

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

September 8, 2017

A Special 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 of Houston Housing and Community Development Department, 601 Sawyer St., 1st Floor Conference Room, Houston, Texas 77007, on Friday, September 8, 2017 at 1:00 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:

Nicholas Hall	Curtis Lampley
Pastor Steve Hall	David Collins
Vincent Marquéz	Carol Galloway
Matt Zeis	Stephan Fairfield
Michael Lactson	

Board members absent were Antoinette Jackson, Pastor Isaac Matthews, and Dallas Jones.

Others in attendance included: Chris Butler of the City of Houston; Yvonne Cantu of the City of Houston Housing and Community Development Department; Greg Erwin and Mark Glanowski (Paralegal) of Winstead PC, outside legal counsel for the Authority; Gracie Saenz, attorney for the Authority; Leah Stolar of Linebarger, Goggan, Blair & Sampson, LLP; Lynn Hensen of the City of Houston Planning and Development Department; Jenn Char; Michael Lactson; and Brian White of STR Grants LLC.

I. Call to Order and Roll Call

Chairman Nicholas Hall called the meeting to order at 1:10 p.m. A roll call of the Board members in attendance immediately followed. He noted that a quorum of the Board was present.

II. Adopt Minutes of Previous Meeting

Chairman Nicholas Hall asked if there were any questions and/or comments with regard to the minutes prepared and previously circulated for the Board of Directors and Executive Committee meetings held on July 28, 2017. Ms. Galloway then made a motion to approve the minutes as written, which motion was duly seconded by Pastor Hall and passed by the unanimous vote of the Board.

III. Public Comments

Nothing to report.

IV. Swearing-In Ceremony of Michael Lactson to Position 13 of the Land Assemblage Redevelopment Authority Board of Directors by Harris County for a term to expire December 31, 2018

Chairman Nicholas Hall gave the oath of office to Michael Lactson for Position 13 on the Board of Directors.

V. Committee Reports

(a) Finance Committee's Report regarding the current financial status of the Authority

Mr. Zeis stated that the Finance Committee met on August 18, 2017 and noted that as of June 30, 2017 the General Fund balance is \$2,608,444, the balance in the Sewer and Water Tap program is \$100,000, the balance in the CDC program is \$100,000, and the fund balance in the Marketing Account is \$481,831.

(b) Builder Committee's Report regarding recent construction activity, approved builder comments, and new builder applications

Mr. Lampley reported that the Building Selection Committee met in August to examine the applications submitted by several builders. He stated that the application along with the additional construction history requested were submitted by EM Homes LLC, and reviewed and found to be sufficient; therefore, the Builder Selection Committee now recommends approval of the application submitted by EM Homes LLC. Chairman Nicholas Hall noted that item X.a has been pulled from the Agenda.

VI. Chairman's Report

Nicholas Hall informed the Board that he held meetings with city administrators and the Director of Housing and stated that LARA will now take a more expanded scope with regard to land acquisitions, dispositions, and land swaps. He also recently toured the neighborhoods of Acres Home, Settegast and Trinity Gardens.

VII. Resolution approving the Authority's Bylaws as initially amended by City of Houston Ordinance 2003-1018 and subsequently changed by City of Houston Ordinance 2005-1073 approved by City of Houston City Council on September 14, 2005

Chairman Hall stated that after research conducted by the City of Houston Legal Department into the status of the Authority's Bylaws it was unclear which version of the Bylaws the Authority adopted in 2005. Pastor Hall made a motion approving the Authority's Bylaws as initially amended by City of Houston Ordinance 2003-1018 and subsequently changed by City of Houston Ordinance 2005-1073 approved by City of Houston City Council on September 14,

2005 which motion was duly seconded by Mr. Marquéz and passed by the unanimous vote of the Board.

VIII. Discussion, consideration, and possible action to elect Jenn Char as President of the Authority and employ her services for an amount not to exceed \$92,000 annually from the General Fund

Chairman Nicholas Hall informed the Board that over 60 applications were submitted for the position of president. The applications were scored by the Executive Search Committee and the application with the highest score was that of Ms. Jenn Char. Nicholas Hall further stated that Ms. Char is highly recommended to assist LARA with its transition. Chairman Hall requested a motion to approve Jenn Char as President of the Authority. Mr. Zeis made a motion to approve the election of Jenn Char for the position of president of the Authority which motion was duly seconded by Mr. Marquéz. Chairman Hall then asked if there was any discussion on this matter. Pastor Hall stated that the Executive Search Committee should discuss the process for the scoring of the applications and asked who was on the Executive Search Committee.

Mr. Zeis stated that he was on the Executive Search Committee and that a vast majority of the applications were not seriously considered as they did not meet the qualifications for the position of president of LARA. The application of Ms. Char was much more qualified than the others especially in the areas of relationships with city administration, builders, and knowledge of financial matters. Nicholas Hall noted that Ms. Char has a very good relationship with the City of Houston Housing Department which will be of value as LARA transitions to more of a land bank organization. Ms. Char is currently working in the Finance Department for the City of Houston. Nicholas Hall stated that her employment contract with LARA would be for 90 days as an interim position. He noted that LARA only has one staff member at this time, that being Yvonne Cantu who was also a member of the Executive Search Committee.

Ms. Galloway stated that her concern is that the Board has not received a letter from Mayor Turner authorizing the re-organization of LARA and the hiring of a president to be compensated from LARA's funds. Chris Butler noted that there have been discussions between the City of Houston Housing Director and Nicholas Hall because when he left his position in July 2017 there was no replacement to handle the day to day work he was doing for LARA. The Housing Director recommended that LARA employ its own staff to handle the work that Mr. Butler was doing in his former position with the Mayor's Office. Mr. Butler was on the Executive Search Committee but stated that he did not have time to score the proposals; however, he has no objections with the applicant the Executive Search Committee has selected.

Ms. Galloway stated that the Housing Director is not the authority for LARA. Mr. Collins asked how LARA will become an independent non-profit entity because it is still operating under Interlocal Agreements with Harris County, the City of Houston, and the Houston Independent School District and the Bylaws approved by City Council. Nicholas Hall informed Mr. Collins that the Interlocal Agreements expired in March 2017. Mr. Erwin stated that LARA has not changed and continues to operate under its Bylaws. Nicholas Hall stated that as long as LARA does not do anything in conflict with its Articles of Incorporation and Bylaws it has the authority to make changes. Mr. Collins asked how LARA will obtain funding to carry on its mission. Nicholas Hall indicated that the Housing Director has proposed a grant of \$10 Million

from affordable housing TIRZ funds to LARA on a reimbursement basis, however there will need to be a process to obtain future funds to continue the operations of LARA and to be more autonomous as it will not be relying on city staff as in the past.

Nicholas Hall stated that Ms. Char would be on a 90-day probationary period just like any other City of Houston employee. He further stated that she would not receive any other benefits in addition to the salary. Her job will also include working with Mr. Brian White, a land bank consultant.

Nicholas Hall then stated that the job posting would remain open. Mr. Butler noted that the Housing Director wishes for LARA to be an independent non-profit with its own staff, however the Housing Department would provide resources to LARA including utilization of its office facilities. Mr. Hall reiterated that the City of Houston Housing Director and the City of Houston Chief Development Officer are very supportive of LARA moving in a new direction and that as a matter of securing the \$10 Million grant they would like to see Harris County and HISD contribute in kind to LARA.

Chairman Hall noted that LARA has not acquired properties by strike-offs during the previous three years, rendering the interlocal agreement obsolete for new acquisitions, and that the respective entities are discussing their options going forward. Mr. Collins asked if Ms. Char has grant writing experience and noted that it could take several years to obtain approval for the requested grants. Mr. Hall stated that LARA can hire a grant writer if necessary.

The motion was then passed by the unanimous vote of the Board.

IX. Discussion, consideration, and possible action to transfer \$500,000 from the Authority's General Fund into the Land Acquisition Fund

Chairman Hall noted that there are currently no funds in the Land Acquisition Fund. Pastor Hall made a motion to transfer \$500,000 from the Authority's General Fund to the Land Acquisition Fund, which motion was duly seconded by Mr. Zeis and passed by the unanimous vote of the Board.

X. Discussion, consideration, and possible action to approve the following purchase and sale agreements to builders:

- (a) Ratification of a LARA lot acquisition contract to HAUCDC under Contract #081817-02 in Fifth Ward for construction of new affordable housing under the STD Lot Program**

As previously stated by Chairman Hall this Agenda item was pulled.

- (b) Award of a LARA contract to EM Homes LLC under Contract #081817-01 in Acres Homes for construction of new affordable housing under the \$1 Lot Program**

Mr. Lampley made a motion to award a LARA construction contract to EM Homes LLC which motion was duly seconded by Mr. Marquéz. Chairman Hall asked if there was any

discussion. Pastor Hall asked about the Board's concerns with the prior experience of the owner of EM Homes LLC. Mr. Lampley stated that the Builder Selection Committee received additional information on homes the owner previously constructed since 2006 for other builders. The motion then passed by the unanimous vote of the Board.

XI. Board Member Comments

Nothing to report.

XII. Adjournment

Chairman Nicholas Hall asked if there were any additional matters to be considered by the Board. Hearing none, the Board meeting was then adjourned at 1:54 p.m.