

**MINUTES OF REGULAR MEETING OF THE CITY COUNCIL OF
THE CITY OF LUFKIN, TEXAS, HELD ON THE
21ST DAY OF MAY, 1996 AT 5:00 P. M.**

On the 21st day of May, 1996 the City Council of the City of Lufkin, Texas, convened in a regular meeting in the Council Chambers of City Hall with the following members thereof, to wit:

Louis A. Bronaugh
Don Boyd
Percy Simond
Bob Bowman
Jack Gorden, Jr.
Tucker Weems
C. G. Maclin
Darryl Mayfield
Stephen Abraham
Bob Flournoy
Atha Stokes

Mayor
Mayor pro tem
Councilmember, Ward No. 1
Councilmember, Ward No. 4
Councilmember, Ward No. 5
Councilmember, Ward No. 6
City Manager
Asst. City Manager/Finance
Director of Planning
City Attorney
City Secretary

being present, and

Betty Jones

Councilmember, Ward No. 3

being absent when the following business was transacted.

1. Meeting was opened with prayer by Rev. Bettye Kennedy, Minister, Collins Chapel CME Church.
2. Mayor Bronaugh welcomed visitors present.
3. **APPROVAL OF MINUTES**

Motion was made by Councilmember Don Boyd and seconded by Councilmember Tucker Weems that the minutes of the Regular Meeting of May 7, 1996 be approved as presented. A unanimous affirmative vote was recorded.

4. PUBLIC HEARING - TEXAS COMMUNITY DEVELOPMENT PROGRAM -TCDP FUNDS - WELL FIELD LINE REPLACEMENT

Mayor Bronaugh opened Public Hearing (close out) concerning the Texas Community Development Program including the use of TCDP funds expended under TCDP #714027 (well field line replacement.)

City Manager Maclin stated that this is the final Public Hearing to be held as required by the Texas Department of Housing and Community Affairs. City Manager Maclin requested that anyone present in regard to the Public Hearing sign in on the attendance sheet provided. (Packets were also made available to those wishing to receive information regarding the Program.) City Manager Maclin stated that staff was requesting participation by those interested in this program, especially those of low or moderate income residing in slum or blighted areas, or in areas where TCDP funds are used. City Manager Maclin stated that these Public Hearings are held to obtain citizens views or to respond to questions, proposals, and comments at all stages of the Community Development Program.

City Manager Maclin stated that the final Public Hearing is to present the specifics of the project recently completed, and after the review of the project today, the floor will be open to questions and comments regarding the program performance. City Manager Maclin stated that this particular Texas Community Development Program project has been completed and the Project Completion Report and

Certificate of Completion is available for review.

City Manager Maclin stated that this Public Hearing is specifically in regard to the project that was recently completed to replace the well field lines north of the Water Treatment Plant that actually lies between Redland and Ellen Trout Zoo and Park. City Manager Maclin stated that included in the project is eleven (11) miles of well field lines that pump the water from the deep wells to the Treatment Plant for treatment by chlorination and purification. City Manager Maclin stated that the old lines were installed approximately 30 years ago and used a material known as asbestos cement pipe, which caused problems through age and deterioration of asbestos fibers coming into the water. City Manager Maclin stated all of the asbestos cement lines have now been replaced as a part of this project with PVC pipe.

There was no one present to speak for or against the close out of TCDP Contract #714027.

Mayor Bronaugh closed Public Hearing.

5. ORDINANCE - APPROVED - FIRST READING - ZONE CHANGE - "RL" RESIDENTIAL LARGE SINGLE FAMILY TO "PUD" PLANNED UNIT DEVELOPMENT - BARTMESS DRIVE - CHESTNUT STREET (HIGHWAY 58) - BANSIR DEVELOPMENT, INC. - JOHN KONDROIK, JR. - JIM SMITH

Mayor Bronaugh stated that the first item for consideration was the request of John Kondroik, Jr., and Jim Smith of Bansir Development, Inc. to change the zoning from "RL" Residential Large Single Family to "PUD" Planned Unit Development on approximately a 7.91 acre tract of land located near the intersection of Bartmess Drive and Chestnut Street (Highway 58).

Mayor Bronaugh stated that this particular item has been on the Agenda for three Council meetings because there was not a full Council to consider the zone change. Mayor Bronaugh stated that since one Councilmember is absent tonight and there will not be a full Council at the first meeting in June, it might be advisable to consider the request at this meeting. Councilmember Bowman stated that since this zone change is in his Ward he would request that it be considered tonight. The Council concurred with his request.

City Planner Stephen Abraham stated that originally the proposal was for 7.91 acres on this tract of land at the corner of Bartmess and Chestnut Street. Mr. Abraham stated that the original proposal had five (5) multi-family units, each one having six (6) dwelling units in the apartments. Mr. Abraham stated that two of the units were to be located on Bartmess Drive and the new street that was to be built perpendicular with Bartmess, and three others were to be located on the east side of Chestnut, having access only to Chestnut. Mr. Abraham stated that over the course of several meetings the applicants have revised their plan and have now reduced the size of the area to be considered, taking off the tract that fronts on Chestnut. Mr. Abraham stated that the size of the property is now 6.86 acres, and all of the multi-family units have been removed from the proposal. Mr. Abraham stated that the Planned Unit Development District is now requesting 37 single family dwellings. Mr. Abraham stated that the purpose for the Planned Unit Development is that it allows development on the gross square footage of the property rather than on the net developable. Mr. Abraham stated that the proposal will yield 37 single family dwellings on 6.86 acres for a gross land area of 8,076 square feet per dwelling, as compared to the 10,000 square foot minimum lot size for Residential Large and 8,000 square feet for Residential Medium. Mr. Abraham stated that the minimum dwelling size for this development will be 1,500 square feet as compared to 1,200 square feet for Residential large and 850 square feet for Residential Medium.

Mr. Abraham stated that with a Planned Unit Development, one of the key items is, unlike Residential Large, they can change the development pattern any time they want as long it complies with the Residential Large requirements. Mr. Abraham

stated that with a Planned Unit Development, Council is approving this plan, and any deviation from the plan would require action from the Planning & Zoning Commission and the City Council with notification to all the surrounding property owners.

Mr. Abraham stated that Bansir has submitted a signed petition from several of the property owners stating that they are no longer in opposition to the request. Mr. Abraham stated that because the written protests now constitute less than 20% of the area around the subject property, a majority vote of the City Council is all that is required to approve the zone change request.

John Kondroik stated that he and Mr. Smith had made an effort to negotiate with the neighbors, whose main concern was drainage and density. Mr. Kondroik stated that their main priority was to build a development that Lufkin could be proud of. Mr. Kondroik stated that he had brought visuals if anyone was interested.

Mayor Bronaugh requested that Mr. Abraham make available the petition to anyone in the audience who wanted to see it.

Motion was made by Councilmember Bob Bowman and seconded by Councilmember Don Boyd that request of John Kondroik, Jr. and Jim Smith of Bansir Development, Inc. to change the zoning from "RL" Residential Large Single Family to "PUD" Planned Unit Development on approximately a 7.91 acre tract of land located near the intersection of Bartmess Drive and Chestnut Street (Highway 58) be approved on First Reading as presented. A unanimous affirmative vote was recorded.

6. ANNEXATION/ZONING - APPROVED - SECOND READING - CROWN COLONY SECTIONS VII-C AND VIII-A - CROWN COLONY COUNTRY CLUB (GOLF COURSE) - CHAMPIONS DRIVE

Mayor Bronaugh stated that the next item for consideration was Second Reading of the annexation of and appropriate zoning classifications for approximately 117.677 acres of land known as Crown Colony Sections VII-C & VII-A and a portion of Crown Colony Country Club (Golf Course) and located south of and between the two termination points of Champions Drive.

Motion was made by Councilmember Bob Bowman and seconded by Councilmember Jack Gorden, Jr. that annexation of approximately 117.677 acres of land known as Crown Colony Sections VII-C and VIII-A and a portion of Crown Colony Country Club (Golf Course) located south of and between the two termination points of Champions Drive be approved on Second and Final Reading as presented. A unanimous affirmative vote was recorded.

Motion was made by Councilmember Bob Bowman and seconded by Councilmember Jack Gorden, Jr. that zoning of Residential Large Single Family to a certain tract or parcel of land within the corporate limits of the City of Lufkin, Texas described as Crown Colony Section VII-C; the zoning of Residential Large Single Family to a certain tract or parcel of land within the corporate limits of the City of Lufkin, Texas described as Crown Colony Section VIII-A; and, the zoning of Apartment, Special Use (Golf Course) to a certain tract or parcel of land within the corporate limits of the City of Lufkin, Texas described as a portion of Crown Colony Golf Course be approved on Second and Final Reading as presented. A unanimous affirmative vote was recorded.

7. TAX RESALE RESOLUTION - APPROVED - CALAME, LINEBARGER, GRAHAM & PENA, L.L.P.

Mayor Bronaugh stated that the next item for consideration was a Tax Resale Resolution from the County's delinquent tax collection firm, Calame, Linebarger, Graham & Pena, L. L. P.

City Manager Maclin stated that included in the Council packet is a cover letter from Steven Bird of the Calame, Linebarger, Graham & Pena Law Firm, who provides the delinquent tax collection service for Angelina County and ultimately all taxing entities in Angelina County. City Manager Maclin stated that in Mr. Bird's letter he describes a Resolution for Council's consideration that would authorize tax resales according to the parameters listed in the Resolution. City Manager Maclin stated that this Resolution is also being taken to the other taxing entities in the County.

City Manager Maclin stated that Bill Shanklin, Tax Assessor/Collector for Angelina County was present at tonight's meeting and would be available for questions.

Mr. Bird stated that this is simply an attempt on his firm's part to help speed up the process of trying to get some of this property in trust back on the active tax role.

In response to question by Councilmember Simond, Mr. Bird stated that his firm looks at the time and the number of years that a delinquent tax payer has taxes due for, and the dollar amount that is involved. Mr. Bird stated that once they get that particular tax payer in a law suit and take a judgment and foreclose on it, at that point they can then post the property for sale to try to collect the back taxes. Mr. Bird stated that at that sale, if they are not successful in selling the property to the public then the property goes in trust, and that is the property that they are trying to deal with in the Re-Sale Resolution. Mr. Bird stated that once the property goes in trust it becomes exempt and it sits exempt on the tax role until a private buyer is found to buy the property.

In response to question by Councilmember Simond, Mr. Bird stated that his firm tries to analyze each account to determine how much money is due and how many years they are delinquent. Councilmember Simond stated that there should be some kind of statutory law that says how long people can go without being foreclosed on. Councilmember Simond stated that, in his opinion, Mr. Bird nor his firm had the kind of authority it takes to make judgments on particular property owners. Mr. Shanklin stated that the firm of Calame, Linebarger, Graham & Pena sends out four notices per year advising a property owner that their taxes are delinquent. Mr. Shanklin stated that if no arrangements for payment are made, foreclosure proceedings will begin. Mr. Shanklin stated that at this time there are between 500 and 600 installment agreements where people are making installment payments on their taxes. Mr. Shanklin stated that the County does not want to foreclose on anyone's property, they simply want the taxes.

Councilmember Simond stated that this process should be State legislated. Councilmember Simond requested that the City Attorney research the law and see if there is a law that will protect the people from this kind of process.

In response to statement by Councilmember Simond in regard to time limits on delinquent taxes, Mr. Bird stated that the State does say that if your taxes are delinquent for one year you can be foreclosed upon.

Councilmember Simond stated that his concern was that unsophisticated people were being taken advantage of.

In response to question by Councilmember Simond, Mr. Shanklin stated that the property for re-sale is advertised in the Lufkin Daily News. Mr. Bird stated that his firm is required to advertise the property for three consecutive weeks prior to actually offering the property for sale. Mr. Bird stated that his firm has recently created a notebook that is now available in the Tax Office that identifies all the property for anyone who might walk in and want a listing of these properties. Mr. Bird stated that a lot of the purchasers have been adjoining property owners. Mr. Bird stated that his firm is also considering placing signs on the property stating that the property is for sale.

Mr. Flournoy stated that the owners have a certain length of time, even after the sale, in which they can redeem the property by simply paying the taxes. Mr. Bird stated that there is a statutory redemption period, and the former owner has six months (if the property is not homestead) to buy it back from the person who bought it. Mr. Bird stated that if the property is homestead then the redemption period is two years. There is a penalty for doing this; you have to pay the person who bought it not only what they paid for it but an additional 25% redemption penalty. The second year has a 50% redemption penalty.

Mr. Flournoy stated that before the property is sold there is always a lawsuit.

Mr. Bird stated that when his firm has contact with the delinquent taxpayer they always encourage the taxpayer to set up a payment plan because they are reluctant to take a judgment and sell their property.

Councilmember Weems requested that the City Manager provide Council with a list of the properties in trust to see if any of them could be used by the City. City Manager Maclin stated that the City Planner has already compiled a complete listing of all trust properties owned by LISD and the City of Lufkin and have been monitoring them for the past several months for possible utilization in an affordable housing program. Councilmember Simond requested that staff make this list available to Councilmembers. City Manager Maclin stated that he would include this list in the FYI section of the next Council packet.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Tucker Weems that Tax Resale Resolution be approved as presented. A unanimous affirmative vote was recorded.

8. SITE PLAN - APPROVED - ANGELINA SHOPPING CENTER - WEINGARTEN REALTY, INVESTORS - 3003 AND 3019 SOUTH JOHN REDDITT DRIVE - MIKE COONTZ

Mayor Bronaugh stated that the next item for consideration was the request of Mike Coontz of Weingarten Realty, Investors for site plan approval for a shopping center on Parcel B, Abstract 510 in the Allen Proctor Survey, a pad site located in the Angelina Shopping Center between 3003 and 3019 S. John Reditt (Loop 287).

City Manager Maclin stated that included in the Council packet is a cover letter memorandum from the City Planner along with a letter of request and maps that delineate the portion of the property in question. City Manager Maclin stated that the applicant is proposing to construct a 7500 square foot retail store on the site where the former Mr. Gatti's was located. City Manager Maclin stated that there is existing curb cut at the site located on Loop 287 frontage, and no additional egress or ingress will be necessary. City Manager Maclin stated that currently the applicant does not have any tenants designated to lease the space. City Manager Maclin stated that the Planning & Zoning Commission, by unanimous decision, approved the site plan.

Mayor Bronaugh stated that he had seen plumbers and people pouring concrete at this site and asked if they were allowed to start construction before obtaining Council approval and securing a building permit. Mr. Abraham stated that he had not been by the site today and was unaware of any activity at the site. Mr. Abraham stated that perhaps there was some miscommunication and the applicant thought that P&Z approval was all that was necessary. Mr. Abraham stated that he had specifically told the applicant that before they could get a Building Permit they would have to have site plan approval.

Mr. Abraham stated that the applicant could have been doing some type of work on the site that would not require a permit.

Fire Marshal Clayton Havard stated that he was in the Building Inspector's office

last week and Mr. Bresie told the applicant that it was O. K. to start the footings at the site. City Manager Maclin stated that if the applicant is putting in footings he has not done anything illegal.

Mr. Abraham stated that the applicant is always told that any work he does prior to site plan approval and obtaining a building permit is done at his own risk.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Tucker Weems that request of Mike Coontz of Weingarten Realty, Investors for site plan approval for a shopping center on Parcel B, Abstract 510 in the Allen Proctor Survey, a pad site located in the Angelina Shopping Center between 3003 and 3019 S. John Redditt (Loop 287) be approved as presented. A unanimous affirmative vote was recorded.

9. ORDINANCE - APPROVED - ZONE CHANGE - "RL" RESIDENTIAL LARGE SINGLE FAMILY TO "LB" LOCAL BUSINESS - TULANE DRIVE - YORK DRIVE - PHILIP GOODWIN - DR. ROYCE READ - MARY JULE TATUM - NELDA WOOD ROGERS

Mayor Bronaugh stated that the next item for consideration was request of Philip Goodwin on behalf of Dr. Royce Read, Mary Jule Tatum, and Nelda Wood Rogers to change the zoning from "RL" Residential Large Single Family to "LB" Local Business on approximately a 12.04 acre tract of land located in the 1500-1510 block of Tulane Drive, southwest of the intersection of Tulane Drive and York Drive.

City Manager Maclin stated that included in the Council packet is a memorandum from the Planning Department, a letter of request, and the results from the Planning & Zoning Commission. City Manager Maclin stated that the Planning & Zoning Commission, by unanimous vote, recommends approval of the zone change and by statute, if the zone change is approved, a 6' site bearing fence will be required along the portion of the property abutting the Residential Large Single Family District.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Jack Gorden, Jr. that request of Dr. Royce Read, Mary Jule Tatum and Nelda Wood Rogers to change the zoning from "RL" Residential Large Single Family to "LB" Local Business on approximately a 12.04 acre tract of land located in the 1500-1510 block of Tulane Drive, southwest of the intersection of Tulane Drive and York Drive be approved on First Reading of Ordinance as presented. A unanimous affirmative vote was recorded.

10. ORDINANCE - APPROVED - ZONE CHANGE - RESIDENTIAL LARGE TO NEIGHBORHOOD RETAIL - LIGHT MANUFACTURING - HEAVY MANUFACTURING - LOTUS LANE - WEBBER STREET (PROPOSED EXTENSION) - LARRY BERRY

Mayor Bronaugh stated that the next item for consideration was a request of Larry Berry to change the zoning on approximately 31.62 acres of land (having frontage on the south side of Lotus Lane and lying between 2001 and 2503 Lotus Lane and then extending southwest toward the proposed Webber Street extension) from the current zoning of Residential Large to Neighborhood Retail (1.5 acres); Light Manufacturing (9.86 acres); and, Heavy Manufacturing (20.06 acres).

City Manager Maclin stated that included in the Council packet is a memorandum from the Planning Department providing the explanation for this request along with the appropriate plats and minutes from the Planning & Zoning Commission meeting. City Manager Maclin stated that this represents an opportunity to work with the neighborhood and the property owners to try and find a win-win situation to minimize an adverse impact to residents on Lotus Lane, particularly the residential area that is adjacent to the site by having a Neighborhood Retail zoning classification that fronts on Lotus Lane as opposed to other zoning classifications

that would increase the truck traffic. City Manager Maclin stated that at the same time then, there would be progressive zoning that would lead from Neighborhood Retail to Light Manufacturing in the next section followed by Heavy Manufacturing on the rear portion of the 31 acres that would front along the new Webber Street. City Manager Maclin stated that, in his opinion, this zoning provides adequate protection for the residents on Lotus Lane, and at the same time, meets the needs of the property owners and the long term plans of the City in the development of Webber Street.

Motion was made by Councilmember Jack Gorden, Jr. and seconded by Councilmember Bob Bowman that request of Larry Berry to change the zoning on approximately 31.62 acres of land (having frontage on the south side of Lotus Lane and lying between 2001 and 2503 Lotus Lane and then extending southwest toward the proposed Webber Street extension) from the current zoning of Residential Large to Neighborhood Retail (1.5 acres); Light Manufacturing (9.86 acres); and Heavy Manufacturing (20.06 acres) be approved on First Reading of Ordinance as presented. A unanimous affirmative vote was recorded.

11. RESOLUTION - APPROVED - HOME PROGRAM APPLICATION - TEXAS DEPARTMENT OF HOUSING & COMMUNITY AFFAIRS - ADOPTION OF HOME PROGRAM GUIDELINES FOR HOMEBUYER ASSISTANCE - MAYOR AS CITY'S CHIEF EXECUTIVE OFFICER AND AUTHORIZED REPRESENTATIVE

Mayor Bronaugh stated that the next item for consideration was a Resolution of the City Council of the City of Lufkin, Texas authorizing the submission of a HOME Program application to the Texas Department of Housing & Community Affairs for HOME funds and authorizing the Mayor to act as the City's Chief Executive Officer and authorized representative in all matters pertaining to the City's participation in the program and adoption of HOME Program Guidelines for Homebuyer Assistance.

Gary Traylor, grant consultant, stated that the City of Lufkin has an opportunity at this time to consider the submission of an application to the Texas Department of Housing and Community Affairs for a special allocation of funds under the State of Texas HOME Program. Mr. Traylor stated that included in the Council packet is a copy of a Resolution that contained some blanks, and at this time he would like to talk specifically about the program and address the dollar amounts that go in the blanks. Mr. Traylor stated that this particular type of assistance is something that the City of Lufkin has not previously requested or received, but is something that various members of the City staff and City Council has from time to time indicated that there is a need for in this community. Mr. Traylor stated that the type of assistance he is speaking of is home-buyer assistance, which would promote the ability of low and moderate income individuals to acquire their own homes. Mr. Traylor stated that home-buyer assistance as it is being proposed under this program and is provided for in the regulations of the Department would allow the City to provide up to \$5,000 to a qualified low and moderate income individual wanting to purchase a home. Mr. Traylor stated that that money could be used for down payment assistance, closing costs, or it could actually be used to buy down the purchase price of the home, with the objective of removing an obstacle to closing a loan that that person could qualify for with a private lending institution. Mr. Traylor stated that because the City has not participated in this program before, there have been several meetings with staff members (Stephen Abraham, Kenneth Williams, and the City Manager) to discuss this program. Mr. Traylor stated that the City's only experience in the HOME Program so far has been in the owner-occupied housing rehabilitation activity. Mr. Traylor stated that the City has reconstructed or rehabilitated quite a large number of homes in the City under that Program. Mr. Traylor stated that the rehabilitation activities are, however, very time consuming and are complex activities which have required the expenditure of large amounts of time on the part of City staff as well as his firm. Mr. Traylor stated that prior to getting involved with the home-buyer assistance program, he would like to request a reasonable amount of money not only to investigate the implementation of the program within the program guidelines as dictated by the

Department but also to gauge the acceptance of this program in the community and to determine the amount of money that could be placed with qualified borrowers during an average program period of about 18 months. Mr. Traylor stated that with respect to the Resolution that is being presented with blanks, he wanted to recommend to the City that the application be for \$50,000 of grant funds to carry out the Homebuyer Assistance Program and \$2,000 for administration/operating funds, with the City committing \$6,500 (a 12.5% match) from its General Fund as a cash contribution to be used for general administration of the program. Mr. Traylor stated that this would allow the purchase of 10 homes by qualified applicants. Mr. Traylor stated that the guidelines would further direct and target these funds in a certain way which he would explain. Mr. Traylor stated that this program unlike housing rehabilitation can really not be feasibly operated on some kind of an applicant in-take and scoring process that has been used with owner-rehab to make sure that these funds went to the person with the greatest need as defined by this Council and its policies. Mr. Traylor stated that the Home-Buyer Assistance Program, in order to be successful, must be responsive to the lending institutions that are supplying the mortgage financing, and for that reason this program must be operated on a first-come, first-serve basis. Mr. Traylor stated that in an effort to target the assistance he is proposing for this initial attempt to use this program in the community, that all of the funds be targeted to certain special needs populations. Mr. Traylor stated that he has met with representatives of the local chapter of Habitat for Humanity and they have indicated to him that within the next 18 months they plan to construct five homes that will be financed and sold to low income persons in the community. Mr. Traylor stated that Habitat has asked that they create within this \$50,000 a separate set-aside of \$25,000 in support of their five-home project. Mr. Traylor stated that he has also shown on the front page of the Homebuyers Assistance Program Guidelines that the remaining \$25,000 would be devoted to a set-aside for the general special needs population as it is defined by the Texas Department of Housing and Community Affairs. Mr. Traylor stated that those persons who fit that criteria at the present time, as he understands it, are elderly persons, homeless persons, disabled persons, and the HIV population. Mr. Traylor stated that he is seeking further clarification from the Department in respect to a better definition of homelessness, because he believes that in this community there are whole families that are residing with relatives and are housed somewhat, but in many instances, in overcrowded conditions.

Mr. Traylor stated that one change that he would point out, which he just learned of today, is that he had been trying to complete the application so that it could be filed with the Department by their deadline of June 3rd, and he has now been informed that the deadline has been pushed back one month to July 3. Mr. Traylor stated that he personally feels that this will work to the detriment of this effort because it gives everyone else more time to work on their applications and make them more competitive.

In response to question by Councilmember Gorden, Mr. Traylor stated that the City would put up \$6,500 for the management of the Program. Mr. Traylor stated that he is not presenting a contract tonight, but is hoping that if the application is approved that the City would enter into an agreement with his firm to manage the program.

In response to question by Councilmember Gorden, Mr. Traylor stated that this Program will not be overseen by Mr. Williams and his citizens committee with the HOME Funds. Mr. Traylor stated that this particular program in order for it to be efficiently coordinated with the lending institutions must be done on a first-come, first-serve basis. Mr. Traylor stated that he believes that probably in the marketing of this program he will need to provide some education to the lenders and realtors in the community making sure they are aware of the Program. Mr. Traylor stated that the lending institution itself would obtain all of the customary information they normally require of a prospective borrower to qualify them. Mr. Traylor stated that a copy of the complete mortgage loan application would be provided to the City along with a form requesting this home-buyer assistance. Mr. Traylor stated that the lending institutions will also be provided by the City what the income limits

will be for this program so that they will know in advance whether their borrower has an income that qualifies for this assistance. Mr. Traylor stated that at this point someone would verify that the numbers match up and would approve the request. In response to question by Councilmember Gorden, Mr. Traylor stated that this could be a Council function. Mr. Traylor stated that once the guidelines have been established, those functions become the province of the City's HOME program manager, which in the past has been the City Manager. Mr. Traylor stated that the City Manager could designate a person to be the approval officer for these amounts, or he could reserve that function for himself and sign off on each request.

In response to question by Councilmember Gorden as to how the \$50,000 figure was arrived at, Mr. Traylor stated that he did not want to recommend some amount of money not knowing what the demand might be for the funds that would be left over and remain, and the City have a difficult time using. Mr. Traylor stated that he recently found in working with the Department of Housing and Community Affairs, they have come under some pressure to spend their money more rapidly, and because of that he feels they would be reluctant to approve applications submitted by applicants who do not have demonstrated capacity to operate a program like this. Mr. Traylor stated that the City can show experience with rehabs but cannot show experience on this type of program. Mr. Traylor stated that if Council wants to change the figures he would be happy to comply. Mr. Traylor stated that the funds have to be spent within the corporate limits of the City.

In response to question by Councilmember Gorden, City Manager Maclin stated that the City has been involved in the rehab program and now felt that they were ready to enter the home-buyer assistance program to encourage new start-ups. City Manager Maclin stated that the Habitat for Humanity happened to start up at the same time and recently had received some grant funds from private foundations to help them get started. City Manager Maclin stated that staff contacted Mr. Traylor about pursuing this program.

In response to question by Councilmember Gorden, Mr. Traylor stated that in talking with representatives of the Department of Housing and Community Affairs, they are placing a great deal of emphasis on the special needs population in the scoring of these applications (this will be a competitive application). Mr. Traylor stated that he cannot guarantee every person assisted by Habitat will be a special needs person, so for that reason, it meant that they needed to allocate all of the remaining funds specifically to special needs population so that the Department would see that no matter what happens with the Habitat applicants, this community has budgeted at least 50% of its funds to guaranteed special needs applicants. Mr. Traylor stated that if it were not for the Habitat proposal this time, they could have done a non-targeted allocation for half of the money and a targeted allocation for the other half of the money. Mr. Traylor stated that once this program is started and there is interest on the part of the public, this program would be an excellent vehicle that could be used particularly by young people that are trying to acquire their first home.

Mayor Bronaugh stated that Pineywoods R C & D had done some work on this type program several years ago. City Manager Maclin stated that the City staff is still working with Pineywoods R C & D. Mr. Traylor stated that he had met with Mr. Autry of Pineywoods R C & D this past week in the interest of a separate request they are attempting to develop at this time.

In response to question by Councilmember Boyd, Mr. Traylor stated that the type of assistance that would be proposed is a deferred payment loan for five years and it is a conditional loan in that if the person continues to reside at this property for five years then the amount they owe the City declines 20% each year over the five year period so that at the end of five years there is no indebtedness that is owed by them. Mr. Traylor stated that if they sell their property during that period of time, then there are recapture provisions that are attached to that sale that would require them to return to the City portions of this money.

In response to question by Councilmember Simond, Mr. Traylor stated that the reason that some of these different groups have obtained the status they have as a special needs populations has to do with the amount of intense lobbying that has been done with the Department over the past several years. Mr. Traylor stated that the State of Texas is required to develop on an annual basis a comprehensive housing strategy, and required to hold extensive Public Hearings, those have been very heavily attended by representatives of disability groups, representatives of the HIV populations and homeless advocates, and as a result they have acquired this status. Mr. Traylor stated that there are people who have lost their home or have been dislocated as a result of an unemployment situation, but have moved and since gained employment but still do not have a home, and might qualify for a home mortgage. Mr. Traylor stated, that in his opinion, the majority of applicants will be elderly or disabled.

In response to question by Councilmember Simond, Mr. Traylor stated that on page 5 of the Homebuyer Assistance Guidelines the current income limit for low income is \$18,500, \$21,100 for two people, and a family of four is \$26,400.

In response to statement by Councilmember Simond regarding the first-come, first-serve status of the applicant, Mr. Traylor stated that in his opinion, because the City must obtain a copy of a completed mortgage loan application from the lender in order to trigger the request, the lender will want to get a response in a timely manner so that they can proceed to close the loan. Mr. Traylor stated that Council can change any of the requirements as they see fit.

City Manager Maclin stated that the \$6,500 would be in Kenneth Williams' budget under Special Services, if this request is approved.

Mr. Traylor stated that if Council is not comfortable with any aspect of the request they have until July 3rd to make changes.

In response to statement by Councilmember Simond, Mr. Traylor stated that the lending institutions might have some kind of lending requirement for an applicant.

Councilmember Simond stated that he would be more amenable to the Habitat for Humanity Program since they have a proven track record. Mr. Traylor stated that Habitat for Humanity indicated to him that they felt that for them to construct more than five dwellings in the next 18 months was unrealistic because they are just getting started. Mr. Traylor stated that Habitat for Humanity set the \$25,000 limit, it was not set by the City or his firm.

Councilmember Gorden stated that he would like to see the City try this and see what happens.

Motion was made by Councilmember Don Boyd and seconded by Councilmember Percy Simond that Resolution authorizing the submission of a HOME Program application to the Texas Department of Housing & Community Affairs for HOME funds and authorizing the Mayor to act as the City's Chief Executive Officer and authorized representative in all matters pertaining to the City's participation in the program and adoption of HOME Program Guidelines for Homebuyer Assistance be approved as presented. A unanimous affirmative vote was recorded.

Mr. Traylor stated that award of the grant will be announced in August or September.

12. FAIR HOUSING ORDINANCE - APPROVED - FIRST READING

Mayor Bronaugh stated that the next item for consideration was the Fair Housing Ordinance.

City Manager Maclin stated that basically staff is seeking an update of the City's Fair Housing Ordinance dated 1979, since there have been some changes in Federal and State regulations, and this new Ordinance would reflect those changes.

Mr. Traylor stated that one of the primary changes that is involved here is in expanding the class of persons protected by this Ordinance to include persons with disabilities.

Motion was made by Councilmember Bob Bowman and seconded by Councilmember Don Boyd that the Fair Housing Ordinance be approved on First Reading as presented. A unanimous affirmative vote was recorded.

13. BID - APPROVED - PIPE AND MATERIALS - HOMEWOOD ADDITION - WATER LINE REPLACEMENT - INTERNATIONAL SUPPLY OF LUFKIN

Mayor Bronaugh stated that the next item for consideration was bids for pipe and material for the Homewood Addition water line replacement project.

City Manager Maclin stated that staff recommendation is to award the low bid of International Supply of Lufkin in the amount of \$104,115.95.

Motion was made by Councilmember Bob Bowman and seconded by Councilmember Don Boyd that bid of International Supply of Lufkin in the amount of \$104,115.95 be approved as submitted. A unanimous affirmative vote was recorded.

14. EXECUTIVE SESSION

Mayor Bronaugh recessed Regular Session at 6:37 p.m. to enter into Executive Session. Regular Session was reconvened at 6:55 p.m. and Mayor Bronaugh stated that the demolition of dilapidated houses and legal matters had been discussed.

City Attorney Bob Flournoy stated that he was recommending the demolition of one house located at 1200 Williams Street, and that permission for the demolition had been received from one of the owners.

Motion was made by Councilmember Percy Simond and seconded by Councilmember Don Boyd that authorization be granted for the demolition of a house located at 1200 Williams Street. A unanimous affirmative vote was recorded.

15. COMMENTS

Councilmember Weems stated that he had attended a meeting of the Investment Committee prior to the Council meeting and wanted to report that Debbie Vance and her department had done a good job with the Investment Portfolio.

City Manager Maclin stated that, for the record, a copy of the quarterly Investment Committee Report had been provided to Councilmembers.


City Manager Maclin stated that Councilmembers had a copy on the Council table of a calendar for April, May and June which reflects the meetings that he has had with all of the City Departments. City Manager Maclin stated that it is his goal to meet with all 400 City employees on a quarterly basis. City Manager Maclin stated that the meetings he has already attended have been very productive and that he hopes to have visited with every City employee in the next two-three weeks.

City Manager Maclin reminded Councilmembers of the DETDA meeting this Friday in Jasper. The speaker will report on the mercury levels of fish in the lake at Sam Rayburn and the impact it will have on tourism in this area.

Mayor Bronaugh reminded Councilmembers of the Annual Awards DETCOG

meeting Thursday at the Civic Center. The speaker will be Department of Transportation Commissioner David Bernsen.

16. There being no further business for consideration, meeting adjourned at 7:03 p.m.


Louis A. Bonaugh - Mayor

ATTEST:


Atha Stokes - City Secretary