

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

April 22, 2016

A meeting of the Board of Directors ("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 City Hall Annex Council Chambers, Public Level, at 900 Bagby Street, Houston, Texas, on Friday, April 22, 2016 at 2:00 p.m. 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:

Vincent Marquéz	Carol Galloway
David Collins	Faith Jackson
Stephan Fairfield	Jeremy Ratcliff
Curtis Lampley	Matt Zeis
Pastor Steve Hall	Dallas Jones

Board members absent were Nicholas Hall, Antoinette Jackson and Pastor Isaac Matthews.

Others in attendance included: Yvonne Cantu of the City of Houston Housing and Community Development Department; Chris Butler of the Mayor's Office, Greg Erwin and Mark Glanowski (Paralegal) of Winstead PC, outside legal counsel for the Authority; Gracie Saenz, attorney for the Authority; Lynn Henson of the City of Houston Planning and Development Department and Leah Stolar of Linebarger, Goggan, Blair & Sampson, LLP.

I. Call to Order and Roll Call

Chairman Hall called the meeting to order at 2:07 p.m. A roll call of the Board members in attendance immediately followed and Chairman Hall noted that a quorum was present.

II. Approval of Minutes of February 26, 2016

Chairman Hall proceeded to request those members present if there were any questions and/or comments with regard to the minutes prepared and circulated for the February 26, 2016 Board of Directors and Executive Committee meetings. Hearing none, he requested a motion for approval of such minutes. Mr. Marquéz made a motion to approve the minutes of the February 26, 2016 Board of Directors and Executive Committee meetings, which motion was duly seconded by Ms. Galloway and passed by the unanimous vote of the Board.

III. Reports

(a) LARA Financial Report – January 2016

Mr. Ratcliff stated that the Finance Committee met yesterday and examined the Financial Reports for January 2016. He noted that there was nothing out of the ordinary to report in these financials. The auditor/bookkeeper is documenting the removal of 178 lots from LARA's books and transferring them pursuant to an agreement with the Interlocals, which represents a valuation reduction of \$1,578,811.

Mr. Ratcliff then made a motion to approve the Financial Reports for January 2016, which motion was duly seconded by Mr. Collins and passed by the unanimous vote of the Board.

(b) Executive Committee

Mr. Butler summarized the actions taken by the Executive Committee at its meeting held just prior to this Board meeting to (i) approve the Financial Report for January 2016, (ii) not approve the lot acquisition contract submitted by Krieger Containers LLC, (iii) correct the contract number for the lot acquisition contract previously approved with Urban Garden Homes Inc., (iv) approve the lot acquisition contract with E&M Developers for one lot instead of three, (v) approve the lot acquisition contract with Embracing Destiny Foundation, (vi) approve the lot acquisition contract with Cole Klein Builders, (vii) not amend the Right of First Refusal policy, (viii) table the discussion to change the meeting day for LARA meetings, (ix) extend the current contracts with the auditor and bookkeeper, and (x) approve the Request for Proposal for real estate services. Mr. Collins made a motion to approve the Executive Committee Report, which motion was duly seconded by Ms. Galloway, and passed by the unanimous vote of the Board.

(c) Builder Selection Committee

Mr. Lampley stated that the Building Selection Committee met on April 15, 2016 and reviewed (i) approval of Queen Construction as a new builder, and (ii) each of the lot acquisition contracts submitted for consideration. Mr. Lampley informed the Board that Queen Construction has now been pre-approved by the LARA Builder Selection Committee. Mr. Lampley made a motion to approve the Builder Selection Committee Report, which motion was duly seconded by Mr. Ratcliff and passed by the unanimous vote of the Board.

(d) LARA/Houston Hope Construction/Production Report

Mr. Butler reported that LARA has approved 470 lots for sale to builders, and of those 322 lots have been sold to builders upon which affordable housing has been constructed and purchased by home buyers, presently three houses are under construction, and 21 houses are complete and available for sale to homebuyers.

1. Award of a LARA lot acquisition contract to Krieger Containers LLC under Contract #021916-02 in Sunnyside for construction of new affordable housing under the \$1 Lot Program (Tabled 2/26/2016)

Mr. Lampley informed the Board that Krieger Containers LLC is a new builder to the LARA program; however, the Builder Selection Committee did not approve this builder because it has a multi-family profile for its design concepts. Mr. Lampley stated that Krieger Containers LLC intends to re-submit its application for single family housing at a later time.

2. Correction to Contract Number, which should be Contract #021816-02, for award of a LARA lot acquisition contract to Urban Garden Homes Inc. under Contract #020916-01 in Sunnyside for construction of new affordable housing under the \$1 Lot Program

Mr. Lampley noted that the contract number was incorrect in the lot acquisition contract approved for Urban Garden Homes Inc. at the last meeting. Mr. Collins then made a motion to approve the correction to the contract number for the lot acquisition contract to Urban Garden Homes Inc., which motion was duly seconded by Ms. Galloway and passed by the unanimous vote of the Board.

3. Award of a LARA lot acquisition contract to E&M Developers LLC under Contract #041416-01 in Sunnyside for construction of new affordable housing under the \$1 Lot Program

Mr. Lampley stated that the Builder Selection Committee recommended approval of the lot acquisition contract to E&M Developers LLC, which is an out of state developer. This will be the first development locally for E&M Developers LLC, which is requesting three lots. Mr. Collins then made a motion to approve the lot acquisition contract as amended for one lot only to E&M Developers LLC, which motion was duly seconded by Ms. Galloway and passed by the unanimous vote of the Board.

4. Award of a LARA lot acquisition contract to Embracing Destiny Foundation under Contract #041416-02 in Sunnyside for construction of new affordable housing under the \$1 Lot Program

Mr. Lampley stated that the Builder Selection Committee recommended approval of the lot acquisition contract submitted by Embracing Destiny Foundation, which is also a new builder to the LARA program. Mr. Collins then made a motion to approve the lot acquisition contract to Embracing Destiny Foundation, which motion was duly seconded by Ms. Galloway and passed by the unanimous vote of the Board.

5. Award of a LARA lot acquisition contract to Cole Klein Builders under Contract #041416-03 in Sunnyside for construction of new affordable housing under the \$1 Lot Program.

Mr. Lampley stated that the Builder Selection Committee approved the lot acquisition contract submitted by Cole Klein Builders. Mr. Collins made a motion to approve the lot

acquisition contract with Cole Klein Builders which motion was duly seconded by Ms. Galloway and passed by the unanimous vote of the Board.

(e) Marketing Committee

Nothing to report.

(f) Planning Committee

Nothing to report.

IV. Consideration and possible action to amend the Right of First Refusal Policy (Tabled 2/26/16)

Mr. Butler informed the Board that the Builder Selection Committee recommended not to change the current Right of First Refusal policy, and enter into landscape agreements with adjacent land owners for maintenance of LARA lots when a ROFR application is not granted. No action needed as there were no amendments to the policy.

V. Consideration and possible action to change the Board Meeting dates

Nicholas Hall had requested that the Board consider changing the meeting date of the Executive Committee and the Board of Directors to either Tuesday or Wednesday to coincide with the Houston City Council meeting to have access to the council members and their staff. Mr. Butler reported that the Executive Committee recommended that this matter be tabled until Nicholas Hall is available to explain his reason for changing the day the LARA meetings are held. Chairman Hall stated that this agenda item would be tabled until Nicholas Hall is in attendance to explain his reasons with regard to changing the meeting dates.

VI. Consideration and possible action to approve a request for accounting services which will expire June 2016

Mr. Ratcliff stated that he is satisfied with the work of the current accountant. Mr. Collins made a motion to extend the contract of the current accounting firm for one year with an option for an additional year which motion was duly seconded by Ms. Galloway and passed with the unanimous vote of the Board.

VII. Consideration and possible action to approve a Request for Proposal for bookkeeping services which will expire June 2016.

Mr. Ratcliff stated that he is satisfied with the work of the bookkeeper. Mr. Collins made a motion to extend the contract with the bookkeeper for one year with an option for an additional year which motion was duly seconded by Ms. Galloway and passed by the unanimous vote of the Board.

VIII. Consideration and possible action to approve a Request for Proposal for real estate services

Mr. Butler stated that Horizon Real Estate Services represents LARA at the monthly foreclosure sales; however, there is no written contract with Charles Wrenscher of Horizon Real Estate Services. He is paid \$1,500 per month whether or not there are any lots to bid on. Mr. Butler noted that during the years 2004-2006 LARA was bidding on 20-30 lots each month, however, now it is more selective with regard to the lots purchased at the foreclosure auctions.

Mr. Collins made a motion to memorialize a contract with Horizon Real Estate Services for one year, which motion was seconded by Ms. Galloway and passed by a unanimous vote of the Board.

IX. Consideration and possible action to approve a revolving marketing fund of \$5,000 for various activities relating to the mission of LARA, upon approval of the Marketing Committee

Mr. Butler stated that this fund would be used to send members of the Marketing Committee to conferences, prepare receptions and publication matters. Expenditures from the marketing fund will require approval by a member of the Marketing Committee. Mr. Collins made a motion to approve a revolving marketing fund of \$5,000.00 which motion was duly seconded by Ms. Galloway and passed by the unanimous vote of the Board.

X. Discussion relating to the article on Affordable Housing Whitepaper (Tabled 2/26/2016)

This matter was tabled.

XI. Auction Update by Linebarger, Goggan, Blair & Sampson, LLP - April 2016

Ms. Stolar of Linebarger, Goggan, Blair & Sampson, LLP reported that no properties were purchased at the April foreclosure sale, however there are five (5) properties at the May sale which LARA may bid on to acquire. The total number of properties acquired by LARA is 1,397.

XII. Chairman Comments

Nothing to report.

XIII. Board Member Comments

Nothing to report.

XIV. Public Comments - Pastor Petry (Fellowship Missionary Baptist Church)

Pastor Petry addressed the Board with regard to the lots at 4429 and 4501 Brinkley Street which are adjacent to his church. He asked if the Board would be willing to enter into a payment plan to purchase the subject lots. Chairman Hall informed Pastor Petry that LARA is not a

financial entity and cannot hold financial plans for anyone. Mr. Butler stated that LARA can sell the lots for the higher of either the amount it paid for the lots or the appraised value of the lots. The lots are currently appraised at \$34,000.00. The church wishes to purchase these lots for parking purposes. Ms. Galloway explained that LARA was created to revitalize older neighborhoods by acquiring lots at tax foreclosure sales and building affordable housing on such lots in order for the lots to be placed back on the tax roll to generate revenue for the City. Chairman Hall suggested that Pastor Petry meet with Mr. Butler to discuss the valuation of the lots and possible license agreement to maintain the lots.

XV. Adjournment

Chairman Hall asked if there were any additional matters to be considered by the Board. Hearing none, the Board meeting adjourned at 2:30 p.m.