



DEVELOPMENT DAY

HLB Annual Builder & Developer Procurement

www.houstonlandbank.org



Housing



Parks &
Public Spaces



Conservation &
Resiliency



Economic
Development



Food Access
Solutions



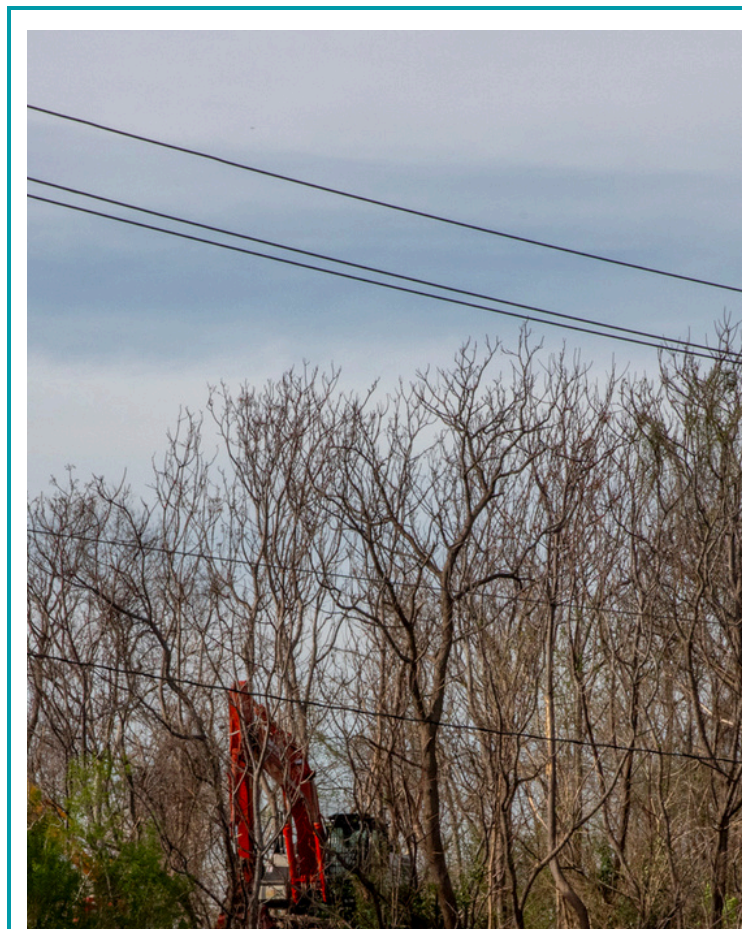
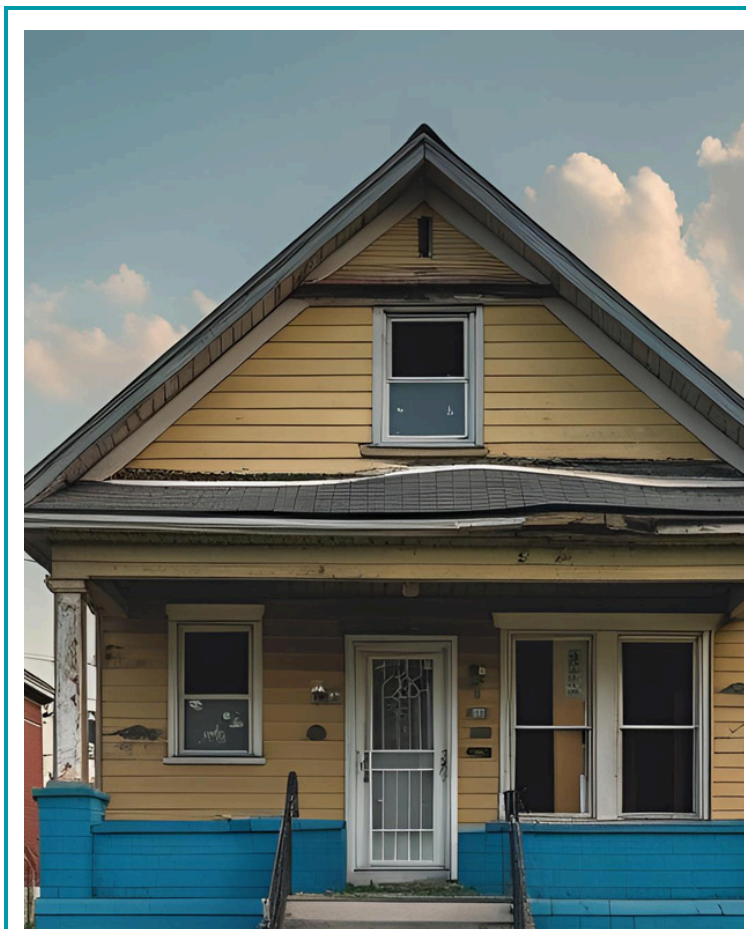
HLB BUILDER: 5TH WARD REDEVELOPMENT CORPORATION

Thank You to Our Sponsor

UNIDOS **US**

STRONGER COMMUNITIES. STRONGER AMERICA.

LAND BANKS RESPOND TO THE COMMUNITIES THEY SERVE.



SINCE 1999, OVER 300 LAND BANKS HAVE BEEN CREATED NATIONWIDE

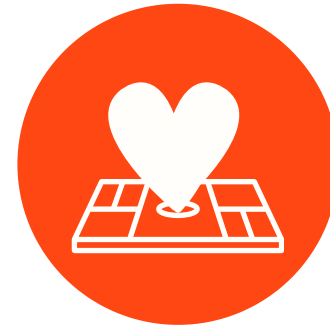


Our Mission

The Houston Land Bank's mission is to strategically acquire, dispose of, and steward vacant, abandoned, and damaged properties. We return properties to productive use for transformative community and economic development for the City of Houston.



Acquires Vacant
Abandoned
Delapidated Land



Maintain
Property



Facilitate Development
by Partners



Our Impact

over
1000

Affordable
homes sold
since 2001

over

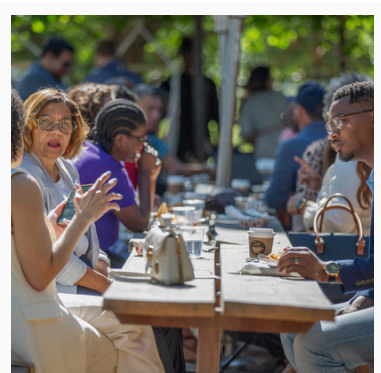
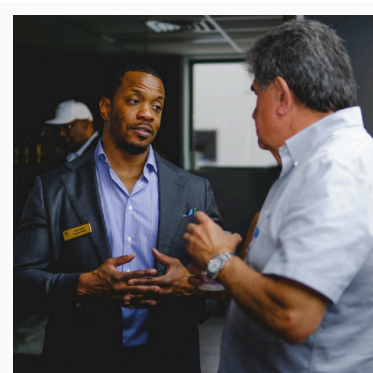
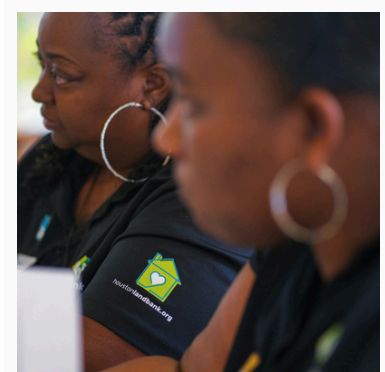
\$125 Mil
in property value
reactivated since
2018

over

\$3 Mil
to support local
minority & small
business since
2018

over

\$5 Mil
in land subsidies to
builders and developers
since 2018



Our Story

1999 - The City of Houston establishes the Land Assemblage Redevelopment Authority (LARA) to initiate the transformation of tax-foreclosed properties into affordable housing.

2018 - The Houston Land Bank (HLB) is formed as a Local Government Nonprofit Corporation, taking over from the LARA program to continue the conversion of properties into affordable housing while expanding its focus on community-driven objectives.

2021 - The enactment of Texas Senate Bill 1679 enhances the authority of land banks like HLB, enabling them to acquire and redevelop properties more effectively, clear titles, maintain properties as tax-exempt, and access various funding sources.

2022 - The HLB fund is established as a 501(c)(3) Nonprofit Organization to diversify funding sources for HLB.

Our focus areas:



Housing



Parks &
Public Spaces



Conservation &
Resiliency



Economic
Development



Food Access
Solutions

Why Are We Here?



Bring together Houston Land Bank staff, builders, developers, financial partners, and technical experts to share upcoming development opportunities, clarify HLB processes, and gather direct industry feedback on which types of lots, construction opportunities, financing tools, and programs builders want to pursue.

HLB BROWNFIELDS

Program



WHAT ARE BROWNFIELDS?

"A brownfield is a property that reuse may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant."

~U.S. EPA

WHAT DOES HLB DO?

The mission of the Houston Land Bank (HLB) is to strategically acquire, dispose, and steward vacant, abandoned, and damaged properties into productive use and to catalyze transformative community and economic development for the City of Houston, including brownfields. Brownfields can cause many issues in a community and are often difficult to redevelop because of the cost and liability associated with environmental contamination.



+



+

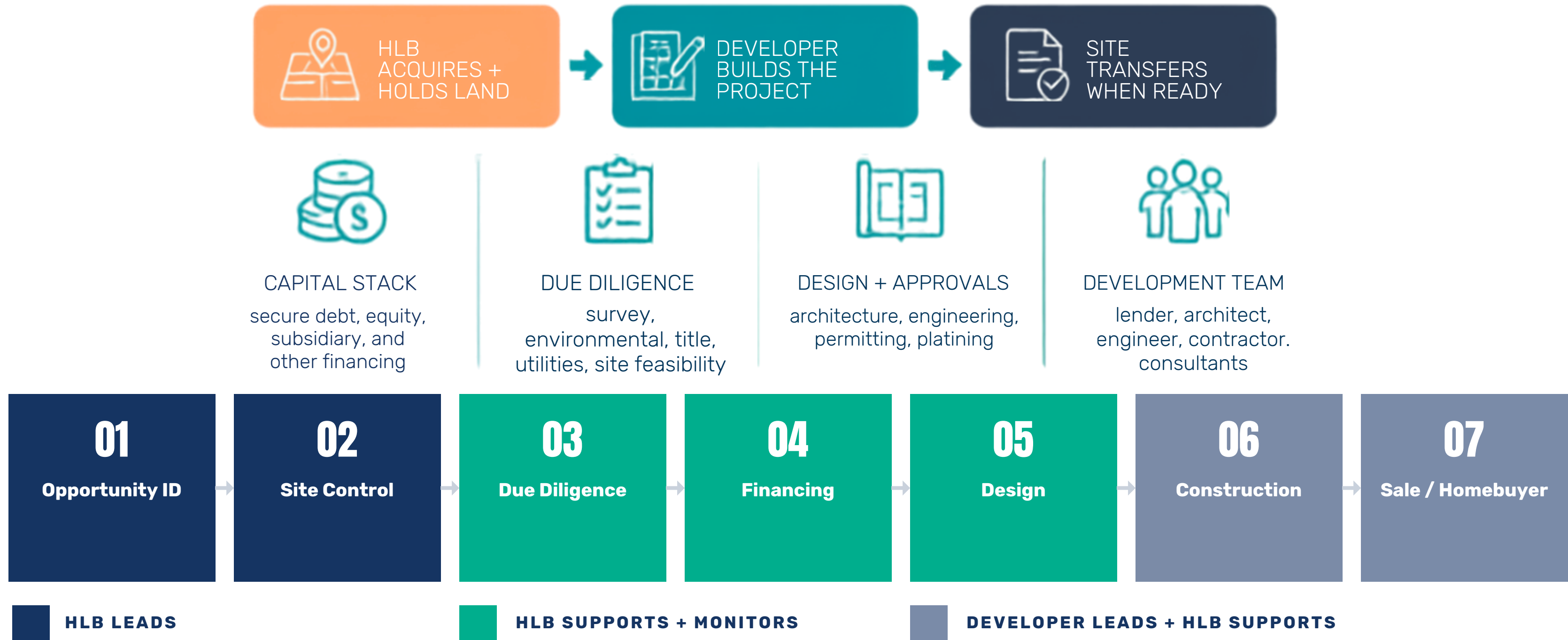


=



Creating Time and Space for Development

Land Banking Program



HLB's role concentrates at the front end, securing land and setting the development requirements, then supports developers through monitoring to completion.

HLB AFFORDABLE HOME PROGRAM

Traditional Homebuyer Program



+



+



=

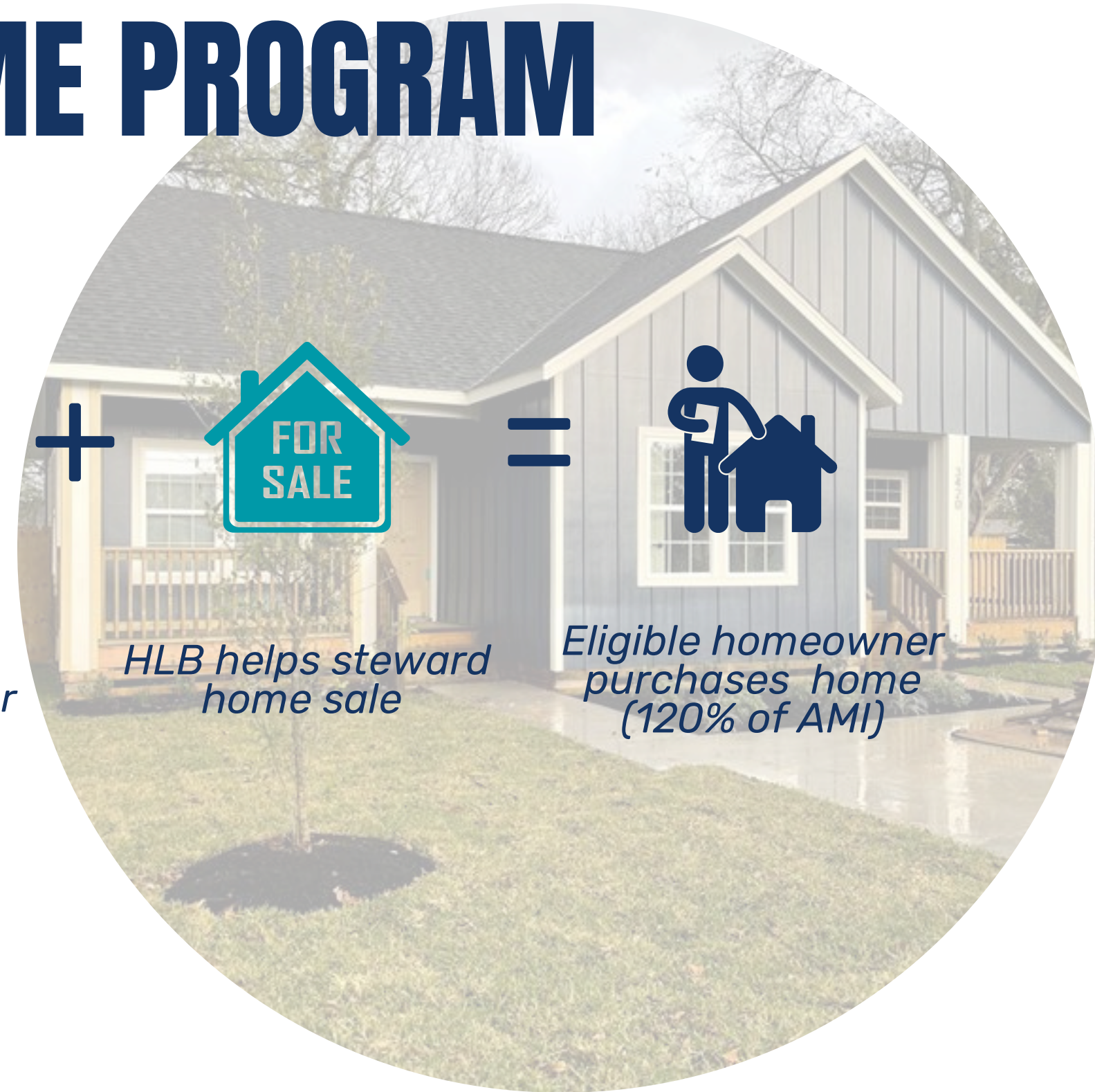


*Land sold to Approved
Builder/Developer
at 50% - 90 %
below market rate*

*Home is
constructed by
Builder/Developer*

*HLB helps steward
home sale*

*Eligible homeowner
purchases home
(120% of AMI)*



BUILDER FINANCIAL READINESS

Are You Ready to Qualify, Build & Grow?



BUSINESS

PROJECT

CAPITAL

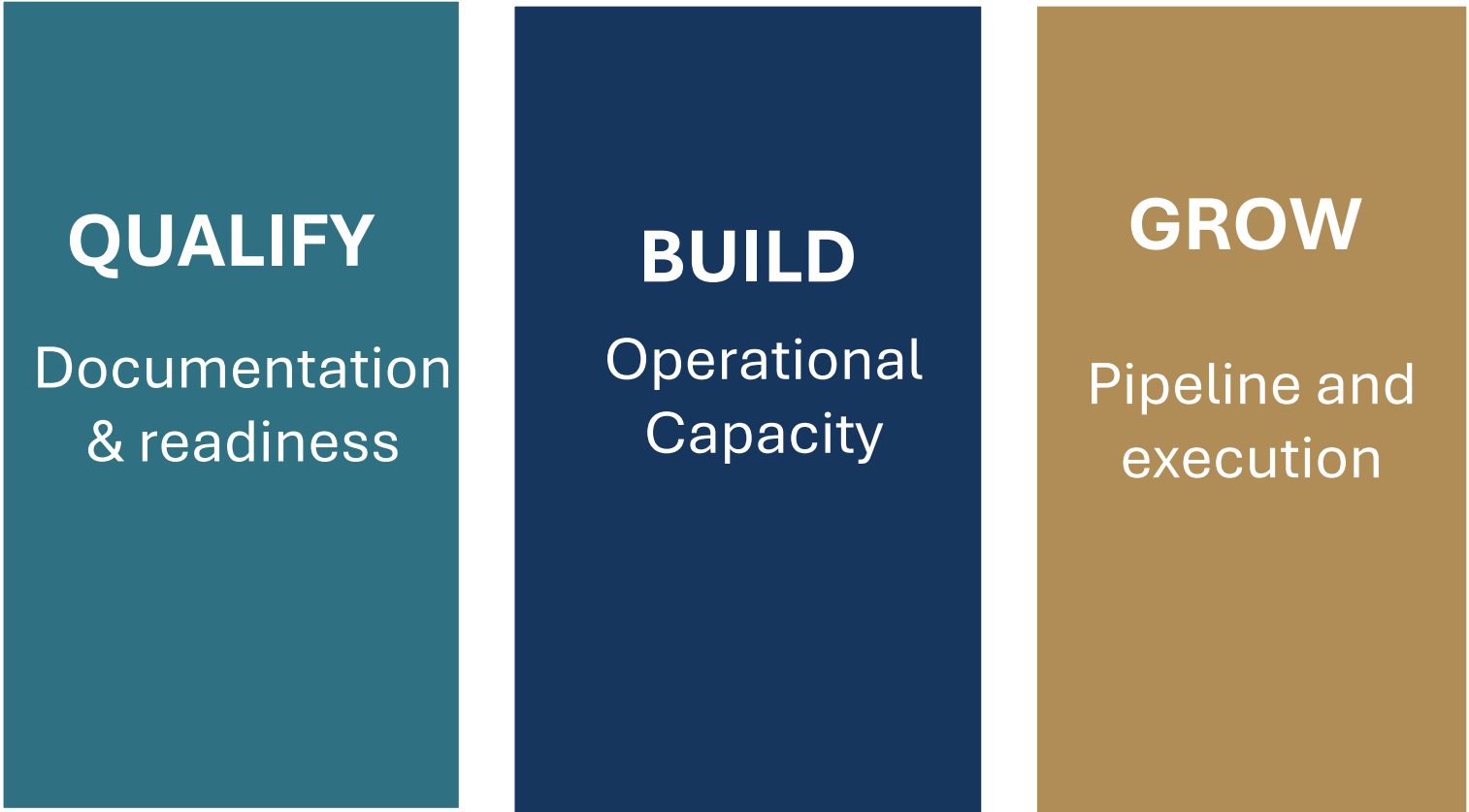
Financial readiness is the bridge between
opportunity and execution.

This workshop is for educational purposes only and does not constitute legal, accounting, financial, tax, or other professional advice. Please consult a qualified professional regarding your specific circumstances. Participant opinions and recommendations do not represent endorsement by the presenter or sponsoring organization.

Why This Session Matters

Development Day introduces builders to HLB programming and the RFQ process. This session helps builders assess whether they are financially and operationally ready before pursuing the opportunity.

Financial readiness means being able to explain your business, explain your project, support your numbers, and demonstrate your capacity to perform.



Session Outcome: Participants leave with a readiness checklist, self-assessment, and 30-day action plan.



Scan QR Code for the HLB Builder Financial Readiness Participant Packet

Case Exercise: Is this builder financially ready?

ABC Builders

- 7 years in business
- Completed 12 homes
- Proposed project: \$500,000
- Business bank balance: \$60,000
- Financial statements are 10 months old
- No formal project budget
- \$40,000 outstanding receivables
- Reimbursement after inspections
- Wants to start in 30 days

Discussion Questions

1. What looks strong?
2. What information is missing?
3. What cash-flow risk exists?
4. What should be updated before applying?
5. Would you classify this builder as Green, Yellow or Red?

Goal: Identify gaps before the opportunity moves forward.

Today's Roadmap

01	02	03	04	05
Start with the business	Know your numbers	Prepare the project	Plan for capital demands	Leave with next steps
Ownership, experience, team capacity, records and systems.	Sales, expenses, profit and cash — the four numbers that tell the truth.	Budget, sources and uses, timeline, site control and exit strategy.	Working capital, equity, reimbursement timing, and construction draws.	Self-assessment, readiness file, and 30-day action plan.

Theme for the Day: Build the Business Before You Build The Project.

What Does “Financially Ready” Mean?

Being a good builder and being a financially ready builder are related — but they are not the same thing.

01 Business Stability

The company is organized, active, insured, and able to explain its operating history.

02 Financial Organization

Records are current, understandable and available when requested.

03 Project Feasibility

The project budget, sources, timeline, and exit strategy make sense.

04 Execution Capacity

The builder has the team, cash flow, and controls to perform.

HLB Goal: Is to help builders understand financial readiness without turning this session into a formal underwriting decision.

Start With The Business Behind The Project

Before a reviewer understands the project, they need to understand the company that will carry it.

01 Ownership

Who owns and controls the business?

02 Operating History

How long has the company operated?

03 Completed Work

What projects have been completed?

04 Average Project Size

What scale has the builder handled?

05 Team Depth

Who estimates, supervises and manages?

06 Pipeline

What work is active or pending?

Financial Housekeeping Every Builder Should Have

Do not wait until an RFQ, contract, or financing opportunity is announced to organize your financial records.

- ☐ Separate business bank account
- ☐ Bookkeeping system in use
- ☐ Current Profit & Loss statement
- ☐ Balance sheet
- ☐ Business tax returns

- ☐ Bank statements organized
- ☐ Accounts receivable/payable tracking
- ☐ Insurance documentation
- ☐ Current registration / good standing
- ☐ W-9 and EIN available

Strong records help a business appear credible, organized and contract-ready.

The Four Numbers Every Builder Must Know

SALES

What came in

EXPENSES

What went out

PROFIT

What is left

CASH

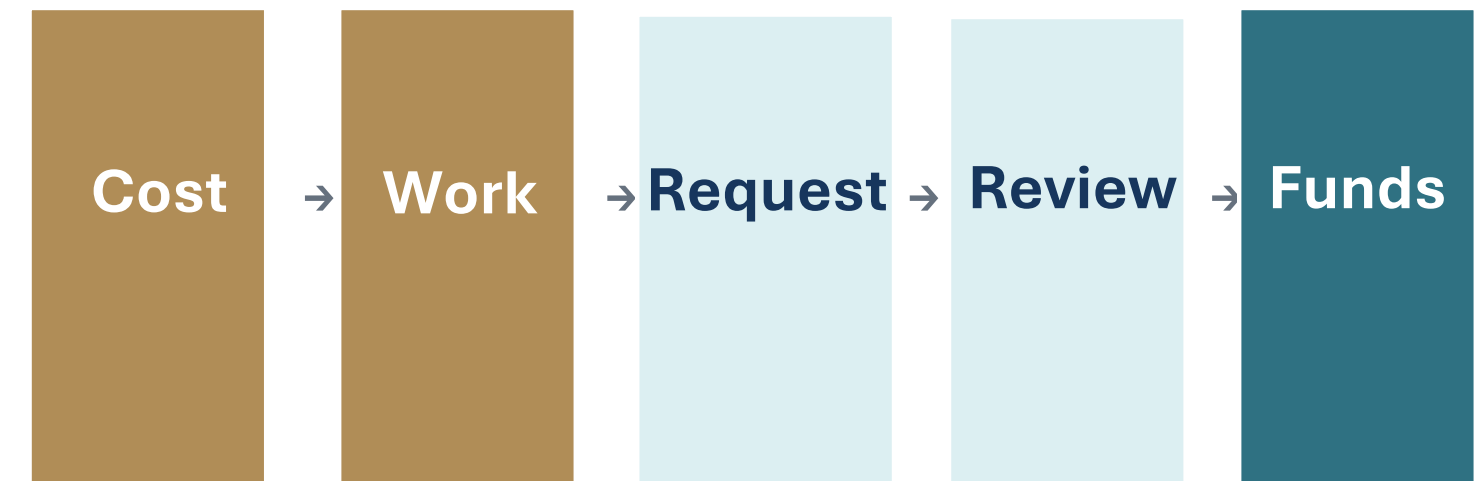
What is available

Everything in financial readiness connects back to these four numbers.

Profit Is Not The Same As Cash

A builder can have a profitable project and still experience a cash-flow crisis.

Materials may need to be purchased before reimbursement.
Subcontractors and payroll often come due before funds arrive.
Insurance, permits and professional services may require upfront payment.
Unexpected costs can pressure the project budget.



Profit keeps the business viable. Cash keeps the project moving.

Business Ready Does Not Always Mean Project Ready

Business Readiness

- Financial statements
- Operating history
- Liquidity and cash flow
- Credit and legal issues
- Team and controls
- Insurance and compliance

Project Readiness

- Site control
- Development budget
- Sources and uses
- Construction scope
- Timeline and permits
- Exit strategy

A financially ready builder can explain both sides clearly.

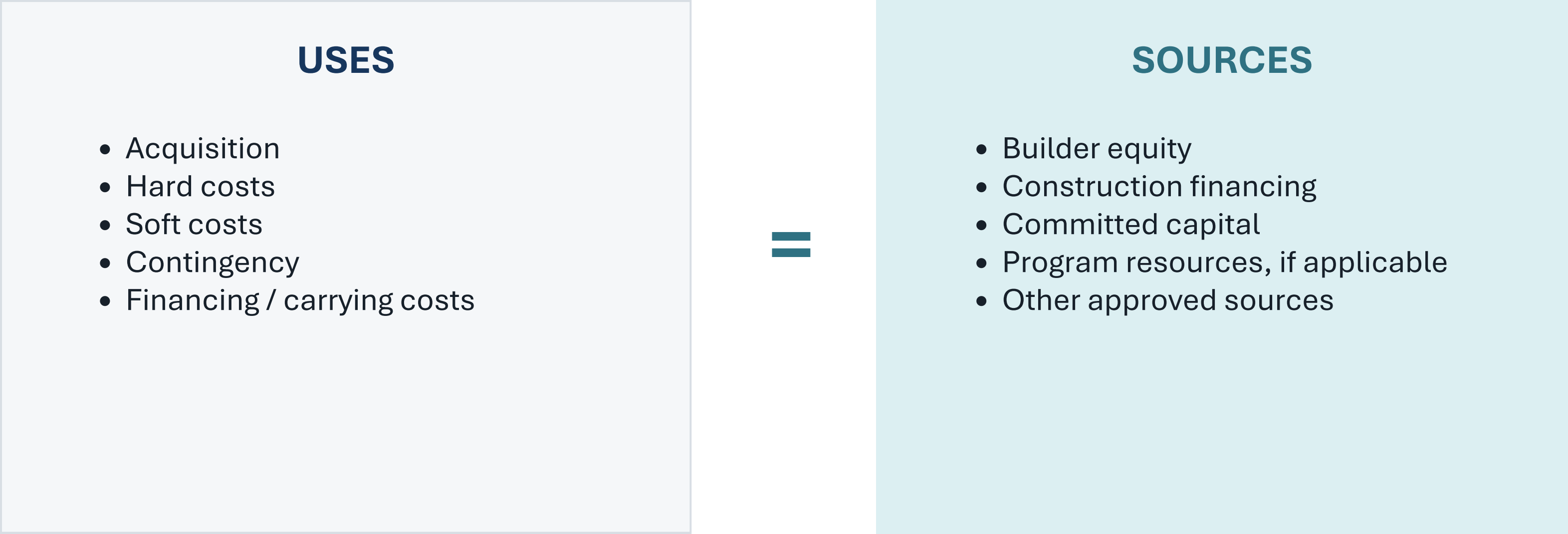
Know The Project Numbers

The development budget should tell the full cost story — not just the construction number.

Acquisition • Land / property cost • Closing costs • Due diligence	Hard Costs • Labor • Materials • Site work • Subcontractors	Soft Costs • Architecture • Engineering • Permits • Legal / insurance	Carry & Contingency Interest / Holding Contingency Marketing /Sales Developer Fee
--	---	---	---

Key Question: What is the total development cost?

Sources and Uses: Every Dollar Needs A Plan



Does the project have enough committed capital to reach completion?

Capital Readiness: Working Capital, Equity and Liquidity

Development opportunities may require builders to demonstrate they can meet their financial obligations.

Working Capital

Operating cushion used to manage timing gaps, slow payments, payroll, materials and surprises.

Builder Equity

Cash or resources the builder contributes or has at risk in the project.

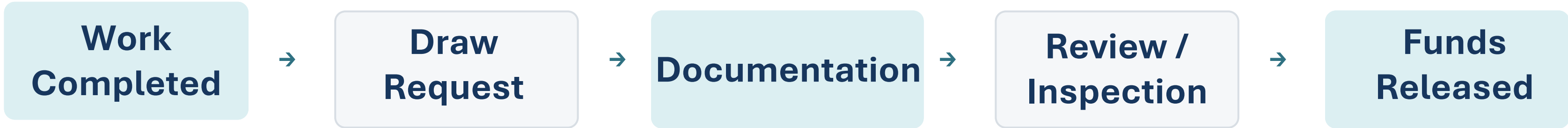
Liquidity

Available cash or access to cash that can be verified and used when needed.

Important: Specific HLB requirements will depend on the applicable program, RFQ, financing source and adopted policies.

Construction Draw Reality

Construction financing is often controlled and documented. Builders must plan for the cash needed to bridge the gap between work and payment.



Cash-flow gap to plan for: Costs paid before funds are released + delays + change orders + retainage, if applicable.

Builder Question: Can my company keep moving if funds are released after work is verified?

What Reviewers Want To Understand

01 **Capacity**

Can the company perform?

02 **Experience**

Has the builder handled comparable work?

03 **Capital**

Are adequate resources available?

04 **Feasibility**

Do the project numbers make sense?

05 **Controls**

Are funds and costs tracked well?

06 **Exit**

How does the project reach completion and resolution?

Build the Builder Readiness File

Build the file before you need the file.

Business

Formation documents
Good standing
W-9 / EIN
Insurance

Financial

P&L
Balance sheet
Tax returns
Bank statements

Experience

Project list
Photos
References
Team resumes

Project

Budget
Sources & uses
Scope
Schedule

This file becomes useful for RFQs, lender conversations, partnerships, grants and technical assistance.

Case Exercise: Is this builder financially ready?

ABC Builders

- 7 years in business
- Completed 12 homes
- Proposed project: \$500,000
- Business bank balance: \$60,000
- Financial statements are 10 months old
- No formal project budget
- \$40,000 outstanding receivables
- Reimbursement after inspections
- Wants to start in 30 days

Discussion Questions

1. What looks strong?
2. What information is missing?
3. What cash-flow risk exists?
4. What should be updated before applying?
5. Would you classify this builder as Green, Yellow or Red?

Goal: Identify gaps before the opportunity moves forward.

Builder Readiness Self-Assessment

GREEN — Ready	YELLOW — Almost Ready	RED — Build the Foundation
Most documents, financial systems and capacity are already in place. Action: Maintain readiness and evaluate upcoming opportunities.	The company has experience, but has financial, documentation or capacity gaps. Action: Address gaps before pursuing the next opportunity.	Significant financial systems, documentation or project-capacity work remains. Action: Seek technical assistance and establish the foundation first.

The purpose is not to disqualify yourself; it is to identify what to strengthen next.

Your Next 30 Days

1

Organize
Create your Builder Readiness File.

2

Review
Review your financial statements.

3

Calculate
Understand cash and working capital.

4

Document
Update project experience and references.

5

Prepare
Create a sample project budget and sources & uses.

6

Address Gaps
Identify needed technical assistance.

Do not wait for the next opportunity. Prepare before it arrives.

HLB Annual Builder & Developer Procurement



HLB BUILDER: 5TH WARD REDEVELOPMENT CORPORATION



Builder Categories



Master Community Builder: Capacity to support development of small to mid-size development districts in larger geographic areas or on larger parcels, based on track record of completed clusters of single-family homes, and demonstrated business



Established Builder: Capacity for building on 5-10+ units on separate land parcels at the same time, based on track record, and demonstrated business experience of more than five years with the applying company and at least ten (10) successfully completed “ground up” residential projects.



Startup Builder: Capacity for building on 1-4 units on separate land parcels at a time. Demonstrated successful business experience of completing At Least three (3) “ground up” residential construction projects (or of comparable size and scope subject to review) and at least two years with the applying company or entity. If “Start-Up Builder” is a new entity or partnership one of the managing partners, responsible for construction operations, will be required to clearly demonstrate the same required experience.



Non-Traditional Builder: Capacity and demonstrated experience building with alternative building methods that differ from mainstream residential or commercial construction. Including but not limited to using natural building materials, environmental sustainability designs, construction of manufactured or “tiny homes.”

Fortified Builder



Rehab/Reconstruction services: Capacity and demonstrated experience for rehabbing & reconstructing of single family and multi-family homes.



Neighborhood Commercial Builder: Capacity to build smaller-scale commercial development and be responsive to community needs and plans.

Neighborhood Commercial /Community Facility Builders	Non-Traditional Builder	Rehab Builder	Master Community Builders	Established Builders	Startup Builders
Smaller-scale commercial development or community facilities	Alternative building methods	Rehabbing/reconstructing single-family and multi-family homes	Small to mid-sized development districts on larger parcels or in larger geographic areas	5-10+ units on separate land parcels simultaneously	1-4 units on separate land parcels at a time

HLB ANNUAL BUILDER PROCUREMENT

30 Qualifications

30 Experience and
Track Record

40 Capacity to
Perform

A minimum of 75 points is required to be a HLB builder



COMPLETENESS: PASS OR FAIL



1

Responsiveness of Submittal



2

Qualifications



3

Experience &
Track Record



4

Capacity to Perform

Is the Application Complete?

Submittals must be complete and submitted by the deadline. The required pass/fail documentation includes:

- Cover Letter
- Statement of Qualifications
- Recent Experience
- SOS Good Standing Documents
- Reference Letters on Official Letterhead
- Service Approach
- Financial Statements
- Insurance/Bonding
- Proforma

If the above minimum documentation is not submitted, the response will be deemed non-responsive and will not move forward for review with the committee.

QUALIFICATIONS (30 POINTS):



1

Responsiveness
of Submittal



2

Qualifications



3

Experience &
Track Record



4

Capacity to Preform



- What services will you provide and what licenses do you hold?
- Who is on your team and what are their roles?
- What relevant codes, programs, and agencies are you experienced with?
- What geographic areas do you serve and how quickly can you mobilize?
- What is your organizational chart?

EXPERIENCE AND TRACK RECORD (30 POINTS):



1

Responsiveness
of Submittal



2

Qualifications



3

Experience &
Track Record



4

Capacity to Preform

Match to the category you are applying for:

- **Say what you built, for whom, and how it performed financially.**
 - Project name, location, role, delivery method
 - Contract value and final cost
 - Planned schedule versus actual completion
 - Highlight the past five years with clear budget and schedule outcomes.
- **Show you can work with LMI buyers.**
 - Number of LMI buyers and areas served
 - Programs used, such as down payment assistance
 - Partnerships with counseling agencies and lenders
- **MWBE and local hire reporting**
 - Meeting MWBE, HUB, or similar goals
 - Target goals and actual results as a percent of total spend
 - List of diverse subs with scopes and amounts
- **Provide 3 Professional references**
 - Project name, role, location, contract value, and dates
 - Quality, schedule, and budget performance
 - Contact name, title, email, and phone

CAPACITY TO PERFORM (40 POINTS):



1

Responsiveness
of Submittal



2

Qualifications



3

Experience &
Track Record



4

Capacity to Perform

- **Say how you will fund mobilization, carry costs, and completion, and show bonding strength**
 - Available working capital
 - Line of credit amount, lender, and availability
 - Recent average monthly cash balance
 - Bonding capacity and aggregate limits and current usage
- **Show you can mobilize quickly and deliver on schedule with quality controls.**
 - Typical start timeline from deed recordation to ground break
 - Standard construction duration by product type
 - Milestones such as permits and inspections
- **Show cost and performance innovations that reduce total cost of ownership**
 - Framing or envelope strategies such as panelized walls or advanced framing
 - Systems such as heat pump water heaters or high efficiency HVAC
- **Sample pro forma for a typical home**
 - Sources such as equity, construction loan, incentives, buyer assistance at closing
 - Uses such as land, site prep, vertical hard costs by trade, soft costs, permits, insurance, contingency, interest carry, sales costs

PATHWAY TO RFQ SUCCESS

Sign up to be notified when
Builders /Developers RFQ is live
October 5, 2026



Submit qualifications and supporting documents
for desired Builder Category by the deadline of
November 6, 2026



Review all RFQ requirements
and identify any items that
you need further clarity on.
Deadline for written Q & A
submission is
October 18, 2026



Builder RFQ Board Consideration &
Notification of Eligibility
January 2027



YOU MADE IT! NOW WHAT?

Acquire HLB lots below market value through HLB lot sales.



Sell Your Home to Approved Income Buyers



**Build Quality,
Affordable Homes**



**Reapply after a
period of two years.**

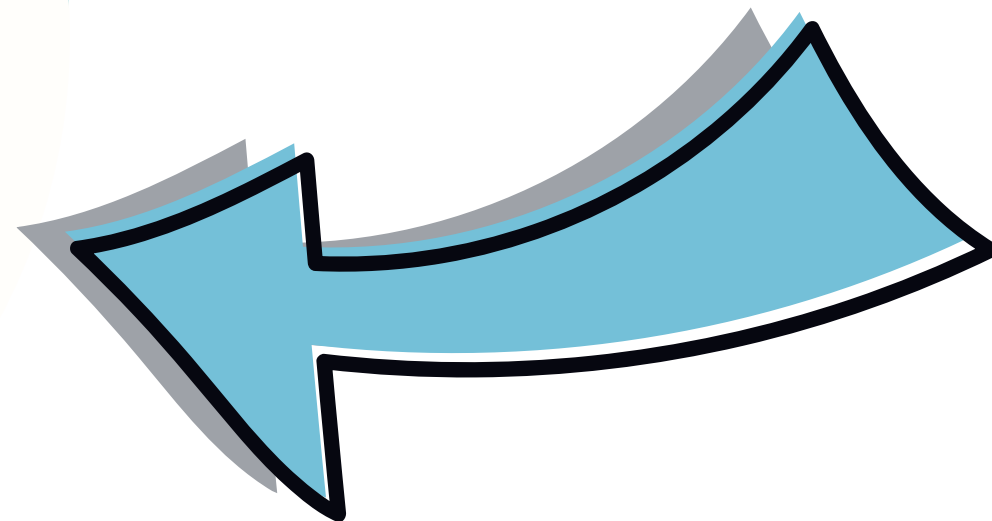
RFQ BEST PRACTICES



- Follow a clear order
 - Mirror the pass or fail checklist order. Add a one-page checklist as the first page and mark each item included.
- Use an appendix if needed
 - Keep the cover letter to one page and the service approach to three pages. Put resumes, licenses, and lengthy reports in an appendix.
- Prepare Application Early
 - Allow time to review and double-check items
- Submit Questions in advance to allow time to revise
- Connect with existing or former HLB Builders



HLB 2026 Development Day- Builder/Developer Survey



Thank You to Our Sponsor

UNIDOS **US**

STRONGER COMMUNITIES. STRONGER AMERICA.



STAY CONNECTED

www.houstonlandbank.org



www.houstonlandbank.org



[@htxlandbank](https://www.instagram.com/htxlandbank)



info@houstonlandbank.org