

LAND ASSEMBLAGE REDEVELOPMENT AUTHORITY

MINUTES OF BOARD MEETING

HOUSTON, TEXAS

March 17, 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 Texas Transportation Code Annotated §431.101 et seq. and Texas Local Government Code Annotated §394.001 et seq., was held in the Houston City Hall Annex Council Chambers, Public Level, 900 Bagby, Houston, Harris County, Texas 77002 on March 17, 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
Tyrone Dorian
Yolanda Black-Navarro
Craig Presley
Jolanda Jones
Teresa Morales
Reverend James Nash

Board members absent were:

Antoinette Jackson
Cheryl Armitige
Jeremy Radcliff
James Harrison, III

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 of Linebarger Goggan Blair & Sampson, L.L.P., and Lynn Henson of the City of Houston's Planning and Development Department.

I. Call to Order.

The meeting was called to order by Mr. Collins, the Board Chairman, at 2:05 p.m. Mr. Collins announced that a quorum was present.

II. Designation by Chairman of a Recording Secretary.

As previously announced, Mr. Collins reiterated that the duties of Recording Secretary for each Board meeting have been delegated to Winstead Sechrest & Minick P.C., the Authority's General Counsel.

III. Review and Approval of Minutes from February 17, 2006 Board Meeting.

The Board reviewed the Minutes of the February 17, 2006 Board meeting. Upon a motion made by Mr. Adams, seconded by Ms. Morales, the Minutes of the February 17, 2006 Board meeting were unanimously approved.

IV. Old Business.

a. Treasurer's Report.

Ms. Morales presented the monthly LARA financial report. She informed the Board that, of the two banks that had pledged \$1,000 each to LARA at the February conference, one bank, J.P. Morgan Chase Bank had sent a check for \$1,000. Ms. Morales advised that Comerica Bank has communicated that its payment will be forthcoming. Ms. Morales stated that beginning in January the CPA will itemize expenses in the report in greater detail. She also stated that the statements would be reconciled so that expenditures would be more clearly delineated. Ms. Morales informed the Board that the bulk of expenses for the month were for the purchase of property. Next Ms. Morales stated that the report also outlined accounting procedures for LARA. She stated that there were no management issues. Mr. Adams made a motion, seconded by Ms. Jones, to accept and approve the Treasurer's report as presented. The motion passed unanimously.

b. Auction Update by Leah Stolar.

Ms. Stolar presented the March Inventory Report on lots obtained by LARA. She stated that a total of 29 properties, split nearly evenly between acquisition through strike-off and acquisition by purchase, including the first property acquired in Lincoln Park, were acquired in March. Ms. Stolar stated that the April auction would consist of 31 posted properties, all of which are categorized by neighborhood on the last page of the report. Ms. Morales inquired as to whether there were files compiled, including photographs, on the properties. Ms. Stolar replied that an electronic file, containing photographs, was made available when purchase prices for the properties were being set. Mr. Tinnermon discussed a database, currently a work in progress, with files on different properties that captured all the information available on the property.

c. Update by General Counsel on Online Ethics Training and Conflicts of Interest Disclosure Form.

Mr. Lemond discussed the Texas Open Government mandatory training for local officials. He reminded the Board members to complete the training, which is available via the Texas Attorney General's website. Mr. Lemond then discussed the Conflicts of Interest Disclosure forms developed by the Texas Ethics Commission, copies of which he

had distributed at the February Board meeting. He stated that State Representative Beverly Woolley, the author of the disclosure legislation, had requested clarification of certain portions of the statute from the Office of the Attorney General. Pending a response from the Attorney General's office, the process of complying with the disclosure requirements of the statute is now on hold.

Items VI (b) and (c) were taken out of order, followed then by Item VI (a).

VI. New Business

b. Consideration and Possible Action Regarding Mandatory Phase 1 Environmental Reports on all LARA Properties.

Mr. Tinnermon provided a brief overview of the need for Phase 1 Environmental Studies on all properties owned by LARA. He explained that this was a U.S. Department of Housing and Urban Development ("HUD") requirement. Mr. Tinnermon stated that the City of Houston regularly has environmental studies conducted and selects firms that have been prequalified for such services. He indicated that he had consulted several of these companies regarding pricing for conducting environmental studies on LARA properties. Typically, a Phase 1 Environmental Study costs between \$1,500 and \$2,000. Mr. Tinnermon stated that he had secured bids from the companies used by the City to have the studies performed for \$425.00 each. The bids were based on the sheer volume of studies needed on LARA properties, all similar in character and location. The bids represented a substantial reduction in cost from the usual rates. Two companies, one of which is a minority-owned company, would be allocated approximately 100 lots each out of the LARA inventory. The companies agreed to complete all studies within 45 days of assignment. The cost would total approximately \$80,000.00 and would be paid out of LARA's budget. Mr. Dorian stated that he felt the price of \$425 per site was an excellent price and said that he would discuss prices with additional companies. Mr. Tinnermon stated that the first properties on which environmental studies would be performed would be those included in the RFP. Upon a motion duly seconded the board unanimously voted to approve Mr. Tinnermon's recommendation that the board award contracts for the Phase I Environmental Studies to the two consulting firms.

c. Consideration and Possible Action Regarding Authorization of RFP Committee to Review and Award Contract for Real Estate Consulting Services.

Mr. Tinnermon stated that he and Ms. Morales had developed an RFP for the contract to provide real estate consulting services. He went on to say that while many companies could provide such real estate services, LARA has a set of unique needs: The company providing the services must have experience with constable sales and a familiarity with the various neighborhoods in which LARA acquires properties. Mr. Tinnermon asked the Board to consider extending the contract of Horizon Southwest until April 1. Ms. Black-Navarro stated that she would be comfortable with extending the contract. Mr. Collins requested a 30-day extension for Mr. Rencher. Mr. Adams then suggested a 60-day extension instead. Upon a motion duly seconded the board voted to

extend LARA's existing contract with Horizon Southwest Properties for a period of 60 days.

a. Consideration and Possible Action Regarding Approval of LARA RFP as Revised for Review and Comment by the General Public.

Mr. Tinnermon provided a brief summary of the history of the RFP. He stated that several months ago a LARA committee drafted the RFP. The RFP was then reviewed by a group of senior managers and development specialists assembled by the Mayor. This team revised the document into its current format. Mr. Tinnermon suggested releasing a draft of the current RFP to the public through the contact lists of local and state builder and CDC organizations and soliciting responses. He indicated that he hoped to receive comments from builders and CDCs who would be involved in construction of affordable housing on LARA-owned lots. The RFP would be distributed to builders via a link on the websites of the builders groups and would be also faxed to local and state builder and CDC organizations. Mr. Tinnermon also reported that the number of lots included in the RFP had grown significantly during the time the RFP was undergoing revision. He stated that when the RFP process was initially begun LARA owned roughly 50 lots, but that LARA currently owned approximately 175 lots which will be included in the RFP when it is issued in final form.

At this point, Mayor Bill White joined the meeting. The Mayor commented that the goal of LARA was clear: to make the best housing available to eligible residents at affordable prices. Ms. Black-Navarro asked the Mayor for his assessment on the time frame for implementing the LARA objectives. The Mayor stated that, once public comments to the RFP are received and considered, the final RFP would be distributed publicly. The Mayor predicted groundbreaking by the summer and the completion of some housing units by the end of the year.

Mr. Adams expressed his concern over a lack of land acquisitions by LARA in the Fifth Ward, specifically the area south of Interstate 10, east of Jensen and west of Lockwood. He stated that he feared that if LARA did not immediately focus attention on this area there would be no future opportunities for affordable housing development in the area, based on the large number of market homes currently being constructed there. The Mayor acknowledged Mr. Adams' concern and answered that he had addressed this issue with individuals associated with Fifth Ward CDCs, which have acquired property and constructed affordable housing in the area. The Mayor suggested that the LARA staff take a closer look at the availability of tax-delinquent properties in the area of which Mr. Adams spoke. The Mayor also stated that LARA was at a disadvantage in those areas of the city where there were few tax delinquencies and where land had been purchased by speculators. Mr. Adams said that he believed there was a unique opportunity for affordable housing development in the Fifth Ward because Phillis Wheatley High School and Bruce Elementary were currently being rebuilt. He expressed his concern that if LARA did not take action to acquire properties in this area, the entire neighborhood could be gentrified within a short period of time.

Mr. Adams suggested adding a realtor group to the distribution list for the RFP. The Mayor expressed his opinion that the RFP should be sent to builders who were not members of the Greater Houston Home Builders Association. Mr. Tinnermon advised that LARA was also reaching out to members of state organizations and that any additional groups could also be included in the RFP distribution. Ms. Jones suggested adding financial institutions to the group receiving the draft RFP.

Mr. Tinnermon suggested March 31 as the deadline for receiving feedback on the RFP. Discussion followed as to whether this would provide enough time for a community response and whether the deadline should be extended if a satisfactory number of responses were not received by March 31. Ms. Morales then suggested adding an amendment to the resolution allowing for extending the deadline for submitting feedback. Mr. Collins acknowledged that there would be an option to extend.

Mr. Dorian inquired as to the means by which the general public could access the RFP. Mr. Collins replied that there would be online links on the LARA website which would direct a user to the RFP. Mr. Adams suggested using the municipal channel to advertise the RFP.

After a motion by Ms. Black-Navarro, seconded by Ms. Jones, the board unanimously voted to authorize the release of the revised RFP to the public for review and comment.

VII. Chairman's Report

Mr. Collins indicated that he had no additional matters to report.

VIII. Public Comments.

Mr. Collins called for public comments. Mr. Eugene Mendoza, Housing Development, Coordinator for Texas ACORN Housing, discussed his apprehension that the housing to be developed in the LARA program would be of an inferior quality. Ms. Jones responded that she also had concerns about the quality of the housing, but that one reason the process was proceeding slowly was because the Board was giving a great deal of attention to detail. She assured Mr. Mendoza that the Board shared his concern as to quality and would be attentive to this aspect of the housing units being constructed. Mr. Adam Bakir, a for-profit builder, stated that he was a professional engineer and had been building homes in Houston since 1974. He stated that the Greater Houston Builder's Association, has a number of professionals as members and, in his opinion, the level of professionalism is more important than the profit/non-profit distinction in builders. Mr. Adams asked that Mr. Bakir help distribute the information about the RFP. Mr. Faheem Hameed, executive director of the CDC Association of Greater Houston, stated that he felt encouraged by comments that CDCs would be involved in building on every lot and that the CDCs are looking forward to participating in the building process.

IX. Executive Session.

No items were presented for consideration and no Executive Session was held.

X. **Adjournment.**

The meeting was adjourned at 2:56 p.m. after a motion duly seconded and unanimously approved.

**Minutes prepared by:
Jim Lemond and Archana Singh
Winstead Sechrest & Minick, P.C.**

Signed on the _____ day of _____, 2006.

Reginald Adams, President

Jolanda Jones, Secretary

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