

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

**August 12, 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, August 12, 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	Juan Cardoza-Oquendo
Christa Stoneham	Janae Ladet
Antoinette Jackson	Courtney Johnson Rose
David Collins	Victor A. Mondragón
Laurie Vignaud	Carol Galloway

Board member absent were: Jesus DeAnda, John David Vasquez, Pastor Steve Hall, and Tonzaino Bailey. Others in attendance included: 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; 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; Ron Butler, Manager–Property Maintenance for HLB; Donesha Albrow, Homebuyer Assistance Manager for HLB; Nick Foran of the HLB Advisory Board; Ray Hendricks; and Daniel Saenz.

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

Chairman Zeis called this regular meeting to order at 12:03 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**

Nothing to report.

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

#### **a. June 10, 2021 Board Meeting**

Chairman Zeis noted that the minutes for the June 10, 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 Collins made a motion to adopt the minutes of the June 10, 2021 Board Meeting as written, which motion was then duly seconded by Director Galloway and passed with the unanimous vote of the Board.

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

Chairman Zeis thanked the Board members in attendance for volunteering and being available for this meeting. He informed the Board that the search for a new President/CEO is moving forward. The candidates for the President/CEO position will be considered by the Board for approval.

### **V. Committee Reports:**

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

Chairman Zeis announced that the Executive Committee met last week to discuss the Traditional Builders program with regard to providing more lots to builders requesting more lots than currently permitted under this program. The committee also discussed the update of the New Home Development Program with the Houston Housing Director. Chairman Zeis noted that the committee also discussed the Round 5 lot sale which will occur within the next month or thereafter, and the RFP for the new round of home builders.

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

Ms. Vignaud stated that the Finance Committee met yesterday and requested Mr. Gonzalez to present the report.

##### **1. Monthly Financial Report**

Mr. Gonzalez stated that the annual audit for Fiscal Year 2021 was ongoing. The committee also discussed (a) the financial review concerning the key performance indicators, (b) the Fiscal Year 2022 Budget update, and (c) the Treasury update with regard to banking.

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

Director Stoneham stated that the Partnership and Program Development Committee met and discussed activating lots which cannot be utilized for housing and the request from Ivy Leaf Farms to use a HLB lot on Scott Street for a farmers market. She explained that this lot would

not be used for growing vegetables but rather to market products by local businesses to the public. She noted that Ivy Leaf Farms has a farm in the vicinity of this HLB lot where it grows produce.

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

Director Mondragón stated that the READ Committee met on July 30, 2021 and discussed a number of requests from builders for sales price increases on houses constructed. He noted that amendments to the lot acquisition contracts are on today's meeting agenda for consideration. Director Mondragón then informed the Board that lumber prices on NASDAQ were down this morning. The committee also discussed establishing a different framework for determining the sales price for a house rather than just by income levels and providing custom finishes on houses for certain neighborhoods to suit the needs of the community. Director Collins requested clarification with regard to such custom finishes. Director Mondragón explained that these custom finishes may include, but not be limited to, an outdoor patio, more insulation, better windows, and additional bedrooms/bathrooms. In conclusion, Director Mondragón reported that the READ Committee also discussed the upcoming Round 5 lot sales to HLB approved homebuilders.

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

Director DeAnda was not present for this meeting and therefore no report was presented.

**VI. President's Report: Gonzalo Gonzalez, Interim CEO/President**

Mr. Gonzalez announced that seven (7) houses were sold in July and that the community outreach event for the Settegast area was held recently and attended by approximately fifty (50) residents and the project design company, APD Urban Planning and Management. This event focused on gathering input from the residents concerning the Settegast area's direction and development. The event was the first of a series of community engagement events to be organized with regard to HLB's development of its lots in Settegast. He also noted that HLB received a grant from the AARP in participation with Urban Harvest for improvements at the Harry Holmes Healthy Harvest Community on a HLB lot Garden in the Sunnyside area. Mr. Gonzalez stated that HLB needs to expedite the permitting process with the city of Houston for construction of affordable houses by its builders. He further stated that the posting of a Request for Qualifications for builders is targeted for the week of August 9-13 and is intended to expand the homebuilder pool's capacity to develop new affordable houses on HLB lots through the Traditional Builder Program.

Director Collins requested information as to the location and sales prices for the seven houses sold in July. Mr. Gonzalez stated that he did not have such information with him for today's meeting but will send that information to the Board after the meeting.

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

Director Stoneham reported on the project launch of the Empowerment Center located in Acres Homes last Saturday. This center will also include revitalization of the farmers market, community garden, and cooking demonstrations. She also informed the Board that she is working on a fund for Pre-K early learning classes.

## **VIII. Board Action Items**

### **a. Consideration and Possible Action to Designate Chief Operating Officer Gonzalo Gonzalez as Interim President and CEO with Corresponding Signatory and Budgetary Authority**

Chairman Zeis stated that approval of this item will designate Chief Operating Officer Gonzalo Gonzalez as the interim president and CEO of the Houston Land Bank and will delegate corresponding signatory and budgetary authority to this interim position during the period the Board conducts its search for a new president and CEO.

Due to Anne Gatling Haynes' resignation as president and CEO effective July 30, 2021, Chairman Zeis announced that Chief Operating Officer Gonzalo Gonzalez is willing to serve as the interim president and CEO. Via the minute entry in the Board's official minutes, this item provides for the Board to formally delegate interim authority as president and CEO to Mr. Gonzalez.

Mr. Gonzalez will be responsible for all duties and oversight associated with the president and CEO position and will also carry the related budgetary and signatory authority for the HLB until the Board approves a new permanent president and CEO. This item further ratifies any actions or signatures taken by Mr. Gonzalez as interim president and CEO between July 30, 2021 and the Board meeting at which this item is considered for approval.

Director Cardoza-Oquendo made a motion to designate Chief Operating Officer Gonzalo Gonzalez as the Interim President and CEO with corresponding signatory and budgetary authority, which motion was duly seconded by Director Mondragón and passed with the unanimous vote of the Board.

### **b. Consideration and Possible Action to Accept Real Estate Acquisition and Disposition Committee and Staff Recommendation of MHL Contract Amendments for Maximum Sales Price Increase Requests on Three Homes under the HLB Builder Traditional Program**

Chairman Zeis stated that approval of this item will authorize contract amendments as recommended by the READ Committee with HLB approved builder MHL Properties, LLC, granting increases to the original contracted sales prices for three houses under construction.

In the way of background, MHL Properties, LLC purchased three lots in Sunnyside (having addresses of 4350 Knoxville, 4354 Knoxville, and O Brinkley) from HLB in June 2020. MHL Properties, LLC is now requesting increases to the sales prices as the result of

unanticipated work required by the city of Houston, including installation of over 150 linear feet of 8" water line under the right of way, installation of a fire hydrant, and multiple street cuts, along with the market price increases for lumber and construction materials. Director Mondragón reported that MHL Properties, LLC has provided evidence that it incurred approximately \$62,000 in additional expenses among the three houses, however, the cumulative sales price increases requested is approximately \$47,000. This amount will be applied among the three houses, however not always in proportion to the evidenced increase in costs for each such house. Pursuant to the 2021 study commissioned by HLB, the proposed new sales prices still fall below the average price of a newly constructed home in the same area (approximately \$217,000). He noted that requests from several builders were denied because of a lack of information to back up the sales price increase requests. Director Mondragón mentioned that the READ Committee agreed to recommend these sale price increases prior to the scheduled July 2021 Board of Directors meeting.

**Proposed Price Increase Information:**

- 4350 Knoxville 77051 (1,680 square feet of living space)
  - Original Sales Price: \$208,850
  - Demonstrated Increased Costs of \$25,885
  - Requested Sales Price \$212,000 (increase of \$3,150)
  
- 4354 Knoxville 77051 (1,360 square feet of living space)
  - Original Sales Price: \$183,928
  - Demonstrated Increased Costs of \$24,784
  - Requested Sales Price \$203,68 (increase of \$19,740)
  
- O Brinkley (1360 square feet of living space)
  - Original Sales Price: \$179,416
  - Demonstrated Increased Costs of \$12,285
  - Requested Sales Price \$203,668 (increase of \$24,252)

Director Mondragón made a motion to accept the READ Committee and staff recommendations to amend the MHL Properties, LLC contracts with regard to the maximum sales price on three houses, which motion was duly seconded by Director Vignaud and passed with the unanimous vote of the Board.

**IX. Executive Session**

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

Nothing to report.

**X. Action Items from Executive Session**

Nothing to report.

**XI. Board Member Comments**

Nothing to report.

**XII. Adjournment**

Chairman Zeis asked if there were any additional matters to be considered by the Board. Hearing none, the regular Board meeting adjourned at 12:37 p.m. upon the motion of Director Collins, which was duly seconded by Director Galloway 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.

*Jesus A. DeAnda*

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Secretary

09 / 20 / 2021