

For approval by LLT board at the June 18, 2013 meeting

**ROAD HOME CORPORATION, d/b/a LOUISIANA LAND TRUST
BOARD OF DIRECTORS MEETING
MINUTES OF APRIL 12, 2013**

held at
Regional Planning Commission Meeting Room
10 Veterans Memorial Boulevard
New Orleans, Louisiana 70124
Friday, April 12, 2013
8:30 a.m.

CALL TO ORDER

Board Chairman Walter Leger, Jr. called the April 12, 2013, meeting of the Board of Directors (Board) of the Road Home Corporation (LLT) to order at 8:48 a.m. After the Pledge of Allegiance was recited, Chairman Leger took roll and announced that all members of the Board were in attendance and constituted a quorum, as follows:

Present:	Walter Leger	Daryl Burckel	Alvin Guillory
	Kathy Laborde	Ellen Lee	Rebecca Shirley
	Wesley Wyman		
Absent:	None		

APPROVAL OF MINUTES

Mr. Wyman moved to approve the February 18, 2013 board meeting minutes. Ms. Shirley seconded the motion. The motion passed without objection.

**RESOLUTION AUTHORIZING NEW
TITLE AND CLOSING SERVICES CONTRACT
(Tabled at February 18, 2013 meeting)**

Chairman Leger noted that at the February 18, 2013 meeting, the board tabled the resolution to authorize the new title and closing services contract, and that the resolution is now back before the board for discussion. Mr. Wyman moved to approve 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 Title, 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.

Ms. Shirley seconded the motion.

LLT legal counsel, Victor Franckiewicz, addressed the board and explained that title insurance law changed in 2010 to require a minimum 30-year title search. LLT's prior practice of performing abbreviated title updates was "grandfathered" through January 1, 2013. Because this exception expired, the current title and closing services contract had to be rebid to provide for a more extensive scope of services.

Chairman Leger noted that the board was provided with the full text of the proposed resolution as well as supplemental documents outlining the process of the RFP award recommendation and

answers to board members' questions raised during discussions about the topic. The resolution and those supplemental documents are in the board packets. The supplemental documents and are included below for reference.

February 15, 2013

To: Note to File
 From: Edwin Legnon
 Re: RFP 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. The SFO was awarded on January 18, 2013 to IronClad Title, LLC. Event dates were as follows:

Event	Date
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.

- Candice Watkins, St. Bernard Parish, Director of Community Development
- Tina Marquardt, Beacon of Hope, Executive Director

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 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 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

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:

Criteria	Maximum Score
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
Total Points for Proposal	100

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

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

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 Title Services RFP Award
Questions from LLT Board Members**

This is a consolidation of questions board members have raised in emails and verbally along with my answers. Vic Franckiewicz, 4/12/13

Question	Answer
Does awarding the title services contract under the RFP require LLT board approval?	Technically, no. However, for major procurements (over \$100,000), LLT's practice has always been to submit them to the board.
Isn't the RFP evaluation process merely a recommendation that the board is not required to accept?	The evaluation is a recommendation, and the board may reject it. Under LLT's corporate authority, the board is the ultimate decision-making body, and could decide to award the contract to whom it deems best. If the contract was to be paid with LLT-controlled funding, the board's decision would settle the issue. The problem here is that HUD funding is involved, and expending HUD funds on the contract requires adherence to the adopted procurement process. Otherwise, HUD declines to pay.
The RFP allows LLT to reject proposals in whole or in part or to make a partial award. Does that give the board the flexibility to depart from the evaluation process recommendation?	Yes, for the most part. A decision to <i>reject</i> all proposals would be easy to make stick. A decision to award a partial contract could be vulnerable to challenge by a dissatisfied proposer. If LLT-controlled funds were involved, such an award would not matter much. The presence of federal funds means that a successful bid protest could block funding support.
Can LLT split the closing process from the title examination and insurance services?	Yes. But under LLT's procurement process, each of the separate work efforts would require a separate procurement process because each would exceed \$100,000. Also, the downstream award would be subject to protest.
Can LLT convey the properties without title insurance and bypass the 30-year title search requirement that necessitates the RFP?	Yes. There is no program or regulatory requirement to provide title insurance. Providing the insurance is an administrative decision made early in the program, and can be changed administratively. The decision to provide insurance was to foster the marketability of the properties and to protect future buyers from latent title claims. Although LLT conveys the properties with full warranty of title, LLT has no real assets to back up that warranty, and therefore the title insurance is the only practical protection that a future owner has for title defects with an LLT property.

Following a lengthy discussion about its options, it was explained to the board that rebidding the contract would cause a significant delay in LLT's closing and transfer of properties. Mr. Franckiewicz noted that an interim title services contract with Ironclad Title, LLC, procured

under an abbreviated Solicitation for Offers (SFO), will approach its budget cap. Dr. Burckel indicated his desire to maintain the same contractors in the process. Mr. Taylor explained that the current two firms operating as contractor/subcontractor, did not submit a proposal together for the new contract.

Public comments were allowed to be heard. Mr. Donald Vallee and Mr. Jack Robichaux with Ironclad Title urged the board not to award the RFP to the proposed contractor, AGS. Mr. Thomas Richards also made a public comment defending the quality of work that Team Title is able to accomplish related to title work. Ms. Candace Watkins of St. Bernard Parish, also a member of the selection committee, noted that the committee considered all past work of the contractors, including any negative allegations raised by Mr. Robichaux.

Following all discussion, Chairman Leger called for a vote on the resolution authorizing a new contract for title and closing services. The motion was approved by a five to two vote. Mss. Laborde, Lee, and Shirley along with Mr. Wyman and Chairman Leger voted in favor of the resolution. Mssrs. Burckel and Guillory voted against.

**RESOLUTION AUTHORIZING TECHNICAL AMENDMENT 1 TO
LLT/OCD/ST. BERNARD COOPERATIVE ENDEAVOR AGREEMENT
(Property transfer timetable)**

Ms. Laborde moved to approve the following resolution authorizing Amendment No. 1 to the St. Bernard Parish Program Income Cooperative Endeavor Agreement.

**Resolution Authorizing Amendment No. 1 to
Cooperative Endeavor Agreement among
LLT, Office of Community Development, and St. Bernard Parish
(Program Income CEA)**

Whereas, Louisiana Land Trust (LLT), the Louisiana Office of Community Development (OCD), and St. Bernard Parish entered into a Cooperative Endeavor Agreement (CEA) effective July 1, 2012 governing the transfer and LLT properties in St. Bernard Parish and the distribution and use of program income generated from the sale of LLT properties in that parish; and

Whereas, that agreement was predicated on a specific timetable for transferring properties from LLT's inventory to St. Bernard Parish's ownership, but that schedule is no longer feasible in light of the need to engage new title and closing services on a large scale to implement the extended 30-year (and longer) title search requirements that became effective as to LLT properties on January 2, 2013; and

Whereas, the parties to the CEA recognize that greater schedule flexibility in the CEA is needed, based on experience to date in St. Bernard Parish with continuing Lot Next Door sales, the several phases of the St. Bernard Housing Opportunity Program, and potential sales in developer packages.

Now therefore be it resolved that the LLT Executive Director is authorized to execute an amendment to the CEA substantially in the form attached to this resolution;

Be it further resolved that the LLT Executive Director is authorized to execute such additional documents as may be necessary to carry out the purposes of this resolution.

Mr. Wyman seconded the motion, which passed unanimously. (The amendment referenced in the resolution is on file with the board meeting materials).

**RESOLUTION AUTHORIZING TECHNICAL AMENDMENT 4 TO
LLT/OCD COOPERATIVE ENDEAVOR AGREEMENT
(Align scope with LLT statute and correct internal cross referencing)**

Ms. Laborde moved to approve the following resolution authorizing Amendment 4 to the cooperative endeavor agreement between LLT and the Office of Community Development.

**Resolution Authorizing Amendment 4 to
Cooperative Endeavor Agreement between
LLT and the Office of Community Development**

Whereas, Louisiana Land Trust (LLT) and the Louisiana Office of Community Development (OCD) entered into a July 17, 2009 Amended and Restated Cooperative Agreement (CEA) which has been amended three times since its original approval; and

Whereas, the program funded by the CEA has evolved and new requirements have become apparent, requiring greater flexibility in the tasks that OCD may assign to LLT; and

Whereas, LLT's authorizing legislation allows LLT to furnish a greater range of services to and assistance for the state's recovery than the current language of the CEA provides, and it is desirable to modify the CEA to align its scope with LLT's statute; and

Whereas, it is also desirable to correct internal cross references in the CEA for the sake of clarity.

Now therefore be it resolved that the LLT Executive Director is authorized to execute an amendment to the CEA substantially in the form attached to this resolution;

Be it further resolved that the LLT Executive Director is authorized to execute such additional documents as may be necessary to carry out the purposes of this resolution.

Ms. Shirley seconded the motion. The motion passed without objection. (The amendment referenced in this resolution is on file with the board meeting materials.)

NEIGHBORHOOD STABILIZATION PROGRAM 1 (NSP 1) REPORT

Mr. Taylor referred the board members to the report on record with the board meeting documentation for an update on this topic. LLT is in the final stages of the construction of these properties and will work with the Louisiana Housing Corporation to put these properties back into commerce.

BUDGET REPORT

Chairman Leger referred the board to budget report on record with the board meeting documentation.

DEMOLITION PROGRAM UPDATE

Chairman Leger referred the board to the demolition program report on record with the board meeting documentation.

PROPERTY TRANSFER REPORT

Chairman Leger referred the board to the property transfer report on record with the board meeting documentation.

TITLE CLAIMS REPORT

Chairman Leger referred the board to the title claims report on record with the board meeting documentation.

LITIGATION STATUS REPORT

Chairman Leger referred the board to the litigation status report on record with the board meeting documentation.

Ms. Shirley moved that the LLT Board enter into executive session to discuss the following two matters:

- *Doucette v. Road Home Corp.*, No. 2013-00341 “G”(11), Civil District Court, Orleans Parish
- *McCovins v. Road Home Corp. and New Orleans Redevelopment Authority*, Civil District Court No. 12-3226 “N”(8)

Mr. Guillory seconded the motion. The LLT board entered Executive session at 9:33 am without objection.

Following discussion during executive session, at 9:45 am, Dr. Burckel moved to enter back into regular session. Mr. Guillory seconded the motion. Chairman Leger reported that no action was taken in executive session.

PUBLIC COMMENT

Mr. Taylor notified the board that Mr. Raymond Allen recently resigned his post as LLT's Deputy Executive Director to take a position with the Housing Authority of New Orleans (HANO) to handle property management. Mr. Taylor will send a letter on behalf of the board thanking Mr. Allen for his service to LLT.

Mr. Taylor reported that the LLT staff now consists of fourteen employees, down from thirty-one at one time. LLT is managing its staff levels as the workload decreases. Now that the title closings contract is in place, LLT will move forward with transferring the bulk of properties to St. Bernard Parish by the end of July 2013. LLT continues to receive new properties on a weekly basis and the work to put those new properties in the correct queue of work is ongoing. LLT is still unsure about the speed of the program to recapture Option 1 non-compliant properties by OCD. It is difficult to project the time line on this program.

Chairman Leger suggested that sometime in May or after, several board members, no more than three, meet with leadership from LLT, OCD, St. Bernard Parish and Orleans Parish to discuss the future of LLT.

Finally, Mr. Taylor reported that the demolition contract with CDM Smith ends in late June. Demolitions are winding down to a bare minimum and once it is up, LLT will manage the demolitions internally.

There were no additional comments from the audience.

ADJOURNMENT

Dr. Burckel moved to adjourn the meeting; Mr. Guillory seconded the motion. Without objection from the Board, Chairman Leger adjourned the meeting at 9:55 am.

CERTIFICATION

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

Sara Landreneau Kleinpeter
Secretary to the Board of Directors

Date