

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

October 14, 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, October 14, 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
	Jesus DeAnda

Board members absent were: John David Vasquez, Pastor Steve Hall, Antoinette Jackson and Laurie Vignaud. 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, Genesis Larin 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; and Denise Smith with Denise Smith Consulting.

I. Call to Order and Roll Call

Chairman Zeis called this regular meeting to order at 12:05 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. September 9, 2021 Board Meeting

Chairman Zeis noted that the minutes for the September 9, 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 September 9, 2021 Board Meeting as written, which motion was then duly seconded by Director DeAnda 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 first hybrid meeting.

V. Committee Reports:

a. Executive Committee: Matt Zeis, Chair

Chairman Zeis was not able to attend the monthly Executive Committee meeting and therefore asked Director Collins to summarize the recent meeting of the Committee. Director Collins announced that the Executive Committee met on October 7, 2021 to discuss staff updates, the results of the Round 5 Lot Sales, plans for the Settegast affordable housing project, and the Round 6 Lots Sales scheduled for December 20, 2021.

Chairman Zeis stated that he and Gonzalo Gonzalez attended a meeting with Interim City of Houston Housing Director Keith Bynam and Rupa Sen of the City of Houston Real Estate Department with regard to the strategy for delivering affordable houses with the Houston Housing Department.

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

Denise Smith stated that seven candidates will be interviewed on October 19 and 20 by the Search Committee. She noted that there have been 74 applicants for the CEO/President position and she had 34 conversations with interested persons about the role for this position.

Chairman Zeis stated that the Search Committee meets every Friday morning to discuss the status of the search for a new CEO/President.

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 met and discussed the affordability study completed this Summer, and recommendations for start-up home builders to be able to purchase up to 4 lots while experienced builders could purchase up to 12 lots. She noted that the HLB staff is conducting the scoring process for the new builders for approval by the Board.

Director Johnson Rose stated that the owners of Ivy Leaf Farms is awaiting insurance approval to begin its operations. Also, the Urban Harvest project with the grant from AARP has stalled due to budget constraints.

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

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

Director Mondragón reported that the READ Committee met on September 29, 2021 via Zoom and discussed several requests from builders for sales price increases on houses constructed. The READ Committee also discussed the results of the Round 5 Lot Sales which includes 54 lots being made available from the HLB inventory for bids by the HLB approved home builders. Director Mondragón noted that the recent change to the maximum number of lots which can be purchased by an approved builder has shown to have positive results with these recent lot sales. He stated that HLB expects \$276,250 in revenue from the sale of these lots. The READ Committee then discussed establishing a land acquisition strategy. Director Mondragón lastly reported that the READ Committee discussed recommendations for lot sale price increases and developing a strategy for acquisition of lots.

- 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 security services for houses constructed but not yet sold. He noted that three land surveying firms were qualified under the recent RFP. HLB will need boundary line surveys to determine the property lines for many of its lots. 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.

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. The Committee will next meet on October 21, 2021.

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

Mr. Gonzalez announced that three houses closed recently in the Sunnyside and Acres Homes areas. He then stated that the Round 5 Lot Sales have concluded and today's Agenda includes the proposed sale of 24 HLB lots out of the 54 lots made available for purchase by Approved Builders in the Traditional Home Builder Program. Most of these lots will accommodate one-single family house, however several may be subdivided to construct multiple houses. He further stated that the posting of a Request for Qualifications for builders is still open to expand the homebuilder pool's capacity to develop new affordable houses on HLB lots through the HLB Traditional Builder Program. Also, he mentioned that final certificate was received from Texas Commission on Environmental Quality regarding the land to be purchased at Harrisburg Boulevard and Burr.

Mr. Gonzalez noted that approximately 20 responses to the recent Request for Qualifications for Builders/Developers were received, which was up from the 13 responses received in 2020. HLB staff is now evaluating and scoring these responses to develop a list of builders proposed for qualification to purchase lots from HLB through the Traditional Homebuyers Program. The list will be submitted to the Board for approval no later than early 2022.

He then informed the Board that HLB received a clean auditor's opinion with no findings in the Fiscal Year 2021 annual audit recently completed by HLB's third-party auditor, Doeren Mayhew. A copy of the annual audit report is included with the financial report in this month's Board agenda packet.

Mr. Gonzalez stated that HLB is now in the early stages of working to implement the \$600,000 in Brownfields-related funding received through a grant from the U.S. Environmental Protection Agency. Leading alongside partners Avenue Community Development Corp. and the City of Houston, HLB is working to engage a coalition of community partners in administering funding for identification and preparation for remediation of Brownfields in targeted neighborhoods across Houston.

He informed the Board that conceptual development plans for the Settegast-area are being vetted with various City of Houston departments, including Planning and Development, Houston Public Works, Parks and Recreation, and the Mayor's offices of recovery, resilience and Complete Communities. Project components are envisioned to include new streets, drainage, and other infrastructure; green space; and residential and commercial development. Mr. Gonzalez mentioned that a public meeting in November 2021 will be held to present project concepts and drawings by HLB consultant, APD Urban Planning and Management.

Lastly, Director Gonzalez reported that HLB staff is preparing suggested amendments to Board policy at the request of Procurement and Oversight Committee Chair Jesus DeAnda; the

committee met on October 7 to begin reviewing some of the staff-recommended changes, with plans to present the policies for the annual Board review as soon as November 2021.

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

Ex Officio Director Stoneham reported on the projects to provide lender education and home buyer counseling services to the community. She mentioned that the empowerment center project has encountered permitting problems. There will be three phases for this project and that Phase 1 should be completed by the end of the year. Ms. Stoneham informed the Board that she was a guest speaker at the U.S. Green Building Council meeting and at the Texas Society of Architects meeting in San Antonio. She then mentioned that on December 3rd there will be a meeting National Land Bank Network of approximately 200 land banks across the country to discuss case studies.

VIII. Board Action Items

a. Consideration and Possible Action Regarding Real Estate Acquisitions and Development Committee Recommendations for Property Sales to HLB Approved Builders Under Round 5 of Lot Sales for the HLB Traditional Homebuyer Program

Chairman Zeis announced that approval of this item will authorize staff to execute contracts for sale of 24 HLB-owned lots to five HLB Approved Builders for Round 5 of Lot Sales for the HLB Traditional Homebuyer Program.

The 24 planned lot sales, out of the Round 5 Lot Sales in HLB's Traditional Homebuyer Program, are recommended by the Real Estate Acquisition and Disposition Committee in line with HLB staff proposals. Pursuant to the revised Traditional Homebuyer Program, Approved Builders may acquire properties from HLB to construct quality affordable homes, with price and design approved by HLB.

He noted that the Round 5 Lot Sale differs from prior rounds of lot sales, with increases in the number of lots builders may purchase and have in development at one time. These changes were enabled by Board-approved changes to the Program Guidelines and were based on feedback from current builders who indicated that the prior limitations on lot acquisition and development were problematic. After committee reviews and recommendations, the Board agreed to double the number of lots builders can purchase and have in development at one time (new limits for Startup Builders are maximum four lots at one purchase, eight total in development; for Established Builders, the limits are 12 lots at one purchase and 24 total in development). The increased limits were introduced with the Round 5 Lot Sales, facilitating the sale of 24 lots to five different builders.

Half of the lots are located in Trinity Gardens, with the other half in the Settegast community. The average price limit on new homes to be built on the lots will be \$194,214.

1. SXG Capital dba Green Home Builder

- i. **6726 Shotwell (HCAD # 0660250070771, Trinity Gardens, Sales Price \$17,544; Lot Size 10,200 Square Feet)**
- ii. **0 Shotwell (HCAD # 0660250020699, Trinity Gardens, \$15,161; 10,260 SF)**
- iii. **6809 Shotwell (HCAD # 0660250020700, Trinity Gardens, \$15,161; 10,260 SF)**
- iv. **6614 Shotwell (HCAD # 0660250060763, Trinity Gardens, \$15,081; 10,200 SF)**
- v. **0 Sparta (HCAD # 0300180030018, Settegast, \$6,500; 4,200 SF)**
- vi. **0 Sparta (HCAD # 0300180030019, Settegast, \$6,500; 4,200 SF)**
- vii. **0 Sparta (HCAD # 0300180030020, Settegast, \$6,500; 4,200 SF)**

Director Mondragón made a motion to approve these seven Round 5 Lot Sales to SXG Capital d/b/a Green Home Builder for the HLB Traditional Homebuyer Program which motion was duly seconded by Director Collins and passed with the unanimous vote of the Board.

2. MHL Properties

- i. **0 Attwater (HCAD # 0300170120024, Settegast, \$6,500; 4,200 SF)**
- ii. **0 Shotwell (HCAD # 0660250020691, Trinity Gardens, \$15,034; 10,260 SF)**
- iii. **0 Shotwell (HCAD # 0660250080788, Trinity Gardens, \$15,124; 10,200 SF)**
- iv. **7303 Shotwell (HCAD # 0660250010677, Trinity Gardens, \$15,450; 10,260 SF)**
- v. **7305 Shotwell (HCAD # 0660250010678, Trinity Gardens, \$13,252; 9,028 SF)**

Director Mondragón made a motion to approve these five Round 5 Lot Sales to MHL Properties for the HLB Traditional Homebuyer Program which motion was duly seconded by Director Galloway and passed with the unanimous vote of the Board.

3. Europa Homes

- i. **0 Wileyvale (HCAD # 0660260010272, Trinity Gardens, \$20,437; 12,000 SF)**

- ii. **7118 Touchstone (HCAD # 0731310000082, Trinity Gardens, \$10,748; 8,400 SF)**
- iii. **7116 Touchstone (HCAD # 0731310000081, Trinity Gardens, \$10,748; 8,400 SF)**
- iv. **8420 Peachtree (HCAD # 0660260100181, Trinity Gardens, \$20,410; 13,000 SF)**

Director Collins made a motion to approve these four Round 5 Lot Sales to Europa Homes for the HLB Traditional Homebuyer Program which motion was duly seconded by Director Johnson Rose and passed with the unanimous vote of the Board.

4. LIZ Homes

- i. **0 Sparta (HCAD # 0300180030011, Settegast, \$6,500; 4,200 SF)**
- ii. **0 Sparta (HCAD # 0300180030012, Settegast, \$6,500; 4,200 SF)**
- iii. **0 Sparta (HCAD # 0300180030013, Settegast, \$6,500; 4,200 SF)**
- iv. **0 Sparta (HCAD # 0300180030014, Settegast, \$6,500; 4,200 SF)**

Director Mondragón made a motion to approve these four Round 5 Lot Sales to LIZ Homes for the HLB Traditional Homebuyer Program which motion was duly seconded by Director Bailey and passed with the unanimous vote of the Board.

5. Nelrod Homes

- i. **0 Fields (HCAD # 0752470030015, Settegast, \$6,500; 4,000 SF)**
- ii. **0 Fields (HCAD # 0752470030016, Settegast, \$6,500; 4,000 SF)**
- iii. **0 Fields (HCAD # 0752470030017, Settegast, \$6,500; 4,000 SF)**
- iv. **0 Fields (HCAD # 0752470030018, Settegast, \$6,500; 4,000 SF)**

Director Mondragón made a motion to approve these four Round 5 Lot Sales to Nelrod Homes for the HLB Traditional Homebuyer Program which motion was duly seconded by Director Galloway and passed with the unanimous vote of the Board.

b. Consideration and Possible Action to Ratify Actions Taken at the September 9, 2021 Board Meeting

The September regular meeting of the HLB Board of Directors was conducted via videoconference, a measure of caution in light of the continued COVID-19 threat. However, the meeting occurred after Governor Abbott's September 1, 2021 lifting of special pandemic-driven rules. To clearly establish the Board's intentions, this item covers all votes taken by the Board at

the September 9, 2021 meeting and proposes to ratify and confirm the votes conducted at that meeting.

Director Collins made a motion to ratify the actions of the Board taken at the September 9, 2021 Board of Directors meeting which motion was duly seconded by Director Mondragón 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 12:48 p.m. upon the motion of Director Mondragón, which was duly seconded by Director DeAnda 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 __ 17th __ day of February, 2022.

Jesus DeAnda

Secretary