

**LAND ASSEMBLAGE REDEVELOPMENT AUTHORITY  
MINUTES OF BOARD MEETING  
HOUSTON, TEXAS**

**December 1, 2006**

A meeting of the Board Of Directors (“the Board”) of the Land Assemblage Redevelopment Authority (“LARA”), 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 in the Houston City Hall Annex Council Chambers, Public Level, 900 Bagby Street, Houston, Harris County, Texas, on Friday, December 1, 2006. Written notice of the meeting, which included the date, hour, place and agenda for the meeting, was posted in accordance with the Texas Open Meetings Act.

Board members in attendance were:

Reginald Adams, President  
David Collins, Chairman of the Board  
Cheryl Armitige  
Jolanda Jones  
Teresa Morales  
Craig Presley  
Jeremy Ratcliff  
Yolanda Black-Navarro

Board Members absent were:

Ray Fisher  
Tyrone Dorian  
Reverend James Nash  
Antoinette Jackson  
James Harrison, III

Others in attendance included: Steve Tinnermon and Pat McFarland of the Neighborhoods and Housing Division of the Mayor’s Office (the “NHD”); Jim Lemond and Monique Saulter of Winstead Sechrest & Minick, P.C., LARA’s General Counsel; Cheryl Felts of Linebarger, Goggan, Blair and Sampson, L.L.P. (“Linebarger”); Chris Butler, special assistant to the Mayor of Houston in the area of property construction; and Lynn Henson of the City of Houston's Planning and Development Department (the “Planning Department”).

**I. Call to Order**

Mr. Collins, Chairman, called the Board meeting to order at 2:10 p.m.

**II. Review and Approval of Minutes from the October 27, 2006 Board Meeting**

Mr. Adams noted that the Minutes of October 27, 2006, incorrectly stated that Mr. Harrison was not in attendance. Upon a motion by Mr. Collins, seconded by Ms. Jones, the Board unanimously approved the Minutes of the October 27, 2006 Board meeting, as corrected to note that Mr. Harrison was in attendance.

**III. Old Business**

**a. Treasurer's Report**

Ms. Morales presented the Treasurer's Report. She explained that the large Accounts Payable balance resulted from LARA having to wait to receive funding and stated that most of the accounts would be paid in full the following week. Ms. Morales reported that LARA's annual independent audit was currently in progress and should be completed within the next two weeks. She reported that the auditor had not noted any significant exceptions thus far. She stated that LARA is transferring most of the bookkeeping duties to a CPA firm, and that prior to its next meeting, the Board should focus on reviewing all existing consulting contracts and move forward with issuing new Requests for Proposals ("RFPs") for services for 2007. After motion by Mr. Adams, seconded by Ms. Jones, the Board approved the Treasurer's Report.

**b. Auction update by Linebarger, Goggan, Blair and Sampson, L.L.P.**

Ms. Felps reported that LARA acquired 40 properties (21 through strike-off and 19 through purchase) at the November tax auction. She added that roughly 47 properties would be available for purchase at the January auction.

**IV. Committee Reports**

**Executive Committee**

**a. LARA Model Home Program**

Mr. Adams reported that the Executive Committee had discussed a proposed LARA Model Home program at its most recent meeting. He noted that LARA would like to see model homes constructed in all of the Houston Hope areas, but stated that LARA would first commence a pilot program in the Acres Home subdivision. Mr. Tinnermon addressed the Board and explained that the model homes would give the public a better

idea of the available home product to be built in the area. He stated that LARA is working with the Community Development Corporations (the “CDCs”) to have model homes available in the very near future. Mr. Adams stated that LARA should encourage developers to establish such model homes in the seven target Houston Hope areas. Mr. Adams noted that the Executive Committee was recommending that LARA develop a policy governing a LARA Model Home program.

Mr. Collins then opened the floor up for discussion. Ms. Black-Navarro questioned whether such a policy would act as an incentive only to those builders who are financially capable to construct model homes in the target areas. Mr. Tinnermon stated that LARA would require any builder wishing to build a model home for the program to partner with the CDC for the applicable area, consistent with the requirements of the RFP. He then discussed an example of one builder who took the initiative to build a model home for the program using his own funds. While a commendable effort, he said, LARA should have a policy in place that would define the circumstances under which a CDC/builder team would be permitted to build a model home on a LARA-owned lot.

Ms. Black-Navarro stated that she had two concerns: one, she wanted further clarification of the motion being presented, and two, she wanted to confirm that LARA would not choose certain builders over others solely because they had the financial capacity to build a model home.

Mr. Lemond addressed the Board and explained that the motion would only propose that LARA approve the development of a policy governing the construction of model homes on LARA-owned lots. The policy, once developed, would establish the terms and conditions under which a CDC/builder team could construct a model home on a LARA-owned lot. The policy would include a requirement that each builder proposing to construct a model home on LARA-owned property must agree to enter into a contract with LARA to construct a model home in a particular area. Each such contract would require LARA board approval prior to the start of construction. He stressed that the builder would still be required to partner with the CDC and be governed by the RFP requirements. He also emphasized that LARA would be required to give every builder approved for participation in the LARA affordable housing construction program an equal opportunity to build a model home for the area in which they had been selected to participate. Thus, every approved builder, regardless of financial circumstance, would be offered the same opportunity to construct a model home, whether they eventually chose to do so or not.

Ms. Jones stated that the policy should provide that every approved builder be given the opportunity to build a model home in its own target area and encourage that model homes be built; but, she pointed out, the construction of a model home should be an option, not a requirement, for builders approved to build affordable housing units in their target areas. Upon a motion by Mr. Collins, seconded by Ms. Jones, the Board unanimously approved Mr. Adam's recommendation that LARA develop a policy governing the construction of model homes on LARA-owned lots in the target areas.

## **b. Request for Redemption of Property by Prior Owner**

Mr. Collins advised the board that the prior owner of property located in the Acres Home area, recently purchased by LARA, had requested that the LARA board grant him the right to redeem the property, as authorized by state law. The Executive Committee voted to recommend that LARA authorize the redemption and, further, that LARA waive the imposition of the statutory 25% penalty fee.

## **V. New Business**

The board considered the recommendation of the Executive Committee to approve a request by Mr. Bizmark Acebo that he be allowed to redeem certain property in Acres Homes to which he held title by virtue of a Warranty Deed from a prior purchaser in 2005. LARA acquired title to the property by Constable's Deed following a successful bid at a tax auction sale early in 2006.

Ms. Morales asked whether LARA had purchased the property at auction or if the property had been obtained by strike-off. Mr. Lemond answered that LARA had purchased the property, and that the purchase price was \$10,000.00. In addition, LARA had incurred a \$20.00 fee for the deed recording, which cost must be added to the redemption amount. Mr. Lemond noted that the Texas redemption statute provides that LARA can impose a 25% penalty fee, but pointed out that the owner had received, and properly recorded, a warranty deed to the property from a previous purchaser prior to the date that LARA received its deed from the constable. Because of these facts, Mr. Lemond recommended that LARA authorize the redemption of the property by the prior owner and that it waive the statutory 25% penalty.

Ms. Jones stated that, in order to avoid such a situation in the future, LARA should check the deed records more carefully, and asked Ms. Felps if the Linebarger firm, in anticipation that LARA would be a bidder at a tax sale, could examine the deed records at a point closer in time to the auction date. Ms. Felps stated that she would check to see if her firm could do that for all properties.

Ms. Nora Olmos, the realtor representing Mr. Acebo, the individual seeking to redeem the property, approached the podium, and stressed that her client wanted to get the redemption settled as quickly and as reasonably as possible. She asked about the process for redemption. Mr. Lemond explained that her client would be required to present a cashier's check to LARA in exchange for a deed to the property from LARA, which action would relinquish LARA's rights to the property. Mr. Lemond stated that he would work with her to resolve the issue.

After a motion, made by Mr. Collins, that Mr. Bizmark Acebo be allowed to redeem the property in question for a total redemption cost of \$10,020.00, duly seconded by Ms. Jones, the Board unanimously voted in favor of such motion.

## **VI. Chairman's Report**

### **a. Houston Hope Program Panels**

In lieu of a Chairman's Report, Mr. Tinnermon addressed the Board. Mr. Tinnermon noted that the Board had previously approved the purchase of six marketing panels for the Houston Hope program. He stated that there was a firm price for six at \$12,185.00 and \$18,850.00 for ten. Ms. Morales pointed out that at the last board meeting she requested that the financing committee review the financials for such acquisition before the Board approved the purchase of the panels. Mr. Collins stated that the Board could wait to formally approve the acquisition of the panels and stated that the Board did not have to make a formal decision at the current meeting.

Mr. Adams asked if the NHD had identified the six to ten locations for the panels. Mr. Tinnermon stated that the panels are of a mobile nature and were not permanently assigned to any particular locations. Mr. Collins asked about the current locations of the panels. Mr. Tinnermon responded that they were currently in the 5<sup>th</sup> Ward, 3<sup>rd</sup> Ward, Sunnyside, Trinity Gardens, and Acres Homes areas. Mr. Adams stated that when the panels are finally completed and purchased, LARA should place them in multi-service centers or libraries in the Houston Hope areas.

Ms. Armitige asked if the designers had added the LARA logo to the panels. Mr. Tinnermon noted that the design was still in the planning stage but stressed that LARA's name would be prominently displayed. Mr. Adams requested that the designer send the Board a proof of the design before LARA purchased the panels.

### **b. The CHODO Program**

Mr. Collins reported that Mr. Tinnermon was working with City Councilmember Ada Edwards regarding an innovative financing program designed to encourage participation in the construction of affordable housing by Community Housing Development Organizations, or "CHODOS". Mr. Tinnermon stated that Ms. Edward's Council committee, the Housing and Community Affairs Committee, was discussing the possibility of obtaining federal community development HOME funds to provide money for CHODOs to finance the construction of affordable housing. He stated that the Council committee was discussing how CHODOS might be permitted to construct ten single-family homes on lots owned by LARA. Proceeds of those homes, once sold, would be made available to build additional homes. Mr. Collins stated that this proposed program would be discussed in upcoming meetings.

Mr. Collins asked if the Planning Department, as represented by Ms. Henson, had any comments. She replied that it had none.

**VII. Public Comments**

There were no comments from the public.

**VIII. Executive Session**

No matters were posted for discussion in Executive Session. No session was therefore convened.

**IX. Adjournment**

On a motion by Ms. Jones, seconded by Mr. Adams, the meeting was adjourned at 2:44 p.m.

**Minutes prepared by:**

**Jim Lemond and Monique Saulter  
Winstead Sechrest & Minick, P.C.**

Signed on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

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Reginald Adams, President

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Jolanda Jones, Secretary