

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

January 20, 2005/6

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 Council Chambers, City Hall, 2<sup>nd</sup> Floor, 901 Bagby Street, Houston, Harris County, Texas on Friday, January 20, 2006. Written notice of the meeting, including the date, hour, place, and agenda for the meeting was posted in accordance with the Texas Open Meetings Act.

Board Members in attendance were:

David Collins, Chairman of the Board  
Reginald Adams, President  
Jolanda Jones  
James Harrison, III  
Edward Locke  
Teresa Morales  
Cheryl Armitige  
Antoinette Jackson  
Jeremy Ratcliff, and  
Craig Presley

Board members absent were:

Tyrone Dorian  
Ray Fisher and  
Yolanda Black Navarro

Others in attendance included Steve Tinnermon and Patricia McFarland of the Neighborhoods and Housing Division of the Mayor's Office; Jim Lemond and Archana Singh of Winstead Sechrest & Minick, P.C., the Authority's General Counsel; Leah Stolar and Cheryl Felps of the law firm of Linebarger, Goggan, Blair and Simpson, LLP; Lynn Henson of the City of Houston's Planning and Development department; and Charles Rencher of Horizon Southwest Properties.

**I. Call to Order**

The meeting was called to order by Mr. Collins, the Board Chairman, at 2:14 p.m. and Mr. Collins announced that a quorum was present. Mr. Collins also welcomed new Board member Craig Presley.

**II. Designation by Chairman of a recording secretary**

Mr. Collins reiterated that the duties of Recording Secretary have been delegated to Winstead, Sechrest & Minick, P.C., the Authority's General Counsel.

**III. Review and approval of Minutes from the October 21, 2005 & November 18, 2005 Board meetings**

The Minutes for the October and November Board Meetings were presented for consideration. On a motion duly made and seconded, the Minutes were unanimously approved.

**The following items were taken out of order by the Chairman.**

**VI. New Business**

**a. Presentation by General Counsel on the requirements of new legislation (HB 914) effective January 1, 2006 regarding Conflict of Interest Disclosure statements by board members in certain circumstances**

Mr. Lemond utilized a power point presentation to explain to the Board members the provisions of HB 914, incorporated as Chapter 176 of the Texas Local Government Code. This new statute requires the filing of Conflicts of Interest disclosure forms in certain circumstances by local government officials and vendors who do business with local government entities. Following the presentation, the Board requested that Mr. Lemond schedule a follow-up meeting to advise the members of all laws or regulations governing the ethical conduct of the group as government officials.

**b. Presentation by General Counsel on the requirements of new legislation (SB 286) effective January 1, 2006 regarding required training on the Texas Open Meetings Act and the Texas Public Information Act for board members of public entities**

Mr. Lemond addressed Senate Bill 286, which requires that the Attorney General provide mandatory information to governing members of public entities as to their responsibilities. The information is provided through the Texas Attorney General's website, where a one hour tutorial is presented. Ms. Jones inquired as to the process by which an individual can log into the website and, further, about the procedure for assuring that the required training had been accomplished by everyone required to attend the classes. Mr. Lemond responded that questions about the procedure for completion of the training would be presented to the Board at a later date.

**Chairman Collins returned to the order of the posted Agenda.**

#### **IV. Old Business**

##### **a. Treasurer's report by Terry Morales**

Ms. Morales provided the monthly LARA financial report and advised that the highlights of the report related to the acquisition of property in October and November. She also advised that neither of the two banks that pledged \$1,000.00 each to LARA at the February conference had fulfilled those pledges. Ms. Morales suggested communicating with the banks via telephone and allowing them another 30 days to fulfill the pledges. A motion was made and duly seconded and the Treasurer's Report was unanimously accepted and approved.

##### **b. Auction update by Leah Stolar**

Ms. Stolar discussed the current Auction Report. She reported that LARA had successfully acquired four of the five available properties at the January auction, a month during which the auctions typically have fewer properties available. An inquiry was made as to whether the report could contain a summary of what portion of the total properties were acquired through a sale versus through a strike-off. Ms. Stolar replied that the LARA Inventory Profile, included with the Auction Report, contained such information.

Ms. Armitige commended Ms. Stolar for her efforts, stating that Ms. Stolar was a valuable part of LARA.

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

##### **RFP Committee**

Ms. Jackson, chair of the RFP committee, reported that the committee had reviewed a draft of a proposal for LARA to create District Advisory Councils. The draft was prepared and distributed by Mr. Tinnermon to the LARA Board members, she stated. The draft recommends that members of such a council would serve terms of no more than two years and that each member would be required to reside in the neighborhoods they represented. Ms. Jackson also reported that the Councils would act in an advisory capacity only and that the LARA Board would not be obligated to follow the recommendations of the Councils. Mr. Collins deferred further discussion of the proposal until later in the meeting.

Mr. Collins then requested an update on the status of letters that were to be prepared and sent to community development organizations ("CDC's") that had initially responded to the developer RFQ. Ms. Jackson reported that five letters have been written, either rating the CDCs' responses or informing them of any deficiencies contained in their responses. She indicated that the letters had not yet been mailed but would be shortly.

##### **Finance Committee**

Ms. Morales reported that the Finance Committee had reviewed and discussed LARA's financial statements at its meeting. The committee also discussed the possibility of e-mailing financial statements to Board members for their review one week prior to all scheduled meetings of the LARA Board. Additionally, she said, the committee discussed the merits of opening a

second checking account to be used exclusively for the purpose of paying LARA administrative expenses. The committee felt this would increase efficiency in the management of administrative funds.

## **VI. New Business**

### **c. Review and approval of the Stewart Title Company/LARA/City of Houston Reimbursement Agreement**

Mr. Collins noted that the Board members had previously received copies of the executed reimbursement agreement with Stewart Title Company. This document, he said, had been examined and discussed by Board members at prior Board meetings and had recently been approved by City Council.

Mr. Tinnermon provided an overview of the terms of the Agreement. He stated that it had been developed in order to induce Stewart Title Company to issue title insurance policies on LARA-owned properties when such properties are sold to developers to build affordable housing. Because of the legal limitations regarding the potential redemption of tax delinquent properties by persons in the chain of title, title companies have declined to issue title insurance policies without exceptions on such properties prior to the expiration of four years from the date of acquisition at a public auction. LARA, the City of Houston and Stewart Title Company have now entered into this three-party agreement, which will allow Stewart Title to issue title insurance policies on Lara lots without exceptions. The City has appropriated the sum of \$500,000.00 to establish a fund to be used to reimburse Stewart Title for any expenses incurred in connection with claims arising out of the issuance of these policies. Mr. Tinnermon stated that it was unlikely that the fund would have to be accessed to reimburse the title company for any such expenses. He said the creation of the fund was necessary in order to get the title company to issue full title insurance policies, without exceptions, on LARA-owned properties.

Mr. Adams inquired as to whether the agreement would expedite the release of the RFP being developed for issuance to developers. Mr. Tinnermon assured that it would expedite the release of the RFP. Mr. Lemond commented that the fund does not apply to claims filed on properties that LARA acquires through the land bank process, which has not yet been implemented by the City of Houston. He stated that, as LARA begins to acquire properties in its capacity of a Land Bank, a separate agreement with Stewart Title would be necessary. Mr. Tinnermon affirmed, stating that, in such a case, the current agreement with Stewart Title would need to be amended or another agreement would have to be negotiated.

Upon a motion made and duly seconded, the Reimbursement Agreement was unanimously approved.

### **d. Review and approval of the revised LARA District Advisory Board proposal**

The Board returned to a discussion of the proposal to establish LARA District Advisory Councils.

Mr. Adams asked if a timetable had been established for forming the District Advisory Councils. Mr. Tinnermon responded that if the Board approved the proposal, it would be acted

on immediately. After a motion made by Mr. Adams, duly seconded, the proposal to create LARA District Advisory Councils was unanimously approved.

**e. Request for extension of current contract with Horizon Southwest Properties for 60 days and consideration and possible action to request proposals for real estate services**

Mr. Tinnermon requested that the Board extend its current contract with Horizon Southwest Properties, the company which acts as LARA's agent at each monthly auction of tax-delinquent properties. Mr. Tinnermon requested a 60-day extension of the current contract.

The Board discussed requesting bids from other companies interested in providing the real estate services now being provided by Horizon Southwest Properties. Ms. Morales inquired as to who would act on LARA's behalf to evaluate any such bids received. Mr. Tinnermon responded that the RFP Committee would be responsible for that evaluation.

Mr. Adams commented that he supports inviting other bids for the services, but the Board should be mindful of the experience that Mr. Rencher's company brings to the task and of the discretion required of any company that would serve in this role. Mr. Tinnermon added that the Board should ensure that the entire process is above reproach. He added that the Board should consider not only which company presents the lowest bid when seeking to provide real estate services, but also whether it has full confidence in entrusting the company with confidential and sensitive information. Ms. Armitige commented that experience is a necessary quality and that, even if such experience comes at a higher price, it could be worth the extra cost.

After a motion made by Mr. Adams, duly seconded, Mr. Rencher's contract was extended through March of 2006.

**VII. Chairman's Report**

Mr. Collins personally thanked the Board for its efforts over the past two years.

**VIII. Public Comments**

Mr. Lemond stated, as a follow-up to the earlier discussion of HB 914, that he would distribute the questionnaires promulgated by the Texas Ethics Commission.

Mr. Adams stated that he had one New Year's Resolution, and that was to identify, along with Mr. Tinnermon and his staff, as many properties as possible located in the southern Fifth Ward that would be eligible for purchase by LARA.

**IX. Executive Session**

No matters were posted for discussion in Executive Session and no Executive Session was held.

**X. Adjournment**

On a motion made and duly seconded, the meeting was adjourned at 3:23 p.m.

Minutes prepared by:  
Jim Lemond  
Winstead Sechrest & Minick, P.C.

Signed on the \_\_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
Reginald Adams, President

\_\_\_\_\_  
Jolanda Jones, Secretary