

*For approval by LLT board on January 13, 2014*

**ROAD HOME CORPORATION, DBA LOUISIANA LAND TRUST  
BOARD OF DIRECTORS MEETING  
MINUTES OF OCTOBER 14, 2013**

held at  
Regional Planning Commission Meeting Room  
10 Veterans Memorial Boulevard  
New Orleans, Louisiana 70124  
Monday, October 14, 2013

**CALL TO ORDER**

Board Chairman Walter Leger called the October 14, 2013 meeting of the Board of Directors of the Road Home Corporation, d/b/a Louisiana Land Trust (LLT) to order at 9:31 a.m. After the Pledge of Allegiance was recited, Board Secretary Rachel Monjure called the roll with the following results:

Present:	Walter Leger, Jr.	Daryl Burckel
	Kathy Laborde	Wesley Wyman
	Rebecca Shirley	

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

**APPROVAL OF MINUTES OF JUNE 18, 2013**

Mr. Wyman moved to approve the June 18, 2013 board meeting minutes. Dr. Burckel seconded the motion, which passed without objection.

**APPROVAL OF MINUTES OF SEPTEMBER 10, 2013**

Mr. Wyman moved to approve the September 10, 2013, board meeting minutes. Ms. Shirley seconded the motion. The motion passed unanimously.

**EXECUTIVE DIRECTOR'S REPORT**

LLT Executive Director, Michael Taylor, addressed the board. Mr. Taylor noted that LLT is working hard on the St. Bernard Parish Builder Bundle program. St. Bernard Parish selected 128 LLT properties and divided them into 10 bundles of clustered lots to offer as development packages. LLT has solicited proposals on how the properties will be developed by builders. Prospective proposers questioned whether market conditions in many of the bundle locations

would not support houses with the minimum 1,600 square feet living area requirement recently enacted by the St. Bernard Parish Council. During the pre-proposal meeting with interested Builder Bundle proposers, parish officials indicated they would take the issue back to the council to consider reducing the minimum requirement to 1,350 square feet of living area. To allow time for this to happen, and pending approval by Louisiana Office of Community Development (OCD), the proposal deadline will be extended to late November for proposers to make proposal adjustments.

Mr. Taylor also noted that LLT had been receiving new properties into its inventory, up to three or four a week. However, since the state announced the new methods to deal with compliance for Option 1 Road Home grants, LLT has received very few new properties. LLT is down to 490 properties in inventory from a peak of about 10,700. The unanswered question is what will happen with the state's program on Option 1 compliance and how it will affect new inventory coming to LLT. Mr. Taylor does not believe LLT will have an answer with any certainty in the near future. Dr. Burckel asked about the responsibility of LLT once it receives a former Option 1 property. Mr. Taylor explained that LLT would typically clean the property, facilitate the environmental review process mandated by HUD and OCD, demolish the house, and immediately turn the property over to the local entity.

## **FINANCIAL REPORT**

Mr. Eddie Legnon, LLT Chief Financial Officer, reviewed the financial report as of August 31, 2013, which is included in the package of materials provided to board members.

## **LLT 401K PROGRAM**

Mr. Taylor proposed to the board a 401K Program for LLT employees. Mr. Taylor explained that due to uncertainty about the future of LLT, this program will help to retain current LLT employees and, if needed, help to recruit future employees.

Mr. Legnon noted that the benefit package approved in 2008 included an optional 401K program with no matching contribution by LLT. What is being proposed is a change to allow a dollar-for-dollar company match to the contributions of employees, up to 4% of the employee's salary being matched by LLT. Mr. Legnon presented comparative data from state agencies showing that even with an employer matching contribution, LLT's benefits would still lag behind comparables. Mr. Legnon noted that 2009 was the last time employees received a salary increase. Since 2010, LLT has lost 58% of its employees, moving from 31 employees to 13 currently. Mr. Legnon estimates a maximum of \$36,000 a year in match by LLT under the proposed program.

Dr. Burckel moved to approve the 401K program as presented. Ms. Laborde seconded the motion. The motion passed without objection.

## **SOUTHWOOD PATIO HOMES (4300 Sullen Place)**

Mr. Taylor reminded the board that LLT was approached by the City of New Orleans several months ago to assist with the demolition of a blighted, 132 unit apartment complex in Lower Algiers in New Orleans. LLT has remaining funds for non-LLT demolitions that can be devoted to the project. The complex is a HUD-financed property, and was available for acquisition from HUD through programs designed to devote foreclosed properties to community use. A nonprofit community development corporation organized by nearby neighbors would like to acquire the property to create a community garden and recreation park.

LLT General Counsel Victor Franckiewicz advised the board that this project has evolved since an initial report was given to the board in June. In late August, LLT learned that the foreclosure by HUD was going forward on September 9, 2013, which was much sooner than had been anticipated. LLT worked swiftly to assist the community group in getting organized and financed to acquire the property through LLT. When the September 9 foreclosure auction was convened, HUD and LLT were both surprised when a private investment group outbid HUD's mortgage to buy the property, which cut off LLT opportunity to acquire the property in that foreclosure proceeding. However, LLT anticipated the private deal would fall through because zoning and other code requirement would make it unfeasible to redevelop the complex as apartments. A few weeks later, LLT received a call from HUD that the private purchaser wanted to withdraw.

The community group was able to get the financing in place, furnish the \$53,580 purchase price to LLT, which was used to acquire the property through LLT's newly-formed subsidiary, LLT Community Services Corporation (LLTCSC). LLT will demolish the property with demolition funding earmarked for non-Road Home properties, and then convey the property to HUNG ĐẠO Community Development Corporation, which is the official name of the nonprofit neighborhood group. No LLT funds were used to obtain the property. The property will eventually be developed into a community garden, farmer's market, park and a community center.

Mr. Franckiewicz noted the resolution proposed for the board's consideration would ratify the formation of the subsidiary, and ratify the appointment of the directors of that subsidiary (Walter Leger, Wes Wyman and Michael Taylor). The resolution would also approve the contract of sale with HUD, included in the board packets, and approve the right of entry and demolition agreement between LLT and LLTCSC.

Dr. Burckel moved to approve the following resolution relative to the Southwood Patio Home Project:

### **Resolution Ratifying Acts and Agreements Related to LLT Community Services Corporation**

**Whereas**, Southwood Patio Homes ("Southwood") is an abandoned, blighted multifamily apartment complex located on a 6.1665 acre site at 4300 Sullen Place in Lower Algiers, New Orleans, Louisiana (the "Property"); and

**Whereas**, Southwood was financed with assistance from the U.S. Department of Housing and Urban Development (“HUD”), and has been the subject of a foreclosure proceeding instituted by HUD, which has agreed to make the Property available for public use under certain terms and conditions, but consistent with HUD’s statutory authority and applicable rules and regulations ; and

**Whereas**, Louisiana Land Trust (LLT) has funding available to demolish Southwood through a program supported by Community Development Block Grant (“CDBG”) funds, consistent with its mission and to reduce blight that adversely impacts the community; and

**Whereas**, in cooperation with the City of New Orleans Deputy Mayor of Facilities, Infrastructure & Community Development; the City’s Director of Housing Policy and Community Development; and the Councilmember of District C, City of New Orleans, LLT has evaluated the opportunity to serve the community through the creation of a subsidiary entity to facilitate the demolition and community use of Southwood, and could serve as a corporate vehicle for engaging in similar community services.

**Now therefore be it resolved** that the LLT Board of Directors hereby ratifies the following acts and agreements:

1. The formation of LLT Community Services Corporation (LLTCSC) as a nonprofit corporation pursuant to Articles of Incorporation recorded with the Louisiana Secretary of State on September 9, 2013, bearing Charter Number 41284672N.
2. The appointment of the following board of directors and officers of LLTCSC:

Walter J. Leger, Jr.	Director and President
Wesley Wyman	Director and Vice President
Michael B. Taylor	Director and Secretary/Treasurer

3. The September 6, 2013 Contract of Sale between the U.S. Department of Housing and Urban Development and LLT pertaining to the Property.
4. The September 27, 2013 Assignment & Assumption of Contract of Sale between LLT and LLTCSC.
5. The September 27, 2013 Right of Entry and Demolition Agreement between LLT and LLTCSC.

**Be it further resolved** that any actions taken or ancillary documents executed by representatives of LLT pursuant to the acts and agreements described above are hereby authorized and ratified.

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

Mr. Wyman seconded the motion, which passed unanimously.

Mr. Franckiewicz noted that the LLT Community Services board will meet following this meeting, and invited the entire LLT board to attend.

### **CDMSMITH CONTRACT EXTENSION**

Mr. Taylor explained the need for a sixty day extension for the CDM Smith contract, extending that contract through February 2014. He noted the amount of work currently in the pipeline exceeds what LLT is able to do in house. The current monthly spend on the contract is around \$10,000. The contract time extension does not require an increase in funds, only in the length of the contract.

Mr. Wyman moved to approve the following resolution regarding the contract with CDM Smith:

#### **CDM Contract Extensions**

##### **Resolution Ratifying 60-Day Extension of CDM Contract and Authorizing LLT Executive Director to Execute Amendment to Extend CDM Contract through February 28, 2014**

**Whereas**, the Louisiana Land Trust (LLT) and CDM Smith, Inc. entered a contract on December 22, 2011 to provide program management and oversight of LLT's continuing demolition program and related activities (CDM Contract); and

**Whereas**, on June 18, 2013, this board authorized the Executive Director to extend the term of the CDM Contract through August 30, 2013; and

**Whereas**, as the August 30, 2013 extended contract term approached, LLT management recognized that CDM's and its subcontractor's services continued to be necessary for LLT's operations, particularly to support ongoing work in the non-LLT demolition program, asbestos inspections, environmental reviews, and surveys in connection with property identification and resubdivision issues. Accordingly, on August 30, 2013, under the authority of Sections 4.7 and 8.1 of LLT's bylaws, LLT's Executive Director verbally directed a 60-day extension

of the CDM Contract term, and confirmed that direction in writing in an August 31, 2013 email to Robert Batherson and Harold Underwood of CDM; and

**Whereas**, new properties are expected to come into LLT's inventory as a consequence of the state's compliance program for Road Home Option 1 properties, necessitating a limited level of ongoing services from CDM; and

**Whereas**, LLT is undertaking a large project under its non-LLT demolition program at a multifamily apartment complex at 4300 Sullen Place in Lower Algiers, New Orleans, which may require additional services under the CDM Contract; and

**Whereas**, the contract term extensions contemplated by this resolution can be accomplished without increasing the maximum amount of the CDM Contract;

**Now therefore be it resolved** that the LLT Executive Director's 60-day extension of the CDM contract is hereby ratified.

**Be it further resolved** that the Executive Director is authorized to execute an amendment to the CDM Contract to extend the contract term in Section 2.1, Term of Contract, through February 28, 2014. All other terms and conditions of the original Contract shall remain in full force and effect.

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

Ms. Shirley seconded the motion, which passed unanimously.

## **PROPERTY TRANSFER UPDATE**

LLT Property Manager and Development Director, Daniela Rivero Bryant, reviewed the property transfer report included in the board materials. She noted that 403 properties in St. Bernard Parish remain in LLT inventory. LLT is preparing to transfer 225 of those to St. Bernard in the next few weeks. LLT is working with the title vendor to clear the title issues on many of the remaining properties. Additionally in St. Bernard Parish, 100 of 128 Builder Bundle lots are ready to transfer. Ten housing opportunity and 40 Lot Next Door sales are in progress.

Ms. Rivero reported that LLT started with 5,185 properties in Orleans Parish, transferred 1,693 to end users and 3,246 to NORA. LLT has properties from Orleans Parish remaining in inventory in various stages of problem resolution and transfer.

## **TITLE CLAIMS REPORT**

Mr. Franckiewicz reported that a full title claims report is included in the board materials. Mr. Franckiewicz expects that the title claims report will remain stable for a while, then slowly begin to decline after the title issues turned up during the St. Bernard Parish transfer process work their way through the title resolution process.

## **LITIGATION STATUS REPORT**

Mr. Franckiewicz directed the Board to review the full report included in the board binder back up materials. The report contains four few cases on the report than from the report previously issued. There are no new pieces of litigation in the report.

Mr. Franckiewicz noted that one claim recently turned into a lawsuit: *NOLA Capitol Group vs LLT*. This case is related to a collapsed brick wall along the property line between 8445 Patricia St. and 3600 Evangeline Ave. (LLT's property) in St. Bernard Parish. The litigation has been turned over to LLT's liability insurance company for handling.

## **OPTION 1 UPDATE**

Mr. Taylor noted that OCD sent approximately 54,000 Option 1 non-compliance letters. A great deal of uncertainty remains as to the real number of grants in default and OCD is working through that analysis. Additionally, the state is working on possible options to assist owners. Mr. Taylor expects that the default properties will have title issues that the state will have to investigate and isn't sure if there is a good solution to those title issues.

LLT is working on a white paper to the state that will propose an alternate solution for cleaning up the blight in advance of a resolution of ownership. Some properties may never have a clear title, but cleaning them up will remove them from the blighted list. LLT's future with Option 1 default properties is unclear at this time.

Chairman Leger advised the board that he met with Pat Forbes, representatives from Governor Jindal's office and Paul Rainwater to talk in detail about LLT's future role. Chairman Leger and Mr. Taylor know that LLT has the ability to demolish properties fastest and more efficiently than other agencies.

Chairman Leger asked Mr. Taylor to develop a white paper that indicates the potential course of action to clear the blight related to defunct Option 1 properties and the alternatives for addressing them at the state and local level.

**CEA OR AMENDMENT FOR ADDITIONAL  
DEMOLITION/BLIGHT REMEDIATION WORK IN ORLEANS PARISH**

Mr. Franckiewicz presented a proposed resolution that would allow LLT to work on additional demolition and blight remediation projects for non-LLT properties in Orleans Parish. LLT has historically completed single family residential demolitions at a fraction of the cost of other entities. With the 4300 Sullen Place project (Southwood Patio Homes), LLT has been able to tackle the larger multi-family projects in the fraction of time that it takes in the public sector. The proposed resolution will authorize the LLT Executive Director, if and when funds become available, to amend an existing CEA with the state to accept funding and perform demolitions in Orleans Parish, or to execute a new CEA if necessary. If such occurs, the Executive Director would report back to the board.

Dr. Burckel moved to approve the following resolution:

**Resolution Authorizing Cooperative Endeavor Agreement or  
Amendment to Existing Agreements for  
Additional Demolition or Blight Remediation Work in Orleans Parish**

**Whereas**, Louisiana Land Trust (“LLT”) has a proven track record of managing cost-effective demolition programs to remediate blight throughout south Louisiana; and

**Whereas**, LLT’s demolition program for non-LLT properties began in St. Bernard Parish in 2011 and was later expanded to perform similar work in Orleans Parish; and

**Whereas**, LLT’s ability to serve Orleans Parish is limited to a fraction of the work performed in St. Bernard Parish under the non-LLT property demolition program due to funding limitations; and

**Whereas**, there exists the possibility of more funding through the Louisiana Office of Community Development (and potentially through other federal, state, or local sources) to perform additional demolition and blight remediation on non-LLT properties in Orleans Parish, and LLT desires to assist the community in such work by taking advantage of such funding if it becomes available.

**Now therefore be it resolved** that the LLT Executive Director is hereby authorized to enter into cooperative endeavor agreements with the Louisiana Office of Community Development (or with any other state or local entity), or to enter into amendments to existing cooperative endeavor agreements, for demolition and blight removal work in Orleans Parish, such agreements or amendments to be on substantially the same terms as the current non-LLT property demolition program operated by LLT.

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

Ms. Shirley seconded the motion, which passed unanimously.

**APPOINTMENT OF BOARD SECRETARY  
TO SUCCEED SARA KLEINPETER**

Ms. Shirley moved to appoint Ms. Rachel Monjure as board secretary to succeed Sara Kleinpeter. Ms. Laborde seconded the motion. The motion passed without objection.

**ADJOURNMENT**

Mr. Wyman moved to adjourn the meeting; Dr. Burckel seconded the motion. Without objection from the Board, Chairman Leger adjourned the meeting at 11:29 am.

**CERTIFICATION**

I certify that the foregoing are the minutes of the October 14, 2013 meeting of the Road Home Corporation Board of Directors, and that these minutes were approved by the board on the \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Rachel Monjure  
Secretary to the Board of Directors

\_\_\_\_\_  
Date