

*Approved by LLT board on 6/6/16*

**ROAD HOME CORPORATION, DBA LOUISIANA LAND TRUST  
BOARD OF DIRECTORS MEETING  
MINUTES OF JANUARY 12, 2016**

held at the  
LSU Agriculture Center  
101 J. Norman Efferson Hall, Room 214  
Baton Rouge, LA  
Tuesday, January 12, 2016  
10:00 a.m.

**CALL TO ORDER**

Board Member Dr. Daryl Burckel called the January 12, 2016 meeting of the Board of Directors (Board) of the Road Home Corporation (LLT) to order at 10:31 a.m. Dr. Burckel moved that Mr. Wesley Wyman serve as temporary chairman until the arrival of Chairman Leger. Ms. Rebecca Shirley seconded the motion. The motion passed without objection.

After the Pledge of Allegiance was recited, LLT Board Secretary Rachel Davenport called the roll with the following results:

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

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

**APPROVAL OF OCTOBER 12, 2015 MINUTES**

Ms. Laborde moved to approve the October 12, 2015, board meeting minutes. Dr. Burckel seconded the motion. The motion passed without objection.

**ADOPTION OF MEETING SCHEDULE FOR 2016**

Dr. Burckel moved to adopt the following 2016 meeting schedule and locations, subject to revision as necessary during the course of the year by consultation between the Executive Director and the Chairman of the Board:

January 12, 2016	LSU Ag Center Bldg Rm. 214, Baton Rouge
March 14, 2016	Louisiana Housing Corporation meeting room, Baton Rouge
May 9, 2016	Louisiana Housing Corporation meeting room, Baton Rouge
July 11, 2016	Regional Planning Commission, New Orleans
September 12, 2016	Regional Planning Commission, New Orleans
November 14, 2016	Regional Planning Commission, New Orleans

Ms. Laborde seconded the motion. The motion passed without objection.

### **AMENDMENT TO AGENDA**

On motion by Dr. Burckel, seconded by Ms. Shirley, the board approved an amendment to the agenda to move Items 16 through 20 on the agenda ahead of Item 6, Executive Director's Report, to allow time for Chairman Walter Leger to arrive. The motion passed unanimously.

### **NON-LLT BUDGET REVIEW**

Mr. Jonathon Rouege noted that the Non-LLT demolition program budget report is included in the board's binder of back up materials for review. He noted that the remaining funds, nearly \$222,000, will primarily be used for St. Bernard slab demolitions and for projects requested by the City of New Orleans.

### **DISPOSITION REPORT**

Ms. Cathleen Carney reviewed the disposition report included in the board's binders. LLT has 117 properties remaining in inventory. Thirteen properties are working their way through the demolition process. Sixty-eight are part of St. Bernard builder bundles. LLT is working with St. Bernard Parish to create another phase of the builder bundle program. Other properties are either in the closing queue, or have unresolved issues preventing closing. LLT received two new properties in December, and anticipates receiving two to four new properties each month. The title company doing the closing for the State report that they have around 200 non-performing Option 1 properties that are candidates for transfer to LLT.

### **DEMOLITION REPORT**

Mr. Rouege reviewed the demolition report included in the board binders. LLT continues to work on the demolition of properties in LLT's inventory. Mr. Taylor noted that future demolitions may be batched in large groups if LLT received the properties in batches rather than one or two at a time.

## **TITLE CLAIMS REPORT**

Mr. Victor Franckiewicz, LLT General Counsel, noted that a full title claims report is included in the board's back up materials. Mr. Franckiewicz noted that there are a few new claims since the last meeting. Claims continue to be resolved, but new claims come in. There are a number of "orphan" properties for which there are no easy solutions to the problems that plague different properties in idiosyncratic ways. Legislation will probably be needed to resolve these issues.

## **LITIGATION REPORT**

Mr. Franckiewicz advised that the board could review the full report included in the board binder back up materials. The report highlights changes in litigation status. There are two cases that are being watched as they move through the court system: the *Thurman* lawsuit and the *Randazzo* litigation. Other cases are dormant.

## **EXECUTIVE DIRECTOR'S REPORT**

LLT Executive Director, Mr. Michael Taylor noted that he will provide his update throughout the meeting by discussing issues as they appear on the agenda.

## **OCD REQUEST TO MOVE LLT OFFICE TO STATE OFFICE BUILDING**

Mr. Taylor invited OCD Executive Director, Mr. Pat Forbes, to address the Board. Mr. Forbes noted that there is available space in the LaSalle Building on the same floor as OCD that he believes will work well as new office space for LLT.

Mr. Taylor and Ms. Carolyn Carolina provided the board with a cost comparison of current and potential LLT office locations. The major difference between the current LLT offices and the LaSalle Building will include a loss of private office space for the Executive Director and HR operations, as well as a loss of onsite IT servers. Mr. Taylor and IT Manager, Derrick Morris, will be meeting with state officials to discuss the full logistics of a move to the LaSalle building, since there are a number of questions still to be worked out. The board and Mr. Taylor had a healthy discussion about the possibility of a move, both financially and logistically. Would it be fiscally responsible to move LLT? What about the separation of private and public entities? Mr. Franckiewicz advised the board that sharing office space with a state agency in a state-owned building would jeopardize LLT's status as a private entity rather than an instrumentality of government. The distinction is important for many of LLT's property conveyances to remain valid. While the issue is not "black and white," housing an entity in a public facility is a factor that courts consider in determining the public versus private nature of that entity. Remaining classified as a private entity greatly facilitates LLT's work.

Upon directive of the Chairman, Mr. Franckiewicz will provide Mr. Taylor and Mr. Forbes, as well as the Board, a legal opinion on the implications of moving LLT's offices into a state office building.

## **RESOLUTION TO AMEND ARTICLES OF INCORPORATION FOR OFFICE MOVE**

Mr. Franckiewicz advised the board that LLT's Articles of Incorporation and its bylaws "lock in" LLT's office address, and that both documents would have to be changed to allow LLT to move offices. To maintain the flexibility to move, should that decision be reached, Mr. Franckiewicz suggested that the board consider resolutions presented in the board's binders to make minor amendments to the articles and the bylaws.

Dr. Burckel moved to approve the following resolution to amend the LLT Articles of Incorporation:

### **Resolution Amending Articles of Incorporation for Office Move**

**Whereas**, Road Home Corporation, d/b/a Louisiana Land Trust (LLT), currently operates under Articles of Incorporation adopted as amended and restated on June 2, 2015; and

**Whereas**, as currently written, the Articles of Incorporation include an express identification of an address for the corporation's registered office; and

**Whereas**, including a specific address for a registered office in the Articles of Incorporation is unnecessarily restrictive, and is burdensome in that any change in LLT's address currently must be filed with the Louisiana Secretary of State.

**Now therefore be it resolved** that LLT hereby amends Article VI of LLT's Articles of Incorporation by deleting the strike through text and adding the underlined text as follows:

#### **ARTICLE VI REGISTERED OFFICE**

The location of the registered office for the Corporation shall be provided for in the Bylaws of the corporation. is:

~~11601 Southfork Avenue, Bldg. D  
Baton Rouge, Louisiana 70816~~

**Be it further resolved** that the Chairman of the Board, the Executive Director, and any other officer or agent of the corporation, are hereby authorized to prepare and file such instruments as are necessary to effectuate the forgoing amendment, and are further authorized to execute any other instruments in connection therewith or to carry out the purposes of this resolution.

Mr. Wyman seconded the motion which passed without objection.

## RESOLUTION TO AMEND BYLAWS FOR OFFICE MOVE

Dr. Burckel moved to approve the following resolution to amend the bylaws to facilitate a future office move:

### **Resolution Amending LLT Bylaws for Office Move**

**Whereas**, Road Home Corporation, d/b/a Louisiana Land Trust (LLT), currently operates under Bylaws adopted as amended and restated on June 2, 2015; and

**Whereas**, as currently written, the Bylaws include an express identification of an address for the corporation's registered office; and

**Whereas**, including a specific address for a registered office in the Bylaws is unnecessarily restrictive and burdensome, and the board finds that providing flexibility to the Executive Director, in consultation with the Chairman, to change the registered office of the corporation is advisable in light of LLT's diminished need for office space and to take advantage of economic relocation opportunities as they arise;

**Now therefore be it resolved** that LLT hereby amends Section 2.2 of LLT's Bylaws by deleting the strike through text and adding the underlined text as follows:

SECTION 2.2 Registered Office. The registered office of the Corporation shall be established by the Executive Director in consultation with the Chairman of the Board ~~is 11601 Southfork Avenue, Bldg. D, Baton Rouge, Louisiana 70816.~~

**Be it further resolved** that the Chairman of the Board, the Executive Director, and any other officer or agent of the corporation, are hereby authorized to prepare and execute instruments as are necessary to effectuate the forgoing amendment, and are further authorized to execute any other instruments in connection therewith or to carry out the purposes of this resolution.

Mr. Wyman seconded the motion. The motion passed unanimously.

## RATIFICATION OF CDM CONTRACT EXTENSION TO APRIL 30, 2016

Dr. Burckel moved to approve the resolution provided below, ratifying the extension of CDM Contract through April 30, 2016. Ms. Shirley seconded the motion. The motion passed without objection.

## **Resolution Ratifying Extension of CDM Contract through April 30, 2016**

**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**, this board authorized an extension of the term of that contract through December 31, 2015 at the board's June 2, 2015; and

**Whereas**, as the December 31, 2015 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, and environmental reviews. Accordingly, on December 30, 2015, under the authority of Section 6.1 of LLT's bylaws, LLT's Executive Director authorized an extension of the CDM Contract term through April 30, 2016; and

**Whereas**, the Board finds that the extension of the term of the CDM Contract through April 30, 2016 is prudent, in light of LLT's operational needs;

**Now therefore be it resolved** that the extension of the CDM Contract through April 30, 2016 is hereby 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.

## **AUTHORIZATION TO EXECUTE CEA WITH NORA FOR PROPERTY TAX PAYMENTS**

Mr. Franckiewicz explained that this cooperative endeavor agreement (CEA) will allow LLT to reimburse New Orleans Redevelopment Authority (NORA) for outstanding property tax payments on former LLT properties. Previously, the properties were transferred to NORA with the agreement that NORA would pay any residual property taxes. However, at the time LLT and NORA made that agreement, they thought the number of properties affected and the dollar value of taxes would be much lower, so much so that the prior agreement for NORA to pay the taxes should be rescinded. The Office of Community Development (OCD) asked LLT to reimburse NORA for the property taxes on a pass through basis under LLT's grant with OCD, and OCD determined that a full CEA with standard CDBG terms and conditions would be necessary to authorize the tax reimbursement payments.

Chairman Leger noted for the record that he sits on the NORA board, but because NORA is a public entity, the Louisiana Code of Governmental Ethics does not prevent him from participating in the decision-making process for a CEA with NORA. Mr. Franckiewicz confirmed Mr. Leger's understanding.

Mr. Wyman moved to approve the resolution provided below, authorizing the execution of a CEA with NORA for property payments.

**Resolution Authorizing Cooperative Endeavor Agreement**  
between  
**LLT and NORA**  
for  
**Payment of Property Taxes on Former LLT Properties**

**Whereas**, the Louisiana Land Trust (LLT), the Louisiana Office of Community Development (OCD), and the New Orleans Redevelopment Authority (NORA) have evaluated the current status of outstanding taxes on former LLT properties transferred to NORA; and

**Whereas**, the various acts of transfer and other conveyance instruments by which NORA acquired properties from LLT provided that NORA would be responsible for property taxes, if any, levied against former LLT properties, and annual four-party agreements among LLT, NORA, the City of New Orleans, and OCD provided for that same responsibility; and

**Whereas**, notwithstanding the provisions of the various acts of transfer and other conveyance instruments by which NORA acquired the Property, and notwithstanding the provisions of the four-party agreements, in an August 27, 2014 letter directive to LLT, OCD determined that LLT should reimburse NORA from LLT's grant funds for taxes paid by NORA on former LLT properties under LLT's grant #CFMS 684907. While prior conveyance instruments and agreements made NORA responsible for the outstanding property taxes, it had been understood at the time that the taxes would be remitted from the proceeds of sales to end users, and that the sales would have occurred sooner than has been the case. Further, it had been anticipated by all parties, based on communications with tax assessment authorities, that the amount of taxes involved would be significantly less than what has been encountered in practice. These mutual understandings were the basis of prior conveyance instruments and agreements, and the mutuality of the now-realized mistakes in those understandings justifies the decision to reimburse NORA for taxes; and

**Whereas**, OCD has advised LLT that a formal cooperative endeavor agreement between LLT and NORA would be required for LLT to fund the payment of property taxes on former LLT properties through reimbursements to NORA;

**Now therefore be it resolved** that on behalf of the Louisiana Land Trust, the Executive Director is authorized to execute a cooperative endeavor agreement with NORA to provide for reimbursing NORA for payment of outstanding property taxes on former LLT properties transferred to NORA, provided that OCD approves of the agreement in its final form.

**Be it further resolved** that the term "taxes" as used in this resolution means property taxes, fees or assessments (including interest or other legal surcharges) levied by taxing or assessment authorities against Road Home Program properties previously owned by LLT and transferred to NORA.

**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. The motion passed without objection.

## **REPORT ON PROBLEM PROPERTIES TITLE CLEARANCE ISSUES, NEED FOR LEGISLATION**

Mr. Franckiewicz noted that there are 25-30 properties with problems related to the title that will unlikely ever become solved. The hard core problems with the properties are too difficult to cure in a commercially reasonable manner. The "fix" would typically cost much more than the property is worth. Though insurance will pay LLT for the title issues, it will not solve the need to put the properties back into commerce in their respective communities. Mr. Franckiewicz' opinion is that legislation to fix is needed to resolve the issues.

He illustrated the problem by using the property at 7011 Derbes in New Orleans as an example. The Road Home Program grant was \$81,000. The value of the lot alone is estimated to be between \$80,000 and \$120,000 on today's market. The original homeowner had only a 1% interest in the property. The other 99% was owned by his parents. His father is deceased, leaving a widow and six children, but no succession has been opened. Additionally, one of the children died – again, without a succession, but leaving two children. Currently, there are two layers of successions that need to be opened, and a total of eight people own interests in the property. First American Title paid LLT only about \$47,000 for the title insurance claim, and washed their hands of the property without resolving the title problems. LLT owns a number of properties with similarly entangled issues.

Mr. Franckiewicz suggested that the board consider a legislative remedy that would apply only to Road Home properties where LLT has some ownership. The legislation would provide that LLT record a notice asserting LLT intention to possess the property against the claims of all other owners. This would open a proposed three-year period where other owners could assert interest in the property and LLT could move forward to resolve. If no owner asserts interest, the legislation would allow for LLT to verify the property as a Road Home property maintained by LLT for at least three years, and the court would enter a judgment confirming ownership in LLT. The judgment could then be recorded to provide clean title in the land records.

The board conducted an extended discussion of the issues, but took no action.



## **BOARD VACANCIES**

Mr. Franckiewicz presented a statutory comparison of the board's membership composition. LLT's statute states that the board consists of seven members, but two vacancies have existed for more than two years. Additionally, the Board is not currently diversified according to the statute. In order to fill the vacancies and satisfy the statutory background requirements, the two individuals should come from parishes affected by Hurricane Rita (primarily in the western part of the state), and have expertise in banking, finance, housing, or local government. Mr. Franckiewicz advised the Board members to think of candidates who would fit the criteria for vacant seats to prevent a quorum situation in the future.

## **FINANCIAL REPORT**

Mr. Taylor noted that the full financial report is included in the board's binder of back up materials for review.

Dr. Daryl Burckel moved to accept the budget report as included and presented. Mr. Wesley Wyman seconded the motion. The motion passed without objection.

## **PUBLIC COMMENT**

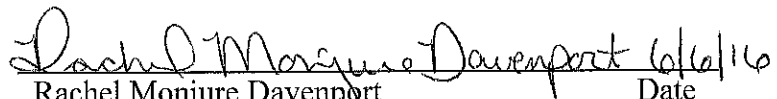
Mr. Rowland Kimbrough inquired about the status of the Option 1 properties, and asked about a definite count on non-compliant Option 1 properties with will move to LLT. Mr. Pat Forbes indicated that OCD is still working through the HUD action plans and notifying 15,000 owners with letters about the Road Home elevation incentives. He hopes that the non-compliant properties will be identified in the near future.

## **ADJOURN**

Mr. Wyman moved to adjourn the meeting; Dr. Burckel seconded the motion. Without objection from the Board, Chairman Leger adjourned the meeting at 12:02 p.m.

## **CERTIFICATION**

I certify that the foregoing are the minutes of the January 12, 2016 meeting of the Road Home Corporation Board of Directors, and that these minutes were approved by the board on the 6<sup>th</sup> day of June, 2016.

  
Rachel Monjure Davenport  
Secretary to the Board of Directors

6/6/16  
Date