

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

August 22, 2008

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, August 22, 2008. 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
Reginald Adams, President
Yolanda Black Navarro
Jeremy Ratcliff
Curtis Lampley
Rev. Steve Hall
Richard Leal
James Harrison III
Steven Fairfield

Board Members absent were Antoinette Jackson, Michael Harris and Teresa Morales.

Others in attendance included: Steve Tinnermon, Agatha Collins and Norma Garcia of the Neighborhoods and Housing Division of the Mayor's Office; Jim Lemond, Greg Erwin, Joe Fonlon and Nancy Nguyen of Winstead PC, the Authority's General Counsel; Leah Stolar of Linebarger, Goggan, Blair & Sampson, L.L.P.; Chris Butler, special assistant to the Mayor of Houston for property construction; Lynn Henson of the City of Houston's Planning and Development Department; Andrea Young of the Mayor's Office and City Councilmember Jolanda Jones.

I. Call to Order

Mr. Collins, Chairman, called the Board Meeting to order at 2:04 p.m. Mr. Collins noted for the record that a quorum of the board was present.

II. Review and Approval of Minutes from the May and July, 2008 Board Meeting

Mr. Adams moved to approve the minutes from the May and July, 2008 meetings and Mr. Leal seconded the motion. The Board unanimously voted to approve the Minutes.

III. Treasurer's Report

In Ms. Morales' absence, Mr. Adams presented the LARA financial reports for the months of June and July of 2008. Mr. Adams reported that the Finance Committee had met and reviewed LARA's financial statement for the 12 months ending in June 30, 2008, along with the July 31, 2008 financials. He said that the Committee concluded there were no outstanding issues as to the covered periods. He further reported that LARA's independent auditors were working with Mr. Tinnermon's office to wrap up the annual audit, which should be finalized by the end of August. Mr. Leal moved to accept the Treasurer's Report as read and Mr. Lampley seconded the motion. The Board unanimously voted to approve the Treasurer's Report.

IV. Auction Update by Linebarger Goggan Blair & Sampson, LLP.

Ms. Stolar distributed the monthly Property Lot Foreclosure Activity Report as prepared by her firm and pointed out that the total number of properties acquired by LARA to date is 955. In addition, she said, an additional 761 lots have been purchased by third parties. She reported that LARA acquired 17 properties at the August auction out of a total of 37 listed for sale and that 24 properties were listed for bid at the September auction.

V. Committee Reports

1) Executive Committee Report.

Mr. Adams reported that the Executive Committee met earlier and recommended that the board approve the award of contracts to SEKA Investments, to Burglhi Investments and to Star Builders. Several items, he said, were tabled for further discussion. The Executive Committee is also recommending, he said, that the LARA Retreat be scheduled for October 25, 2008. Mr. Tinnermon advised the Committee that his office was in the process of evaluating Retreat facilitators and would welcome any recommendations from LARA board members. Mr. Adams reported that the Committee discussed scheduling a bus tour of LARA/Houston Hope neighborhoods for representatives of the Houston Independent School District (HISD) and that the tour could possibly be arranged for the month of October. Possible dates for the tour would be provided shortly by Mr. Tinnermon's office. Mr. Adams concluded his report by advising that the Committee discussed approving a budget for marketing LARA properties and that Ms. Jones had provided the Committee with an overview of the proposed marketing plan and what the plan's budget should include.

2) Builder Selection Committee Report.

Mr. Ratcliff reported that the Builder Selection Committee met and reviewed plans from Star Builders, a builder requesting to purchase 3 lots in the Acres Homes community for the purpose of building LARA homes. The Committee, he reported, had reviewed information submitted by Star, including photographs of homes the company had completed in other areas in the city. Committee members were satisfied that the company would construct appropriate homes for LARA and are recommending that the board approve the award of a contract to Star Builders.

3) LARA/Houston Hope Construction Update.

Mr. Butler reported that there are 31 homes under various stages of construction on lots owned by LARA throughout Houston Hope neighborhoods and that 8 homes are completed and awaiting buyers. He also reported that 43 LARA homes have been completed and sold and that 34 of those 43 homes were sold this calendar year. The LARA builders, he said, are completing construction of approximately 6 homes a month but it is his objective to have the builders increase those totals to 10, or possibly 12, per month. Mr. Butler concluded by saying that he was hopeful that the planned marketing campaign would increase the pool of qualified buyers for LARA.

VI. Consideration and possible action awarding lot acquisition second contracts to SEKA Investments for the construction of new affordable housing in Sunnyside.

Mr. Collins called for a motion to approve the award of a second contract for lot acquisitions to SEKA Investments for the construction of new homes in the Sunnyside community. Such motion was made by Mr. Leal and seconded by Mr. Adams. Mr. Collins then opened the floor for discussion and a question was raised as to how many lots were available in Sunnyside. Mr. Collins responded that there were three. There being no further questions or comments, the board unanimously approved the award of a second contract for three (3) lot acquisitions to SEKA Investments.

VII. Consideration and possible action awarding lot acquisition second contracts to Burghli Investments d/b/a. Burghli Homes for construction of new affordable housing in Sunnyside.

Mr. Collins requested a motion approving the award of a second contract for lot acquisitions to Burghli Investments for the construction of new homes in the Sunnyside community. Upon motion by Mr. Adams, seconded by Mr. Ratcliff, Mr. Collins called for discussion or questions. There being none, the board unanimously approved the award of further lot acquisitions to Burghli Investments.

VIII. Consideration and possible action awarding lot acquisition contracts to Star Builders for construction of new affordable housing in Acres Homes

Mr. Collins called for a motion to approve the award of lot acquisition contracts to Star Builders for the construction of new homes in the Acres Homes community. Upon motion by Mr. Adams, seconded by Mr. Ratcliff, Mr. Collins called discussion or questions. There being none, the board unanimously approved the award of further lot acquisition contracts to Star Builders.

IX. Discussion and possible action on sale of LARA property to adjacent property owner Willie Dean Anderson located in 8001 Dandy Street

Mr. Collins indicated that, since the Executive Committee had requested that this item be tabled until further review and discussion, he would acquiesce to the Committee's request and not seek board action on this Agenda item.

X. Discussion and possible action on sale of LARA property to adjacent property owner Warren Abbs located at 3409 Francis Street

Mr. Collins indicated that, since the Executive Committee had requested that this item be tabled until further review and discussion, he would acquiesce to the Committee's request and not seek board action on this Agenda item.

XI. Discussion and possible action regarding the Right of First Refusal to Adjacent Property Owners.

Mr. Erwin reported that a working group made up of Mr. Tinnermon, Ms. Stolar, Mr. Butler and himself had recently held meetings to discuss possible modifications to the Right of First Refusal policy adopted by the board in February of 2008. That policy set out the requirements that would be applicable to the sale of LARA-owned lots to property owners living adjacent to LARA lots. The modifications discussed included reducing the number of years an adjacent property owner would have to own and maintain the property before being able to sell it, requiring that the adjacent property owner show that taxes were current on their residences for the prior two years, and clarifying that the property owner would have to notify LARA, within 90 days of LARA's acquisition of the property, that he/she wished to purchase the LARA property. Further, he said, the policy would require that the adjacent property owner's home be contiguous to the LARA property and that any sale of such property would carry a deed restriction limiting the use of the property to that of vacant property or to affordable housing.

Mr. Erwin and Mr. Tinnermon addressed questions posed by various board members on the discussed modifications to the policy. Mr. Erwin explained that the purchasing property owner would not be required to build affordable housing on the acquired property, but that the property could not be developed for anything other than affordable housing. Mr. Tinnermon responded to an inquiry on the ability of a purchaser of a LARA lot to acquire, and then re-sell the property as a "flip" in order to make a quick profit. He pointed out that the policy would require that no sale could occur for 5 years, except to a family member, and the property would still be deed-restricted to use as affordable housing. These changes, Mr. Tinnermon said, were being proposed because property owners in LARA neighborhoods were beginning to inquire about such purchases; thus, there became a need to develop a policy that fit the circumstances and objectives of developing affordable housing and revitalizing neighborhoods.

Mr. Tinnermon concluded the discussion by pointing out that the policy would not include purchase by churches in LARA neighborhoods, even though several had inquired about purchasing LARA lots for use by the churches for parking and other church-related activities.

XII Discussion and possible action to accept funding and approve a "Houston Hope" Marketing Plan.

Ms. Andrea Jones of the Mayor's Office explained the plan for a marketing program designed to generate buyer interest in homes built by LARA builders in LARA/Houston Hope neighborhoods. The plan would be funded by a grant of \$215,000 from the City's Tax Increment Reinvestment Zone (TIRZ) affordable housing set-aside fund and would utilize radio as the primary means of reaching potential homebuyers. The primary focus in radio marketing would

be Spanish language Houston radio stations and those with large African-American listener audiences. In addition, she pointed out, events would be planned for City of Houston employees, downtown area employers, Houston Police Department employees and Houston firefighters. The informational sessions directed at potential homebuyers would highlight the City's down payment assistance program and the Houston Hope initiative. Also included in the marketing campaign will be neighborhood events in the LARA areas, sponsored by partners such as Radio Disney and radio stations such as KCOH, Ms. Jones explained. Ms. Jones then introduced Ms. Natalie Jay, a guest from station KCOH, who had come to the board meeting to become more familiar with the board and LARA's policies. Ms. Jones concluded her presentation by pointing out that the marketing initiative would also evaluate the propriety of targeting potential homebuyers currently living in the suburbs who might now desire to live closer in to the City's downtown areas.

Chairman Collins called for a motion to accept the funding offered and approving the Houston Hope marketing plan, as presented. Motion was made by Reverend Bowie, seconded by Mr. Leal, and unanimously approved by the board.

XIII. Executive Session

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

XIV. Reconvene in Open Session

Not applicable.

XV. Public Comments

Chairman Collins asked if any members of the public wished to address the board. Ms. Willie Anderson appeared and expressed her interest in the discussions regarding modifications to LARA's Right of First Refusal policy. Ms. Anderson related that she had lived in a LARA neighborhood for over 22 years and had maintained the two lots adjacent to her home for that period of time. She indicated she would have an interest in purchasing the two lots now owned by LARA located adjacent to her home, but that she had no intention to do anything other than continue to maintain the property as part of her homestead. She applauded LARA's efforts to revitalize the inner-city neighborhoods and reiterated her interest in acquiring the LARA lots located adjacent to her home.

Chairman Collins acknowledged the presence in the audience of City Councilmember Jolanda Jones, a former LARA board member and invited her to address the board. Ms. Jones commended the board for taking the first steps in modifying the Right of First Refusal policy to accommodate homeowners such as Ms. Anderson and commended Ms. Anderson for the good stewardship of her neighborhood. She asked the board to act to adopt the modifications discussed to the Right of First Refusal policy.

XVI. Chairman's Comments

The Chairman noted that he had no further comments.

XVII. Board Member Comments

There were no further comments from Board Members.

XVIII. Adjournment

On a motion by Mr. Ratcliff, seconded by Reverend Bowie, the meeting was adjourned at 2:40 p.m.

Minutes prepared by:

**Jim Lemond and Nancy Nguyen
Winstead PC**

Signed on the 14 day of Nov., 2008.



Reginald Adams, President