

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

April 24, 2009

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 24, 2009. 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:

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|---------------------------|---------------------|
| David Collins, Chairman | Richard Leal |
| Reginald Adams, President | Teresa Morales |
| Curtis Lampley | Stephan Fairfield |
| Pastor Steve Hall | James Harrison, III |
| Jeremy Ratcliff | |

Board Members absent were John Bowie, Michael Harris, Antoinette Jackson, and Yolanda Black-Navarro.

Others in attendance included: Steve Tinnermon, Executive Director of the Authority; Agatha Collins of the Neighborhoods and Housing Division of the Mayor's Office; Graciela Saenz, Greg Erwin, and Nancy Nguyen of Winstead PC, the Authority's General Counsel; Chris Butler, special assistant to the Mayor of Houston for property construction; Lynn Henson of the City of Houston's Planning and Development Department; Norma Garcia of the Neighborhoods and Housing Division of the Mayor's Office; and Andrea Jones of the Mayor's Office.

I. Call to Order and Roll Call

Mr. David Collins, Chairman, called the Board meeting to order at 2:13 p.m. and noted for the record that a quorum of the Board was present.

II. Approval of Minutes from the March 27, 2009

Mr. Collins called for any question or comments on the minutes, hearing none. Mr. Collins called for approval of the minutes. A motion to approve the minutes was made by Mr. James Harrison, seconded by Mr. Adams and unanimously approved.

III. Treasurer's Report

1. LARA Financial Report for February, 2009

Ms. Terry Morales, Treasurer, reported the following:

- Under the Assets Category of the Financials the Cash and cash equivalents amounted to \$520,000;
- Grants receivables from the City of Houston are \$80,000 from 16 lots sold that are being reimbursed at \$5,000 per lot.
- An escrow account was recently opened with Stewart Title Company. As lots are sold, these fees will cover all closing costs
- Investment properties held for sale - \$7.6 million
- Under liabilities, a balance of \$1.7 million with the HHFC Line of Credit and payment of \$186,000 on that line of credit was paid.
- On total revenues for the period ending March 31st, the revenues were \$502,000; expenditures were \$ 852,000, with a deficit of \$350,000. Again for the period ending March 31, 2009.

Upon motion by Mr. Reginald Adams and seconded by Mr. James Harrison, the Treasurer's Report was unanimously approved.

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

Item Tabled.

V. Committee Reports

1. Executive Committee

Mr. Reginald Adams reported that the Executive Committee had met earlier this afternoon. The committee discussed several items which are brought to the Board for approval, including the following:

- the approval on the Ratification acknowledgment of the award of a LARA Lot Acquisition Contract to Burghli Homes for the construction of new affordable housing under Solicitation of Offers for Affordable Housing Development \$1 Lot Program in Trinity Gardens and Third Ward,
- the approval from the board for Ratification and acknowledgment of award of a LARA lot Acquisition Contract to the Tejano Center for construction of new affordable housing under the Solicitation of Offers for Affordable Housing Development \$1 Lot Program in Magnolia,

- the approval for the Ratification and acknowledgment of award of a LARA Lot Acquisition Contract to Guiding Light CDC for the construction of new affordable housing under the Solicitation of Offers for Affordable Housing Development \$1 Lot Program in Trinity Gardens,
- the approval from the Board for the awarding of lot acquisition to Burghli Homes for construction of new affordable housing in Acres Homes and Sunnyside,
- the approval from the Board for the awarding of lot acquisition to Mayberry Homes for construction of new affordable housing in Sunnyside,
- the approval of the adoption of an amended policy covering a Right of First Refusal in Eligible Adjacent Property Owners and establishing criteria whereby certain qualifying Adjacent Property Owners may apply to exercise any Rights of First Refusal that may be available;
- the approval of action concerning the sale of up to one hundred (100) LARA lots at the price of \$1 (one dollar) to qualified builders (for the construction of new affordable housing) who are able to obtain construction loans and close on an expedited basis. This allotment of lots is in addition to one hundred (100) LARA lots previously allocated to this initiative.
- The acknowledgment that the City of Houston will reimburse LARA in the sum amount of \$5000 plus 15% for overhead costs for each lot sold to builders at the price of one dollar, and ask for approval of action concerning amending a Solicitation of Offers under the Dollar Lot Program issued February 9, 2009 and
- the approval to take action on LARA Lot/Houston Hope Marketing policy and procedures whereby all printed materials that include the City of Houston logo will also include LARA logo within limitations.

Mr. Collins called for questions. Mr. James Harrison asked for clarification on the City's reimbursement to LARA of \$5000 plus 15%. Discussion followed - Mr. Adams explained that what the committee is evaluating now are costs in excess of the \$5000 that are currently being incurred but not reimbursed or recognized, so our accounting firm is looking at some holding costs as well as some other administrative costs that may drive the costs reimbursement beyond \$5000.

2. Builder Selection Committee

Mr. Ratcliff reported that there were no new builders to the program this month. Burghli has gotten some new lots in Mayberry but those had already been in the program.

3. LARA/Houston Hope Construction Update

Mr. Bulter reported that there are currently 24 lots under construction in and out of the various Houston Hope neighborhoods. There are 18 homes that have been completed and are awaiting to be occupied. Have sold 82 homes to buyers in the Houston Hope area.

Mr. Collins called for questions. Discussion Followed: Mr. Adams asked Mr. Butler if it was possible that the \$1 lot homes be segregated out so that they can be tracked and exactly what the status is on those properties, as far as when they have houses built on them and how many are left in the buy down/draw down on those. Mr. Butler replied that yes they could have that information for the Board at the next meeting. Ms. Morales inquired as to the 82 homes that have been sold under the Houston Hope program; Does it have on here (referring to the reports) which ones are in the LARA or are a part of LARA? Mr. Butler replied that all 82 were LARA.

a) Acknowledgment of award of a LARA Lot Acquisition Contract to Burghli Homes for the construction of new affordable housing under the Solicitation of Offers for Affordable Housing Development \$1 Lot Program in Trinity Gardens.

A motion to acknowledge and approve the award of a LARA Lot Acquisition Contract under the \$1 Lot Program to Burghli Homes was made by Pastor Hall, seconded by Mr. Lampley and unanimously approved.

b) Ratification and acknowledgment of award of a LARA Lot Acquisition Contract to Tejano Center for the construction of new affordable housing under the Solicitation of Offers for Affordable Housing Development \$1 Lot Program in Magnolia.

A motion to acknowledge and approve the award of a LARA Lot Acquisition Contract under the \$1 Lot Program to Tejano Center was made by Pastor Hall, seconded by Mr. Lampley and unanimously approved.

c) Ratification and acknowledgment of award of a LARA Lot Acquisition Contract to Guiding Light CDC for the construction of new affordable housing under the Solicitation of Offers for Affordable Housing Development \$1 Lot Program in Trinity Gardens.

A motion to acknowledge and approve the award of a LARA Lot Acquisition Contract under the \$1 Lot Program to Guiding Light CDC was made by Pastor Hall, seconded by Mr. Lampley and unanimously approved.

VI. Consideration and possible action awarding lot acquisition to Burghli Homes for construction of new affordable housing in Acres Homes and Sunnyside

A motion to approve awarding of lot acquisition to Burghli Homes for construction of new affordable housing in Acres Homes and Sunnyside was made by Mr. Harrison, seconded by Mr. Leal and unanimously approved.

VII. Consideration and possible action awarding lot acquisition to Mayberry Homes for construction of new affordable housing in Sunnyside

A motion was made by Mr. Adams, seconded by Mr. Lampley and unanimously approved.

VIII. Consideration and possible action approving the adoption of an amended policy covering a Right of First Refusal in Eligible Adjacent Property Owners and establishing criteria whereby certain qualifying Adjacent Property Owners may apply to exercise and Rights of First Refusal that may be available

Mr. Collins called for a motion and Mr. Adams clarified that there was an additional provision added to that item; it was provided by Mr. Fairfield. Mr. Fairfield clarified the proposed amendment. A motion was made by Mr. Fairfield, seconded by Mr. Lampley and unanimously approved.

IX. Consideration and possible action concerning the sale of up to one hundred (100) LARA lots at the price of \$1 (one dollar) to qualified builders (for the construction of new affordable housing) who are able to obtain construction loans and close on an expedited basis. This allotment of lots is in addition to one hundred (100) LARA lots previously allocated to this initiative. It is acknowledged that the City of Houston will reimburse LARA in the sum amount of \$5000 for each lot sold to builders at the price of one dollar

Mr. Adams stated that there was an additional amendment to the last sentence. It is acknowledged that the City of Houston will reimburse LARA in the sum amount of \$5000 plus 15% for each lot sold to builders at the price of one dollar. Mr. Collins noted that there was an amendment by Mr. Adams, seconded by Pastor Hall. Mr. Collins called for questions and question was posed by Mr. Harrison who wanted to ask Mr. Butler what is the mechanism that we have settled on to track, to make sure that these builders are conveying this savings on to the purchaser? Mr. Butler replied that there is a spreadsheet where each individual buyer or each individual builder have the plans that they are proposing to offer and the pricing and then a comparison to what they are already doing in other neighborhoods or in the same neighborhood, so that you can see that cost difference, so on an average \$10,000 lot you see that the sales price on this dollar lot program is reduced by that \$10,000, but I will make sure to get that emailed to you. Comment made by Mr. Fairfield in connection with this item. Staff agreed that they would put us in touch with the appropriate members of the planning department and community members so that we can take up the issue of what type of community redevelopment activities might be helpful in connection with the Trinity Gardens lots that are being hypothecated so that we can support the overall renewal of the community and the buyers who will be moving in to

these communities. Mr. Collins asked what was the next logical step to achieve that. Mr. Fairfield responded that hearing from the builders of what they believe would be helpful, what they are hearing from the buyer candidates and folks who are coming through the community together with looking at the historic work that has been done in the area and then talking to others who might be familiar with the area that are on the Board, so that we could ascertain other supportive things that we can encourage to be done in the area to stimulate more stakeholders moving in and becoming a part of the community. A motion was made by Mr. Adams, seconded by Pastor Hall and unanimously approved.

X. Consideration and possible action concerning amending a Solicitation of Offers under the Dollar Lot Program issued February 9, 2009

Mr. Collins called for a motion. Motion made by Mr. Adams and seconded by Pastor Hall, and unanimously approved.

XI. Consideration and possible action on LARA/Houston Hope Marketing policy and procedures

Mr. Adams stated that there was an additional amendment to this item. Provided that all printed materials that include the City of Houston logo will also include the LARA logo within limitations. Mr. Collins called for questions, there being none he called for a motion. Motion was made by Mr. Lampley and seconded by Mr. Ratcliff and unanimously approved.

XII. Executive Session

Mr. Collins stated that there were no matters requiring an executive session.

XIII. Reconvene in Open Session

Not Applicable.

XIV. Chairman's Comments

Mr. Collins acknowledged the presence of Council Woman Jolanda Jones.

XV. Board Member Comments

The Board Members indicated they had no further comments.

XVI. Public Comments

No members of the public were signed up for comments.

XVII. Adjournment

Upon motion by Mr. Leal, seconded by Mr. Hall the meeting was adjourned at 2:40 p.m.

Minutes prepared by:
Graciela Saenz and Nancy Nguyen
Winstead PC

Signed on the _____ day of _____, 2009.

Reginald Adams, President