

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

March 28, 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, March 28, 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
Teresa Morales
Yoland Black Navarro
Jeremy Ratcliff
Curtis Lampley
Rev. Steve Hall
Rev. John W. Bowie
Richard Leal
Michael Harris

Board Members absent were Antoinette Jackson, James Harrison III, Michael Harris and Raymond Fisher.

Others in attendance included: Steve Tinnermon, Agatha Collins of the Neighborhoods and Housing Division of the Mayor's Office; Jim Lemond and Danna White 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 Jones of the Mayor's Office City Councilmember Jolanda Jones and Patricia McFarland, Chief of Staff for Councilmember Jones.

I. Call to Order

Mr. David Collins, Chairman, called the Board Meeting to order at 2:00 p.m. Mr. Collins noted for the record that a quorum of the board was present.

II. Review and Approval of Minutes from the February 22, 2008 Board Meeting

Ms. Black Navarro moved to approve the minutes from the February 22, 2008 meeting and Mr. Adams seconded the motion. The Board unanimously voted to approve the Minutes.

III. Treasurer's Report

Ms. Morales presented the LARA financial report, the accountants' compliance report, and the administrative report for the five months period ending January 31, 2008. She reported that the LARA accountants had discussed the format of the current financial report and are considering reformatting it to make the information more user-friendly. Reverend Bowie moved to accept the Treasurer's Report and Mr. Leal 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 13 properties acquired in the month of March, five (5) by strike off and eight (8) by purchase. She also reported that 35 property sales would be included in the April Auction.

V. Committee Reports

1. Executive Committee Report

Mr. Adams reported that the Executive Committee had met immediately prior to the scheduled Board of Directors' meeting and discussed the consideration and approval to amend the LARA Request for Proposals (RFP) to provide for an increase in the maximum sale price of the LARA homes to \$135,000.00. The increase, he explained, was being proposed in order to offer the opportunity to potential homeowners to obtain more amenities than what could be offered with the current LARA models. Another factor, he said, was that other market builders in the area were building homes that offered more amenities, at the specific request of the homebuyers. LARA's current limitation on sales price does not allow a homebuyer to purchase

additional amenities, even though the homebuyers have the financial ability to pay more for a home, Mr. Adams reported. The Executive Committee, however was recommending that action on this item be tabled by the full board, pending further review and discussion.

2. Builder Selection Committee Report.

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

Mr. Butler next distributed the flyers for the Homebuyers' EXPO scheduled for March 29, 2008 from 7:00 a.m. to 3:00 p.m. at the George R. Brown Convention Center. He stated that there will be 23 lenders participating and approximately 20 home builders and that they are encouraging anyone who is interested in purchasing a home to participate in the workshop at no cost. He stated that the interested purchasers will need to take their credit reports and credit scores with them to the Homebuyers' EXPO and that the purchasers could obtain their free credit reports by going to www.annualreport.com. Mr. Butler further stated that interested purchasers will be able to meet with lenders to discuss the loan qualification process and loan down payment assistance available for the purchase of the homes.

Mr. Adams added that while the scope of Homebuyers' EXPO is countywide, in the spirit of partnership and collaboration, he would have preferred seeing LARA recognized in the marketing materials so that the general public would be made aware of the LARA's participation in the project. Mr. Adams requested that future marketing materials reflect the LARA program's participation in future projects. Mr. Tinnermon stated that he would make sure to include the LARA program in future marketing materials.

3. LARA/Houston Hope Production Status Report (the "Production Report")

Mr. Butler reported that there are currently 74 homes under construction and 14 homes are completed and are ready for buyers. He said that 15 out of the 74 homes had been pre-sold to qualified buyers and 10 homes are set to close by the end of the month..

Mr. Butler next addressed the Board's request that the construction report be revised to reflect additional details that would enable the Board to see where the home sales are taking place per neighborhood. That was currently taking place, he said, and as soon as the revisions to

the format were completed he would share that with the board members.

The Board unanimously accepted the Construction update.

VI. Consideration and possible action on proposed Fourth Amendment to the LARA Grant Agreement with the City of Houston, awarding LARA \$2.3 Million for land acquisition, operating and several special projects, including payment of CDS fees, payments to participating builders and installation of sprinkler systems.

Mr. Collins opened the floor for discussion. No questions or comments were raised. Upon motion by Mr. Adams, seconded by Mr. Leal, the board unanimously approved the proposed Fourth Amendment to the LARA Grant Agreement with the City of Houston, awarding LARA \$2.3 Million for land acquisition, operating and several special projects, including payment of CDC fees, payments to participating builders and installation of sprinkler systems.

VII. Consideration and possible action on amendments to the LARA Request for Proposals (RFP) providing for an increase in the maximum sale price of LARA homes to \$135,000.

Mr. Collins indicated that, since the Executive Committee had requested that this item be tabled until further review and discussion, he would therefore acquiesce to the Committee's request.

VIII. Consideration and possible action of election of Secretary of the Authority to fill the vacancy created by the resignation of Honorable Jolanda Jones

Mr. Adams stated that the Executive Committee had discussed this matter and that Reverend Hall had volunteered to serve in the capacity of Secretary of the Authority. Upon motion by Mr. Adams, seconded by Ms. Black Navarro, the Board unanimously approved Mr. Hall to serve in the capacity of Secretary of the Authority to fill the vacancy created by City Councilmember Jolanda Jones' resignation.

IX. Consideration and possible action of appointment of other Board members to the LARA Special Committees.

Mr. Adams stated that the Executive Committee had requested that a list of the current committees be sent out to all of the Board members, considering there are new members of the

Board. He stated that the list should include the descriptions of the work overseen by each committee, as well as naming the members of each committee. Mr. Adams invited Reverend Bowie to further explain the matter. Reverend Bowie explained that several Board members' terms had expired and that new Board members had been appointed recently to replace them. Also, he said, the list of the different operating committees should be forwarded to each of the Board members next week so that they can select a committee for which they would like to volunteer their participation.

X. **Discussion that LARA provide Affidavit of Ownership in order to receive grants from the City of Houston**

Mr. Lemond reported that this agenda item had been requested by board member Antoinette Jackson and it relates to information required by the City of Houston for borrowers to receive funds from the City of Houston. Mr. Lemond further stated that the City of Houston had previously adopted an ordinance that requires a review of all individuals entering into contracts with the City of Houston to verify that those persons are not delinquent in the payment of ad valorem, or any other, taxes or delinquencies of any sort. Harris County has adopted a similar policy, he said.

Mr. Lemond pointed out that the officers of LARA are required to submit such affidavits in connection with the award of any contracts by the City of Houston, even though the monies from such contracts are used only to support the City's redevelopment initiatives. He then explained that there are broader implications to the board members in adhering to the City's policy and Board member Jackson expressed there were specific concerns regarding the policy that she wished to address.

Mr. Lemond reminded the new Board members that the State of Texas requires that all board members of public entities receive training regarding the Texas Open Meetings Act and the Texas Public Information Act, collectively referred to as Open Government training. He explained that the training could be obtained online at the website of the Texas Attorney General.

Mr. Lemond stated that this matter would be addressed in greater detail for all board members at a later time.

XI Consideration of an extension of the Agreement between Winstead and LARA for the provision of legal services and increasing the monthly retainer from \$7,000 to \$10,000 per month.

Mr. Adams reported that the proposal to increase Winstead's monthly retainer had been presented to the Executive Committee and that the Executive Committee recommended the acceptance of the proposal. Mr. Collins invited questions and none were asserted. Mr. Adams motioned to accept the proposal, seconded by Mr. Leal, and the motion was unanimously approved.

XII Update of the AIA/Rice Design Alliance Project

Mr. Adams reported that he had not yet seen anyone one from the Rice Design Alliance attend any of the meetings to provide a status update to the Board. Mr. Adams requested that Reverend Bowie and Mr. Butler give a status report of their communications with the AIA/Rice Design Alliance collaborative regarding the Project.

Mr. Butler reported that the Rice Design Alliance, working with the American Institute of Architects, has selected five (5) finalists that will bid to have their design constructed on the one (1) LARA lot that was awarded to the collaborative last year. Construction, he said, is scheduled to begin some time within the current calendar year. Mr. Butler further reported that it was originally thought that construction would start in the month of April and be completed by the end of the year but, for some reason, the parties have revised the construction schedule so that actual construction would not commence until the end of August, 2008.

Rev. Bowie next reported that over 200 plans had been submitted for the competition. He also reported that the designs of the five finalists would not be publicly disclosed until the end of August.

XIII. Consideration and approval of a Scope of Services to obtain Bookkeeping Services for LARA

Ms. Morales stated that the accounting services required by LARA should include not only the work performed by its accounting firm, but LARA was also in need of Bookkeeping services on a regular basis in order to properly manage its accounts payable, accounts receivable,

and cash management

Mr. Collins opened the floor for discussion. No questions or comments were raised. Upon motion by Mr. Adams, seconded by Reverend Hall, the Board unanimously approved the Scope of Services for Bookkeeping Services that will be included in an RFP for such services.

VI. Executive Session

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

VII. Reconvene in Open Session

No Executive Session occurred.

VIII. Public Comments

Mr. Collins invited comments from the public.

Ms. Henson stated that the lots available for the RFP for builders and the CDCs have been recently updated and there are currently 450 lots on the RFP for builders and CDCs. The list of these available lots can be viewed online, at www.houstonhopehomes.org.

Mr. Collins next acknowledged the presence of City Councilmember Ms. Jolanda Jones and welcomed her as a guest.

IX. Chairman's Comments

No further comments were made by the Chairman.

X. Board Member Comments

There were no further comments from Board Members.

XI. 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 Danna White
Winstead PC**

Signed on the _____ day of _____, 2008.

Reginald Adams, President