

Approved by the LLT Board of Directors on 9/29/14

**ROAD HOME CORPORATION, d/b/a LOUISIANA LAND TRUST
BOARD OF DIRECTORS MEETING
MINUTES OF JUNE 9, 2014**

held at
Regional Planning Commission Meeting Room
10 Veterans Memorial Boulevard
New Orleans, Louisiana 70124
Monday, June 9, 2014, 9:00 a.m.

CALL TO ORDER

Board Chairman Walter Leger called the June 9, 2014, meeting of the Board of Directors of the Road Home Corporation (LLT) to order at approximately 9:15 a.m. After the Pledge of Allegiance was recited, Board Secretary Rachel Monjure called the roll with the following results:

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

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

APPROVAL OF MINUTES OF JANUARY 13, 2014

Mr. Wyman moved to approve the January 13, 2014, board meeting minutes. Ms. Shirley seconded the motion. The motion passed without objection.

EXECUTIVE DIRECTOR'S REPORT

LLT Executive Director, Mr. Michael Taylor, stated that he would comment on items throughout the agenda. Mr. Taylor updated the board on the overall status of LLT. The business of LLT has begun to wind down. Going forward, the status of the non-compliant Option 1 properties will greatly influence LLT's operations, but the state has not reached a decision on how to proceed with the thousands of non-compliant Option 1 properties. Mr. Taylor still hopes that the state will decide to use LLT as the vehicle to deal with these non-complaint properties.

Though Mr. Taylor is prepared for LLT to handle the demolition and clean-up of these properties, he has begun to outline a strategy to close out LLT. Several hundred properties remain in LLT's inventory, most of which have problems dealing with back tax and title issues that must be managed on a case by case basis.

Full time LLT staffing is at twelve employees, with a few others working on a part time, as-needed basis. Mr. Taylor noted that Mr. Eddie Legnon has accepted a position with the Office of Community Development (OCD) and will be leaving at the end of next week. Though Mr. Taylor is sad to lose Mr. Legnon, he knows this position will be a good fit for Mr. Legnon. Mr. Taylor expressed his appreciation to Mr. Legnon for his years of dedicated service.

The closeout of LLT will be a lengthy job that will require a detailed account from the beginning of LLT's operation to current times, including backup documentation on how and why decisions were made throughout the life of LLT. Mr. Taylor believes this will be an interesting account of what LLT has accomplished, and will serve as a useful model for future recovery efforts.

Finally, Mr. Taylor discussed the fiscal year 2014-2015 budget. LLT has around \$14 million remaining from the last CEA with OCD. If LLT does not receive Option 1 properties, only a portion of those funds will be used. Mr. Taylor and Mr. Legnon are budgeting as if LLT will receive the Option 1 properties up to LLT's capacity. That forecast will be reflected in the budget, so LLT will remain under budget if Option 1s are not received.

Ms. Laborde inquired to the definition of closeout – wondering if that meant disbanding LLT or remaining in existence. Mr. Taylor noted that OCD will significantly influence a final decision on the status of LLT, but expects that there could ultimately be dissolution of the corporation as it stands.

General Counsel, Victor Franckiewicz, noted that the closeout of LLT as a grant recipient depends on a decision by OCD, but LLT's status as a corporate entity is dependent on decisions made by the Board of Directors. Mr. Franckiewicz stated that the longer term liabilities, warranties, and legal issues related to LLT properties will have to be dealt with even if the OCD grant funding source is exhausted. Mr. Taylor noted that he will work with OCD on closeout issues and report to the board.

OPTION 1 COMPLIANCE IMPACT REPORT

Mr. Franckiewicz provided the Board with the latest numbers from the Road Home Pipeline Report that show of the 119,000 Option 1s, there are around 55,000 that are fully compliant. He noted that full compliance means that all I's are dotted and T's are

crossed; a fully rehabilitated structure that fails to turn in the proper insurance paperwork would be considered non-compliant. Many properties show no evidence of occupancy or have no data to indicate compliance; these are around 8,800 properties. LLT could be useful in demolishing and cleaning up many of these 8,800 properties (or directing selected properties towards rehabilitation). The Road Home Program itself is a compensation program, and is not configured for returning properties to commerce. LLT is in a position to help alleviate the blight caused by non-compliant Option 1 properties and return them to commerce.

The Road Home program does offer a Post Closing Option Change (PCOC) procedure. If you have an Option 1 and can't rebuild; you can convert to an Option 2 or Option 3 if the funding works out. Although this is an option in theory, it often does not work out in practice. Since OCD began to offer that option in August 2013, LLT has received only 13 properties.

Mr. Taylor noted that the state's focus is on bringing properties into compliance by sending letters to resolve issues. Board Member, Mr. Wyman asked about the time frame on the attempt to comply once the notice has been given by the state. Mr. Franckiewicz noted that the process can take up to two years before it serious enforcement actions are imposed. Chairman Leger noted that some of the notices would give properties time to comply that would run after a new governor takes office. Mr. Franckiewicz noted that is it not the role of LLT to enforce the non-compliance, but to be available to move these properties into commerce once the program is enforced.

Mr. Franckiewicz noted that the state continues to investigate properties to determine if they show evidence of occupancy. New data from OCD should be ready in a few weeks. Mr. Franckiewicz feels that regardless of the new data, the overall picture will leave a large number of blighted properties that need to be addressed, and many blighted properties will have title issues that need to be resolved. Mr. Franckiewicz estimated that of the 8,800 non-compliant properties, LLT could receive up to 2,000 of these for blight remediation and return to commerce if a program were set up to address the need.

Mr. Taylor is working with Councilwoman Stacy Head and Councilmember Cantrell to discuss the idea of bridging the gap on properties that do not have clean titles. LLT could take partial ownership of properties, clean them up, and sell the property through a partition by licitation process. The funds from the sale would then be deposited with the court for multiple owners to divide the proceeds. Mr. Taylor noted that it will be difficult to have all parties – OCD, the State, and the local governments – agree on this plan. This idea will be further discussed as a possible plan of action with all parties and the Board. Chairman Leger asked that Mr. Taylor and Mr. Franckiewicz provide the Board with a written proposal or plan of steps for this avenue, including the costs for the administrative and maintenance needs per property.

FINANCIAL REPORT AND 2015 BUDGET

Mr. Eddie Legnon reviewed the financial report provided to the Board in their board binder. LLT is under budget in most areas, due to the lack of receipt of anticipated Option 1 properties. Legal fees were over budget because a large number of properties still in LLT's inventory have legal problem.

In preparing the 2015 budget, Mr. Legnon based it on the potential that LLT could handle. Mr. Legnon believes that the 2015 budget is around \$9 million of expenses and the 2016 budget will be around \$5 million. Mr. Legnon provided the Board with a proposed budget for 2015 and 2016 in the board binders.

Mr. Wyman moved to approve the Louisiana Land Trust Financial Presentation including budget for the fiscal years ending June 30, 2015 and June 30, 2016 as presented to the Board. Ms. Shirley seconded the motion. The motion passed without objection.

CHIEF FINANCIAL OFFICER RFQ AND PROCUREMENT

Mr. Taylor noted that Mr. Legnon will be resigning from LLT and requests that the Board approve a request to hire a replacement on a part time basis to be CFO. Mr. Taylor noted that Jessica Gosserand will serve as interim CFO until Mr. Taylor is able to hire a part time CFO. Mr. Franckiewicz noted that the proposed motion gives Mr. Taylor the flexibility to hire a part-time contract employee, part-time employee, or contractor depending on the needs of LLT.

Mr. Wyman moved to approve the resolution provided below to allow the selection, engagement and succor of CFO. Ms. Shirley seconded the motion.

Whereas, Eddie Legnon, Louisiana Land Trust ("LLT") Chief Financial Officer, has served LLT faithfully since 2008, and will be leaving LLT shortly to take a position with the Louisiana Office of Community Development; and

Whereas, LLT will require the services of a successor Chief Financial Officer for the remainder of LLT's operational lifetime; and

Whereas, there is uncertainty as to the extent and duration of services required of a successor, necessitating flexibility in hiring a successor on a full or part time basis, as a regular or a contract employee, or as an individual, firm, or other entity; and

Whereas, depending on the skills and experience available among potential successor Chief Financial Officers as compared with the evolving needs of the position, the Executive Director needs flexibility in choosing a successor; and

Whereas, regardless of the mode in which a successor Chief Financial Officer is chosen, the successor will be the functional equivalent of an employee, and the Executive Director's authority for making a selection should be similar to that provided for regular employees;

Now therefore be it resolved that in addition to the authorizations currently provided under LLT's procurement policy, the Executive Director is authorized to select and engage a successor Chief Financial Officer, and in his discretion, utilize customary hiring procedures for a full- or part-time regular or contract employees, or a competitive selection procedure, and thereafter engage a firm or an individual on an independent contractor basis, provided that any contractual arrangement shall be on an "at will" basis, terminable at LLT's option with no more than 30-days' notice;

Be it further resolved that the Executive Director is authorized to execute any documents, contracts, or assurances necessary to carry out the purposes of this resolution.

Be it further resolved that the Executive Director shall report back to this board at its next meeting regarding the selection or procurement of a successor Chief Financial Officer.

The motion passed unanimously.

Chairman Leger thanked Mr. Legnon for his work for LLT and wished him the best in his new role at OCD. Mr. Legnon thanked the Board and Mr. Taylor for a positive experience while at LLT.

Chairman Leger noted that the success of LLT is evident because many people do not even know it exists. He knows LLT has done a good job because it continues to stay out of public controversy and credits that to Mr. Taylor, Mr. Legnon and the entire LLT staff for always doing what is right.

401K CHANGE IN ADOPTING EMPLOYER

Ms. Shirley moved to amend the agenda to include an item to change the adopting employer for the 401-K at LLT. Mr. Wyman seconded the motion. The agenda was

amended by unanimous vote.

Ms. Shirley moved to adopt the following resolution to remove Eddie Legnon as the “adopting employer” for the 401-K retirement plan and replace him with a successor, Carolyn Carolina. Mr. Wyman seconded the motion.

RESOLVED, that effective as of the close of business on June 14, 2014, Edwin Legnon is removed as Adopting Employer for 401K Paychex Retirement Plan; and it is

FURTHER RESOLVED, that effective as of the opening of business of June 15, 2014, Carolyn Carolina is hereby appointed as Adopting Employer for the Plan; and it is

FURTHER RESOLVED, that the Board of Directors of this organization hereby authorizes its proper officers to execute any documents necessary and to make such changes therein as may be required or which they may deem appropriate, to take any other actions which they deem necessary or desirable or proper to carry out the intent of the foregoing Resolution.

The motion passed without objection.

CHECK SIGNING AUTHORITY POLICY UPDATE

With Mr. Legnon leaving, the check signing policy needs to be revised to include the interim CFO as an authorized check signer for LLT.

Mr. Wyman moved to approve the resolution below clarifying the check signing authority for the interim CFO. Mr. Shirley seconded the motion.

Whereas, with the impending departure of Eddie Legnon, Louisiana Land Trust (“LLT”) Chief Financial Officer, the LLT Executive Director has announced his intent to designate an Interim LLT Chief Financial Officer (“Interim CFO”); and

Whereas, LLT’s Accounting Policy does not designate or define the role, rights, powers, or obligations of an Interim CFO; and

Whereas, to insure a smooth transition following the departure of Mr. Legnon, this board desires to clarify the applicability of the Accounting Policy to an Interim CFO;

Now therefore be it resolved that an Interim CFO designated by the Executive Director shall have the roles, rights, powers, and obligations specified for the LLT Chief Financial Officer in the LLT accounting policy, including but not limited to the authority to sign checks, subject to the limitations expressed in that policy.

Be it further resolved that the Executive Director is authorized to execute any documents, contracts, or assurances necessary to carry out the purposes of this resolution, including any financial institution signature cards, resolutions, or authorizations related to all financial transactions.

The motion passed without objection.

DISPOSITION REPORT

Mr. Taylor reviewed the disposition report included in the board binder back up materials. The properties still in LLT's inventory are the problem properties and the builder bundle package in St. Bernard Parish.

PROPERTY TAXES ON FORMER LLT PROPERTIES IN NORA HANDS

Mr. Franckiewicz explained that in early 2009 when properties were beginning to transfer out, it was realized that many properties owed back taxes. This is due in part to the large volume of closing coupled with the unique way New Orleans handles property taxes by requiring payment in advance. In the process of LLT was trying to clear up the taxes with retroactive exemptions, it became apparent that it would be more cost effective to simply pay the taxes at closing rather than wait to process a tax exemption appeal. Accordingly LLT began to pay the back taxes out of closing proceeds. For "free" transfers to NORA, the act of transfer required NORA to be responsible for taxes, and this practice continued when bulk transfers to NORA began in 2011. That practice changed in year three of the four-party CEA, which required LLT to clear back taxes before transferring properties to NORA. In addition to that shift in tax payment practices, NORA has asked to change its prior agreement to pay back taxes and to shift this liability to LLT. NORA spoke with OCD and OCD has asked LLT to pay the taxes out of the LLT grant. Mr. Taylor and Mr. Franckiewicz will continue to update the board as this directive pans out.

ST. BERNARD PARISH BUILDER BUNDLE REPORT

Mr. Taylor noted that the bundle of 78 properties in St. Bernard still on the LLT inventory is from the Builder Bundle that did not close. C&C Contractors was unable to

arrange financing, resulting in a defunct deal. LLT expects a formal request from St. Bernard Parish asking LLT to hold the properties for a re-designed Builder Bundle program in the future. The Parish will continue to maintain the properties at its expense.

DEMOLITION REPORT

Mr. Jonathan Rouege, LLT's Project Manager, reviewed the demolition report included in the board binder back up materials. LLT did five demolitions on properties that had issues, blight, or code enforcement. Since then, LLT has received 14 requests from the City of New Orleans or NORA to demolish properties in their inventory or LLT's. LLT is ready to issue a notice to proceed for Bid Group 72 IDIQ by the end of the week. Demolition on those 14 properties will begin in the coming weeks, barring any permit issues.

SOUTHWOOD PATIO HOMES PROJECT, SULLEN PLACE

Mr. Taylor noted the pictures provided in the board binder packets for 4300 Sullen Place. The property is now cleaned up and has a few minor items to close out. Mr. Rouege noted that the property had 19 buildings totaling 132 units, with demolition costing around \$290,000. The contractor took 135 days from start to finish, and has minor damage repairs to sidewalks remaining.

Mr. Franckiewicz reported on a tax issue related to Sullen Place. When the project began, the tax bill indicated an amount of \$470 for 2013 taxes, but the 2014 tax bill jumped to about \$44,000. LLT is working with the tax assessor to determine if there will be a retroactive application of the tax exempt status. Mr. Franckiewicz will continue to update the board as this problem gets resolved.

MULTIUNIT REHAB PROJECT (NSP1) PROGRAM

Mr. Taylor noted that LLT is still holding these properties in its inventory. The properties have been appraised, but buyers have not been found for the appraised price. LLT will return to the Louisiana Housing Corporation to discuss the requirement of selling to a low/moderate income family at the appraised value of the home.

TRULA THORNTON HOME RECONSTRUCTION PROJECT REPORT

Mr. Rouege reported that this project is under contract for reconstruction but has been held up because of the weather. The project will continue to move along as long as weather permits.

HENDEE INCINERATOR PROJECT

Mr. Taylor advised that this project resembles the Southwood Patio Homes project in that LLT was approached by the City of New Orleans to demolish the site. It is currently a large concrete and steel building where the incinerator was housed and a large metal storage structure on the back of the site. The site is 5.6 acres, located on the Orleans/Jefferson Parish line and is owned by the City of New Orleans. It is a major blighting influence on the area. Mr. Taylor projects the cost of \$300,000 to \$350,000 to demolish. Mr. Taylor has asked the City of New Orleans and NORA to contribute half of the demolition cost.

Mr. Wyman moved to approve the following resolution; Ms. Shirley seconded the motion, which passed without objection:

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

Whereas, representatives of the City of New Orleans and of the New Orleans Redevelopment Authority (“NORA”) have requested LLT to participate in a project to demolish an obsolete solid waste incinerator and accompanying facilities located on a 5.6 acre site at 2301 Hendee Court in Algiers (the “Hendee Incinerator”), which site is a blighting influence on the area; and

Whereas, unencumbered funds currently designated for non-LLT property demolitions appear sufficient to support this effort on a 50/50 match basis with funding provided by or through the City of New Orleans, using CDBG program income proceeds or other funding that may become available; and

Whereas, this board believes that the Hendee Incinerator demolition is a worthwhile project, and that LLT should be an active, participating leader in the effort; and

Whereas, LLT has coordinated with the Louisiana Office of Community Development (“OCD”) regarding this proposed project, and OCD has indicated a willingness to consider the project as a beneficial use of non-LLT demolition funding and CDBG program income, and has encouraged LLT to cooperate with NORA and the City of New Orleans to implement the project;

Now therefore be it resolved that the Executive Director is authorized to execute any documents, contracts, cooperative endeavor agreements, memoranda of understanding, or assurances necessary to implement the Hendee Incinerator demolition project described in this resolution, including amendments LLT's existing grant agreements, project authorizations, or ILOC applications.

Be it further resolved that the Executive Director is authorized take all actions necessary to implement the project in conjunction with the City of New Orleans, NORA, or any instrumentality of either.

Chairman Leger noted that Ms. Shirley had to leave the meeting, resulting in a lack of quorum from this point of the meeting forward.

LEGISLATIVE SESSION REPORT

Mr. Franckiewicz reported that a legislative summary is included in the board binders. Nothing in the legislative session had a direct impact on LLT. A few bills will impact Road Home properties and the Road Home Compliance program, and could indirectly affect LLT. House Bills 489 and 1001 by Representative Wesley Bishop deal with properties in the Lower Ninth Ward. House Bill 441 tightens up legislative oversight on the OCD compliance program for Option 1s, requiring OCD to stop compliance efforts until a set of regulations is revised. This will delay the compliance program three to four months.

TITLE CLAIMS REPORT

Mr. Franckiewicz reported that a full title claims report is included in the board binder. Mr. Franckiewicz noted that the report is shorter than the last report – two claims were cleared and six to eight are near being cleared. He expects the list of title claims to continue to decline over time.

LITIGATION STATUS REPORT

Mr. Franckiewicz directed the Board to the full report included in the board binders. The report highlights changes in litigation status. The report is down to two pages, with a large number of cases having been resolved since the last meeting.

The case involving Mr. Alvin Doucette is proceeding, but Mr. Franckiewicz indicated that there was no need for an executive session to discuss it at this point.

PUBLIC COMMENT

No comments were made by members of the public.

ADJOURNMENT

Mr. Wyman moved to adjourn the meeting; Ms. Laborde seconded the motion. Without objection from the Board, Chairman Leger adjourned the meeting at 11:20 am.

CERTIFICATION

I certify that the foregoing are the minutes of the June 9, 2014 meeting of the Road Home Corporation Board of Directors, and that these minutes were approved by the board on the ____day of _____, 2014.

	9/29/14
_____ Rachel Monjure Secretary to the Board of Directors	Date