

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

**August 27, 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 1<sup>st</sup> Floor Conference Room of the City of Houston Housing and Community Development Department, 601 Sawyer Street, Houston, Texas, on Monday, August 27, 2018 at 3:00 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
David Collins	Vincent Marquéz
Carol Galloway	Michael Lactson
	Antoinette Jackson

Board members absent were: Curtis Lampley, Pastor Isaac Matthews 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 Houston Housing and Community Development; Laurie Vignaud, Assistant Director-Single Family and Economic Development of the Houston Housing and Community Development Department; Deanna Burns; Sam Dike, Chief of Staff, Office of the Vice Mayor Pro-Tempore, Jerry Davis, District B; Lynn Henson with the City of Houston Planning Department; Anne Haynes, the CEO/President for the Houston Land Bank; and Brian White of STR.

**I. Call to Order and Roll Call**

Chairman Nicholas Hall called the meeting to order at 3:04 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. Mr. Fairfield arrived at 3:26 p.m. Ms. Jackson departed the meeting at 3:32 p.m.

**II. Review of Minutes at Special Board Meeting – July 17, 2018**

Chairman Nicholas Hall noted that the minutes for the Board of Directors special meeting held on July 17, 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. Pastor Hall made a motion to approve the minutes of the special Board meeting held on July 17, 2018, which motion was duly seconded by Mr. Zeis and passed by the unanimous vote of the Board.

### **III. Chairman Comments**

Chairman Hall reported that the recent builder forum was a great success and that the ground-breaking ceremony will be held on September 4, 2018.

### **IV. Presentation by Brian White**

Mr. White reported on the status of the revised operations of the land bank and how to improve the land bank to be a more effective partner with the City of Houston and various community stakeholders. He stated that STR was instrumental with regard to connecting the Houston Land Bank to resources it may have not been aware of and create new policies and procedures for the framework of the land bank. He noted that such policies and procedures should not need any amendments to adjust to new projects to be undertaken by the Houston Land Bank. Mr. White was enthusiastic that the Houston Land Bank has now embraced the MySidewalk Project for its visual dashboard and property data resource. The Center for Community Progress has been employed as a partner to assist the land bank with drafting new legislation and acquiring adequate funding from the state for its activities. Finally, Mr. White was excited to see that the executive national search process found a candidate to serve as the new president and CEO of the Houston Land Bank.

### **V. Reports**

#### **(a) CEO/President Report**

Ms. Haynes stated that she is an architect by training; however, during the last 10 years, she has had three roles in leading functional land banks in the Northeast. Her goal for the Houston Land Bank is to create an alignment with the City of Houston, the Harris County Flood Control District, and the strategic neighborhoods to develop the "complete" communities mandated by Mayor Turner. She stated that she met with Frank Alexander of the Center for Community Progress and attended a recent City of Houston City Council meeting. Ms. Haynes noted that she will need to study the land bank's inventory of lots and the neighborhoods where such lots are located. She also will work to refine the systems and operations of the land bank and create a payroll system.

#### **(b) Financial Report**

Mr. Zeis reported that the Finance Committee did not meet this month, but that currently, LARA has \$415,597 in non-restricted assets and \$816,330 in restricted assets. He then stated that the bookkeeper is still working on the numbers for the month ending June 30th.

**VI. Consideration and possible action to adopt the Amended Certificate of Formation and Amended and Restated Bylaws for the Houston Land Bank approved by City of Houston City Council**

Ms. Jackson made a motion to adopt the Amended Certificate of Formation and Amended and Restated Bylaws, which motion was duly seconded by Ms. Galloway and passed by the unanimous vote of the Board.

Chairman Nicholas Hall informed the Board that the Amended Certificate of Formation will need to be filed with the Texas Secretary of State.

**VII. Consideration and possible action to approve an amendment to the Land Use Restriction Agreement to provide that builders must obtain written confirmation from HCDD certifying that buyer meets income restrictions prior to closing**

Mr. Erwin informed the Board that the current Land Use Restriction Agreement which is filed for record in the real property records when each lot is conveyed to a builder requires the builder to provide prior written notice to the Houston Land Bank 20 days prior to closing the sale of a lot to a purchaser that such purchaser satisfies the land bank's income requirements. The Land Use Restriction Agreement will now be revised to require that the Houston Land Bank receives written confirmation from the City that such proposed purchaser satisfies the income requirements. The threshold income requirement in the Agreement is 120% of AMI. Mr. McCasland confirmed that the City will be able to comply with the timing for providing confirmation that the proposed purchaser meets the income requirements for the affordable housing to be developed on the land bank lots. He stated that City underwriting should be able to respond in less than seven days.

Ms. Jackson made a motion to amend the Land Use Restriction Agreement to provide that builders must obtain written confirmation from HCDD certifying that buyer meets income restrictions prior to closing, which motion was duly seconded by Mr. Zeis and passed by the unanimous vote of the Board.

**VIII. Consideration and possible action to create an Oversight Committee**

Mr. Zeis made a motion to create an Oversight Committee to oversee administrative, programming and bylaws matters, which motion was duly seconded by Ms. Galloway and passed by the unanimous vote of the Board. Chairman Hall stated that Michael Lactson will chair this new committee.

**IX. Consideration and possible action to award a contract to the Center for Community Progress for assistance with preparation of draft legislation and on-call consultation throughout the legislative process for an amount not to exceed \$112,200.00**

Chairman Hall informed the Board that Frank Alexander, Co-Founder and Senior Advisor of the Center for Community Progress is excited to make the Houston Land Bank the best land bank in the country. Pastor Hall made a motion to approve the contract with the Center for Community Progress for assistance with drafting legislation to be delivered to the State of

Texas legislature, which motion was duly seconded by Mr. Zeis and passed by the unanimous vote of the Board.

**X. 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. was not able to commence construction as required by the covenants in the LARA closing documents and the Lot Acquisition Contract because its arrangement for financing from a non-profit lender took longer than anticipated. Title to the subject lots is now owned by LARA pursuant to the rights of reverter in the closing documents. Houston Business Development, Inc. requested an extension of time to commence construction on the five lots and at its last Board meeting, LARA approved re-setting the clock for commencement of construction, with Houston Business Development, Inc. re-affirming the affordability and the reverter rights on the five lots. Now the lender for Houston Business Development, Inc. is requesting LARA to subordinate its rights under the Land Use Restriction Agreement. However, if the lender should foreclose on the lots it will cancel LARA's rights of reverter and there would be no mechanism for LARA to force the builder to construct the affordable houses. Pastor Hall stated that he is concerned that subordinating LARA's rights to this lender would set a precedent for other lenders to request the same.

Mr. Marquéz made a motion to table this agenda item and request that the Builder Selection Committee review this request for subordination of LARA's reverter rights and provide its recommendation to the Board, the motion was seconded and passed by the unanimous vote of the Board with Mr. Zeis abstaining from voting on this matter.

**XI. Consideration and possible action regarding request of lot owner seeking financial assistance to remove trees. The HLB lot is 0 Weyburn, HCAD No. 073-132-000-0357**

Yvonne Cantu informed the Board that Cecilia Beaudion, the adjacent lot owner to the LARA lot on Weyburn Street is requesting assistance in the amount of \$2,000.00 toward the cost to cut, remove and grind stumps for 10 large trees located on the property line. Ms. Cantu obtained a quote from LARA's maintenance contractor (TransTeq Environmental Solutions, Inc.) in the amount of \$7,800.00. Ms. Beaudion gave Ms. Cantu a handwritten receipt for \$4,000 she paid for the cost to cut and remove the trees. Ms. Beaudion proceeded to have the trees cut and removed in order to install a fence on the lot line prior to the Board meeting.

Ms. Galloway recommended that City staff determine if the trees were located on the property line before the Board decides to take any action on this request.

Ms. Galloway made a motion to have City staff investigate the location of the trees which may have been encroaching onto an adjacent lot owned by Ms. Beaudion, which motion was duly seconded by Mr. Collins and passed by the unanimous vote of the Board.

**XII. Public Comments**

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

**XIII. New Business**

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

**XIV. Adjournment**

Chairman Nicholas Hall asked if there were any additional matters to be considered by the Board. Hearing none, the Board meeting adjourned at 3:56 p.m.

Minutes Prepared By:

Mark Glanowski of Winstead PC and  
Graciela Saenz of Law Offices of Graciela Saenz

Signed on the \_\_\_\_\_ day of \_\_\_\_\_, 2018.

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President