

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

April 27, 2007

A meeting of the Board Of Directors (the "Board") of the Land Assemblage Redevelopment Authority ("LARA" or the "Authority"), 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, April 27, 2007. 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:

David Collins, Chairman of the Board
Reginald Adams, President
Jolanda Jones
Yolanda Black-Navarro
Antoinette Jackson
Tyrone Dorian

Board Members absent were:

Jeremy Ratcliff
James Harrison, III
Teresa Morales
Ray Fisher
Craig Presley

Others in attendance included: Steve Tinnermon, Pat McFarland, and Agatha Collins of the Neighborhoods and Housing Division of the Mayor's Office (the "NHD"); Tonja King of Winstead PC; the Authority's General Counsel, Leah Stolar of Linebarger, Goggan, Blair and Sampson, L.L.P.; Chris Butler, special assistant to the Mayor of Houston for property construction; and Lynn Henson of the City of Houston's Planning and Development Department.

I. Call to Order

Mr. Collins, Chairman, called the Board Meeting to order at 2:20 p.m.

II. Review and Approval of Minutes from the March 30, 2007 Board Meeting

Upon a motion by Ms. Black-Navarro, seconded by Mr. Adams, the Board unanimously approved the Minutes of the March 30, 2007 Board meeting.

III. Old Business

A. Treasurer's Report.

In lieu of a formal presentation by the Treasurer, the Chairman of the Board distributed a copy of LARA's financial report. No action was taken with respect to the report.

B. Auction Update by Linebarger, Goggan, Blair and Sampson, L.L.P.

Ms. Stolar distributed the monthly Auction Report as prepared by her firm and pointed out that 27 properties were acquired by LARA out of the 64 posted at the April tax auction. She added that 50 properties remained available for the next auction and are identified on the last page of the report.

IV. Committee Reports

A. Executive Committee Reports.

No report was given by the Executive Committee.

B. RFP Committee Report.

Mr. Tinnermon provided the RFP committee report. He described the need for the Board to ratify an amendment to RFP #2 to correct the oversight of the exclusion of Exhibit N from RFP #2, which contains all documents that builders must use in order to complete their proposals. Mr. Tinnermon noted that the documents can be accessed online and that builder proposals under the RFP include instructions for specs, forms, and bid profit forms.

Mr. Tinnermon then provided an update on the outstanding contracts. He stated that 61 lots are under contract, that Burghli Homes, which is partnering with Dominion CDC, has completed the construction of its first home and has 10 lots under contract. Pedraza Construction, which is partnering with Holmes CDC, has ten lots under contract and has agreed to purchase an additional 5 lots, if the LARA Board votes to approve the purchase. Burghli has purchased 17 LARA lots and has recently executed a new contract for the acquisition of 11 additional lots..

Mr. Tinnermon next discussed the proposed authorization for the board to enter into contracts with the following:

1. Pedraza Construction and Tejano Centers CDC.

Mr. Butler explained that this construction will occur in Fifth Ward on lots comparable in size, construction and pricing to those Pedraza Construction is currently building on in Sunnyside, where it is partnering with Holmes CDC. The Board is being asked, he said, to authorize the sale of an additional 5 lots to Pedraza Construction. Pedraza is prepared to close on

these lots as soon as the Board approves the request. Mr. Butler also reported that Pedraza has begun construction on its first house in Fifth Ward.

2. Burghli Homes and Dominion CDC

Mr. Butler reported that Burghli Homes has acquired 17 lots, which were taken down under three different contracts, and is asking that the Board approve its request to purchase 11 additional lots. Burghli currently has 7 homes under construction in Acres Homes and would like to close on two particular lots on Apollo Street in the second week of June. Those lots are located directly behind the Model Home in Fifth Ward. In addition, Burghli will close on two lots in Fifth Ward located on Lucille and Russell streets.

Mr. Tinnermon noted that, so far, no construction on any LARA homes has begun in Third Ward.

V. LARA Administrative Report by Stephen Tinnermon.

No administrative report was provided.

VI. New Business

A. Amendment to LARA RFP #2.

Mr. Collins invited discussion regarding the amendment of LARA RFP #2, to include Exhibit N. No additional comments or questions were raised. Upon a motion by Ms. Jones, seconded by Ms. Jackson, the Board authorized the amendment of RFP #2, as presented.

B. Discussion and approval of authorization to enter into contract with Pedraza Construction and Burghli Homes and Dominion CDC.

Mr. Collins invited discussion regarding the proposed contracts with Pedraza Construction and Tejano Centers and with Burghli Homes and Dominion CDC. Ms. Black-Navarro asked if it would be feasible for the Board to collectively take a tour of all of the properties. Mr. Butler stated that conducting a tour is certainly possible. Mr. Collins commented that a tour by the entire board might present logistics problems and suggested that Board members might want to arrange individual tours based on their own schedules. Discussion among the Board members ensued and the consensus reached was that any Board member interested in taking a tour of the homes currently under construction could arrange that individually, coordinating the tour through Mr. Butler. Ms. Black-Navarro made a motion to approve the contracts with Pedraza Construction and Burghli Homes as presented. The motion was seconded by Mr. Adams. A vote was taken and the motion carried unanimously.

C. Other Miscellaneous/New Business.

No additional new business was presented to the Board

V. Chairman's Report

Mr. Collins stated that there would be no Chairman's Report.

VI. Public Comments

Ms. Gloria Sanderson, Executive Director of the local chapter of the Local Initiative Support Corporation ("LISC"), addressed the Board and advised that some local community development corporations ("CDCs") have not received notices of LARA Board Meetings and of the matters to be considered at the meetings. Ms. Sanderson represented to the Board that neither of the two CDCs discussed during the session were aware that contracts with their builder partners were to be considered by the LARA Board at this meeting and that neither had seen the proposed contracts prior to the meeting. She requested that if CDCs are associated with a project, they need to be better informed and she would like LARA to promote better partnership relationships between the builders and the CDCs.

Mr. Butler responded that the contracts that LARA is overseeing are with the builders and not with the CDCs, since the builders, not the CDCs, are the ones who actually contract to purchase lots from LARA. The CDCs, in turn, negotiate their business arrangement with the builders, which are required to partner with the CDCs for services such as marketing the homes being constructed by the builders. Mr. Butler also pointed out that one CDC with which LARA is involved is also a builder. Mr. Butler said that he has exerted his best efforts to stay in contact the CDCs, but is not always able to reach them. Ms. Sanderson responded that the Agenda implies that the CDCs are actually in partnership with LARA and the contractors and she believes it is in everyone's best interest for closer partnerships to be maintained.

Ms. Jones stated that she would like to receive the contact information for all of Ms. Sanderson's member CDCs, as she believes it is imperative that the Board maintain close ties with both the contractors and the CDCs. Ms. Jones asked whether Ms. Sanderson has the names of CDCs who were not actually contacted regarding this meeting, or this Agenda, and Ms. Sanderson suggested that Daniel Williams from Dominion CDC and Manny Lopez from Tejano Centers CDC had not received proper notice of the meeting or of the Agenda items. Ms. Jones requested that, following the meeting, Ms. Sanderson provide her the contact information for both of the gentlemen referenced.

Mr. Collins stated that he believes that he believes everyone involved in the LARA program is on the same page with regard to the contracts, but he will review LARA's procedures in order to prevent any miscommunication between LARA, the contractors, and the CDCs in the future.

Ms. Jones stated that she believes the Board is charged with a very important task in overseeing the LARA program and she is committed to making sure that the builders are working closely with the CDCs during the construction and marketing phases of the program. She observed that she has no problem with the concept of the builders partnering with the CDCs; however, she wants the CDCs to be as informed as the builders are of LARA processes, including proper notice of LARA meetings and Agenda items.

Mr. Collins responded that Ms. Jones concern was valid, and LARA had worked diligently in the past to include all parties in every aspect of the program and that he will personally ensure that each of the parties, including the CDCs, are contacted in the future regarding LARA Board meetings and matters to be considered at such meetings.

Mr. Adams then observed that Mr. Manny Lopez of Tejano Centers CDC was present at the meeting and invited Mr. Lopez to the microphone to address the issues raised by Ms. Sanderson. Mr. Adams asked, specifically, whether Mr. Lopez had received notice of the LARA meetings beyond those that he received from the builder. Mr. Lopez affirmatively stated that he had indeed received such notice. Ms. Jones asked how he had received the notice and Mr. Lopez responded that he receives notices of the LARA Board meetings from the Chairman's office.

Mr. Tinnermon commented that, in general, close communications are maintained with the Mayor between the builders and the CDCs for engagement programs. The parties walk through any issues, including security scheduling, water and sewer. He said it is imperative that the Board understand that there is an ongoing dialogue and a very close relationship between the LARA Board, the CDCs and the builders.

Mr. Dorian asked Mr. Lopez if he was satisfied with his relationship with his builder and Mr. Lopez affirmatively stated "yes." Mr. Dorian asked Mr. Lopez to take responsibility in the future for letting the Board know if there was a breakdown or inadequate communication between Tejano Centers CDC and its builder partner. Ms. Black-Navarro asked Mr. Lopez how many contracts were currently pending that he was currently involved in. Mr. Lopez responded that Tejano Centers currently had 11 such contracts with Pedraza Construction. Ms. Jones then asked Mr. Lopez to stay following the conclusion of the meeting to speak with her privately regarding Tejano's relationship with its builder partner.

VII. Executive Session

Mr. Collins noted that there were no matters requiring an Executive Session.

VIII. Adjournment

On a motion by Ms. Jones, seconded by Mr. Adams, the meeting was adjourned at 3:00 p.m.

Minutes prepared by:

**Jim Lemond and Tonja King
Winstead PC**

Signed on the _____ day of _____, 20__.

Reginald Adams, President

Jolanda Jones, Secretary