

*As approved by the LLT board on April 12, 2013*

**ROAD HOME CORPORATION, DBA LOUISIANA LAND TRUST  
BOARD OF DIRECTORS MEETING  
MINUTES OF FEBRUARY 18, 2013**

held at  
Regional Planning Commission Meeting Room  
10 Veterans Memorial Boulevard  
New Orleans, Louisiana 70124  
Monday, February 18, 2013  
9:30 a.m.

**CALL TO ORDER**

Board Chairman Walter Leger called the February 18, 2013, meeting of the Board of Directors (Board) of the Road Home Corporation (LLT) to order at 9:57 a.m. After the Pledge of Allegiance was recited, Board Secretary Sara Kleinpeter called the roll with the following results:

Present:	Walter Leger	Daryl Burckel
	Alvin Guillory	Kathy Laborde
	Ellen Lee	Wesley Wyman

Absent: Rebecca Shirley

Ms. Kleinpeter announced that members of the board in attendance formed a quorum.

**APPROVAL OF MINUTES**

Dr. Daryl Burckel moved to approve the November 19, 2012, board meeting minutes. Mr. Alvin Guillory seconded the motion. The motion passed without objection.

**2013 MEETING SCHEDULE**

Mr. Wesley Wyman moved to approve the proposed meeting schedule listed below. Dr. Burckel seconded the motion. The motion passed without objection.

Proposed meeting dates for 2013  
(In most cases, the dates are the 2<sup>nd</sup> Monday in each month)

<b>Date</b>	<b>Location</b>
February 18, 2013	Regional Planning Commission, New Orleans
March 11, 2013	Regional Planning Commission, New Orleans
April 8, 2013	LHFA/LHC Meeting Room, Baton Rouge
May 13, 2013	LHFA/LHC Meeting Room, Baton Rouge
June 10, 2013	TBD, Lake Charles
July 8, 2013	Regional Planning Commission, New Orleans
August 12, 2013	Regional Planning Commission, New Orleans
September 9, 2013	Regional Planning Commission, New Orleans
October 14, 2013	LHFA/LHC Meeting Room, Baton Rouge
November 11, 2013	Regional Planning Commission, New Orleans
December 9, 2013	Regional Planning Commission, New Orleans

\*Please note that dates and locations are subject to change as needed, subject to Board approval and availability. The regular session of the Louisiana Legislature is scheduled to convene at noon on Monday, April 8, 2013 with final adjournment no later than 6:00 pm on Thursday, June 6, 2013.

## **EXECUTIVE DIRECTOR'S REPORT**

LLT Executive Director, Michael Taylor, explained to the board his intention to reserve his comments as additions to particular items throughout the agenda. He advised he would potentially make comments at the end of the meeting regarding the overall operation and future of LLT.

## **FINANCIAL & BUDGET DISCUSSION**

Mr. Eddie Legnon, LLT CFO, reminded the board that in May 2012, the board was presented a budget for LLT's fiscal year beginning July 1, 2012 and ending June 30, 2013.

Mr. Legnon reviewed the various budget stages that are included in the written report provided to board members. He reviewed the status of the LLT Budget, the Non- LLT Demolition Budget and the Neighborhood Stabilization Program (NSP) Budget.

Mr. Legnon noted that LLT currently has 2,463 properties in inventory, with the majority being in St. Bernard Parish. 29 properties remain in the outer parishes. 59 are in Orleans Parish and are scheduled to be transferred to the New Orleans Redevelopment Authority (NORA). Along with a number of property auctions completed by LLT, LLT's Cooperative Endeavor Agreement (CEA) with St. Bernard Parish will begin the transfer of the St. Bernard properties to the Parish, which is scheduled to finish by May 31, 2013.

So far this fiscal year, LLT has spent \$7.3 million with \$20,378,000 left in the budget. LLT's potential receipt of up to an estimated 750 Road Home Program Option 1 recapture properties

will have the greatest impact on the budget going forward through the end of the fiscal year. LLT has \$1.6 million remaining for non-LLT property demolitions under the Local Government Infrastructure Program funded by federal Community Development Block Grants. Finally, LLT received \$891,000 from the Louisiana Housing Corporation (LHC) under the NSP program for the rehabilitation of seven LLT-owned multifamily units for which LLT has spent \$70,000 as of December 31, 2012. The remaining funds must be expended by March 1, 2013 under LLT's agreement with LHC.

In addition, administrative costs are \$13,000 under budget. Currently, closing costs are \$1.4 million under budget due to the delay in the transfer of the St. Bernard Parish properties to the parish. Mostly as a result of the delay in the transfers to St. Bernard Parish, LLT has spent around \$1.5 million on maintenance that LLT did not budget, but which will eventually be reimbursed to LLT.

\$20 million of budgeted monies due LLT under the Third Amendment to the CEA with the State of Louisiana Office of Community Development (OCD) are currently being held by OCD pending the Office of Contractual Review's (OCR) review of the Third Amendment

Dr. Burckel moved to approve the presented financial report. Mr. Wyman seconded the motion. The Financial Report was accepted to the record.

Mr. Legnon also informed the Board that he and Mr. Taylor met with representatives from the Louisiana Legislative Auditor's Office (LLA). They were informed by the LLA during an audit exit interview for the fiscal year ending 2012 that the audit is clear of any findings or questioned costs, resulting in a perfectly clean audit. Chairman Leger noted that such a clean audit was exceptional, and thanked Mr. Legnon, Mr. Taylor, and the entire LLT staff for the accomplishment.

## **REPORT ON SOLICITATION FOR OFFER (SFO) FOR TITLE AND CLOSING SERVICES**

Mr. Legnon reported that LLT issued both an SFO and a Request for Proposal (RFP) for Title and Closing Services on January 4, 2013. The SFO was intended to be a smaller contract – under \$100,000 – which would handle limited title and closing services until the RFP is in place. The report below was reviewed.

January 18, 2013

To: Note to File  
From: Edwin Legnon  
Re: SFO Title Insurance and Closing Services

LLT issued both a SFO and a RFP for the Title Insurance and Closing Services on January 4, 2013. The SFO was issued as an interim step to handle any closings until such time as the RFP could be awarded. Event dates were as follows:

<b>Event</b>	<b>Date</b>
1. SFO published	Friday, January 4, 2013
2. Pre-proposal teleconference	Tuesday, January 8, 2013 at 10am
3. Deadline for submitting questions about SFO (submit to <a href="mailto:info@lalandtrust.us">info@lalandtrust.us</a> )	Tuesday, January 8, 2013 at 5pm
4. Responses to proposer questions published as an addendum on LLT's web site	Thursday, January 10, 2013 at 5pm
5. Deadline for submitting proposals electronically	Monday, January 14, 2013 at 5pm
6. Notice of Intent to Award to be faxed, mailed and/or emailed	Friday, January 18, 2013
7. Proposed Contract Initiation	Friday, January 25, 2013

A Pre-proposal Teleconference was held on Tuesday, January 8, 2013 which was the same date questions were due. Response to questions was completed by January 10, 2012.

By the 5pm, January 14, 2013 deadline, the following companies submitted electronic proposals:

- AGS
- Bayou Title
- Gulf South
- Ironclad
- Skipper Drost
- Southern Title

A Selection Committee was convened using those professionals available to LLT that had the most experience with closing services and CDBG funds and included:

- Daniela Rivero, LLT Project Manager
- Edwin Legnon, LLT Chief Financial Officer
- Raymond Allen, LLT Deputy Director

A meeting was held at LLT New Orleans office on January 16, 2013 of the Selection Committee members. After much discussion, the proposals were graded based on the selection criteria as defined in the SFO as follows:

<b>Criteria</b>	<b>Maximum Score</b>
1. Proposer resources and approach to ensuring quality and timeliness in completion of scope of work, and plan for transition from incumbent contractor	25

<b>Criteria</b>	<b>Maximum Score</b>
2. Previous experience	30
3. Use of Louisiana Department of Economic Development's Certified Small Entrepreneurships (SE's), Certified Small and Emerging Businesses (also known as the Hudson Initiative, Louisiana Veteran Initiative (LaVet) Certified Vendors), or other disadvantaged business recognition programs.	5
4. Cost of services (calculated as described below)	40
<b>Total Points for Proposal</b>	<b>100</b>

After the grading of proposals, the average grade was determined as follows:

Ironclad	93.00
Bayou Title	91.30
Southern Title	76.73
AGS	83.01
Gulf South	67.12
Skipper Drost	57.73

It is the recommendation of the Selection Committee that the contract be awarded to Iron Clad LLC as they received the highest average score.

Prior to the SFO, American Government Services (AGS) and Ironclad were partnered with Ironclad. However, AGS and Ironclad submitted separate proposals under the SFO. The scope of services for the SFO is more limited than the one for the RFP. Because the procurement is under \$100,000, LLT management has the authority to enter into the agreement without prior board action. LLT has already executed a contract with Ironclad for the SFO services, and Ironclad is underway with closings. The interim contract was necessary to complete the transfer of about 100 properties that could not wait until the RFP process was complete. The contract awarded to IronClad is a one-year contract not to exceed \$100,000.

### **RESOLUTION AUTHORIZING NEW CONTRACT FOR TITLE AND CLOSING SERVICES REQUEST FOR PROPOSAL**

Mr. Legnon began a discussion related to the RFP for Title and Closing Services issued on January 4, 2013. The following report was reviewed and discussed in detail.

February 15, 2013

To: Note to File  
 From: Edwin Legnon  
 Re: RFP Title Insurance and Closing Services

LLT issued both an SFO and a RFP for the Title Insurance and Closing Services on January 4, 2013. The SFO was issued as an interim step to handle any closings until such time as the RFP could be awarded. The SFO was awarded on January 18, 2013 to IronClad Title, LLC. Event dates were as follows:

<b>Event</b>	<b>Date</b>
1. RFP published	Friday, January 4, 2013
2. Deadline to receive written inquiries	Wednesday, January 16, 2013
3. Deadline to answer written inquiries	Friday, January 18, 2013
4. Pre-proposal conference (if convened)	Tuesday, January 22, 2013
5. Deadline for submitting proposals electronically	Friday, January 25, 2013 at 5pm
6. Deadline for hardcopy submissions	Monday, January 28, 2013 at 5pm
7. Notice of Intent to Award to be faxed, mailed, and/or emailed	To be determined
8. Proposed Contract Initiation	Monday, February 25, 2013

A Pre-proposal conference was held on Tuesday, January 22, 2013 at 2pm in New Orleans and attended by approximately 4 separate companies.

By the 5pm, January 25, 2013 deadline, the following companies submitted electronic proposals:

- American Government Services Corporation
- Elite Title Insurance Agency, Inc
- Ironclad Title, LLC
- Southern Title, Inc.

A Selection Committee was convened using those professionals available to LLT that had the most experience with closing services and CDBG funds and included:

- Daniela Rivero, LLT Project Manager
- Edwin Legnon, LLT Chief Financial Officer
- Patrick Keller, OCD/DRU Attorney
- Candice Watkins, St. Bernard Parish, Director of Community Development
- Tina Marquardt, Beacon of Hope, Executive Director

A meeting was held at LLT New Orleans office on February 6, 2013 of the Selection Committee members. After reviewing each proposal and much discussion, it was determined that a follow up meeting would be needed. It was also determined that the selection committee members wanted the four proposers to be available to answer questions concerning their proposals for the follow up meeting.

A follow up meeting was held on Friday, February 15, 2013 in New Orleans. All four proposers were given approx. 15 minutes to discuss their proposals with the Selection Committee. Upon completion, the proposals were graded based on the selection criteria as defined in the RFP as follows:

<b>Criteria</b>	<b>Maximum</b>
1. Proposer resources and approach to ensuring quality and timeliness in completion of scope of work, and plan for transition from incumbent contractor	25
2. Previous experience	30
3. Use of Louisiana Department of Economic Development's Certified Small Entrepreneurships (SE's), Certified Small and Emerging Businesses (also known as the Hudson Initiative, Louisiana Veteran Initiative (LaVet) Certified Vendors), or other disadvantaged business recognition programs.	5
4. Cost of services (calculated as described below)	40
<b>Total Points for Proposal</b>	<b>100</b>

After the grading of proposals, the average grade was determined as follows:

American Government Services LLC	93.04
Ironclad Title, LLC	86.40
Southern Title, Inc.	55.18
Elite Title Insurance Agency, Inc.	37.34

It is the recommendation of the Selection Committee that the contract be awarded to American Government Services LLC (AGS) as they received the highest average score.

LLT Executive Director, Mr. Michael Taylor stated that he supports the recommendation of the selection committee and recommends the approval of a contract as recommended by the committee.

Chairman Leger recognized Ms. Candace Watkins, St. Bernard Parish Director of Community Development, who served on the RFP Selection Committee. Ms. Watkins indicated that she thought that the evaluation process was comprehensive, thorough, and fair.

Mr. Legnon explained that the selection criteria for the RFP were the same as the process for the SFO, but the scope of work in the RFP was more detailed and expansive. Mr. Taylor explained that the original contract for title and closing services did not have the latitude in the scope of services to allow a modification of the contract from a ten year title search to a thirty year title search. Mr. Taylor and LLT Legal Counsel, Mr. Victor

Franckiewicz analyzed the contract and determined it was necessary to re-bid the contract; OCD agreed that the contract needed to be re-competed.

Following a lengthy discussion regarding the terms of the selection process and scope of services, Mr. Wyman moved adoption of the following resolution:

**Resolution Authorizing Award of  
Title Insurance and Closing Services Contract**

**Whereas**, on January 4, 2013, Louisiana Land Trust (LLT) issued a Request for Proposals (RFP) to procure Title Insurance and Closing Services necessitated by the expiration of LLT's exemption from the minimum 30-year title examination requirement established by Act 1028 of the 2010 Regular Session of the Louisiana Legislature; and

**Whereas**, the RFP was advertised as required by LLT's procurement policy, a pre-proposal was held on January 22, 2013, and LLT received four proposals by the January 25, 2013 deadline from the following proposers:

- Southern Titles, Inc.
- Ironclad Title, LLC
- American Government Services Corporation
- Elite Title Insurance Agency, Inc.

and

**Whereas**, the proposals were reviewed by an evaluation panel composed of two LLT staff members and three non-LLT professionals with training and experience relevant to the RFP scope of work; and

**Whereas**, the evaluation panel convened a session on February 15, 2013 during which each proposer was interviewed, after which the panel completed scoring the proposals according to the evaluation criteria specified in the RFP; and

**Whereas**, American Government Services Corporation was the highest scoring proposal, and has been recommended by the Executive Director as the selected contractor.

**Now therefore be it resolved** that on behalf of the Louisiana Land Trust, the Executive Director is authorized to enter into a contract with American Government Services Corporation in accordance with the RFP.

Chairman Leger seconded the motion, and discussion on the formal motion commenced. Several board members expressed reservations about awarding the contract to AGS. In light of the comments, Mr. Taylor advised the board that options in lieu of awarding the contract at this point included re-competing the contract or providing additional information to assist in the decision

making process. Mr. Taylor also highlighted that without approval of this contract at this board meeting, LLT would probably fail to meet the closing deadlines to transfer St. Bernard Parish properties by the end of May as planned.

Mr. Franckiewicz added that there is about a month remaining before the contract cap on the SFO is reached. The SFO cannot be extended past the contract amount of \$100,000.

Dr. Burckel moved that the Board table the discussion and approval of the proposed resolution to a future date. Mr. Guillory seconded the motion. The motion to table passed without objection.

## **NEIGHBORHOOD STABILIZATION PROGRAM**

LLT staff member, Daniela Rivero, informed the Board that of the seven multifamily units LLT has been rehabilitating using the NSP funding, five have Certificates of Occupancy. LLT will be meeting with relators to put the properties on the market. As required by the NSP, all purchasers of the units must attend first time home buyer classes.

## **OPTION 1 UPDATE**

Mr. Franckiewicz presented the board with a detailed report about homeowner Road Home Program Option 1 compliance and blight. Under Option 1, homeowners had three years to rehabilitate and occupy their homes. Mr. Franckiewicz addressed LLT's possible role in the event the state begins to receive noncompliant Option 1 properties. The report is included in the official board package. Mr. Franckiewicz also played excerpts from a WVUE video report from November 2012 demonstrating how blighted noncompliant Option 1 properties were hampering recovery in New Orleans.

The State has completed an initial compliance monitoring review of 113,000 out of the total 119,000 Option 1 properties. The estimate of noncompliant Option 1 grantees varies greatly and could include anywhere from 9,000 to 16,000 properties statewide. OCD has indicated that between 250 and 1,000 non-compliant Option 1 grantees that may convert to Option 2 or 3 and transfer the property to LLT. In addition, LLT should anticipate that a large percentage of the Option 1 properties that it receives will have title issues that will need to be cleared. The state has not determined a course of action for homeowners not in compliance with the terms of their Option 1 grant. OCD representatives have mentioned the possibility of transferring the properties directly to the parishes instead of to LLT.

## **LLT LONG RANGE PLANNING**

LLT's long term plan could aid the State in taking possession of those properties that are Option 1 non-compliant and assist in blight remediation.

Chairman Leger stated that he will ask Pat Forbes, OCD Executive Director, or his representative to be in attendance at the next LLT Board meeting to discuss LLT's future role in this process.

## **DEMOLITION PROGRAM UPDATE**

Mr. Taylor referred the board to the demolition program report on record with the board meeting documentation. The pace of the demolitions has slowed as the program moves towards a close. LLT will continue to demolish new properties as they come in. LLT has been in discussions with NORA, which has indicated that it may request that LLT perform demolitions on properties that were transferred to NORA with the intent that they could be rehabilitated; however, due to time and other deteriorating factors, these properties are not capable of being rehabilitated and must be demolished.

## **ASBESTOS VIOLATIONS**

### **P&J SANCTIONS (CONTRACTOR AND SUBCONTRACTOR) FROM LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY (LDEQ)**

Mr. Franckiewicz reminded the Board that one of LLT's contractors, P&J Contracting of Louisiana, LLC (P&J) was accused by LDEQ of dumping asbestos containing waste at a construction and debris landfill that was not approved to handle asbestos-laden waste. LDEQ officials were on site when this occurred. The enforcement action by LDEQ has been pending for about a year. Although LLT, as owner, could be held liable, no action has been brought against LLT. But to cover the risk, LLT has withheld \$250,000 from the contract to cover the violation. LDEQ recently issued a notice that they intend to enforce a penalty against P&J and a number of its subcontractors but did not indicate the amount of the penalty.

## **RESOLUTION AUTHORIZING**

### **TECHNICAL AMENDMENT TO LLT/OCD**

### **COOPERATIVE ENDEAVOR AGREEMENT FOR NON-LLT PROPERTIES**

Mr. Franckiewicz explained that when the board approved the non-LLT-owned properties demolition program CEA with OCD, the authorization was limited to St. Bernard Parish, and to slab demolition only. Since then, OCD has given LLT the authority to do work in Orleans Parish. In addition, OCD is allowing LLT to go beyond slab-only demolition to aid in the removal of blighted structures. Mr. Franckiewicz presented a resolution that would expand LLT's CEA with OCD in line with OCD's expanded authorization. Ms. Ellen Lee moved to approve the technical amendment resolution as stated below. Mr. Wyman seconded the motion. The motion passed without objection.

**Resolution Authorizing Technical Amendment and  
Ratifying Use of CDBG Funding for Non-LLT Property**

**Whereas**, on or about April 5, 2011, Louisiana Land Trust (LLT) and the Louisiana Office of Community Development (OCD) entered Amendment #2 to the July 17, 2009 Amended and Restated Cooperative Agreement to add \$10 million to LLT's grant authorization. The justification for this increase was to fund foundation slab removal on non-LLT properties in St. Bernard Parish; and

**Whereas**, in March 2012, OCD amended the non-LLT slab funding authorization to broaden the use of the funds by adding non-LLT properties in New Orleans and by embracing more extensive blight reduction activities, including structure demolition in addition to slab removal, as evidenced by OCD's March 6, 2012 approval of a March 5, 2012 Application Review for LTCR Program, ILOC-00041, and a March 7, 2012 approval letter to LLT Executive Director Michael Taylor from Richard W. Gray, Deputy Director of the OCD Disaster Recovery Unit; and

**Whereas**, the CDBG source for the funding of the non-LLT property effort is significantly more flexible than is currently implemented in LLT's program, and the potential flexibility should be fully utilized to continue blight reduction efforts on non-LLT property throughout South Louisiana in parishes impacted by Hurricanes Katrina and Rita, and where appropriate, to address special circumstances arising from the implementation of the Road Home Program; and

**Whereas**, OCD has indicated that the remaining non-LLT property funding not otherwise required for the original purpose of slab removal and demolition could be productively utilized for CDBG-eligible activities in hurricane-impacted parishes in addition to St. Bernard and Orleans for special projects to rectify impacts that are not otherwise addressed by ongoing CDBG disaster programs.

**Now therefore be it resolved** that the April 25, 2011 resolution of the LLT Board of Directors related to the St. Bernard non-LLT slab program is hereby amended to expand the authorized uses of the funds from merely non-LLT slabs in St. Bernard Parish to include slab removal, demolition, and other CDBG-eligible uses approved by OCD in any hurricane-impact parish.

**Be it further resolved** that the March 2012 expansion of the non-LLT property program from St. Bernard Parish to Orleans Parish is hereby ratified.

**Be it further resolved** that the LLT Executive Director is authorized to execute such documents as may be necessary to carry out the purposes of this resolution, including but not limited technical amendments to the July 17, 2009 Amended and Restated Cooperative Agreement with OCD, revised budgets for the non-LLT program (subject to the exercise of this board's regular budget approval process),

and agreements with other state agencies or local governments related to hurricane recovery, housing, and blight reduction.

**RESOLUTION AUTHORIZING EXTENSION OF  
LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY (LDEQ)  
COOPERATIVE ENDEAVOR AGREEMENT (CEA)**

Mr. Taylor explained that LDEQ had originally requested an extension of the LLT-LDEQ CEA for asbestos inspection. However, as a result of discussions with LDEQ representatives prior to the meeting, it was determined that a CEA would not be needed. The volume of demolitions is now at a rate that can be handled by LDEQ staff without a need for outside contractors. If the demolition rates increases, LLT will revisit the issue with LDEQ. The proposed resolution for this item in the board packet was withdrawn for consideration.

**PROPERTY TRANSFER UPDATE**

Mr. Taylor noted that a full report on property transfers is included in the board binder back up materials. With the exception of the St. Bernard Parish properties, LLT has disposed of nearly all properties. Additional properties continue to transfer out of LLT's inventory. There are very few properties remaining in the outlying parishes throughout the state.

**TITLE CLAIMS REPORT**

Mr. Franckiewicz noted that a full title claims report is included in the board binder back up materials. Mr. Franckiewicz expects an increase in claims as the 30 year title inspections under the SFO with Ironclad are completed. The volume is also expected to increase when the entirety of the LLT inventory is transferred to St. Bernard Parish with a 30 year title search requirement.

**LITIGATION STATUS REPORT**

Mr. Franckiewicz directed the Board to review the full report included in the board binder back up materials and noted that progress has been made on a number of cases. Mr. Wyman moved to amend the agenda to allow for Public Comment before the completion of the Litigation Report. Ms. Lee seconded the motion.

**PUBLIC COMMENT**

There were no public comments.

**LITIGATION STATUS REPORT (continued)**

Mr. Wyman moved that the LLT Board enter into Executive Session to discuss the following three suits shown on the agenda:

- *Doucette v. Road Home Corp.*, No. 2013-00341 “G”(11), Civil District Court, Orleans Parish
- *Insulation Technologies, Inc. v. Road Home Corp.*, No. 596283(26), 19<sup>th</sup> Judicial District Court, East Baton Rouge Parish
- *P&J Contracting of La. v. Road Home Corp.*, No. C613926, 19<sup>th</sup> Judicial District Court, East Baton Rouge Parish

Mr. Guillory seconded the motion, which passed unanimously. The LLT board entered Executive session at 11:59. Following discussion during executive session, at 12:45 pm, Mr. Guillory moved to return to regular session. Mr. Wyman seconded the motion. Mr. Leger reported there no action was taken in Executive Session.

**ADJOURNMENT**

Ms. Lee moved to adjourn the meeting; Mr. Wyman seconded the motion. Without objection from the Board, Chairman Leger adjourned the meeting at 12:46 pm.

**CERTIFICATION**

I certify that the foregoing are the minutes of the February 18, 2013 meeting of the Road Home Corporation Board of Directors, and that these minutes were approved by the board on the 12<sup>th</sup> day of April, 2013.

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Sara Landreneau Kleinpeter  
Secretary to the Board of Directors

Date