

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

February 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, February 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
Antoinette Jackson, Vice-Chair
Reginald Adams, President
Jeremy Ratcliff
Curtis Lampley
Rev. Steve Hall
Rev. John W. Bowie
Richard Leal
Michael Harris

Board Members absent were:

Teresa Morales, James Harrison III, Michael Harris and Yolanda Black-Navarro

Others in attendance included: Steve Tinnermon, Agatha Collins of the Neighborhoods and Housing Division of the Mayor's Office; Jim Lemond and Rika Ikeoka 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; and Ada Edwards and Audrea Jones of the Mayor's Office.

I. Call to Order

Mr. David Collins, Chairman, called the Board Meeting to order at 2:15 p.m.

Mr. Collins called on Ms. Yolanda Jones, current City Councilwoman and a former board member of the Authority, to address the board. Ms. Jones reiterated her longstanding commitment to assisting in the City of Houston's goal of making affordable housing a reality for all Houstonians. She commended the board members for agreeing to serve in their very important positions of influence as LARA policy makers and offered the assistance of her office in that effort.

Mr. Collins then welcomed Reverend Steve Hall and Mr. Richard Leal as newest board members of the Authority.

II. Review and Approval of Minutes from the January 25, 2008 Board Meeting

Mr. Adams moved to approve the minutes from the January 25, 2008 meeting and Mr. Harris seconded the motion. The board unanimously voted to approve the minutes from the previous meeting.

III. Treasurer's Report

Mr. Adams, in the absence of the Treasurer, presented the LARA financial report, the accountants' compliance report, and the administrative report for the five months period ending November 30, 2007 and the six months period ending December 31, 2007, respectively. Mr. Harris moved to accept the Treasurer's Report and Reverend Bowie seconded the motion. The board unanimously approved acceptance of the report.

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

Ms. Stolar distributed the monthly Property Lot Foreclosure Activity Report as prepared by her firm and pointed out that there were 18 sales made in February. She stated that there are a total of 860 properties in the LARA inventory profile that includes the LARA Pilot Project, Houston Hope I, and Houston Hope II. She also reported that 25 properties were included on the list for sale at the March Auction. In response to a question posed by Mr. Lampley, Mr. Tinnermon explained that all LARA-owned lots were being maintained under a contract with the City of Houston's Neighborhood Protection Division of the Houston Police Department.

V. Committee Reports

1. Executive Committee Reports.

Mr. Adams reported that the Executive Committee had met immediately prior to the scheduled Board of Directors' meeting. The Committee discussed and voted to recommend approval of three items by the full board, namely, i) a request by the Mayor's Office that LARA approve setting aside certain Flood Way and/or Flood Plain lots for use in a Garden Licensed Program that would be administered by the City's Parks and Recreation Department; ii) the adoption of a "Right of First Refusal" policy which would give property owners residing in residences located adjacent to LARA lots an opportunity to purchase those LARA lots under certain circumstances; and iii) the approval of a proposed Fourth Amendment to the LARA Grant Agreement with the City of Houston, awarding LARA \$200,000 for use in the payment of ongoing LARA administrative expenses.

2. Builder Selection Committee Report.

Mr. Ratcliff reported that there had been no Builder proposals presented for consideration this month.

3. LARA/Houston Hope construction update

Mr. Butler distributed copies of Houston Hope Production Status Report and reported that there are 74 properties currently under construction in LARA neighborhoods, 18 of which are now under contract to prospective buyers. He reported that 32 properties were closed in 2007, and that 9 families had moved into their new homes in January. The goal is to accomplish approximately 15 to 17 move-ins each month and to have completed a total of 200 move-ins by December 31, 2008. Mr. Butler also reported that there will be a bus tour conducted throughout some LARA neighborhoods on Monday, February 25, 2008 and that a dedication of three Catholic Charities lots in Independence Heights will be held on Monday, March 10, 2008. The dedication will take place at the True Light Baptist Church, at the corner of 44th and North Main streets. Mayor White, Auxiliary Bishop Joe S. Vasquez and many other prominent Houstonians will be in attendance at the event. Mr. Adams requested that Mr. Tinnermon send out notices of this event to all board members. Mr. Harris made a motion, seconded by Mr. Ratcliff, that the construction update report be accepted. The board unanimously accepted the report.

VI. Consideration and possible action on Mayor's Office request to set aside Flood Way and/or Flood Plain lots for a Garden Licensed Program to be administered through the City Parks and Recreation Department.

Mr. Collins opened the floor for discussion. No questions or comments were raised. Upon motion by Mr. Lampley, seconded by Mr. Adams, the board unanimously approved the request that LARA set aside certain Flood Way and/or Flood Plain lots for use as a Garden Licensed Program to be administered through the City Parks and Recreation Department.

VII. Consideration and possible action on a "Right of First Refusal" policy regarding property owners residing adjacent to LARA lots.

Mr. Collins invited discussion among the Board Members. Mr. Tinnermon explained the details of the proposed policy. In order to be eligible to exercise the "Right of First Refusal", he said, a property owner residing in a home located adjacent to a LARA lot must have, among other requirements, maintained the property for at least five years, including being able to show that he regularly mowed the yard, kept the property clean and paid all property taxes. In addition, that property owner must establish proof of eligibility by submitting a signed affidavit within 60 days after the date of purchase of the adjacent lot by LARA. Mr. Tinnermon then explained that certain restrictions on the transfer of the property will be contained in the language of the deed conveying title to such LARA lot. One such restriction would prohibit a transfer of the property within five years of the date of purchase of the property, except for a transfer to a family member or upon the death of the eligible property owner. Mr. Tinnermon added that the adjacent property owners are always eligible to seek to acquire the property at the tax sale, and in such cases, LARA would typically decline to bid against any such interested adjacent property owner.

Mr. Lampley inquired as to how the property's market value was determined. Ms. Stolar replied that market value of any foreclosed property is stated in the judgment granting the foreclosure and that the value of the property, as reflected in the records of the Harris County Appraisal District at the time of foreclosure, is the measure applied by the judge. Mr. Adams

moved for approval of the "Right of First Refusal" policy as presented, and Mr. Harris seconded the motion. The motion unanimously carried.

VIII. Consideration and possible action on a proposal Fourth Amendment to the LARA Grant Agreement with the City of Houston, awarding LARA \$200,000 for Administrative expenses.

Mr. Collins then invited discussion of the proposed amendment to the LARA Grant Agreement. This Fourth Amendment provides for an additional grant of \$200,000.00 from City of Houston TIRZ affordable housing funds to be used for LARA administrative and operating expenses purposes. Mr. Tinnermon explained that this includes accounting fees, legal fees, and insurance fees. Mr. Adams made a motion to approve the Fourth Amendment to the LARA Grant Agreement with the City of Houston. Reverend Bowie seconded the motion and the motion carried.

IX. Executive Session

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

X. Reconvene in Open Session

No Executive Session occurred.

XI. Public Comments

Ms. Andrea Jones of the Mayor's Office reported that a Homebuyers EXPO is scheduled for Saturday, March 29, 2008 from 7:00 a.m. to 3:00 p.m. at the George R. Brown Convention Center. She said that flyers in English and Spanish have been sent out and advertisement arrangements have been made with three local radio stations to promote the EXPO. The event will be marketed extensively within the Spanish-speaking and the English-speaking communities. At the conclusion of the EXPO, all interested purchasers will be asked to submit their credit reports to the City for review. The potential buyers will not have any opportunities to communicate directly with potential lenders at the EXPO, however. Instead, they will be contacted by lenders only after financing requirements have been met. The potential buyers will then be invited to discuss details about homes being offered for sale by the various LARA builders.

Mr. John Palmer of the City's Housing and Community Development Department approached the podium to state that he is excited to working with LARA to help facilitate the purchase of affordable housing utilizing the Houston Association of Realtors' Multiple Listing Service ("MLS"). He also announced that a 'show and tell' event is scheduled for February 29th to explain how the LARA/MLS system will work and the details are posted on LARA's, as well as the City's, websites. Mr. Palmer then expressed his appreciation to Ms. Lynn Henson of the City of Houston's Planning and Development Department for the major role she played in helping to develop the MLS project.

XII. Chairman's Comments

No further comments were made by the Chairman.

XIII. Board Member Comments

There were no further comments from Board Members.

XIV. Adjournment

On a motion by Mr. Lampley, seconded by Mr. Adams, the meeting was adjourned at 2:50 p.m.

Minutes prepared by:

**Jim Lemond and Rika Ikeoka
Winstead PC**

Signed on the _____ day of _____, 2008.

Reginald Adams, President