

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

**June 10, 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, June 10, 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:

David Collins	Janae Ladet
Laurie Vignaud	Pastor Steve Hall
John David Vasquez	Tonzaino Bailey
Matt Zeis	Carol Galloway
Jesus DeAnda	Courtney Johnson Rose
Antoinette Jackson	Juan Cardoza-Oquendo
Christa Stoneham	

Board member absent was: 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; Ivan Zapata, Manager of Real Estate and Acquisitions for HLB; 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; Elijah Williams of the HLB Advisory Board; Vincent Marquez of the HLB Advisory Board; Ron Butler, Manager–Property Maintenance for HLB; and Jeri Brooks and Joshua Sanders of One World Strategy Group.

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

Chairman Zeis called this regular meeting to order at 12:02 p.m. A roll call of the Board members in attendance immediately followed. Chairman Zeis announced 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 Pastor Kenneth Rose registered to attend today's meeting and reminded that each public speaker has three minutes to address the Board.

Pastor Rose informed the Board that he is with the Mt. Vernon Baptist Church which has been in the Sunnyside area for over 100 years and is interested in purchasing two lots owned by HLB which the church has been maintaining since 2015 located at 8129 Livingstone and 3615 Stassen Street. The church will use these lots for parking purposes for its congregation. Pastor Rose stated that the attorney for HLB indicated that the sale price for one lot is \$28,000.00 and for the other lot is \$46,000.00. Pastor Rose requested consideration from the Board because the church has been maintaining these two lots for six years.

Chairman Zeis noted that the church has filed liens on these lots for its maintenance costs therefore it would not be appropriate at this time to respond while there is a legal action being taken against HLB.

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

### **a. May 13, 2021 Board Meeting**

Chairman Zeis noted that the minutes for the May 13, 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 to approve and adopt such minutes as written.

Director Hall made a motion to adopt the minutes, as written, of the May 13, 2021 regular Board of Directors meeting, which motion was then duly seconded by Director Vignaud. The minutes were then passed with the majority vote of the Board.

Chairman Zeis abstained from voting on this matter because he did not attend the May meeting.

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

Chairman Zeis thanked the Board members in attendance for volunteering and being available for this meeting. He informed the Board that the next Board meeting will take place in person at the Baker Ripley Center.

## **V. Committee Reports:**

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

Chairman Zeis announced that the Executive Committee met last week to discuss the recommendations of the READ Committee with regard to builder contracts, the budget for Fiscal Year 2022, and the pending legislation in Austin.

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

Ms. Vignaud requested Mr. Gonzalez to report on the meeting of the Finance Committee held yesterday.

**1. Monthly Financial Report**

Mr. Gonzalez addressed the Board and stated that the Financial Committee meet yesterday to discuss the Fiscal Year 2022 Budget which is on today's Agenda for the Board's consideration. He noted that the monthly financial position of the HLB is included in the meeting packet.

**c. Partnership and Program Development Committee: Courtney Johnson Rose, Chair**

Director Johnson Rose announced that the Partnership and Program Development Committee met on May 26, 2021 and discussed program proposals for home builders and home buyers with regard to the cost of construction which will then be brought before the Board. She mentioned that the Committee also discussed updating the Traditional Builder Program and pre-qualifying the builders for approval.

Director Johnson Rose noted that the Committee discussed the increase in building costs affecting the HLB home builders. Lastly, she mentioned that the Committee discussed new developments for the Sunnyside neighborhood.

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

Director Mondragón was not in attendance to provide the report for the READ Committee. Ms. Haynes requested Ivan Zapata to report on the recent activities of the READ Committee.

Mr. Zapata stated that the READ Committee discussed the amendments to construction contracts requested by several builders, the lots under review for the Limited Alternative Land Use Program, and the Fiscal year 2022 Budget with regard to lot acquisitions in Settegast and other neighborhoods.

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

Director DeAnda stated that the Committee met on June 3, 2021 to discuss the Procurement Calendar, which has not yet been sent out, and development of a manual for staff to utilize for procurements.

The Committee also discussed evaluating pre-development services with regard to qualifications for competency and construction inspectors based on competency and price. He noted the Committee is working on a new builder RFQ to procure capable home builders for Fiscal Year 2022. He noted that in the 2019 Builder RFQ, forty-six builders responded and

thirty-one were approved, and in the 2020 Builder RFQ, thirteen builders responded and six were approved by HLB.

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

Ms. Haynes mentioned that HLB has been nominated for a national EPA grant for its Brownfields projects. She noted that HLB is supporting the Housing and Community Development Department with its development of affordable housing in the Near Northside.

Ms. Haynes stated that she was excited to participate in several national networks to discuss land banks and community developments. She then informed the Board that Anderson Stoute has left the Housing and Community Development Department and stated that she enjoyed working with him to produce affordable housing in the Complete Communities. Lastly, she stated that she continues to work on the neighborhood planning efforts for Settegast and with the taskforce for the Gulfton area.

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

Director Stoneham reported on the opening of innovation space in the Second Ward which is targeted to create 1,000 companies in five years. The East End Maker HUB is located at 6501 Navigation Blvd. provides access to affordable work space for local manufacturers, fabricators, crafters and innovators. She also informed the Board that she is working on an education initiative in the Third Ward with a corporate donor to create a feeder pattern system to impact education.

#### **VIII. Legislative Update: Jeri Brooks and/or Joshua Sanders, Legislative Affairs Consultants**

Josh Sanders addressed the Board to present an update of the land bank legislation in Austin. He stated that Senate Bill 1679 was passed by the Texas Senate and is now on the Governor's desk for signature. However, he noted that the Governor included two amendments to the bill concerning how long a land bank can hold land, and with regard to property a land bank touches affecting city and state revenue caps. Lastly, he stated that a committee will be organized to study the Houston Land Bank to determine best practices.

Director Johnson Rose recommended that the Board send thank you letters to all of the representatives who worked on this bill.

#### **IX. Board Action Items**

##### **a. Presentation and Discussion Regarding Housing Affordability and Updated Program Guideline Requirements**

Ms. Haynes presented PowerPoint slides highlighting the maximum affordable home prices at varying income levels.

**b. Presentation and Discussion Regarding Proposed HLB Programs for FY 2022**

Ms. Haynes stated HLB is refining its program guidelines, including simplifying the Startup Builder Program and additional support for builders through better links with the LiftFund Ascent Program. She noted that compliance and penalties are already included in the guidelines; however, HLB staff is working on better ways to enforce and monitor the construction of affordable houses as data collection from the builders continues to be a challenge.

**c. Consideration and Possible Action to Adopt Proposed FY 2022 Budget**

Mr. Gonzalez presented the proposed budget for Fiscal Year 2022 via PowerPoint slides for the Board to view. He noted that the proposed budget for Fiscal Year 2022 includes significant expenses and revenues which were projected based on activities projected and controlled by the City of Houston. Activity in the NHDP is subject to change; therefore the expenses and revenues in this program will be subject to change.

Upon passage of the 2022 budget by the Board, the budget will then be submitted to the Housing Community and Development Department for approval as required by the agreement between HLB and the City regarding Operational Grant funding.

Mr. Gonzalez stated that there are no new acquisitions under the Acquisition and Development Grant Agreement because all funds have been assigned at this point.

The Fiscal Year Budget proposed for 2022 projects revenues at \$5,792,697.00 and total expenditures at \$5,776,914.00 The projected change in the fund balance is \$15,784.00

[Note: Director Ledet left the meeting at 12:55 p.m. and Director Johnson Rose left the meeting at 12:57 p.m.]

Director Vasquez made a motion to adopt the Fiscal Year 2022 Budget, which motion was duly seconded by Director Cardoza-Oquendo and passed with the unanimous vote of the Board.

**d. Consideration and Possible Action to Accept Real Estate Acquisition and Disposition Committee and Staff Recommendation of Burghli Investments, LLC Contract Amendments for Maximum Sales Price Increase Requests under the HLB Builder Traditional Program**

Mr. Zapata reported that this builder is requesting increases to the maximum sales prices on the seven lots located on Baywood. The sales price increases requested are due to the increased costs for lumber and materials. The builder furnished a letter from its supplier that the framing costs increased from \$25,534 to \$33,700 for each lot.

Director Hall made a motion to accept the recommendations of amendments to the contracts with Burghli Investments, LLC, which motion was duly seconded by Director DeAnda and passed with the unanimous vote of the Board.

e. **Consideration and Possible Action to Accept Real Estate Acquisition and Disposition Committee and Staff Recommendation of LIZ Enterprises Contract Amendments for Maximum Sales Price Increase, Lot Split, and Change of Plans and Specifications under the HLB Builder Traditional Program**

Ms. Harris reported that the proposed amendments include two sales price increases, permission to split the original lot into two lots to build two homes, and associated revisions to plans and specifications.

LIZ Enterprises, an HLB approved builder (Builder), has one property, 0 Sunnyhill (HCAD #0361190070007, Lots 7 and 8 on Block 7), in its inventory that it purchased from HLB under contract HLB R312072020 – 14. The Builder has submitted three contract amendments regarding planned construction on the lot which have been recommended by staff and the READ Committee for Board approval. The amendments include:

- Maximum Sales Price to Homebuyer (total sales price increase was previously one home at \$187,787; the proposed amendment would allow for construction of two homes at \$210,000 each);
- Permission to split the original Lot into two separate lots to build two homes instead of one (no replatting is anticipated as a result of the proposed action, which would enable the construction of two homes rather than one); and
- Changed plans and specifications to suit the two smaller 2,750 square foot size lots instead of the original 5,500 square foot lot.

The sales price increase was requested due to the current spike in lumber pricing and has been evidenced by the Builder's submittal of a lumber quote showing an increase in the construction pro forma's original estimated framing costs, from \$25,245 to \$39,066 for each home.

Splitting the lot will allow HLB and its builder to take a more densified approach to home construction in the Acres Homes neighborhood. As it stands, the parcel in question is already two lots under one HCAD and need only be split for HCAD purposes to become two separate lots with two separate HCAD numbers. Splitting the lots will be accommodated with vertical construction; the proposal includes shifting from construction of one 1,364 square feet single-story home to two two-story homes of 1,641 square feet each.

Director Hall made a motion to accept the recommendations of amendments to the contracts with LIZ Enterprises, which motion was duly seconded by Director Cardoza-Oquendo and passed with the unanimous vote of the Board.

f. **Consideration and Possible Action to Accept Real Estate and Development Committee and Staff Lot Selection Recommendation for the Sale of Property to Sunbeam Baptist Church Through the HLB Limited Alternative Land Use Program: [Address – Neighborhood – HCAD # – Proposed Price – Builder Listed Below]**

1. 0 Shotwell – Trinity Gardens – 0660250080791 – \$18,055 – Sunbeam Baptist Church

Ms. Harris informed the Board that approval of this item will allow staff to negotiate and execute the sale of an HLB-owned property (10,200 square feet in the Trinity Gardens neighborhood) to Sunbeam Baptist Church for \$18,055 under the HLB Limited Alternative Land Use Program.

She noted that HLB staff recommends that Sunbeam Baptist Church be approved to purchase 10,200 square feet of property at 0 Shotwell (HCAD #0660250080791) under the auspices of the new program.

Sunbeam Baptist Church meets the requirements for being deemed an eligible owner of "Adjacent Property" under the Limited Alternative Land Use ("LALU") program. Per program criteria, an "Adjacent Property" is one that shares at least one common property boundary with the applicable HLB Lot (including, without limitation, a common corner point). Also, this lot is not suitable for development of affordable housing due to its close proximity to the actual church property complex. The church has maintained the lot for five consecutive years, meeting another requirement of the LALU program. Church leadership indicates plans to use the property to expand needed parking for congregation members attending church services and community programs.

Director Hall made a motion to accept the recommendation for the sale of this lot to Sunbeam Baptist Church, which motion was duly seconded by Director Bailey and passed with the unanimous vote of the Board.

**X. Executive Session**

- a. Discussion Regarding the Value or Transfer of Real Property

Nothing to report.

**XI. Action Items from Executive Session.**

Nothing to report.

**XII. Board Member Comments**

Director Cardoza-Oquendo thanked everyone who worked on preparing the Fiscal Year 2022 Budget.

**XIII. Adjournment**

Chairman Zeis asked if there were any additional matters to be considered by the Board. Hearing none, the regular Board meeting adjourned at 1:08 p.m. upon the motion of Director Hall, which was duly seconded by Director Bailey and passed with the unanimous vote of the Board.

Minutes Prepared By:

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

Signed on the \_\_\_\_ day of \_\_\_\_\_, 2021. 08 / 19 / 2021

*Jesus A. DeAnda*

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Secretary

Jesus DeAnda