

*Approved by LLT board on February 9, 2015*

**ROAD HOME CORPORATION, DBA LOUISIANA LAND TRUST  
BOARD OF DIRECTORS MEETING  
MINUTES OF SEPTEMBER 29, 2014**

held at  
Greater New Orleans Inc. Board Room  
365 Canal Street, 23<sup>rd</sup> Floor  
New Orleans, Louisiana  
Monday, September 29, 2014  
9:30 a.m.

**CALL TO ORDER**

Board Chairman Walter Leger called the September 29, 2014, meeting of the Board of Directors (Board) of the Road Home Corporation (LLT) to order at 9:43 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 formed a quorum.

**APPROVAL OF MINUTES OF JUNE 9, 2014**

Mr. Wyman moved to approve the June 9, 2014, board meeting minutes. Ms. Kathy Laborde seconded the motion, which passed unanimously.

**EXECUTIVE DIRECTOR'S REPORT**

LLT Executive Director Michael Taylor, noted that LLT continues to work towards a resolution on what work, if any, will be done on Road Home Program Option 1 Properties. Data provided by the Office of Community Development (OCD) and its contractor, HGI, does not provide a clear picture of the "on the ground" need for blight remediation. Mr. Taylor plans to meet with OCD Executive Director, Pat Forbes to address the need for more complete data for LLT to propose the level of help it can give OCD in cleaning up abandoned Option 1 properties. Mr. Taylor reported that LLT is now operating with twelve full time employees and one part time employee, Daniella Rivero. Decisions related to the Option 1 properties are critical in continuing to manage the forward motion of LLT. If no decision is made, LLT's primary workload will wrap up in the first quarter of 2015.

Chair Walter Leger asked that LLT let the Board know the result of their meeting with OCD.

Ms. Candace Watkins with OCD stated that the current initiative is to track down the Option 1 non-compliant owners who have not come forward will include the condemnation of the property by the city in order to facilitate the demolition or convert to Option 2. Chair Leger further directed Mr. Taylor to request that Mr. Forbes call a meeting with representatives of the LLT Board, City of New Orleans, State of Louisiana, and NORA in the next two weeks to resolve this issue. Additionally, Mr. Leger will begin formulating a meeting with the Governor's Office, OCD, City of New Orleans, NORA and legislative leadership to make a decision that will impact the future of LLT.

### **FINANCIAL REPORT**

Mr. Taylor explained that Mr. Eddie Legnon is currently working with OCD, but is attending the Board meeting in place of Interim LLT CFO, Jessica Gosserand, who recently had a baby. Mr. Legnon reviewed the financial report provided to the Board in their board binder, as of June 30, 2014, the last day of the fiscal year. LLT is under budget in most areas, due to a slow pace of work available to LLT and the lack of receipt of anticipated Option 1 properties.

### **RESOLUTION AUTHORIZING YEAR 4 CEA WITH OCD, NEW ORLEANS, AND NORA FOR PROPERTY DISPOSITION AND PROGRAM INCOME**

Mr. Victor Franckiewicz, LLT General Counsel, noted that the proposed resolution is a routine renewal of the four party CEA that has been in place the last three years. The CEA describes what LLT does with the properties that are received into inventory and how they are transferred to NORA.

Mr. Wyman moved to approve the following resolution

#### **Resolution Authorizing Year 4 CEA with OCD, New Orleans, and NORA for Property Disposition and Program Income**

**Whereas**, the Louisiana Land Trust (LLT), the Louisiana Office of Community Development (OCD), the City of New Orleans, and the New Orleans Redevelopment Authority (NORA) entered into a Cooperative Endeavor Agreement (CEA) governing LLT property disposition and program income for the period October 1, 2011 through September 30, 2012 (CFMS #714456); and a substantively similar second-year CEA for the period October 1, 2012 through September 30, 2013 (CFMS #718929); and a substantively similar third-year CEA for the period October 1, 2013 through September 30, 2014 (CFMS #726633); and

**Whereas**, the current CEA will expire shortly, and the parties thereto desire to adopt a follow-on CEA to govern property disposition and program income for a fourth year; and

**Now therefore be it resolved** that on behalf of the Louisiana Land Trust, the Executive Director is authorized to execute a CEA for property disposition and program income in New Orleans for a fourth year, with terms substantially similar to the current CEA.

**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. Laborde seconded the motion, which passed unanimously.

### **PROPERTY TAXES ON FORMER LLT PROPERTIES IN NORA HANDS**

Mr. Franckiewicz reported that many properties have been transferred by the Road Home Program to LLT with outstanding property taxes, and that local tax assessors have sometimes been slow to recognize LLT's tax exempt status, resulting in the assessment of taxes after LLT took ownership of properties. These problems are largely limited to New Orleans. Since 2009, in consultation with NORA, LLT's practice has generally been to pay outstanding taxes from sale proceeds as properties are conveyed to third parties rather than going through the costly and time-consuming administrative process of having appealing back taxes. This worked well which LLT was closing properties to end users. On properties that were transferred to NORA at no cost, there were no sale proceeds available to pay the taxes. Therefore, on those transactions, NORA agreed to take responsibility for paying the taxes. This agreement has been memorialized in the written conveyance instruments for all transfers to NORA since the inception of the program. However, more recently, NORA has requested that LLT pay the back taxes on former LLT properties in NORA's inventory, and this was approved by OCD. LLT is working to determine the amount needed to pay the back taxes. Additionally, LLT has an agreement with OCD about the process for taxes in the future.

### **OCD REQUEST FOR LLT TO PAY NORA TITLE CURATIVE COSTS**

Mr. Franckiewicz reported that up until 2013, LLT was transferring properties with a conventional abbreviated title exam. The full 30 year title search requirement became effective for current and former LLT properties in January 2013. For properties transferred to NORA prior to that date, the more extensive, current title examinations are turning up title issues that were not uncovered in the course of previous title work, resulting in the need for more curative effort. NORA is requesting LLT to pay costs associated with the full title search on NORA properties. LLT will discuss with OCD the idea of a bulk title for the remaining 2,061 NORA properties, rather than doing individual curative work for the properties. By bundling the properties for bulk title searches, it will reduce the cost by an estimated 40%. The title work could be performed in bulk and in advance of a closing, instead of doing the work on an individual basis at the time of closing.

## **DISPOSITION REPORT**

Ms. Daniela Rivero 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.

## **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. St. Bernard and LLT are re-engaging the conversations on how to move forward with this set of properties.

## **DEMOLITION REPORT**

Mr. Jonathan Rouege, LLT's Project Manager, reviewed the demolition report included in the Board's meeting materials. LLT completed demolition on five properties were causing issues related to blight, or code enforcement. Bid Group 72 has 14 properties, of which nine have already been demolished. Of the new properties received, LLT will determine if they will be put in Bid Group 72.

## **NON LLT DEMOLITION PROGRAM**

Mr. Rouege reported that LLT has removed a total of 28 slabs and has two in progress, including one at 2011 Jackson Boulevard. Additionally, there is a request from St. Bernard for 42 demolitions. These 42 properties will be held until prices are determined for the proposed Hendee Incinerator and Jackson demolitions.

## **2011 JACKSON BOULEVARD DEMOLITION**

Mr. Rouege noted that an SFO was issued to have a slab removed at 2011 Jackson Boulevard in St. Bernard Parish. The low bidder for the SFO was Construction Management Enterprises, LLC at \$22,140. Other bids included Cross Environmental Services at \$23,900, Lawson Environmental Services at \$31,934, Demo Diva at \$27,700, and Durr Heavy Construction at \$48,500. The alternate prices in the event asbestos is found resulted in the following costs: Cross Environmental at \$69,715, Construction Management Enterprises at an additional \$8,000.

LLT recommends that the Board approve Construction Management Enterprises at a base price of \$22,140 and an additional \$8,000 if asbestos is found during demolition.

Mr. Wyman moved to approve the selection of Construction Management Enterprises for the Chalmette slab demolition at 2011 Jackson Boulevard. Ms. Laborde seconded the motion. The motion passed without objection. Chair Leger refrained from voting on this motion.

## **HENDEE INCINERATOR PROJECT**

Mr. Taylor noted that this is a project that has been discussed previously, and is in the environmental review stage. LLT is waiting on approval from the City of New Orleans for a right of entry. The plans and specs have been completed by CDM Smith and Mr. Franckiewicz is working on the contract documents.

## **NON COMPLIANT OPTION 1 CANDIDATE DEMOLITIONS**

This topic was covered during discussion under the Executive Director's report, and no additional discussion was held on this agenda item.

## **EXTENSION OF CDM SMITH CONTRACT TO JUNE 30, 2015**

Mr. Wyman moved to approve the resolution below, to extend the contract with CDM Smith through June 30, 2015. Ms. Shirley seconded the motion, which passed unanimously:

### **Resolution Authorizing Extension of CDM Smith Contract to June 30, 2015**

**Whereas**, the Louisiana Land Trust (LLT) and CDM Smith, Inc.(CDM) 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 extending the term of the CDM Contract through August 30, 2013; and

**Whereas**, on October 13, 2013, this board ratified and authorized extensions of the CDM Contract through February 28, 2014; and

**Whereas**, on January 13, 2014, this board authorized extensions of the CDM Contract through December 31, 2014; and

**Whereas**, whereas there remains uncertainty as to the timing of new properties coming into LLT's inventory as a consequence of the state's compliance program for Road Home Option 1 properties, but LLT nonetheless continues to receive additional properties into its inventory and anticipates that new properties will be conveyed to LLT, necessitating ongoing services from CDM; and

**Whereas**, LLT continues to manage additional demolition projects on non-LLT properties, including but not limited to the Hendee Incinerator demolition project in Algiers, and the large slab at 2011 Jackson Blvd. in

Chalmette, which require continuing services under the CDM Contract;  
and

**Whereas**, the contract extension 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 is authorized to execute an amendment to the CDM Contract extending the contract term in Section 2.1, Term of Contract, through June 30, 2015. 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

### **MULTIUNIT REHAB PROJECT (NSP1) PROGRAM**

Mr. Taylor noted that LLT still holds a handful of properties rehabilitated with NSP1 funds. The properties have been appraised, but it has been difficult to find buyers who meet the affordable housing restrictions imposed by the NSP1 grant. LLT will return to the Louisiana Housing Corporation to discuss the requirements and seek more workable options.

### **TRULA THORNTON HOME RECONSTRUCTION PROJECT REPORT**

Mr. Rouege reported that this project is under contract but has been delayed because of the weather. The project is under construction and continues to move along, weather permitting. Mr. Taylor expressed a concern about the contractor's untimely performance on the project.

### **SOUTHWOOD PATIO HOMES PROJECT, 4300 SULLEN PLACE**

Mr. Franckiewicz noted that the demolition is substantially complete, but the tax issue still lingers and the property is still being carried on the tax rolls. The City of New Orleans has not recognized the LLT Community Services Corporation as credentialed. Once this is cleared, LLTCSC will transfer the property to the Hung Dao Community Development Corporation pursuant to the agreement with HUD.

### **TITLE CLAIMS REPORT**

Mr. Franckiewicz reported that a full title claims report is included in the back up materials in the meeting binders. Mr. Franckiewicz noted that the report is shorter than the last report, with no

new claims. Mr. Franckiewicz expects that the title claims report to continue to reduce as more title issues are cured.

## **LITIGATION STATUS REPORT**

Mr. Franckiewicz directed the Board to review the full report included in the board binder back up materials. The report highlights changes in litigation status. The report includes 12 cases, down from 20. There are no new lawsuits against LLT since the last report.

## **AMENDMENT TO THE AGENDA, EXECUTIVE SESSION**

Mr. Wyman moved to amend the agenda to include an Executive Session to discuss the compensation and performance of the LLT Executive Director, Michael Taylor. Ms. Shirley seconded the motion. The motion passed unanimously.

Mr. Wyman moved to enter into Executive Session to discuss the compensation and performance of the LLT Executive Director, Michael Taylor, and the strategy related to the Doucette lawsuit. Ms. Laborde seconded the motion. The motion passed without objection.

The Board entered into Executive Session, after which Ms. Shirley moved to come out of Executive Session. Mr. Laborde seconded the motion. The motion passed with all members voting yes. No action was taken in the executive session.

## **PUBLIC COMMENT**

Mr. Rowland Kimbrough with Task Force addressed the Board and inquired about HGI, the Road Home Program management contractor, asking why they were costing \$2 million per month when they don't have many properties to deal with. Chair Leger noted that HGI is under contract to OCD, not LLT, and that LLT does not have the information to address the question.

No additional comments were made by members of the public.

## **ADJOURNMENT**

Mr. Wyman moved to adjourn the meeting; Ms. Shirley seconded the motion. Without objection from the Board, Chairman Leger adjourned the meeting at 11:42 am.

**CERTIFICATION**

I certify that the foregoing are the minutes of the September 29, 2014 meeting of the Road Home Corporation Board of Directors, and that these minutes were approved by the board on the \_\_\_ day of \_\_\_\_\_, 2015.

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**Rachel Monjure**  
Secretary to the Board of Directors

Date