

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

July 17, 2018

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 1st Floor Conference Room of the City of Houston Housing and Community Development Department, 601 Sawyer Street, Houston, Texas, on Tuesday, July 17, 2018 at 12:00 p.m. Written notice of the special meeting, which included the date, hour, place and agenda for the special meeting, was posted in accordance with the Texas Open Meetings Act.

Board members in attendance were:

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

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

Others in attendance included: 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; Tom McCasland, Director of Housing and Community Development; Laurie Vignaud, Assistant Director-Single Family and Economic Development of the Housing and Community Development Department; Sam Dike, Chief of Staff, Office of the Vice Mayor Pro-Tempore, Jerry Davis, District B; Brenda Takahashi with the Office of CHDO Administration of the City of Houston Housing and Community Development Department; and Anne Haynes, a candidate for the position of CEO/President for the Houston Land Bank.

I. Call to Order and Roll Call

Chairman Nicholas Hall called the meeting to order at 12:01 p.m. A roll call of the Board members in attendance immediately followed. Chairman Nicholas Hall noted that a quorum of the Board was present.

II. Review of Minutes at Special Board Meeting – May 4, 2018

Chairman Nicholas Hall noted that the minutes for the Board of Directors special meeting held on May 4, 2018 were previously circulated for review and comment. He asked if there were any discussion and/or comments to the minutes from the Board members in attendance. Hearing

none, he then requested a motion to approve the subject minutes. Mr. Zeis made a motion to approve the minutes of the special Board meeting held on May 4, 2018, which motion was duly seconded by Pastor Hall and passed by the unanimous vote of the Board.

III. Chairman Comments

Chairman Hall requested Pastor Hall to begin this portion of the Special Meeting with a prayer for one of the Board members in need of comfort. Following the prayer, he informed the Board on the status of certain matters being undertaken by LARA including the grant agreements, legislative bills and the results of the national search for candidates for the CEO/president position for the Houston Land Bank.

IV. Reports

(a) Financial Report

Mr. Zeis reported that as of May 31, 2018, LARA has \$1,140,397 in non-restricted assets and \$1,829,696 in restricted assets. He then stated that the audit for the prior fiscal year has been completed.

(b) Executive Search Committee Report

Chairman Nicholas Hall informed the Board that the Executive Search Committee met yesterday at 4:00 p.m. regarding the candidates selected and interviewed for Houston Land Bank's first CEO/President. The search process was initiated in February 2018 when Erickson-Pearson Search was retained to facilitate a national search for candidates for the position of CEO/president.

V. Consideration and Possible Action to Approve 2019 Fiscal Year Budget

Mr. Zeis reported on the operational expenses during the prior 2 years and the proposed expenses for the next 2 years. The proposed Income and Expenditures Budget for Fiscal Year Ending June 30, 2019 and June 30, 2020 forecasts a loss of \$6,366,097 and \$6,289,967, respectively. The budget is required by City ordinance.

Mr. Zeis noted that the budget does not take into account the anticipated \$1,250,000.00 grant for reimbursement of LARA's operating costs and a \$5,000,000.00 grant for lot acquisition costs as sources of income to be received from the City. The budget does include expenses for the strategic planning exercise in the amount of \$30,000.00 and a lobbyist fee of \$50,000.00.

Pastor Hall made a motion to approve the 2019 Fiscal Year Budget, which motion was duly seconded by Mr. Lactson and passed by the unanimous vote of the Board.

VI. Consideration and Possible Action to Hire Anne Haynes as CEO/President of the Houston Land Bank for an Amount Not to Exceed \$165,000 Plus Benefits and Relocation Expenses

Chairman Nicholas Hall informed the Board that the Executive Search Committee selected Anne Haynes for the position of CEO/President of the Houston Land Bank. Ms. Haynes was chosen after the search consultant conducted screening calls with nine candidates, which resulted in three candidates being recommended for the position.

The Board Chair and the organization's lead consultant conducted telephone interviews with the three recommended candidates. Ms. Haynes was then invited for in person interviews with Houston Land Bank Board members and key City leaders. Chairman Hall then introduced Ms. Haynes to the Board.

Ms. Haynes spoke about her previous work history including with the City of New York Mayor's Office for Economic Development and as CEO of the Economic Development Corporation of New Haven Connecticut after working as a project architect for 12 years. She has worked for the past 4 years as Director of Transformative Development for the Mass Development Finance Agency. She noted that she has experience working within a city government and many local governments which will help her to advance the goals of the Houston Land Bank. This will be her first opportunity to start up a land bank. She currently works for the Massachusetts Land Bank developing real estate and data collection. She noted that her educational background includes a Master of Architecture from Yale School of Architecture and a MBA from MIT.

Mr. Fairfield made a motion to employ Anne Haynes for the position of CEO/President of Houston Land Bank for an amount not to exceed \$165,000 plus benefits and relocation expenses, which motion was duly seconded by Pastor Hall and passed by the unanimous vote of the Board.

VII. Consideration and Possible Action to Approve CHDO Program between LARA and the Housing and Community Development Department

Ms. Takahashi addressed the Board with regard to approving the CHDO Program Agreement for 20 LARA lots to facilitate the CHDO Single-Family Home Development Demonstration Program. The City of Houston's Certified Community Housing Development Organization plans to develop 20 affordable fortified Energy Star certified single-family homes within the Complete Communities. The CHDO review board will be responsible for vetting the developers according to its strict set of home guidelines.

Ms. Takahashi requested the ability to swap any lot among the 20 lots provided by LARA if any lot is found to be unacceptable for development of a single-family home. Each of the selected developers will be required to have a line of credit in the amount of \$80,000.00 with reimbursement after various draws. Also, each developer must specialize in design for added-value resiliency and be Energy Star certified. The CHDO will be the buyer of the lots and will have a 120 day review period.

Mr. Fairfield made a motion to approve the CHDO Program between LARA and the Housing and Community Development Department, which motion was duly seconded by Mr. Marquéz and passed by the unanimous vote of the Board.

VIII. Consideration and Possible Action to Grant a Waiver of Reverter Rights to Houston Business Development Inc. for Contract #102417-01

Chairman Hall informed the Board that Houston Business Development, Inc. did not commence construction pursuant to the covenants in closing documents and the Lot Acquisition Contract because its arrangement for financing from a non-profit entity took more time than anticipated. The lots are now owned by LARA pursuant to the rights of reverter in the transaction documents. Houston Business Development, Inc. is requesting an extension of time to commence construction on the five lots. One of the lots is still in the permitting process with the City. Mr. Lampley stated that if LARA re-sets the clock for commencement of construction, Houston Business Development, Inc. must re-affirm the affordability and the reverter rights on the five lots. Mr. Collins noted that approving this request will set a precedent for other builders to make similar requests, which he is not in favor of.

Mr. Marquéz made a motion to grant a waiver of reverter rights for Houston Business Development, Inc., which motion was duly seconded by Pastor Hall and passed by the unanimous vote of the Board, with Mr. Collins abstaining from the vote.

IX. Ratification of a LARA Lot Acquisition Contract to Burghli Homes under Contract #060818-01 in Acres Homes for Construction of New Affordable Housing under the \$1 Lot Program

Chairman Hall stated that the subject lot was selected by Burghli Homes prior to the new Memorandum of Understanding.

Pastor Hall made a motion to approve the ratification of Contract #060818-01 with Burghli Homes, which motion was duly seconded by Mr. Zeis and passed by the unanimous vote of the Board. Mr. Marquéz requested that LARA obtain a letter from the Housing and Community Development Department approving the transfer of this lot. Mr. Zeis amended and supplemented the motion to require an approval letter from the Housing and Community Development Department, which amended and supplemented motion was duly seconded by Mr. Marquéz and passed by the unanimous vote of the Board.

X. Ratification of a LARA Lot Acquisition Contract to Burghli Homes under Contract #071118-01 in Acres Homes for Construction of New Affordable Housing under the \$1 Lot Program (pg. 34)

Chairman Hall stated that the subject lot was also selected by Burghli Homes prior to the new Memorandum of Understanding.

Pastor Hall made a motion to approve the ratification of Contract #060818-01 with Burghli Homes, which motion was duly seconded by Mr. Zeis and passed by the unanimous vote of the Board. Mr. Marquéz requested that LARA obtain a letter from the Housing and Community Development Department approving the transfer of this lot. Mr. Zeis amended and

supplemented the motion to require receipt of an approval letter from the Housing and Community Development Department, which amended and supplemented motion was duly seconded by Mr. Marquéz and passed by the unanimous vote of the Board.

XI. Public Comments

Chairman Nicholas Hall then asked if there were any public comments. Nothing to report.

XII. New Business

Chairman Nicholas Hall asked if there was any new business for the Board to consider. Nothing to report.

XIII. Adjournment

Chairman Nicholas Hall asked if there were any additional matters to be considered by the Board. Hearing none, the Board meeting adjourned at 1:08 p.m. pursuant to the motion of Mr. Fairfield, which was duly seconded by Mr. Zeis.

Minutes Prepared By:

Mark Glanowski of Winstead PC and
Graciela Saenz of Saenz & Burkhardt, P.L.L.C.

Signed on the _____ day of _____, 2018.

President