

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

January 28, 2011

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 4th Floor Conference Room, 601 Sawyer, Houston, Harris County, Texas, on Friday, January 28, 2011. 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	Steve Hall
Vincent Marquéz	Curtis Lampley
Stephan Fairfield	James Harrison
Jeremy Ratcliff	Rev. John Bowie

Board members absent were Reginald Adams, Teresa Morales and Antoinette Jackson.

Others in attendance included: Steve Tinnermon, Deputy Director of the City of Houston Housing and Community Development Department; Agatha Collins of the City of Houston Housing and Community Development Department; Greg Erwin and Mark Glanowski 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 City of Houston Housing and Community Development Department; Cheryl Phelps of Linebarger, Goggan, Blair & Sampson; Jim Noteware of the City of Houston Housing & Community Development Department; Sue Lovell, Councilmember of the City of Houston; Jim Waller of Solaris Homes; Kim Hansen and Brad Freels of Yellowstone Academy; and Clark Thompson of Bracewell & Giuliani, general counsel for Yellowstone Academy.

I. Call to Order and Roll Call.

Chairman Collins called the meeting to order at 2:00 p.m. which was immediately followed by a roll call of the Board members in attendance. He then announced that Board members Reginald Adams and Teresa Morales have resigned from the Board. Four (4) new Board members will be appointed, two (2) of which will be appointed by Mayor Parker, one (1) by Houston City Council, and one (1) by the Houston Independent School District Board.

II. Approval of Minutes of September 24, 2010 Board Meeting.

Chairman Collins suggested that approval of the minutes of the September 24, 2010 Board meeting be tabled because the Board has not had sufficient time to review and comment on the minutes.

Upon motion by Pastor Hall, duly seconded by Mr. Fairfield, the Board voted unanimously to table approval of the minutes of the September 24, 2010 Board meeting until the next Board meeting.

III. Treasurer's Report.

Chairman Collins suggested that the Treasurer's Reports for the months of September 2010, October 2010, and November 2010 be tabled because the Board has not had sufficient time to examine these reports.

Upon motion by Mr. Marquéz, duly seconded by Rev. Bowie, the Board voted unanimously to table the treasurer's reports for the months of September, October, and November, 2010 until the next Board meeting.

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

Ms. Phelps reviewed the Lot Foreclosure Activity Report dated as of January 4, 2011. She stated that 2 lots were strike offs to the city of Houston, six lots were purchased by LARA, one lot was a third party purchase, and 18 lots were reposted for sale next month or the delinquent taxes had been paid on such lots.

V. Committee Reports.

a) **Executive Committee.**

Nothing to report.

b) **Builder Selection Committee.**

Nothing to report.

c) **LARA/Houston Hope Construction.**

Chairman Collins next recognized Mr. Butler, who reported on the status of the Houston Hope construction activity. Currently, there are 36 houses under various stages of construction; another 62 houses that have now been completed but not yet sold to buyers, and a total of 154 lots sold to builders.

Mr. Butler noted that due to current economic conditions only 16 lots have been sold to builders since July 1, 2010. He then stated that a maximum of \$30,000.00 is available until June 30 for down payment assistance for buyers, however credit scores of 640 or better are currently needed for 30 year mortgage loan

applications. It has become increasingly more difficult for first-time home buyers to qualify for 30 year fixed rate mortgages because their credit scores do not meet current credit requirements.

Chairman Collins then requested a motion to approve the Construction Report. Upon motion by Pastor Hall, duly seconded by Mr. Marquéz, the Committee voted unanimously to approve the Construction Report.

- i) Ratification and acknowledgement of award of a LARA lot acquisition contract to Houston Habitat under contract # 060810-01 in Settegast for construction of new affordable housing – (STD).
- ii) Ratification and acknowledgement of award of a LARA lot acquisition contract to Catholic Charities under contract # 011211-01 in Independence Heights for construction of new affordable housing – (STD).
- iii) Ratification and acknowledgement of award of a LARA lot acquisition contract to Innerloop Homes under contract # 011211-02 in Independence Heights for construction of new affordable housing – (STD).

Mr. Tinnermon recommended that the LARA lot sale contracts with Houston Habitat, Catholic Charities, and Interloop Homes be approved by the Board. Chairman Collins requested a motion to approve these contracts. Mr. Marquéz made a motion to approve the LARA lot sale contracts with Houston Habitat, Catholic Charities, and Interloop Homes which was duly seconded by Mr. Fairfield and unanimously voted for approval by the voting of the Board.

VI. Consideration and possible action on pending Right of First Refusal Applications.

Chairman Collins asked if anyone was present to discuss the applications for rights of first refusal. No one present came forth with regard to such applications; therefore, this agenda item was tabled.

VII. Consideration and possible action approving renewal of the Garden License Agreement for the Texans Together Education Fund (8035 ½ Avenue E).

Mr. Tinnermon stated that the urban garden project by the Texans Together Education Fund has been successful and recommended that the Board approve a renewal of the license agreement to continue this urban garden project for the community. Mr. Marquéz asked if the insurance certificate for this licensee would also be renewed because the current certificate has expired. Mr. Erwin responded that the licensee will be required to provide a new insurance certificate naming the LARA as an additional insured under the terms of the license renewal. Mr. Chairman Collins requested a motion to approve the renewal of the license with Texans Together Education Fund to continue operating an urban garden at 8035 ½ Avenue E. Pastor Hall made a motion to approve the renewal of the license agreement with Texans Together Education Fund to continue operating a community urban garden which motion was duly seconded by Mr. Lampley and the Board voted unanimously in favor of such motion.

VIII. Consideration and possible action to extend the McConnell & Jones, LLP letter of Agreement for Accounting Services.

Mr. Tinnermon stated that the agreement with McConnell & Jones, LLP for accounting services has expired and recommended that the Board extend the agreement for 1-year under the terms in the letter agreement dated January 24, 2011. The monthly fee will not exceed \$3,500 for accounting and management advisory services. Chairman Collins requested a motion to approve an extension of the accounting services agreement with McConnell & Jones, LLP. Mr. Harrison made a motion to extend the agreement with McConnell & Jones, LLP which motion was duly seconded by Mr. Ratcliff and the Board voted unanimously in favor of approving this motion.

IX. Consideration and possible action to extend the Weed Cutting Services Contract with Transteq Environmental Solutions.

Mr. Tinnermon stated that the weed cutting contract expired November 30, 2010, however he has not had time to prepare a new proposal for bids but will have a new contract in place by April 15, 2011 for the new growing season. During the interim period there will be violations and complaints that will need to be addressed on LARA lots. Mr. Tinnermon recommends extending the contract with Transteq Environmental Solutions on a direct order basis to address any weed violations between now and when the new contract is signed with the contractor submitting the best bid for weed cutting services. Chairman Collins requested a motion to extend the contract with Transteq Environmental Solutions until April 2011. Mr. Lampley made the motion to extend the weed cutting contract with Transteq Environmental Solutions which motion was duly seconded by Mr. Marquéz and the Board voted unanimously in favor of approving such motion.

X. Consideration and possible action to amend the Houston Hope CDC Marketing Agreement.

Mr. Tinnermon stated that the Houston Hope/CDC Marketing Agreement expired in December 2010 and recommended that the Board agree to a 3-month extension of this agreement. Mr. Lampley made a motion to extend the marketing agreement for three months with Houston Hope/CDC which motion was duly seconded by Mr. Harrison and the Board voted unanimously in favor of approving such motion.

XI. Update on LARA Board of Directors Retreat.

Chairman Collins suggested that this matter be tabled until the four (4) new Board members are appointed.

XII. Reconvene in Open Session.

Nothing to report.

XIII. Executive Session.

Nothing to report.

XIV. Chairman's Comments.

Nothing to report.

XV. Board Member Comments.

Mr. Harrison recommended that when the four new Board members are appointed that a tour of the houses built on LARA lots be scheduled. Mr. Tinnermon agreed that a tour of the houses and meetings with the home builders should be scheduled prior to the next directors retreat.

XVI. Public Comments.

Houston City Councilmember Sue Lovell spoke to the Board with regard to her experience with Yellowstone Academy which educates disadvantaged children in a low income neighborhood. The Academy wants to expand its athletic field for the children, however, the property in the middle of the field is owned by LARA. Previous negotiations were conducted to grant a 5-year lease with an option for an additional 5 years. During the lease negotiations it was not known that the subject LARA lot was located in a critical position of the proposed athletic field. Councilmember Lovell stated that the Academy is willing to purchase another lot in the neighborhood to swap for the lot LARA owns in the proposed athletic field.

Mr. Harrison noted that LARA's mission is to build affordable houses and to return real property to the tax roll. Mr. Erwin advised that the subject lot was purchased by LARA at a tax foreclosure sale, therefore LARA can convey this lot for redevelopment purposes under its Inter-local Agreement with the local tax jurisdictions. Mr. Erwin noted that LARA would need to determine its cost in purchasing the lot at the tax sale if the Academy wishes to purchase it rather than enter into a lease agreement. Ms. Hansen stated that Yellowstone Academy can fund the purchase of the subject lot once LARA determines the cost of the lot.

Chairman Collins recommended that purchase of the subject LARA lot by Yellowstone Academy be placed on the agenda for consideration by the Board at the next Board meeting.

Mr. Noteware then addressed the Board concerning the recent departures from the LARA Board and requested that a meeting be scheduled within the next two weeks to discuss the appointments of new Board members. He stated that he would like to provide the same level of infrastructure in all neighborhoods and gave the new wooden bridge at Memorial Park as an example.

Mr. Waller of Solaris Homes stated that he is seeking to purchase additional lots in Acres Homes to build energy efficient homes. The company has already built 18 houses in Acres Homes but is now in need of additional lots to continue its development of energy efficient houses for this area of Houston. Chairman Collins advised Mr. Waller to schedule a meeting with Messrs. Tinnermon and Butler to determine the availability of lots in Acres Homes.

XVII. Adjournment.

Chairman Collins moved that the meeting of the Board of Directors be adjourned. The Board meeting adjourned at 3:02 p.m.