr. Sanders stated that a similar bill will be filed this year along with the changes suggested by the Governor's Office. During the last legislative session S.B. 1918 was passed with the help of Carol Alvarado, however, the bill was held up in the House Committee process for further review and discussion at the request of the Governor's Office.

The Bill has to be revised to address the concerns of the Governor's Office and he will then begin moving the revised Bill through the process over the next couple of weeks. He will need the Board to tell of story of the Houston Land Bank to key legislators during this session. He is working on a new draft of the Bill but can send Director Galloway a copy of the bill passed during the last legislative session which will be the starting point for the new Bill.

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)

Ms. Harris stated that this item covers the sale of 21,798 square feet comprised of three lots at 8414 Safeguard for \$73,459 to Cole Klein Builders for construction of six two-story townhomes to be sold to income-qualified purchasers. The Program Committee has recommended that approved builder Cole Klein Builders be awarded this 21,798 square foot lot (currently 3 lots under 1 HCAD) located in Sunnyside to build six 1,750 square foot two story townhomes. This development would require the larger lot to then be subdivided into 6 separate lots with their own separate HCAD tax account numbers. The total price would be \$73,459 for the entire lot, and after subdividing would equal \$12,243 per lot. Each town house would be sold for \$212,000. By subdividing this property, HLB will be able to double the number of affordable houses it can construct on these lots. 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 Sunnyside residents and new residents. Cole Klein Builders has worked in this neighborhood for years, and knows the local market and the desirability of this price point and product.

Director Galloway made a motion to approve the sale of three lots under HCAD No. 0761490010003 to Cole Klein Builders for \$73,459, which motion was duly seconded by Director Johnson Rose and and passed with the unanimous vote of the Board.

b. Consideration and Possible Action to Accept Program Committee Recommendation to Establish a Limited Alternative Land Use Program

Ms. Harris stated that 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.

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

researched the lots labeled "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 four lots that were fully vetted and approved to be purchased under the prior Right of First Refusal Program, but the faith based organizations did not have the funds at the time to close the purchase. The pastors for these organizations have been periodically calling HLB to see if they can still purchase the lots. Due to these requests, staff has created a revised Alternative Land Use Program to suit the specific needs of the sale of these four 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 four lots because the lots are unable to support affordable housing due to either their close proximity to the churches, or being within the actual church property complex.

Throughout the revision process HLB staff addressed some of the problems with the old ROFR program, such as receiving development plans upfront to ensure that HLB is 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 such as requiring home purchase educational classes be conducted at their facilities.

Director Galloway asked for the square footage of the lots to be sold to the churches. Ms. Harris indicated she did not have those numbers at the moment but would send that information after the meeting.

Director Johnson Rose made a motion to establish the Limited Alternative Land Use Program, which motion was duly seconded by Director Hall and passed with the unanimous vote of the Board.

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

David Benson introduced himself to the Board and noted that he has been working for HLB since late 2018 in the capacities of communications, procurement, and continuous improvement. He mentioned that in early 2020 HLB instituted a new approach to lot maintenance to treat the lots like we do our own yards. The HLB instituted a four week maintenance cycle on all of the lots that are accessible and employing four contractors instead of two. The two initial contractors remain along with two new contractors through an RFQ process. Mr. Benson stated that after one year this new lot maintenance program is working well and is under budget based on the first six months of the fiscal year. He informed the Board that the lot maintenance contract expires at the end of this month and is recommending that the contract be extended an additional sixteen months until the end of the next fiscal year.

Ron Butler then introduced himself to the Board and stated that he is the Manager for Property Maintenance for the HLB. He noted that there are approximately 500+ lots which equates to about 78 acres scattered over Houston in Acres Homes, Fifth Ward, Settegast, Third Ward and Sunnyside. The four vendors were given specific geographically locations to maintain

so that they would not cross paths while conducting their work. Mr. Butler stated that he also has to address the illegal dumping situations on HLB lots before the City issues a notice for clean-up. The other goal is to build community engagement during maintenance of the HLB lots. He then presented several slides to depict the difference of the before and after conditions of certain lots.

Director Johnson Rose left the meeting at 12:55 pm. Director Jackson left the meeting at 1:00 p.m.

Mr. Butler requested assistance to determine where the lots are in Settegast are located.

Director Galloway made a motion to extend the Lot Maintenance Contracts, which motion was duly seconded by Director Hall. Director Collins and Bailey requested copies of the contracts. Mr. Butler stated that he would send them copies of the contracts. Director Galloway requested Mr. Butler to send all of the Board members copies of the contracts.

Chairman Zeis then requested a vote on this motion which was then conducted and the motion passed with the unanimous vote of the Board.

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

Ivan Zapata introduced himself as Manager of Real Estate and Acquisitions for HLB and then gave a brief description of this acquisition of 1.67 acres. He noted that one of the major directives from the Houston Housing Department is to provide inventory for them. Therefore, HLB is actively pursuing properties and in particular, larger tracts in the Complete Communities. This tract is located at 7811 Harrisburg in the east end of Houston and would become the second largest acquisition after the Yellow Cab site which closed on December 31, 2020.

Director Collins asked if there were any environmental issues with this land. Mr. Zapata stated that the due diligence reports including the Phase I environmental have been examined and determined to be satisfactory for development of affordable housing. He further mentioned mentioned that the Housing Department is ready to proceed with closing the acquisition of this tract.

Director Galloway asked who's money will be used to make this acquisition and if 80% of the buildings for this project will be affordable housing for low income families with the other 20% at cost? Mr. Zapata responded that the Housing Department will provide the funds for this purchase. The Housing Department has prepared several scenarios for this development and ultimately it will be the Housing Department that determines the number of affordable units for low income families. Ms. Hayes stated that the affordable units will be reaching those families with 80% of AMI. The majority of units will be affordable low income qualified applicants for the funding source.

Director Cardoza-Oquendo made a motion to acquire the 1.67 acres at 7811 Harrisburg for a price not to exceed \$1.9 Million for the City of Houston's New Home Development Program which motion was seconded by Director Ladet and passed with the majority vote of the Board. Director Galloway voted against passage of this motion.

XI. Executive Session

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

XII. Action Items from Executive Session.

Nothing to report.

XIII. Board Member Comments

Director Hall acknowledged the work of the Board during the past eleven months in moving the organization forward during the pandemic. He then welcomed and congratulated the new Board members and hoped to meet each of them in person soon.

Director Hall congratulated Director Galloway on her award from the Mayor of Houston.

Director Galloway then congratulated the new Board members appointed today and looks forward to working with them to further the mission of the HLB.

XIV. Adjournment

Chairman Zeis asked if there were any additional matters to be considered by the Board. Hearing none, the regular Board meeting adjourned at 1:48 p.m. upon the motion of Director Galloway, which was duly seconded by Director Bailey.

Minutes Prepared By:

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

Signed on the ____ day of _____, 2021.

Secretary



Houston Land Bank

Balance Sheet

As of January 31, 2021

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Chase-Operations - 8465	732,979.42
Money Market - Lot Acquisition - 7058	233,579.65
Money Market Unrestricted - 7066	1,287,374.74
MoneyMarket-Unrstr.C Resev 5577	18,024.24
Petty Cash	12.63
Total Bank Accounts	\$2,271,970.68
Accounts Receivable	
Accts Receivable	802,234.39
Total Accounts Receivable	\$802,234.39
Other Current Assets	
Prepaid Expenses	
Prepaid Acquisition Costs	11,015.30
Prepaid Insurance	9,489.54
Prepaid Rent	4,875.00
Total Prepaid Expenses	25,379.84
Total Other Current Assets	\$25,379.84
Total Current Assets	\$3,099,584.91
Fixed Assets	
Equipment	12,005.12
xAccum. Depreciation	-4,126.51
Total Fixed Assets	\$7,878.61
Other Assets	
Earnest Fee	156,100.00
Investments Held For Sale	7,376,832.46
Security Deposit	4,875.00
Total Other Assets	\$7,537,807.46
TOTAL ASSETS	\$10,645,270.98



Houston Land Bank

Balance Sheet

As of January 31, 2021

	TOTAL
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	74,325.48
Total Accounts Payable	\$74,325.48
Credit Cards	
Chase Credit Card	6,765.38
Total Credit Cards	\$6,765.38
Other Current Liabilities	
Due to Tax Assessor	5,264.55
Liabilities Due to HCDD	240,762.41
Payroll Liability	1,685.51
Total Other Current Liabilities	\$247,712.47
Total Current Liabilities	\$328,803.33
Total Liabilities	\$328,803.33
Equity	
Retained Earnings-1	4,361,506.51
Net Income	5,954,961.14
Total Equity	\$10,316,467.65
TOTAL LIABILITIES AND EQUITY	\$10,645,270.98



Houston Land Bank

Budget vs. Actuals: Fiscal Year 2021 BAB - FY21 P&L Departments

January 2021

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income				
Acquisition and Development Agreement				
Acquisition Proceeds	157,238.68	366,767.08	-209,528.40	42.87 %
Disposition Proceeds	289.00	51,708.54	-51,419.54	0.56 %
Total Acquisition and Development Agreement	157,527.68	418,475.62	-260,947.94	37.64 %
Administrative Fees		11,250.00	-11,250.00	
HLB Program Revenue				
Disposition Proceeds	274,967.00	100,000.00	174,967.00	274.97 %
Total HLB Program Revenue	274,967.00	100,000.00	174,967.00	274.97 %
Operations Agreement	141,691.82	179,709.00	-38,017.18	78.85 %
Total Income	\$574,186.50	\$709,434.62	\$ -135,248.12	80.94 %
GROSS PROFIT	\$574,186.50	\$709,434.62	\$ -135,248.12	80.94 %
Expenses				
Acquisition Cost - NHDP		310,629.17	-310,629.17	
Admin - Other				
Advertising & Marketing		1,286.67	-1,286.67	
Bank Service Charges	152.83	300.00	-147.17	50.94 %
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	870.14	3,439.52	-2,569.38	25.30 %
Total Company Insurance	3,232.94	5,344.33	-2,111.39	60.49 %
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	1,063.54	1,305.00	-241.46	81.50 %
Filing Fees	132.05	127.73	4.32	103.38 %
Office Expenses		450.78	-450.78	
Leasing Office Equipment	241.25	234.71	6.54	102.79 %
Meals & Entertainment		123.47	-123.47	
Office Supplies	90.00	158.79	-68.79	56.68 %
Postage and Delivery	8.65	16.46	-7.81	52.55 %
Printing and Reproduction	131.75	162.42	-30.67	81.12 %
Total Office Expenses	471.65	1,146.63	-674.98	41.13 %
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	78.00	77.00	1.00	101.30 %
Telephone Expense	547.35	611.84	-64.49	89.46 %
Travel and Lodging Expenses				
Lodging Expense		150.00	-150.00	
Mileage Expense	52.61	166.67	-114.06	31.57 %



Houston Land Bank

Budget vs. Actuals: Fiscal Year 2021 BAB - FY21 P&L Departments

January 2021

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Parking		49.70	-49.70	
Travel Expense		125.00	-125.00	
Total Travel and Lodging Expenses	52.61	491.37	-438.76	10.71 %
Total Admin - Other	12,325.45	27,589.02	-15,263.57	44.68 %
Employee Cost				
Health Insurance	6,632.67	8,424.08	-1,791.41	78.73 %
Payroll Services Fee	237.27	223.79	13.48	106.02 %
Payroll Taxes	5,976.48	14,002.39	-8,025.91	42.68 %
Retirement	1,349.14		1,349.14	
Wages and Salary	56,996.14	81,544.39	-24,548.25	69.90 %
Total Employee Cost	71,191.70	104,194.65	-33,002.95	68.33 %
Legal Fees	13,397.97	5,750.00	7,647.97	233.01 %
Professional Services				
Accounting Fee	4,500.00	8,921.67	-4,421.67	50.44 %
Consulting Fee	24,423.00	32,013.89	-7,590.89	76.29 %
Contract Work		9,166.67	-9,166.67	
Total Professional Services	28,923.00	50,102.23	-21,179.23	57.73 %
Property Cost - Maintenance		5,638.84	-5,638.84	
Property Expenses				
Standard Lawn Mowing	42,282.12	48,609.59	-6,327.47	86.98 %
Total Property Expenses	42,282.12	48,609.59	-6,327.47	86.98 %
Total Property Cost - Maintenance	42,282.12	54,248.43	-11,966.31	77.94 %
Property Cost - Disposition HLB				
Closing Cost	29,100.67	5,500.00	23,600.67	529.10 %
Construction of House	3,219.98		3,219.98	
Lots COGS	38,244.26	62,500.00	-24,255.74	61.19 %
Pesticide or Weed Treatment		11.37	-11.37	
Security and Surveillance Cost	39.00		39.00	
Total Property Cost - Disposition HLB	70,603.91	68,011.37	2,592.54	103.81 %
Property Cost -Disposition NHDP				
Closing Cost - NHDP	4.00	12,000.00	-11,996.00	0.03 %
Legal Fees - NHDP	75.00	11,666.67	-11,591.67	0.64 %
Pesticide or Weed Treatment		11.37	-11.37	
Property Taxes - NHDP		107.34	-107.34	
Repair and Maintenance	7,596.43	4,666.67	2,929.76	162.78 %
Security and Secure Property Co		4,716.33	-4,716.33	
Soft Cost of Construction - NHDP	650.00	3,726.00	-3,076.00	17.44 %
Water and Utilities	-88.98	1,646.67	-1,735.65	-5.40 %
Total Property Cost -Disposition NHDP	8,236.45	38,541.05	-30,304.60	21.37 %
Total Expenses	\$246,960.60	\$659,065.92	\$ -412,105.32	37.47 %
NET OPERATING INCOME	\$327,225.90	\$50,368.70	\$276,857.20	649.66 %



Houston Land Bank

Budget vs. Actuals: Fiscal Year 2021 BAB - FY21 P&L Departments

January 2021

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Other Income				
Interest Income	35.01	219.51	-184.50	15.95 %
Total Other Income	\$35.01	\$219.51	\$ -184.50	15.95 %
NET OTHER INCOME	\$35.01	\$219.51	\$ -184.50	15.95 %
NET INCOME	\$327,260.91	\$50,588.21	\$276,672.70	646.91 %



Houston Land Bank

Profit and Loss

July 2020 - January 2021

	JUL 2020	AUG 2020	SEP 2020	OCT 2020	NOV 2020	DEC 2020	JAN 2021	TOTAL
Income								
Acquisition and Development Agreement								\$0.00
Acquisition Proceeds	136,039.98	229,110.29	49,061.09	24,553.84	161,501.83	4,828,937.33	157,238.68	\$5,586,443.04
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	4,628.58	289.00	\$87,678.41
Total Acquisition and Development Agreement	229,959.74	247,949.17	71,688.92	193,028.20	161,551.83	4,848,565.91	157,527.68	\$5,910,271.45
Administrative Fees	11,250.00	3,750.00	3,750.00	22,500.00	3,750.00	79,691.25		\$124,691.25
HLB Program Revenue								\$0.00
Disposition Proceeds	157,448.00	52,367.00	33,769.00	97,007.00	64,224.00	22,230.00	274,967.00	\$702,012.00
Total HLB Program Revenue	157,448.00	52,367.00	33,769.00	97,007.00	64,224.00	22,230.00	274,967.00	\$702,012.00
Operations Agreement	152,532.03	112,632.27	129,366.32	141,592.96	114,214.73	0.00	141,691.82	\$792,030.13
Total Income	\$551,189.77	\$416,698.44	\$238,574.24	\$454,128.16	\$343,740.56	\$4,950,487.16	\$574,186.50	\$7,529,004.83
GROSS PROFIT	\$551,189.77	\$416,698.44	\$238,574.24	\$454,128.16	\$343,740.56	\$4,950,487.16	\$574,186.50	\$7,529,004.83
Expenses								
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	152.83	\$1,684.28
Company Insurance								\$0.00
General Liability	1,633.67	1,633.67	1,633.67	1,633.67	1,633.67	1,633.67	1,633.67	\$11,435.69
Officers & Directors Liability			582.99	729.13	729.13	729.13	729.13	\$3,499.51
Property Insurance					-540.75		870.14	\$329.39
Total Company Insurance	1,633.67	1,633.67	2,216.66	2,362.80	1,822.05	2,362.80	3,232.94	\$15,264.59
Computer and Internet Expenses	19.98	1,159.92	9.99	838.77	9.99	9.99	9.99	\$2,058.63
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	200.09	\$1,400.63
Dues and Subscription	1,135.57	947.99	883.54	1,091.79	446.00	975.25	1,063.54	\$6,543.68
Filing Fees	63.36	23.50	47.00				132.05	\$265.91
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	241.25	\$2,375.12
Meals & Entertainment						140.00		\$140.00
Office Supplies	123.62						90.00	\$213.62
Postage and Delivery	16.65	26.01	31.94	226.00	11.67	115.53	8.65	\$436.45
Printing and Reproduction							131.75	\$131.75
Total Office Expenses	644.27	255.01	502.19	814.47	530.54	569.84	471.65	\$3,787.97
Rental and Lease Expense	4,875.00	4,875.00	4,875.00	4,875.00	4,875.00	4,875.00	4,875.00	\$34,125.00
Software Usage	1,509.40	1,509.40	1,509.40	1,509.40	1,509.40	1,509.40	1,509.40	\$10,565.80
Storage Rental	77.00	77.00	77.00	77.00	77.00	77.00	78.00	\$540.00
Telephone Expense	380.97	558.79	420.97	421.28	421.28	421.28	547.35	\$3,171.92
Travel and Lodging Expenses								\$0.00
Mileage Expense						194.00	52.61	\$246.61
Parking	35.64							\$35.64
Total Travel and Lodging Expenses	35.64					194.00	52.61	\$282.25
Total Admin - Other	11,041.09	11,904.64	11,371.34	14,169.50	10,156.12	11,535.52	12,325.45	\$82,503.66
Employee Cost								\$0.00
Health Insurance	5,772.67	6,522.22	6,241.68	5,336.36	6,622.25	6,632.67	6,632.67	\$43,760.52
Payroll Services Fee	173.17	188.25	128.22	135.24	126.88	188.29	237.27	\$1,177.32
Payroll Taxes	6,021.30	4,259.86	4,305.24	4,130.14	3,574.79	5,009.46	5,976.48	\$33,277.27
Retirement						8,862.78	1,349.14	\$10,211.92



Houston Land Bank

Profit and Loss

July 2020 - January 2021

	JUL 2020	AUG 2020	SEP 2020	OCT 2020	NOV 2020	DEC 2020	JAN 2021	TOTAL
Wages and Salary	80,028.93	56,928.33	57,238.72	56,478.72	57,974.87	85,269.09	56,996.14	\$450,914.80
Total Employee Cost	91,996.07	67,898.66	67,913.86	66,080.46	68,298.79	105,962.29	71,191.70	\$539,341.83
Legal Fees	11,965.50	10,672.30	11,721.90	14,116.70	33,750.55	9,104.20	13,397.97	\$104,729.12
Miscellaneous Expense	1,120.00	3,761.38	14,016.46	-18,897.84	0.00			\$0.00
Professional Services								\$0.00
Accounting Fee	10,100.00	9,475.00	7,975.00	9,350.00	8,350.00	7,850.00	4,500.00	\$57,600.00
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	24,423.00	\$48,918.00
Total Professional Services	24,950.00	9,825.00	9,825.00	25,305.00	8,700.00	13,990.00	28,923.00	\$121,518.00
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	42,282.12	\$297,276.42
Total Property Expenses	45,102.33	43,693.54	44,488.39	45,121.19	38,546.25	38,042.60	42,282.12	\$297,276.42
Total Property Cost - Maintenance	45,102.33	43,693.54	44,488.39	45,121.19	38,546.25	38,042.60	42,282.12	\$297,276.42
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	29,100.67	\$81,955.47
Construction of House							3,219.98	\$3,219.98
Lots COGS	55,472.71	49,817.88	1,865.34	12,481.24	19,226.45	3,375.00	38,244.26	\$180,482.88
Property Taxes	3,854.95	491.99		643.54	234.32			\$5,224.80
Security and Surveillance Cost							39.00	\$39.00
Survey and Appraisal Expenses	112.64	3,795.97	392.61	1,250.00	2,073.28			\$7,624.50
Total Property Cost - Disposition HLB	76,533.53	62,668.52	5,141.17	23,010.36	36,137.81	4,451.33	70,603.91	\$278,546.63
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	0.00	\$650.00
Clearing and Lawn Maintenance - NHDP	2,400.00	850.00	700.00					\$3,950.00
Closing Cost - NHDP							4.00	\$4.00
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	75.00	\$83,342.50
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
Total Lots Sold - NHDP	2,920.00		440.00	3,737.33		451.00		\$7,548.33
Marketing and Showcase		742.50	742.50	872.25				\$2,357.25
Property Taxes - NHDP			0.00					\$0.00
Repair and Maintenance	273.76	115.00			162.13	3,649.00	7,596.43	\$11,796.32
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	650.00	\$3,979.81
Water and Utilities	1,282.16	437.15	752.63	1,571.28	-105.57	130.75	-88.98	\$3,979.42
Total Property Cost -Disposition NHDP	26,965.03	27,929.65	31,604.83	45,003.31	4,339.56	6,298.13	8,236.45	\$150,376.96
Total Expenses	\$289,673.55	\$238,353.69	\$196,082.95	\$213,908.68	\$199,929.08	\$189,384.07	\$246,960.60	\$1,574,292.62
NET OPERATING INCOME	\$261,516.22	\$178,344.75	\$42,491.29	\$240,219.48	\$143,811.48	\$4,761,103.09	\$327,225.90	\$5,954,712.21
Other Income								
Interest Income	28.22	34.03	49.57	33.98	33.53	34.59	35.01	\$248.93
Total Other Income	\$28.22	\$34.03	\$49.57	\$33.98	\$33.53	\$34.59	\$35.01	\$248.93
NET OTHER INCOME	\$28.22	\$34.03	\$49.57	\$33.98	\$33.53	\$34.59	\$35.01	\$248.93
NET INCOME	\$261,544.44	\$178,378.78	\$42,540.86	\$240,253.46	\$143,845.01	\$4,761,137.68	\$327,260.91	\$5,954,961.14



ACCOUNTANT'S COMPILATION REPORT

Management is responsible for the accompanying financial statements of Houston Land Bank, which comprise the governmental fund balance sheet and statement of net assets as of December 31, 2020 and the related statement of governmental fund revenues, expenditures and changes in fund balance and statement of activities for the six months ended December 31, 2020, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, changes in net assets, revenue and expenditures. Accordingly, these financial statements are not designed for those who are not informed about such matters.

McConnell & Jones, LLP
Houston, Texas
March 1, 2021

HOUSTON LAND BANK
(A Component Unit of the City of Houston)

COMPILATION REPORT

FOR THE SIX MONTHS ENDED DECEMBER 31, 2020

HOUSTON LAND BANK
(A Component Unit of the City of Houston)

COMPILATION REPORT

FOR THE SIX MONTHS ENDED DECEMBER 31, 2020

TABLE OF CONTENTS

	Page No.
Accountants' Compilation Report	1
Governmental Fund Balance Sheet and Statement of Net Assets	2
Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance and Statement of Activities	3

HOUSTON LAND BANK
(A Component Unit of the City of Houston)
GOVERNMENTAL FUND BALANCE SHEET AND STATEMENT OF NET ASSETS
AS OF DECEMBER 31, 2020

	General Fund	Adjustments	December 31, 2020
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,157,079	\$ -	\$ 2,157,079
Accounts receivable	702,952		702,952
Escrow	-		-
Prepaid Subscription Services & Other	17,400		17,400
Prepaid insurance	12,075		12,075
Total current assets	2,889,506		2,889,506
Noncurrent assets:			
Security deposit	4,875		4,875
Equipment less accumulated depreciation of \$3,926	8,079		8,079
Earnest Fees	26,100		26,100
Investment properties held for sale:			
Housing Dept-NHDP restricted	86,484		86,484
Housing Dept-Acquired NHDP restricted	6,244,028		6,244,028
Housing Dept-Strategic properties restricted	362,666		362,666
Housing Dept - CHDO restricted	29,466		29,466
HLB - Restricted-SOP	175,954		175,954
HLB - Unrestricted purchase lots	516,479		516,479
Total non-current assets	7,454,131		7,454,131
Total Assets	10,343,637		10,343,637
LIABILITIES			
Current liabilities:			
Accounts payable	103,270		103,270
Chase credit card	3,197		3,197
Payroll Liability	1,686		1,686
Due HCDD	240,762		240,762
Due Tax Assessor	5,265		5,265
Funds held in escrow	-		-
Option fee	250		250
Total current liabilities	354,430	-	354,430
Total Liabilities	354,430	-	354,430
FUND BALANCE/NET ASSETS			
Fund balance::			
Retained earnings	4,361,506		4,361,506
Change in net assets	5,627,701		5,627,701
Total fund balance unrestricted	9,989,207	-	9,989,207
Total Liabilities and Fund Balance	\$ 10,343,637	\$ -	\$ 10,343,637

See Accompanying Accountants' Report

Page 2

HOUSTON LAND BANK
(A Component Unit of the City of Houston)

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE AND STATEMENT OF ACTIVITIES
FOR SIX MONTHS ENDED DECEMBER 31, 2020**

	General		July 2020 - Dec 2020
	Fund	Adjustments	
REVENUES			
Grants-COH acquired properties	\$ 5,429,204	\$ -	\$ 5,429,204
Grants-COH all other	973,878		973,878
Revenue from Administrative Fees	124,691		
Revenue from HLB lots sold	427,045		427,045
			0
Total Revenues	6,954,818	-	6,830,127
EXPENDITURES			
Administrative Expenses:			
Advertising fee	2,288		2,288
Bank charges	1,531		1,531
Computer/internet	2,048		2,048
Conference & meeting	525		525
Contract work	0		0
Depreciation	1,200		1,200
Dues and subscriptions	5,480		5,480
Insurance	12,032		12,032
Legal fees	91,331		91,331
Miscellaneous	0		0
Office expenses/supplies	3,316		3,316
Printing and reproduction	0		0
Professional fees	92,595		92,595
Rental and leasing	29,711		29,711
Software and subscription services	9,056		9,056
Telephone expense	2,625		2,625
Travel/lodging expense	230		230
Employee Costs:			
Health Insurance	37,128		37,128
Payroll taxes	27,301		27,301
Payroll processing fees	940		940
Retirement	8,863		8,863
Salaries & wages	393,919		393,919
Property Expenses:			
Property Cost NDHP			
Closing costs-NHDP	0		0
Cost of property sold - original cost	37,152		37,152
Cost of property sold - Impairment (contra)	(29,603)		(29,603)
Land Trust Fee	28,000		28,000
Legal Fees	83,268		83,268
Property Taxes	0		0
Real Estate Commissions	0		0
Repairs and Maintenance	12,975		12,975
Security	594		594
Soft Cost of Construction	3,330		3,330
Utilities	4,068		4,068
Marketing and showcase	2,357		2,357
Property Cost HLB			
Closing cost - HLB	52,855		52,855
Construction Cost	0		0
Cost of lots sold	142,239		142,239
Property Taxes	5,225		5,225
Other Misc. cost	0		0
Permits	0		0
Filing fees	133		133
Other acquisition related cost	7,625		7,625
Property maintenance/lawncare	254,994		254,994
			-
Total Expenditures	1,327,331	-	1,327,331
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	5,627,487	-	5,627,487
Other income:			
Interest income	214		214
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	5,627,701	-	5,627,701
FUND BALANCE/ NET ASSETS:			
Beginning of year	4,361,506		4,361,506
End of period	\$ 9,989,207	\$ -	\$ 9,989,207

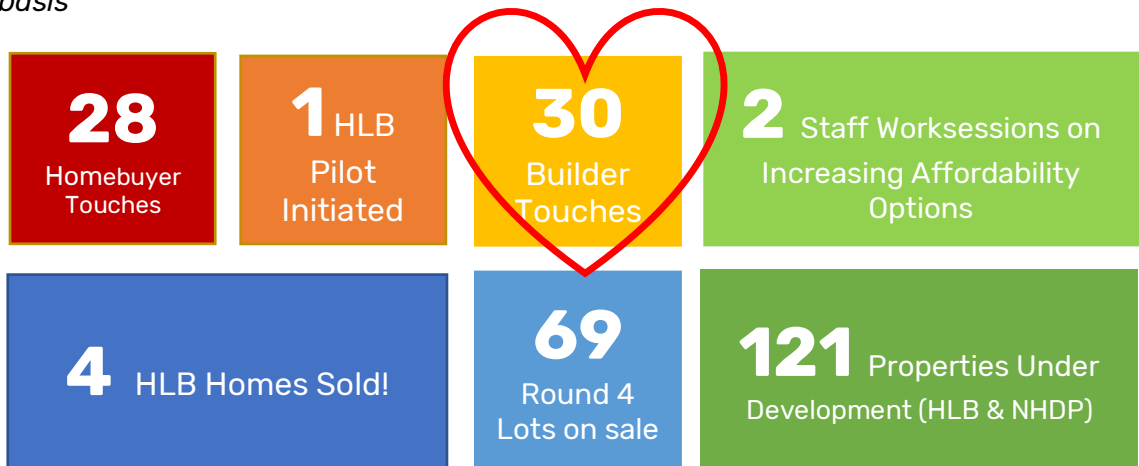


PRESIDENTS REPORT

11 March 2021

General Activities/Announcements

- February 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*



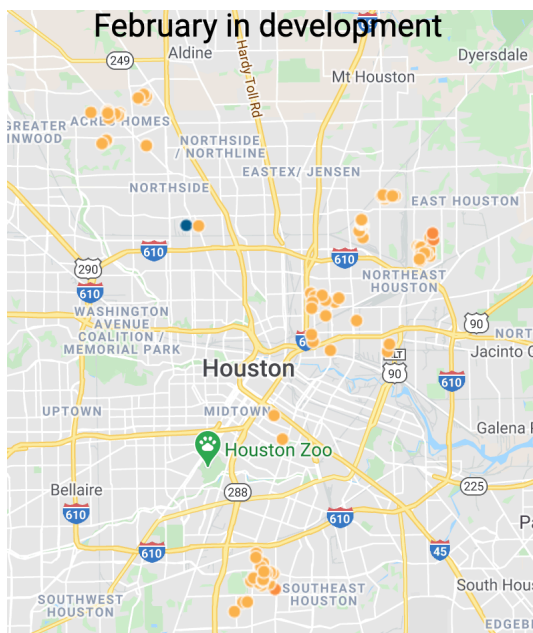
HLB Lot & Property Maintenance

- NHDP Received two Crown Ridge House's 8009 Virgil St. & 7906 Willow St. As typical with home receipt:
 - Install Lockboxes with keys for Realtor Access.
 - Meet Center Point Energy for gas installation.
 - Meet HomePro onsite for the Security Alarm installation.
 - Prepared the houses for winter storm.
- Homeowner's Electrical Concerns (Microwave) at 7822 Sealey St.
- Office of Compliance/Traditional Program, completed 4 Property Verifications and prepared lots for sale.
- Installed three new No Trespassing/No Dumping Signs.
 - 0 Sparta St. HCAD #030-018-002-0046
 - 0 Sparta St. HCAD #030-018-002-0031
 - 8524 Scott St. HCAD 064-168-017-0006
- Issued the Lot Maintenance Vendors a STOP Work Order until further notice on 2-22-21 (No cuts needed due to no growth).
- **Responded to 1 DON violations received** @ 2821 Drew St. HCAD #019-044-000-0005 Homeless Person living on the Lot.
- Completed Homebuyer Request s

- Verifications of Electrical Concerns at Microwave.
- Floor inconsistencies - Met with Thompson builders onsite to review Electrical and floor problems at 1048 Randolph Street.

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):
 - 497 Properties in Inventory**
 - 221 Holding for Housing**
- New HLB Home Initiative is in full swing.
 - **Round 3 lot sales** –29 Lots have closed, and the remaining 1 is pending
 - **Round 4 lot sales**—70 lots have been released for sale
- Current Monthly Talley of HLB Home Building Initiative- builders closing with homebuyers:
 - **59 homes sold in 2019**
 - **21 homes sold in 2020**
 - **5 homes sold in 2021** to date
 - **99 homes are under development.**
 - 62 lots are in permitting/pre construction
 - 18 in active construction
 - 13 are in marketing/sales



Map: HLB Lots under Development (HLB Building Initiative Program)

NHDP-Highlights

- NHDP in Acres Homes:
 - **2 Houses in inventory**—preparing to list
 - **38 Houses SOLD** to date (30 HCLT, 8 Standard Sales)
 - **22 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

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 for new acquisitions, 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, and February 2021, are on hold as all monies have been assigned and/or contracted for at this point.
 - Progress to date:
 - Acquisitions: 279,730 SF Acquired, which will provide estimated 165–225 units of single family homeownership depending on final layout of larger sites (10 HLB traditional, remainder NHDP). Development schedule depends on HCDD. **Another 67,900 SF acquired in FY20 = 30–35 units of housing.
 - Over 200,000 sf of land in various size parcels in neighborhoods Near Northside, Second Ward and Magnolia, remain under contract.
 - 1 Property under contract scheduled to close at the end of the month (Approved by Board of Directors on 11 February 2021).

Operations & Finance

- Finance:
 - Potential Financing: Houston LISC has asked for additional items for hard underwriting.
 - Data: Moving forward with the data structure as will soon come to a close with the new data structure and implement into ePP for better reporting and analytics.
 - Preparation for Fiscal Year 2022 Budget is underway as an RBA is listed for this meeting to send preliminary budget to the CoH.
- Procurements

- **Real Estate Brokers selection and contracts are on this month's BOD Agenda**
- 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.

Legal and Compliance, HLB Lot Disposition Program Management

- Prepare documents for sale of 69 properties in Round 4 lot sales.
- Draft closing documents and facilitate lot purchases under traditional program
- Work with title company to facilitate outstanding liens and title issues on lots
- Facilitate agreements 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: March 11, 2021

Agenda Item VIII.b.: Consideration and Possible Action to Approve Proposed Revisions to HLB Board Committee Structure

and

Agenda Item VIII.c.: Consideration and Possible Action to Approve Proposed Revisions to HLB Board Committee Structure

ACTION SUMMARY

This memo addresses two agenda items related to updating of HLB's committee structure and appointment of committee chairs. Approval of these items will:

- Adopt updates to HLB's Board committee structure to better address the scope and nature of HLB operations and Board oversight of same as discussed during Board strategic planning sessions.
- Confirm the Board Chair's appointment of chairs for the four planned Board committees.

BACKGROUND/OVERVIEW

Board strategic planning sessions for FY 2021-22 included discussion of revisions to HLB's Board committee structure. Following up on those conversations, Agenda Item VIII.b. puts forward a proposal for four Board committees:

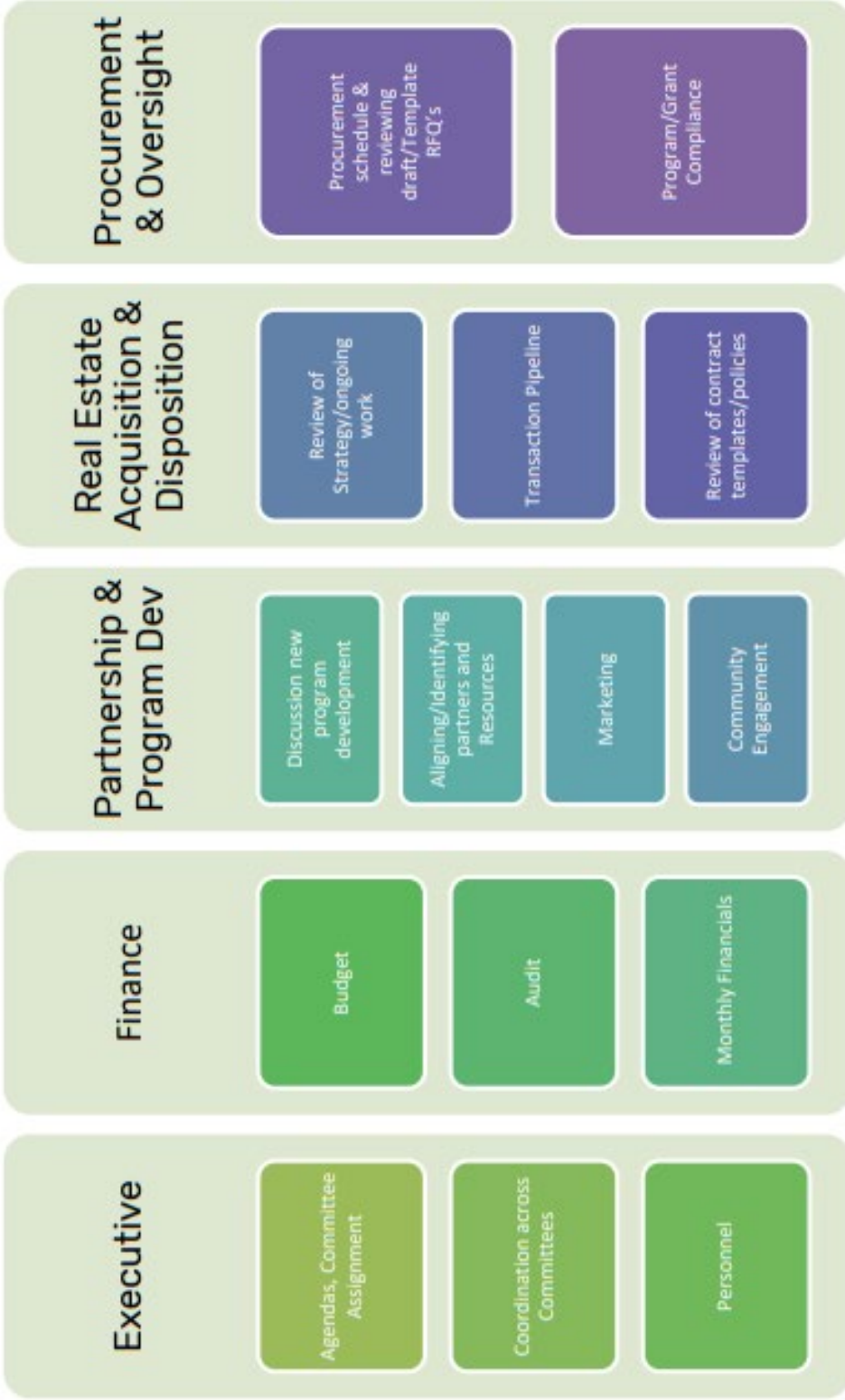
- Finance
- Partnership and Program Development
- Real Estate Acquisition and Disposition
- Procurement and Oversight

A diagram highlighting committee responsibilities is included on the second page of this memo.

Item VIII.c. proposes the Board Chair's committee chair appointments for confirmation:

- Finance: Laurie Vignaud
- Partnership and Program Development: Courtney Johnson Rose
- Real Estate Acquisition and Disposition: Victor Mondragón
- Procurement and Oversight: Jesus DeAnda

Proposed Committees



houston land bank 20

HLB Board Mtg -- Jan. 14, 2021 -- Page 54



REQUEST FOR BOARD ACTION

Meeting Date: March 11, 2020

Agenda Item VIII.d.: Consideration and Possible Action to Accept Program Committee and Staff Builder Lot Selection Recommendation for the Sale of Property to Fellowship Missionary Baptist Church Through the HLB Limited Alternative Land Use Program

ACTION SUMMARY

Approval of this item will allow staff to negotiate and execute the sale of two HLB-owned properties to Fellowship Missionary Baptist Church (Purchaser) under the HLB Limited Alternative Land Use Program (Program).

BACKGROUND/OVERVIEW

Staff presented the Program, which is a revision of the prior Right of First Refusal Program, to the Board on February 11, 2021. The Board approved the Program to move forward. Staff recommends that the Purchaser be able to purchase 0690150050023 – 4429 Brinkley and 0690150050037 – 4501 Brinkley (Lots) under the Program.

The Lots are in the Sunnyside neighborhood and the Purchaser has met the requirement of being deemed an eligible owner of "Adjacent Property" under the Program. For purposes of this Program 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). It has also been determined that these Lots are unable to support affordable housing due to either their close proximity to the church, or being within the actual church property complex. The Purchaser has also met the requirement of maintaining the lots for five consecutive years. Each lot, being 9,900 SF and 8,250 SF, is to be utilized by the Purchaser for the expansion of the previously existing church located on their adjacent land. The proposed contract will also be submitted for review.

Builder	HCAD	Address	Purchase Price	Request
Fellowship Missionary Baptist Church	2. 0690150050023	2. 4429 Brinkley	2. \$29,385	Approval to negotiate and execute contract
	3. 0690150050037	3. 4501 Brinkley	3. \$24,530	

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



REQUEST FOR BOARD ACTION

Meeting Date: March 11, 2021

Agenda Item VIII.e.: Consideration and Possible Action to Approve Agreements for Real Estate Marketing and Brokerage Services to Be Provided through December 31, 2022

ACTION SUMMARY

Approval of this action item will authorize HLB to execute agreements for real estate marketing and brokerage services with four real estate brokers selected through a competitive procurement process; the agreements are to be through December 31, 2022 and hold to current HLB rates and terms, except for minor administrative changes to contract language to improve coordination and efficiency.

BACKGROUND/OVERVIEW

With HLB's home sales for the City's New Home Development Program expanding in recent years and new development on the horizon, staff initiated a request for qualifications to identify a pool of real estate brokers to help broaden HLB's marketing reach. The real estate professionals proposed for Board approval are to assist HLB in marketing and selling homes to income-qualified buyers.

HLB received seven responses to a request for qualifications issued in September 2020; evaluation of responses was completed in November, Responses were reviewed and evaluated by a four-member committee:

- Courtney Johnson-Rose (HLB Board of Directors)
- Jen Allison (HLB Staff)
- Gonzalo Gonzalez (HLB Staff)
- Darren Blakemore (Houston Community Land Trust Staff)

After initial scoring, the committee conducted virtual interviews with three respondents (TAS Realty Group and Exit Realty 360 were not interviewed as they are current service providers to HLB and already known) in January 2021, eventually selecting four firms to provide real estate marketing and brokerage services:

- TAS Realty Group
- Exit Realty 360
- Womack Development and Investment Realtors
- Walzel Properties

As indicated in the summary above, agreements are to run through December 2022 and generally mirror current commission rates and terms. A copy of the draft template agreement for services is included with this memo.

DRAFT

LISTING AGREEMENT

BETWEEN

Houston Land Bank
Seller

AND

Broker

DATED: date

LISTING AGREEMENT

This Listing Agreement (this "Agreement") is entered into as of DATE, by and between HOUSTON LAND BANK, a Texas local government corporation ("Seller"), and the Broker named in Article 1 hereof. Capitalized terms used herein shall have the meanings given to such terms in Article 1 below.

ARTICLE 1 DEFINITIONS

When used in this Agreement, the following terms shall have the following meanings:

"Broker" means Broker, whose address for notices under this Agreement is:

ADDRESS

"Co-Broker" means a real estate broker, agent or salesman other than Broker which is duly licensed in the State in which the Property is located and who works with or through Broker.

"Broker Standard Operating Procedure" means the Houston Land Bank Standard Operating Procedure that provides instructions to the Broker and Co-Broker for the execution of their duties and responsibilities, attached hereto as Exhibit A.

"Effective Date" means the date set forth in the opening paragraph of this Agreement.

"New Home Development Program" means the program developed by Seller and the Housing and Community Development Department of the City of Houston ("HCDD") as evidenced by that certain Acquisition and Development Agreement by and between Seller and the City of Houston, Texas dated August 31, 2018 (the "A&D Agreement"), a copy of which has been furnished to Broker.

"Person" means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, institution, entity, party or government (whether territorial, national, federal, state, county, city, municipal or otherwise, including, without limitation, any instrumentality, division, agency, body or department thereof).

"Property" means all of Seller's right, title and interest in and to the real property located in Houston, Harris County, Texas, described on Exhibit A and Seller's

right, title and interest in and to the buildings and other improvements, if any, currently located thereon.

"Seller" means the party identified as Seller in the opening paragraph of this Agreement, whose address for notices under this Agreement is as follows:

Houston Land Bank
P.O. Box 131106
Houston, TX 77219
Attention: Anne G. Haynes
Telephone: 281-655-4600
E-mail: ahaynes@houstonlandbank.org

with a copy to:

Winstead PC
600 Travis Street, Suite 5200
Houston, Texas 77002
Attention: K. Gregory Erwin
Telephone: (713) 650-2781
Facsimile: (713) 650-2400
E-mail: gerwin@winstead.com

"Term" means the period commencing on the Effective Date and terminating on the first to occur of (1) six (6) month after completion of all improvements to be constructed on the Property by or on behalf of Seller (as evidenced by a certificate of occupancy, whether temporary or permanent, for all of such improvements), or (2) the date upon which all of the Property is sold and all sales commissions (if any) to be paid hereunder are paid in full, unless sooner terminated pursuant to the terms of this Agreement, or (3) **DATE**.

"Total Purchase Price" means the amount paid as the total or gross purchase price (regardless of the amount referred to in any definitive agreement) for the sale of the Property.

ARTICLE 2

BROKER'S ENGAGEMENT

Section 2.1 **Engagement**. Seller engages Broker as Seller's real estate broker in connection with the sale of the Property for the Term. Broker accepts such engagement and agrees to use its best efforts to sell the Property during the Term in accordance with the terms of this Agreement. Without limiting the foregoing, Broker covenants and agrees to perform all of the duties and obligations of Broker set forth herein.

Section 2.2 **Intentionally Deleted**.

Section 2.3 **Broker's Representations**. Broker represents to Seller that Broker is a duly licensed real estate broker in the State in which the Property is located; Broker and such license are in good standing in such State; all real estate agents or salesmen employed by Broker

in connection with the marketing of the Property are duly licensed in all jurisdictions in which such Persons are required to be licensed to be so employed; and Broker is authorized to enter into this Agreement and perform the duties and obligations of Broker hereunder. Broker, at its sole cost and expense, shall take all actions necessary to ensure that all licenses and other authorizations required to enable Broker to perform its duties and obligations hereunder are obtained and remain in full force and effect, without default.

Section 2.4 **Compliance With Laws**. In performing its duties and obligations under this Agreement, Broker agrees it will comply with all laws, rules and regulations applicable to Broker and this Agreement and will not refuse to display or sell the Property to any Person because of race, color, religion, national origin, sex, marital status or physical disability.

Section 2.5 **Standard of Conduct**. The maintenance of extremely high standards of honesty, integrity, impartiality, and conduct by Broker and its officers, directors, employees, agents and representatives (collectively, "**Broker's Parties**") is essential to assure the proper performance of business and the maintenance of public confidence in Seller. Seller expects Broker to uphold and meet these high standards and at all times to use its best judgment and to avoid misconduct and conflicts of interest and to require the same of its employees, agents and representatives. Broker shall avoid any action which might result in or create the appearance of using its position for private gain, giving preferential treatment to any Person, losing independence or partiality, or pursuing Seller's decisions outside of authorized channels. Without limiting the generality of the foregoing, Broker shall not act (a) as a principal for its own account in any transaction involving the sale of all or any portion of the Property or (b) on behalf of any Person in which Broker has a direct or indirect financial or ownership interest, unless such relationships are fully and accurately disclosed to Seller in advance, in writing, and Seller consents to Broker's ongoing activity, which consent may be withheld by Seller in its sole and absolute discretion. Broker shall not take any action that would affect the confidence of the public in the integrity of Seller and shall not engage in conduct prejudicial to Seller, including criminal, dishonest or immoral conduct. Broker shall not (1) misuse Seller's property, (2) use inside information obtained as a result of its retention by Seller for private gain for Broker or any other Person, particularly one with whom it has family, business or financial ties, (3) use its engagement by Seller to coerce, or give the appearance of coercing, a Person to provide financial benefit to Broker, any Broker Party or any other Person, particularly one with whom Broker or a Broker Party has family, business or financial ties, or (4) because of such engagement, receive or solicit from a Person having business with Seller anything of more than de minimis value as a gift, gratuity, loan, entertainment, or favor for Broker, any Broker Party or any other Person. Broker shall disclose to Seller the name and location of any property in which Broker, any Broker Party or any affiliate of Broker has an interest, whether as a direct or indirect seller, as a manager or operator or otherwise, and all other employment or financial interests of Broker, any Broker Party or any affiliate of Broker which may be relevant to Broker's engagement by Seller under this Agreement and shall update such disclosure as necessary to ensure that at all times during the Term all such relationships have been fully disclosed to Seller. Broker agrees that Broker will require all employees, agents and representatives of Broker who are involved in the marketing of the Property to acknowledge that they have read and understand this Section and that they will make the disclosures necessary to ensure that Broker remains in compliance with the terms and provisions hereof. Any violation of the terms of this Section by Broker or its

employees, agents or representatives will constitute a material breach of this Agreement by Broker and a default by Broker hereunder.

Section 2.6 **Right of Entry**. To enable Broker to perform its duties and obligations under this Agreement, Seller agrees that Broker is authorized and entitled to enter upon the Property at all reasonable times, at its sole risk and expense, subject to the rights of tenants occupying any portion of the Property, for the purpose of performing its duties and obligations hereunder, provided that Broker shall not unreasonably interfere with the usual operation of the Property.

Section 2.7 **Term**. Unless sooner terminated in accordance with the terms of this Agreement or extended as set forth in this Section 2.7, this Agreement shall automatically terminate upon the expiration of the Term without any further action on the part of Seller or Broker. Either Seller or Broker may extend the Term for additional periods of six (6) months by written notice to the other party delivered at least thirty (30) days prior to the then-current expiration of the Term, all subject to Section 6.3, below.

ARTICLE 3 **DUTIES AND OBLIGATIONS OF BROKER**

Section 3.1 **Sales and Marketing Plan**. Within seven days following the Effective Date, Broker shall prepare and submit to Seller a comprehensive sales and marketing plan for the Property for the Term ("**Broker's Proposed Plan**"), including a comprehensive strategy in narrative form for the sale of the Property, proposed sales price for the Property, a detailed advertising and marketing budget (including costs for signage, newspaper advertising, brochures, mailings, etc.), and such additional information as Broker deems relevant or as Seller may reasonably request in connection with the proposed sale and marketing of the Property. Broker will be responsible for all costs and expenses Broker incurs in the marketing of the Property. Following receipt and review of Broker's Proposed Plan, Seller shall meet with Broker to review and discuss Broker's Proposed Plan and if requested by Seller, Broker shall make such changes to Broker's Proposed Plan as Seller may require following its discussions with Broker. A revised Broker's Proposed Plan incorporating Seller's required changes shall be submitted to Seller in writing for its final approval and following Seller's written approval, Broker's Proposed Plan shall be referred to herein as the "**Approved Plan**". From time to time during the Term Broker shall be entitled to submit proposed changes to the Approved Plan for Seller's consideration and in the event Seller approves any such proposed changes in writing, such approved changes shall be incorporated into and become a part of the Approved Plan.

Section 3.2 **Broker's Obligations Generally**. In furtherance, and not in limitation, of the engagement of Broker hereunder, Broker hereby agrees to perform the following activities pursuant to the terms of this Agreement:

- (a) market and attempt to sell the Property in accordance with the Approved Plan, and the Broker Standard Operating Procedures.

(b) develop brochures, sales aids, and special sales materials for the Property, provided any such brochures, sales aids or other materials shall be approved by Seller in writing in advance of their use and shall be and remain the property of Seller;

(c) show and exhibit the Property to all prospective purchasers, regardless of referral;

(d) cooperate with Co-Brokers who have or may have prospective purchasers for the Property and endeavor to obtain written offers from all prospective purchasers for the Property;

(e) promptly deliver all offers (both oral and written) received by Broker with respect to the sale of the Property to Seller and with respect to oral offers received, promptly put such offers in writing and deliver such offers, as put in writing, to Seller;

(f) Broker shall notify Seller and the Director of the Houston Housing and Community Development Department ("**HCDD**") as to any qualified low-income buyers identified by Broker (but Broker shall not be obligated to ensure qualification of such buyer nor monitor such buyer's compliance with any applicable affordability covenants requirements);

(g) to the extent requested by Seller, assist Seller in the negotiation of the terms of prospective agreements for the sale of the Property, and in the event Seller enters into a definitive agreement for the sale of the Property, assist Seller with Seller's due diligence and closing obligations under such agreement, including without limitation, if requested, procuring estoppel certificates from tenants of the Property; and

(h) assist Seller in performing its obligations under the A&D Agreement with respect to identifying qualified buyers and marketing Seller's properties in connection with the New Home Development Program, assist with closings of such properties and otherwise perform the duties and obligations of broker thereunder.

Section 3.3 **Advertising; Signs**. In accordance with the Approved Plan and the obligations of Broker described above, Broker shall advertise the Property for sale and may place "For Sale" signs on the Property, provided Broker shall not publish, display or distribute any advertisement or publicity release concerning the Property without first obtaining the written approval of such matter by Seller; and provided, further, Seller shall be entitled to approve and limit the design, size, content and location of any "For Sale" signs for the Property. All costs and expenses incurred by Broker in connection with such advertising and signage shall be paid as provided in Section 3.5 below.

Section 3.4 **Broker's Reporting Requirements**. On or before the fifth day of each calendar month during the Term, and with respect to the last month of the Term, within five days following the expiration of the Term, Broker shall prepare and furnish to Seller a monthly report setting forth in reasonable detail Broker's activities with respect to the sale and marketing of the Property during the preceding calendar month and the results thereof. Each monthly report shall include, without limitation, (1) an identification of potential new sales, including identification of the Person or Persons making inquiry with respect thereto, (2) the updated status of sales

previously identified as potential sales, (3) a listing of all potential sales for which discussions have been terminated and if known, the reasons therefor, and (4) updated market valuations and area property valuations. In addition, to the extent Broker has identified trends, issues or other matters which render continued compliance with the Approved Plan to be contrary to the best interests of Seller, Broker shall identify such matters in its monthly report. To the extent available, such information shall include a brief description of activity in the market and available press coverage of the market and the Property, if any. Based upon such information, Broker's reports shall also include a recommendation as to whether any portion of the Approved Plan should be modified and to the extent modifications are recommended, the specific changes proposed by Broker.

Section 3.5 **Costs and Expenses**. Unless agreed to by Seller in writing, in advance, Broker shall be obligated to pay all costs and expenses incurred by Broker in the performance of its duties and obligations under this Agreement, including all costs of preparing the Approved Plan and all costs for local and long distance telephone calls, copying, mailings, advertising and signs pursuant to Section 3.3 hereof, presentations to prospective purchasers, travel, marketing and entertainment. Notwithstanding the foregoing, Seller hereby agrees that should the Approved Plan require Broker to prepare or obtain printed brochures for the Property, Seller shall be obligated to pay the costs and expenses of preparing such brochures, to the extent such costs and expenses are approved by Seller in the Approved Plan. Seller shall have no obligation to pay any fees or expenses incurred in connection with brochures prepared or otherwise obtained by Broker without first obtaining the consent of Seller as required herein.

Section 3.6 **Confidentiality**. Broker agrees that any information delivered by Seller to Broker or otherwise acquired by Broker in the performance of its obligations under this Agreement which has not previously been made available to the public by Seller or any other Person prior to its disclosure in violation of this Section 3.6, including without limitation information regarding the Property and Seller, shall be deemed "**Confidential Information**" for purposes of this Agreement. Except as otherwise required by any applicable law or court order or as authorized or permitted by Seller in each specific instance, Broker shall not disclose or permit the disclosure of any Confidential Information to any Person other than Seller, Seller's counsel and Persons designated by Seller or Seller's counsel, except to the extent reasonably required to carry out the duties of Broker under this Agreement and in each such event, to Persons who agree to use reasonable efforts to keep such information confidential. Broker agrees that it will hereafter execute and deliver to Seller any reasonable separate documentation requested by Seller to evidence Broker's agreement to comply with the terms of this Section with respect to Confidential Information. Broker shall promptly notify Seller of any court order or subpoena requiring disclosure of Confidential Information and in connection therewith, shall cooperate with Seller and Seller's counsel in the appeal or challenge of any such order or subpoena and shall not disclose any Confidential Information pursuant to such order or subpoena until Seller has exhausted any lawful and timely appeal or challenge that Seller elects to file with respect thereto. The provisions and restrictions of this Section shall survive the expiration or early termination of this Agreement.

ARTICLE 4
LIMITATIONS OF BROKER'S AUTHORITY

Section 4.1 **Broker as Independent Contractor.** Notwithstanding any provision to the contrary contained in this Agreement, Broker expressly acknowledges, confirms and agrees that it is acting, and at all times shall represent that it is acting, as an independent contractor and not as an agent of Seller. Broker has no power or authority to enter into, execute, make or acknowledge any contract, covenant, agreement or representation pertaining to the Property. Broker agrees that in all oral and written communications with prospective purchasers it shall advise such Persons that any and all proposals with respect to the sale of the Property are proposals only and are contingent upon the negotiation and final execution by Seller and by the prospective purchaser of a mutually acceptable and definitive agreement of sale embodying the full terms of the parties' agreement. In addition, Broker acknowledges that any oral and written offer to purchase the Property which is received by Broker shall not be binding upon or enforceable against Seller or create any liability on the part of Seller unless and until Seller accepts such offer and a definitive written agreement of sale incorporating such offer and all other terms of sale is executed by both Seller and a prospective purchaser.

Section 4.2 **Property to be Offered Pursuant to Approved Plan Only.** Unless otherwise agreed by Seller in writing, the Property shall be offered for sale only at the listing prices set forth in the Approved Plan, for cash, on an "as is" basis. Seller reserves the right to determine all of the terms, conditions and provisions of any agreement for the sale of the Property and to reject any offer or agreement of sale in its sole and absolute discretion. In addition, Seller reserves the right to remove any portion of the Property from the market at any time and from time to time, and in connection therewith, Seller may at any time instruct Broker that any portion of the Property shall not be offered for sale unless Seller subsequently instructs Broker otherwise in writing.

Section 4.3 **Broker Not to Accept Deposits.** Broker shall not accept any earnest money or other deposit in connection with an offer to purchase the Property.

Section 4.4 **Broker Not to Make Representations.** Broker shall not make representations or warranties of any kind, express or implied, concerning the Property, Seller or this Agreement or any matter relating to the Property, Seller or this Agreement without the prior written consent and authorization of Seller in each specific instance.

ARTICLE 5
CONSIDERATION

Section 5.1 **Sale Before Expiration of Term.**

(a) Seller agrees to pay to Broker a sales commission, calculated as provided in Section 5.4 below, if and only if all of the following conditions are satisfied:

(1) prior to the expiration of the Term, a potential third-party purchaser is procured by Broker, Owner or any Co-Broker; and

(2) prior to the expiration of the Term, such potential thirdparty purchaser and Seller enter into a definitive agreement for the sale of the Property, upon terms and conditions satisfactory to Seller in its sole discretion, covering all or any portion of the Property; and

(3) to the extent requested by Seller, Broker complies with its continuing obligations under this Agreement to assist Seller in the sale of the Property, including Seller's due diligence and closing obligations under any definitive written agreement of sale; and

(4) the sale contemplated by such definitive written agreement of sale is closed in accordance with its terms, whether before or after the expiration of the Term, as evidenced by the recordation of the deed or other instrument of transfer contemplated thereby and the actual receipt by Seller of the full purchase price to be paid thereunder for the Property.

(b) If Seller and a prospective purchaser are unable to reach agreement on the terms of a definitive agreement of sale or if a sale of the Property contemplated by any definitive written agreement of sale fails to close for any reason or no reason including a default by Seller, or if under any other circumstances the conditions described in Section 5.1(a) above are not fully satisfied, Broker shall not be entitled to any sales commission, compensation or other consideration. If a potential purchaser defaults under any agreement of sale and as a result thereof, Seller becomes entitled to any earnest money or other deposit, damages or consideration, Broker shall nevertheless not be entitled to receive any portion of such earnest money or other deposit, damages or consideration, it being expressly understood and agreed that Broker's right to compensation is limited to the rights expressly granted in Section 5.1 and Section 5.2 hereof and is subject to satisfaction of all of the conditions set forth therein.

Section 5.2 **Sale After Expiration of Term.**

(a) Unless this Agreement is terminated as a result of Broker's default hereunder, Seller agrees to pay to Broker a sales commission, calculated as provided in Section 5.4 below, if and only if all of the following conditions are satisfied:

(1) Within ten days following the expiration or earlier termination of the Term, Broker submits to Seller in writing a list of the names, addresses, telephone numbers and primary contact Person for each Person (limited to a maximum of ten Persons) with whom Broker has had Substantive Negotiations (as hereinafter defined) during the Term with respect to the sale of the Property. Each Person appearing on Brokers list must have been identified previously in a monthly report submitted by Broker as someone with whom discussions regarding the potential sale of the Property were still ongoing and must not be an Excluded Party. For purposes of this Agreement, the term "**Substantive Negotiations**" shall mean the prospective purchaser shall have toured the Property and made a written bona fide offer for the Property. Provided Broker submits the list described in this Section 5.2(a)(1) within the ten day period described

herein, all persons appropriately identified on Broker's list shall be deemed to be "**Registered Purchasers**"; and

(2) Within 90 days following the expiration of the Term, (A) Seller and a Registered Purchaser shall have entered into a definitive written agreement for the sale of the Property, and (B) the sale contemplated by such written agreement shall have closed, as evidenced by the recordation of the deed or other instrument of transfer contemplated thereby and the actual receipt by Seller of the full purchase price to be paid thereunder for the Property; and

(3) To the extent requested by Seller, Broker continues to assist Seller in the sale of the Property, including Seller's due diligence and closing obligations under such definitive agreement.

(b) Unless all of the conditions described in Section 5.2(a) above are satisfied, Broker shall not be entitled to any commission, compensation or other consideration as a result of any sale of the Property after the expiration of the Term. If a potential purchaser defaults under any definitive agreement of sale described in Section 5.2(a) and as a result thereof, Seller becomes entitled to any earnest money or other deposit, damages or consideration, Broker shall nevertheless not be entitled to receive any portion of such earnest money or other deposit, damages or consideration. Moreover, notwithstanding any provision of this Agreement which may imply the contrary, under no circumstances shall Broker be entitled to any sales commission or other compensation following a termination of this Agreement as a result of a default by Broker hereunder.

Section 5.3 **Satisfactory Purchaser**. Provided all of the conditions described in Section 5.1(a) or Section 5.2(a) of this Agreement, as applicable, are satisfied, the Person who actually purchases the Property in satisfaction of such conditions shall be referred to in this Agreement as a "**Satisfactory Purchaser**".

Section 5.4 **Commission Calculation**.

(a) **Seller or Broker Procuring Source of Satisfactory Purchaser**. If either Seller or Broker is the sole procuring source of a Satisfactory Purchaser and Broker is entitled to a sales commission hereunder, Broker's sales commission shall be calculated as follows:

6% of the Total Purchase Price

(b) **Co-Broker Procuring Source of Purchase**. If (1) a Co-Broker or (2) Broker and a Co-Broker are the procuring source of a Satisfactory Purchaser and Broker is entitled to a sales commission hereunder, Broker's sales commission shall be an amount equal to 3% of the Total Purchase Price to Broker and 3% of the Total Purchase Price to Co-Broker, provided, however, (A) Broker shall be entitled to such sales commission only if Broker has entered into a binding co-brokerage agreement pursuant to which Broker has agreed to share the sales commission payable to Broker hereunder with the Co-Broker upon such terms and conditions as Broker and the Co-Broker may agree, and (B) if there is no Co-Broker, Broker's commission shall be 5% of the Total Purchase Price. It is expressly understood and agreed that the co-brokerage agreement described in the preceding sentence is a condition precedent

to Seller's obligation to pay the sales commission described in this Section 5.4(b) and Broker shall not be entitled to the sales commission otherwise provided in this Section 5.4(b) unless it has entered into a co-brokerage agreement providing for payment of at least one-half of the commissions payable hereunder to the Co-Broker. Seller shall have no obligation to pay any commission to any Co-Broker and no Co-Broker shall have any rights hereunder or be deemed to be a third party beneficiary of this Agreement or any provision hereof. Broker agrees to provide Seller with such evidence as Seller may reasonably require to confirm that Broker has entered into the co-brokerage agreements required hereby.

Section 5.5 **When Commissions Paid**. All sales commission to be paid by Seller to Broker hereunder shall be payable following actual receipt of the Total Purchase Price by Seller and shall be paid in accordance with the priority established under Section 6.1 of the A&D Agreement. Seller shall use reasonable efforts to cause such sales commissions to be paid to Broker at the closing of the sale for which a sales commission is to be paid, simultaneous with receipt of the Total Purchase Price by Seller. In the event Seller is unable to arrange payment in such manner, payment shall be made within five days following actual receipt of the Total Purchase Price by Seller.

Section 5.6 **No Other Rights to Compensation**. Except as provided in Section 5.1, and Section 5.2 of this Agreement, Broker shall not be entitled to any sales commission, compensation or other consideration under this Agreement or otherwise as a result of the sale of the Property. Without limiting the foregoing, Seller shall have no obligation to pay or reimburse Broker for any costs or expenses incurred by Broker in connection with the sale of the Property, including without limitation any taxes, fees or other charges incurred with respect thereto.

Section 5.7 **No Leasing Commissions**. Broker shall not be entitled to any commissions, compensation or other consideration as a result of any lease entered into by Seller for all or any portion of the Property, regardless of the term of any such lease.

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ARTICLE 6 **DEFAULT: TERMINATION**

Section 6.1 **Broker's Default**. Broker shall be in default under this Agreement upon the occurrence of any of the following events or circumstances if:

(a) Broker fails to perform any of the duties and obligations of Broker set forth in this Agreement or if Broker fails to comply with any of the other covenants, terms and provisions of this Agreement, as and when required hereby and such failure continues for five days following written notice thereof from Seller to Broker; or

(b) any representation or warranty of Broker set forth herein is determined to be false, misleading or erroneous in any material respect; or

(c) Broker files a voluntary petition in bankruptcy or for arrangement, reorganization or other relief under any chapter of the Federal Bankruptcy Code or any similar federal or state law now or hereafter in effect or if within 60 days after the filing against

Broker of any involuntary proceeding under the Federal Bankruptcy Code or any similar federal or state law now or hereafter in effect, such proceedings have not been vacated; or

(d) Broker engages in any conduct inconsistent with the standards set forth in Section 2.5 hereof; or

Section 6.2 **Remedies for Broker's Default**. If Broker is in default under this Agreement, Seller shall have the right to terminate this Agreement upon notice to Broker and in addition, shall be entitled to exercise all other rights and remedies available to Seller at law or in equity as a result of Broker's default. Any such termination of this Agreement by Seller shall be effective immediately upon written notice to Broker. If Broker is in default hereunder, regardless of whether Seller terminates this Agreement as a result of such default, Broker shall automatically forfeit all rights to commissions, compensation or other amounts payable under this Agreement, regardless of any prior or subsequent sale of the Property or any provision of Article 5 hereof to the contrary.

Section 6.3 **Termination Without Cause**. Either Seller or Broker shall have the right to terminate this Agreement, without cause, upon 30 days written notice to the non-terminating party. If either Seller or Broker terminates this Agreement in accordance with the provisions of this Section 6.3, Broker shall be entitled to receive sales commissions to the extent provided in Section 5.2 of this Agreement, but not otherwise.

Section 6.4 **Broker's Obligations Upon Termination**. At such time as this Agreement terminates, whether as a result of Broker's default, a termination pursuant to Section 6.3 hereof, the expiration of the Term or otherwise, Broker, at Broker's sole cost and expense, shall promptly deliver to Seller all files, proposals, contact lists, marketing information, advertising materials, pamphlets, brochures and other information and documentation in the possession of Broker with respect to the Property. Broker shall be entitled to retain copies of any information which Broker deems reasonably necessary to complete Broker's business records; provided, however, all such information shall be deemed Confidential Information, subject to the provisions of Section 3.6 hereof, which survive the expiration and termination of this Agreement.

ARTICLE 7 **INDEMNIFICATION**

Section 7.1 **Indemnity**. As a material inducement to Seller to enter into this Agreement, Broker hereby covenants and agrees to indemnify, defend and hold harmless Seller and its officers, directors, employees, trustees, shareholders, partners, principals, agents, parents, subsidiaries, investment managers and other affiliates and representatives, regardless of whether any such Person has been disclosed or remains undisclosed, from and against all claims, demands, causes of action, judgments, damages, costs and expenses (including, without limitation, attorneys' fees and court costs), which relate to, arise out of, or are based upon the failure of Broker to comply with the terms and provisions of this Agreement, including without limitation the following:

(a) The failure of Broker or any agent or salesperson of Broker to have and maintain all licenses required by such Persons to act as real estate brokers, agents or salesmen, as applicable, in the State where the Property is located;

(b) The failure of Broker to pay all fees, costs and expenses incurred by Broker in performing its duties and obligations under this Agreement, including all taxes and other charges applicable to such fees, costs and expenses, excluding only those fees, costs and expenses for which Seller is expressly liable under the terms of this Agreement;

(c) Any representation or warranty made by Broker in violation of the terms of this Agreement;

(d) Disclosure of Confidential Information in violation of the terms of this Agreement;

(e) The acceptance by Broker of any earnest money or other deposit with respect to an offer or proposal to purchase the Property; and

(f) The claims of any Co-Broker for commissions or other sums arising out of the sale or potential sale of the Property.

Section 7.2 **Selection of Counsel**. In connection with any matter for which Broker is obligated to indemnify, defend and hold harmless Seller and other Persons pursuant to Section 7.1, Broker shall be entitled to select attorneys to defend such matters, provided such attorneys shall be subject to the prior approval of Seller, such approval not to be unreasonably withheld. Seller agrees to cooperate with Broker and such attorneys in connection with their representation and defense of Seller hereunder. Neither Broker, any attorney selected by Broker and approved by Seller pursuant to this Section 7.2, nor any other Person shall be entitled to settle or compromise any claim covered by Section 7.1 without the approval of Seller.

Section 7.3 **Indemnity by Seller; Limitation of Broker's Liability.**

(a) Seller agrees to protect, defend, indemnify, and hold Broker harmless from any damage, costs, attorney's fees, and expenses that:

- (1) are caused by Seller's negligence;
- (2) arise from Seller's failure to disclose any material or relevant information about the Property; or
- (3) are caused by Seller giving incorrect information to any person.

(b) Broker is not responsible or liable in any manner for personal injury to any person or for loss or damage to any person's real or personal property resulting from any act or omission not caused by Broker's negligence, including but not limited to injuries or damages caused by:

- (1) other brokers, their associates, inspectors, appraisers, and contractors who are authorized to access the Property;
- (2) other brokers or their associates who may have information about the Property on their websites;
- (3) acts of third parties (for example, vandalism or theft);
- (4) freezing water pipes;
- (5) a dangerous condition on the Property;
- (6) the Property's non-compliance with any law or ordinance; or
- (7) Seller's negligence.

Section 7.4 Seller's Representations and Covenants.

(a) Seller Represents to Broker that:

- (1) Seller has fee simple title to and peaceable possession of the Property and all its improvements and fixtures, unless rented, and the legal capacity to convey the Property;
- (2) Seller is not bound by a listing agreement with another broker for the sale exchange, or lease of the Property that is or will be in effect during this Listing;
- (3) to Seller's knowledge, any pool or spa and any required enclosures, fences, gates, and latches comply with all applicable laws and ordinances;
- (4) no person or entity has any right to purchase, lease, or acquire the Property by an option, right of refusal, or other agreement;
- (5) Seller is current and not delinquent on all loans and all other financial obligations related to the Property;
- (6) Seller has no knowledge of any liens or other encumbrances against the Property;
- (7) to Seller's knowledge, the Property is not subject to the jurisdiction of any court; and
- (8) all information relating to the Property Seller provides to Broker is true and correct to Seller's knowledge.

(b) Seller's Covenants: Seller agrees to:

- (1) cooperate with Broker to facilitate the showing, marketing, and sale of the Property

- (2) not rent or lease the Property during this Listing without Broker's prior written approval, which shall not be unreasonably withheld, conditioned or delayed;
- (3) not enter into a listing agreement with another broker for the sale, exchange, lease or management of the Property to become effective during the Term of this agreement without Broker's prior written approval;
- (4) maintain any pool and all required enclosures in compliance with all applicable laws and ordinances;
- (5) provide Broker with copies of any leases or rental agreements pertaining to the Property and advise Broker of tenant's moving in or out of the Property;
- (6) complete any disclosures or notices required by law or a contract approved by Seller to sell the Property; and
- (7) amend any applicable notices and disclosures if Seller knows of any material change that occurs during this listing.

Section 7.5 **Survival**. The indemnity of Broker set forth in this Article 7 shall survive the expiration or early termination of this Agreement.

Section 7.6 **Broker's Insurance**. Broker shall maintain the following insurance coverage during the term, in each case issued by insurance companies with an A.M. Best rating of A+:VII or higher:

<u>Insurance</u>	<u>Minimum Standards</u>
Workers' Compensation	Coverage A: Minimum limits required by Statute (with proof of compliance as acceptable to Owner) Coverage B: \$100,000 Bodily Injury by Accident (Each Accident) \$500,000 Bodily Injury by Disease (Policy Limit) \$100,000 Bodily Injury by Disease (Each Employee) \$2,000,000 per occurrence
Comprehensive General & Umbrella Liability Insurance Automobile, Single Limit Bodily	\$1,000,000

Injury and Property Damage
Uninsured Motorists

As required by Statute

Broker shall furnish Owner, not later than ten days after the date of this Agreement, with copies of policies, certificates of insurance, or other proof evidencing its insurance coverage as required, together with all exclusions and endorsements, including an endorsement that Owner will be given at least 30 days prior written notice of cancellation or any material change in coverage.

ARTICLE 8 **MISCELLANEOUS**

Section 8.1 **Entire Agreement**. This Agreement constitutes the entire agreement between Seller and Broker with respect to the matters set forth herein and supersedes all prior discussions, negotiations and agreements, whether oral or written. No amendment to this Agreement shall be valid or binding unless made in writing and signed by both Seller and Broker.

Section 8.2 **Successors and Assigns**. This Agreement shall be binding upon the parties hereto and their respective successors and assigns; provided, however, without the prior written consent of Seller, which consent may be withheld in Seller's sole and absolute discretion, Broker shall not be entitled to assign this Agreement to any Person.

Section 8.3 **Attorneys' Fees**. If either party hereto shall institute any action or proceeding against the other party hereto relating to this Agreement, the successful party in such action or proceeding shall be entitled to recover from the unsuccessful party all fees and expenses incurred in connection therewith, including, without limitation, court costs, reasonable attorneys' fees and related expenses.

Section 8.4 **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the State where the Property is situated.

Section 8.5 **Headings**. The Article, Section and paragraph headings in this Agreement are inserted for convenience only and are not intended to be used in construing the substance of any of the provisions of this Agreement.

Section 8.6 **Notices**. All notices, demands, requests, approvals and other communications required or permitted by this Agreement shall be in writing, addressed to Seller or Broker, as the case may be, at its respective address for notices set forth in Article 1 of this Agreement, or at such other address as Seller or Broker may from time to time designate by written notice to the other party as herein required. Such notice or other communication shall be
(a) mailed by United States certified mail, return receipt requested, postage prepaid and deposited in a United States Post Office or a depository for the receipt of mail regularly maintained by the Post Office, (b) sent by reputable overnight carrier (e.g., Federal Express, DHL, Purolator), (c) by hand, or (d) by electronic mail addressed to the electronic mail address set forth above for the party to be notified with a confirmation copy delivered by another method permitted under this Section. Notice given in accordance herewith for all permitted forms of

notice other than by electronic mail, shall be effective upon the earlier to occur of actual delivery to the address of the addressee or refusal of receipt by the addressee. Notice given by electronic mail in accordance herewith shall be effective upon the entrance of such electronic mail into the information processing system designated by the recipient's electronic mail address. Except for facsimile and electronic mail notices as described above, no notice hereunder shall be effective if sent or delivered by electronic means. In no event shall this Agreement be altered, amended or modified by electronic mail or electronic record. A party's address may be changed by written notice to the other party; provided, however, that no notice of a change of address shall be effective until actual receipt of such notice. Copies of notices are for informational purposes only, and a failure to give or receive copies of any notice shall not be deemed a failure to give notice. Notices given by counsel to the Broker shall be deemed given by Broker and notices given by counsel to the Seller shall be deemed given by Seller.

Section 8.7 **No Electronic Transactions**. The parties hereby acknowledge and agree this Agreement shall not be executed, entered into, altered, amended or modified by electronic means. Without limiting the generality of the foregoing, the parties hereby agree the transactions contemplated by this Agreement shall not be conducted by electronic means, except as specifically set forth in the "Notices" section of this Agreement.

Section 8.8 **Construction**. If any provision of this Agreement shall for any reason be held to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

Section 8.9 **Number: Gender**. Whenever used herein, the singular number shall include the plural and the plural shall include the singular, and the use of any gender shall be applicable to all genders.

Section 8.10 **Time is of the Essence**. Time is of the essence in each provision of this Agreement.

Section 8.11 **Waiver of Jury Trial**. Seller and Broker hereby knowingly, voluntarily and intentionally waive the right to trial by jury in respect of any litigation arising out of, under or in connection with this Agreement or any documents contemplated to be executed in connection herewith or any course of conduct, course of dealings, statements (oral or written) or actions of either party arising out of or related in any manner to the Property (including, without limitation, any action to rescind or cancel this Agreement or any claims or defenses asserting that this Agreement was fraudulently induced or is otherwise void or voidable). This waiver of jury trial is a material inducement for Seller to enter into and accept this Agreement and Broker hereby acknowledges that without this waiver, Seller would not enter into this Agreement.

Section 8.12 **Limited Recourse**. The liability of Seller to Broker under this Agreement is limited to the interests of Seller in the Property and Broker does not have and will not have any personal or corporate claims or causes action against Seller or any disclosed or undisclosed officer, director, employee, trustee, shareholder, partner, principal, agent, parent, subsidiary or other affiliate of Seller or Seller's investment managers for the Property arising out of or in connection with this Agreement or the transactions contemplated hereby. Broker agrees to look

solely to Seller's interest in the Property for the satisfaction of any liability or obligation arising under this Agreement or the transactions contemplated hereby.

Section 8.13 **Referral to Broker**. Seller agrees to refer to Broker any and all inquiries received from brokers or anyone else regarding the acquisition of the Property.

Section 8.14 **Prohibited Persons and Transactions**. Neither Broker nor any of its affiliates, nor any of their respective partners, members, shareholders or other equity Sellers, and none of their respective employees, officers, directors, representatives or agents is, nor will they become, a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("**OFAC**") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action (such persons and entities being "**Prohibited Persons**") and Broker covenants that it will not lease to, contract with or otherwise engage in any dealings or transactions or be otherwise associated with Prohibited Persons.

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EXECUTED to be effective as of the Effective Date.

SELLER:

HOUSTON LAND BANK,
a Texas local government corporation

By: _____

Name: _____

Title: _____

BROKER:

Broker

By: _____

Name: _____

Title: _____

EXHIBIT A

[Broker Standard Operating Procedures]

EXHIBIT B

[Description of Property]



REQUEST FOR BOARD ACTION

Meeting Date: March 11, 2021

Agenda Item VIII.f.: Consideration and Possible Action to Approve the Proposed HLB FY 2022 Draft Budget for Submittal to the City of Houston

ACTION SUMMARY

Approval of this item will approve HLB's Proposed FY 2022 Draft Budget for submittal to the City of Houston as required by City of Houston requirements for local government corporations. Note this is not the final FY 2022 budget, which is to be brought forward for Board approval before the current fiscal year ends June 30.

BACKGROUND/OVERVIEW

City of Houston Administrative Procedure 2-10 requires all local government corporations created to support City operations or programs to submit a draft budget for the upcoming fiscal year by March of each year to the City's Finance Department. As indicated in the summary above, the draft budget is not the final HLB budget for FY 2022. The final budget is to be presented for Board approval and is likely to include adjustments to the draft budget (note annual reimbursements from the City via the Housing and Community Development Department are not set until October of each year, in the fiscal year's second quarter).

HLB is subject to the City requirements; in response, staff have developed a Proposed HLB FY 2022 Draft Budget that includes anticipated revenue of \$3.98 million to fund \$3.87 million in planned expenditures, leaving a projected one-year surplus of more than \$100,000. Proposed FY 2022 expenditures in the draft budget are down slightly from the \$4.06 million FY 2021 budget approved by the Board in June 2020 for the current fiscal year.

On this memo's final page is a table comparing FY 2021 annualized revenues and expenditures (based on performance to date and projections) to the FY 2021 budget approved by the Board and to the preliminary FY 2022 budget as proposed. The latter is driven by the following assumptions and highlights:

Revenue

- HLB Traditional Program dispositions will decrease from FY 2021 as fewer lots are available for sale due to lack of infrastructure, need for significant clearing of property, and other reasons.
- The City's New Home Development Program (NHDP) anticipates 35 home sales for the fiscal year; lots are to be reimbursed at market value along with the administrative fee per closing.

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



- Funding from the City of Houston through the Operational Agreement is relatively unchanged from year to year.

Expenditures

- Staffing levels hold constant from year to year, with 10 full-time positions and one part-time position funded for a total of 10.5 FTEs.
- Legal fees are projected to increase slightly as a result of adding procurement and organizational development legal expertise, along with various property issues that may arise.
- Lot maintenance expenses are expected to decrease from the current fiscal year as reduced inventory yields less area to maintain.
- A planned \$500,000 allocation toward an acquisitions pool for HLB's Home Building Initiative is intended to replenish inventory available for the organization's traditional program for home builders.
- The FY 2022 Draft Budget as proposed also assumes full expenditure of Acquisition and Development Agreement funding in FY 2021, with no new funding allocated to acquisitions under the agreement.



HOUSTON LAND BANK			
Preliminary Draft Budget FY2022			
Account	FY2021 Annualized	FY2021 Approved Budget	FY2022 Proposed Budget
HLB Traditional Dispositions Proceeds	1,203,449	1,200,000	840,000
A&D Disposition Proceeds	7,931,432	4,939,503	1,050,000
Operational Reimbursement	1,403,107	1,820,817	1,851,619
Administrative Fees	178,441	135,000	131,250
Interest Income	427	2,634	400
Outside Sources Other	64,000	-	100,000
Total Revenues	\$ 10,780,855	\$ 8,097,954	\$ 3,973,269
Salaries & Fringe	693,439	753,050	1,144,425
Legal Fees	179,536	113,836	180,000
Professional Services	197,602	284,798	289,798
Lot Maintenance	509,617	536,650	510,000
Software & Subscriptions	29,331	123,660	83,660
Office Rent	58,500	65,700	58,500
Other Administrative Costs	53,604	74,523	50,000
HLB Traditional Acquisitions	49,850	250,000	500,000
HLB Traditional Disposition Cost	477,509	500,000	356,250
NHDP Disposition Cost	180,452	991,408	700,000
A&D Acquisitions	231,146	370,906	-
Total Expenditures	\$ 2,660,586	\$ 4,064,531	\$ 3,872,633
Excess (Deficit) of Revenues over Expenditures	\$ 8,120,269	\$ 4,033,423	\$ 100,636
Change in Fund Balance			
Estimated Beginning of Year	4,361,515	4,361,515	12,481,784
Estimated End of Year	\$ 12,481,784	\$ 8,394,938	\$ 12,582,420