

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

December 9, 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 at the Baker Ripley Building, 4450 Harrisburg Boulevard, 2nd Floor, Houston, Texas, on Thursday, December 9, 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
Tonzaino Bailey	Janae Ladet
David Collins	Courtney Johnson Rose
Carol Galloway	Victor A. Mondragón
John David Vasquez	Jesus DeAnda
Laurie Vignaud	Pastor Steve Hall
	Antoinette Jackson

Others in attendance included: Jennifer Allison, Vice President of Operations and Programs for HLB; David Benson, Director of Organizational Excellence for HLB; Darice Harris, Vice President, Legal Counsel and Program Director for HLB; Ivan Zapata, Manager of Real Estate and Acquisitions for HLB; and Greg Erwin, and Mark Glanowski (Paralegal) of Winstead PC, outside legal counsel for the HLB; Gonzalo Gonzalez, Interim CEO/President and Vice President of Finance and Accounting for HLB; Gracie Saenz, In-house counsel for HLB; Ron Butler, Manager - Property Maintenance for HLB; Nick Foran of the HLB Advisory Board; Christa Stoneham Ex Officio Director for the Mayor's Office; Kellen Zale of the HLB Advisory Board; Elijah Williams of the HLB Advisory Board; and Denise Smith with Denise Smith Consulting.

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

No public speakers registered to address the Board.

III. Consideration and Adoption of Meeting Minutes

a. October 14, 2021 Board Meeting

Chairman Zeis noted that the minutes for the October 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 to approve and adopt such minutes as written.

Director Vignaud made a motion to adopt the minutes of the October 14, 2021 Board Meeting as written, which motion was then duly seconded by Director Collins 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 Darice Harris will be leaving the HLB in a few weeks to take employment at a private law firm. He noted that she handled the real property audit of approximately 600 lots several years ago with Charles Lampley and Vincent Marquéz which was a monumental task. Chairman Zeis thanked Ms. Harris for her dedication and service to HLB for the past 3+ years and wished her all the best with her new employment.

V. Committee Reports:

a. Executive Committee: Matt Zeis, Chair

Chairman Zeis announced that the Executive Committee met last week to discuss the items on today's meeting agenda.

b. CEO Search Committee Update (Denise Smith and Raven Lightsey of Denise Smith Consulting): Matt Zeis, Chair

Chairman Zeis stated that there is no update report from the CEO Search Committee. However, the Board will discuss the results of the CEO Search Committee in the Executive Session portion of today's meeting.

c. Finance Committee: Laurie Vignaud, Chair

Chairman Zeis stated that the Finance Committee did not meet this month and noted that the financial report is included in the meeting packet distributed to the Board.

1. Monthly Financial Report

Nothing to report.

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

Director Johnson Rose stated that the Partnership and Program Development Committee did not meet in November. The next meeting is scheduled for January 2022 which will be held in person at one of the HLB properties.

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

1. **Committee Recommendations Regarding Lot Sales for Round 5 Under the Traditional Homebuyers Program**

Ivan Zapata reported that the READ Committee met this month to discuss several requests from builders for sales price increases on houses constructed and approval of the 2021 RFQ for homebuilders which matters are also on today's Agenda. Director Mondragón reported that the READ Committee has an open invitation to any Board members or HLB staff who wish to join the READ Committee.

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

1. **Procurements Overview**

Director DeAnda reported that the Procurement and Oversight Committee met last week to discuss development related procurements including land surveyor qualifications, acquisition services from real estate brokers, construction inspection services, and title company services. The Committee also reviewed the Brownfields Grant Program in order to identify properties in Houston in need of remediation to implement the \$600,000 grant received from the U.S. Environmental Protection Agency. Director DeAnda stated that the Committee examined the 19 responses to the 2021 RFQ for homebuilders and amendments to the Board policies which are matters on the Agenda for today's meeting.

2. **Annual Policy Review Update and Discussion**

Director DeAnda reported that the Committee is conducting its annual review of Board policies and the recommended changes received from HLB staff. He noted that one change is to rename the position of President to Chief Executive Officer.

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

Mr. Gonzalez announced that HLB closed on the Harrisburg at Burr site upon which up to 10 single family houses or 28 multifamily units will be constructed. This land was purchased under the Acquisition and Development Fund Agreement with the Houston Housing and Development Department. HLB has now fully expended the \$11.4 million awarded for acquisition purposes. He then stated that HLB received fifty percent more responses to the 2021 Builder RFQ than in 2020, staff has reviewed and evaluated the submittals from the homebuilders. Of the 19 responses received, six were from current HLB Approved Builders required to resubmit after two

years (all six were approved in 2019). Along with these six, eight of the remaining 13 respondents are being recommended for Board approval.

Mr. Gonzalez then reported the HLB staff has finalized the suggested amendments to the Board policy as presented to Procurement and Oversight Committee Chair Jesus DeAnda and other Board members who volunteered to attend several review sessions. The Procurement Committee met October 28, 2021 to complete its review of changes suggested by staff. The proposed policy revisions are on today's Board Agenda. Clean and redline versions of the proposed policies are attached to the Board packet, along with a table highlighting key proposed amendments in each section.

He then noted that HLB received a clean review concerning compliance with legal requirements regarding investment of TIRZ funds allocated for development of affordable houses. This includes both the operating and acquisition and development agreements between HLB and the City; the audit-style exercise focused on a three-month sample (March through May) of Fiscal Year 2021. The formal review letters should be provided before the end of the month and will be shared with the Board after receipt.

Lastly, Mr. Gonzalez reported that with the \$9,950 grant from AARP, HLB has completed upgrades to the community garden in Sunnyside named the Harry Holmes Healthy Harvest Garden. The garden is operated by local gardeners and Urban Harvest via a no-cost lease of HLB land, the garden received improvements including new perimeter lighting, elevated gardening beds (for improved accessibility), and decomposed granite in walkways to make the property more usable after heavy rains. A December 11, 2021 community celebration is planned that will include opportunities to learn about gardening and about home ownership opportunities available through HLB and its partners. He noted that an event flyer is attached to the meeting packet for more information.

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

Ex Officio Director Stoneham reported on a project the city of Houston has launched creating its first food insecurity board for access to healthy food for the community. She mentioned that the empowerment center project has encountered permitting problems. She then mentioned that The Center for Community Progress launched a network conference online in November to discuss housing equity and organizing community advisory councils. She will forward a copy of the presentation to the Board.

She then stated that a National Land Bank Network has been initiated to connect land banks across the country which will provide training sessions, data for sharing, and a monthly newsletter. She also mentioned that there is a \$25,000 grant opportunity for land banks to apply for during the first quarter of 2022.

VIII. Board Action Items

- a. **Consideration and Possible Action to Accept Real Estate Acquisition and Disposition Committee Recommendations for Approved Builders to Participate in the HLB Traditional Homebuyer Program Through December 31, 2023**
 1. BMS Construction
 2. Burghli Homes
 3. CLB - Education Based Housing Inc.
 4. Dulce Vista
 5. HAUCDC
 6. Habitat for Humanity
 7. 1ST RSD SHEERAH JV, LLC
 8. James Turner Construction
 9. MHL Properties
 10. Mid-Continent East Houston
 11. Park Street Homes
 12. Silver Circle Homes
 13. SXG Capital Group dba Green Home Builders
 14. Transcendence 360, LLC

Director Collins made a motion to approve the above named builders to participate in the HLB Traditional Homebuyer Program through December 31, 2023, which motion was duly seconded by Director Jackson. Director Johnson Rose requested that Mid-Continent East Houston be removed from the list because this homebuilder owns lots in Settegast and is participating in the development planning for the Settegast area. Director Collins then agreed to amend his motion to remove builder number 10 shown as Mid-Continent East Houston from the list for approval. The Board then voted unanimously to approve the motion as amended.

b. Consideration and Possible Action to Accept Real Estate Acquisition and Disposition Committee Recommendations of Contract Amendments for Maximum Sales Price Increase Requests by Two Builders for Homes Under the HLB Traditional Homebuyer Program

1. 9401 Chesterfield - HCAD #0822690000008 -1,219 Square Feet -Proposed Price Increase from \$155,450 to \$199,990 - Benny Rodriguez Homes - Sunnyside
2. 8203 N. Main - HCAD # 0620540120004 - 1,386 SF - Proposed Price Increase from \$194,085 to \$212,000 - Europa Homes - Independence Heights

Mr. Zapata stated that Benny Rodriguez Homes is requesting an increase of \$38,000 due to unanticipated market spikes in construction materials, and Europa Homes is requesting an increase of \$18,900 as a result of unanticipated civil engineering, flood elevation and long tap fees.

Director Collins made a motion to approve the contract amendments for maximum sales price increases for Benny Rodriguez Homes and Europa Homes, which motion was duly seconded by Director Vignaud. Director Johnson Rose asked if the increased costs requested by these builders were reviewed by HLB staff. Mr. Zapata stated that these builders submitted revised proformas with the increased costs for materials and labor to justify the increase adjustments. The Board then voted unanimously to approve the motion.

c. Consideration and Possible Action to Approve Proposed Amendments to Houston Land Bank Board Policies as a Result of Required Annual Review

Director DeAnda made a motion to approve the proposed amendments to the Board policies pursuant to the annual review which motion was duly seconded by Director Vignaud.

The HLB Board policies provide guidance for HLB directors and staff in carrying out the organization's operations. The policies include a requirement for an annual review; which was initiated in the Fall of 2021. HLB Staff has proposed a series of adjustments, most of which are "housekeeping" edits that are not substantive.

The primary and most substantial proposed change is to adjust language in the land acquisition and disposition sections regarding the Board of Directors' decision-making authority and responsibility. The current version of the policies suggests a process by which committees approve actions and the Board ratifies such approvals. This creates potential challenges with state open meetings law, including posting of committee meetings; in response, staff has proposed language that makes clear that committees are responsible for recommending Board actions, and the Board of Directors is responsible for considering (approving or denying) property acquisitions and dispositions.

The proposed changes were reviewed at multiple meetings with the Procurement and Oversight Committee and other interested directors who participated. A table of proposed changes is included with this Agenda item, as are redline and "clean" versions of the policies proposed for Board of Directors approval.

Director Galloway stated that she had comments to the items removed on page 94, and Director Jackson requested that deleted provisions for land use and ownership of partial interests in land be added back into the policy.

Director Galloway made a motion to table this Agenda item in order to have the requested changes addressed, which motion was duly seconded by Director Jackson. Director DeAnda agreed to withdraw his motion and Director Vignaud agreed to withdraw her seconding of the initial motion. The Board then voted unanimously to approve tabling this Agenda matter to the next meeting to allow for the necessary corrections to be made to the policy.

- d. **Consideration and Possible Action to Approve Transfer of Property from Oliver Builders to MHL Properties for Construction of an Affordable Home Under the HLB Traditional Homebuyer Program (4306 Alvin - HCAD #0690150060010 - Sunnyside)**

Mr. Gonzalez explained that this Agenda item is necessary because Mr. Oliver Holmes passed away recently and it is now necessary to transfer the subject lot to another qualified homebuilder rather than transferring the lot back to HLB. Director Collins made a motion to approve the transfer of the lot at 4306 Alvin from Oliver Builders to MHL Properties which motion was duly seconded by Director Johnson Rose and passed with the unanimous vote of the Board.

IX. Executive Session

Director Jackson made a motion that the Board enter into Executive Session to discuss certain matters, which motion was duly seconded by Director Galloway and passed by the unanimous vote of the Board. The Board then entered into Execution Session at 12:49 p.m. to discuss the following matters:

- a. **Presentation and Final Consideration of Finalists for the Position of Chief Executive Officer of the Houston Land Bank**
- b. **Discussion Regarding the Value or Transfer of Real Property**

X. Action Items from Executive Session

- a. **Discussion And Possible Action to Grant Authorization to the Chair for Negotiation of Employment Package for the New Chief Executive Officer of the Houston Land Bank Including Terms and Conditions of Employment and Salary and Benefits**

At 1:19 p.m. upon the motion of Director Vignaud duly seconded by Director Johnson Rose the meeting returned to its regular session. Director Galloway made a motion to nominate Christa Stoneham to be employed as President of the HLB which motion was duly seconded by Johnson Rose and approve by the unanimous vote of the Board. Chairman Zeis thanked Mario Castillo, one of the finalists interviewed, for his interest in serving as president of HLB and for his prior work as Secretary of the Board. Director Johnson Rose thanked Denise Smith and her search firm which handled the task of finding a qualified individual to be the next president of the HLB

and Mr. Gonzalez for handling the role of president during the interim period. Denise Smith stated that her search firm reviewed 77 candidate applications for the position of president.

Director Galloway made a motion that the Board enter into Executive Session to discuss the conditions of employment and salary and benefit matters, which motion was duly seconded by Director Vignaud and passed by the unanimous vote of the Board. The Board then entered into Execution Session at 1:28 p.m. to discuss such matters.

At 1:44 p.m. upon the motion of Director Vignaud duly seconded by Director Galloway the meeting returned to its regular session. Director Galloway made a motion to approve the conditions of employment and salary for Christa Stoneham to be employed as President of the HLB which motion was duly seconded by Vignaud and approved by the unanimous vote of the Board.

XI. Board Member Comments

Director Galloway thanked Mr. Gonzalez for handling the duties of President for the interim period and Chairman Zeis for the format of the selection committee to find a new president. She then stated she looks forward to development of the Settegast area. Director Vignaud then thanked everyone for her first year on the Board and Chairman Zeis for implementing an all-inclusive association of the Board and the HLB staff.

XII. Adjournment

Chairman Zeis asked if there were any additional matters to be considered by the Board. Hearing none, the regular Board meeting adjourned at 1:48 p.m. upon the motion of Director Galloway, 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 _____, 2022.

Secretary