

**ROAD HOME CORPORATION, d/b/a LOUISIANA LAND TRUST
BOARD OF DIRECTORS MEETING
MINUTES OF MARCH 11, 2009**

held at
Lindy C. Boggs International Center
2045 Lakeshore Drive
New Orleans, Louisiana

CALL TO ORDER AND INITIAL MATTERS

The March 11, 2009 meeting of the Board of Directors of the Road Home Corporation was called to order at 10:30 a.m. by Chairman Ernest Broussard. The roll was called with the following results:

Present:	Ernest Broussard Walter Leger, Jr. Donald Vallee Joseph Williams
Absent:	Dr. Daryl Burckel Wesley Wyman

A quorum of the board was present.

APPROVAL OF JANUARY 23, 2009 MINUTES

Mr. Broussard moved to accept the transcript of the January 23, 2009 meeting as the board's minutes. The motion was seconded by Mr. Leger and carried without opposition.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Michael Taylor reported that the Louisiana Land Trust (LLT) now has 9,537 properties in its inventory, and that this number continues to grow, but at a reduced pace. The Road Home Program is tapering down. Based on information from Paul Rainwater about the remaining applications in the queue, LLT expects no more than 100 additional properties.

Cooperative endeavor agreements for all of the parishes that have approved disposition plans from the original cycle have been signed. Calcasieu Parish was granted an extension to complete its disposition plan, which was approved at the last LRA Board meeting, and is in circulation for signature. That will complete agreements for all parishes that have approved disposition plans.

A number of parishes remain to be worked out for cooperative endeavor agreements. Mr. Taylor reported that he has been going through a round of visits with Parish Presidents, Chairmen of Police Juries, and Parish Administrators to discuss what the cooperative endeavor agreements entail and the options for disposition. About six or seven parish remain for these visits. LLT is actively engaged in helping them move the process along.

Mr. Vallee stated that he would like to see a monthly report by parish as to where we are, and a critical path schedule showing a time line is for every event going out through completion. It needs to cover the disposition plan, the environmental, the demolition schedule, how long it's going to take for each activity, who's holding up what, where, when, and how. He stated LLT needs a schedule to anticipate when the lots would be taken down and to forecast by parish when LLT is going to complete these transactions.

There followed a general discussion regarding property disposition, "lot next door" programs, and the use of properties for public purposes. Mr. Taylor advised the board of HUD's 25% requirement for low income benefit. Originally, LRA's interpretation was that this requirement was to be imposed on a parish-by-parish basis. But in recognition of the impracticality of that approach, LRA's current interpretation is that as long as 25% of the properties on a statewide basis are redeveloped for affordable housing, then the requirement would be met as far as HUD is concerned.

Mr. Taylor reported that the status of environmental assessments, which the state is responsible for completing. Environmental assessments have been done for nearly 7,800 LLT properties: 3,887 in Orleans Parish, 3,741 in St. Bernard, 121 in Jefferson Parish, and 11 in Washington Parish. The board generally discussed the environmental assessment process and the effect it has on the timeline for demolitions.

Mr. Taylor next addressed the status of property transfers. He reported that LLT's Real Estate Manager, Cathleen Carney, has been working hard to produce a standard package of closing documents. The earlier closings are those properties that are already cleared and ready for transfer. The properties that require demolition will take longer to be transferred. LLT is in daily conversations with both St. Bernard Parish and with New Orleans to prioritize groups of properties for demolition to fit within their disposition parameters.

Recently another variable has been injected into the demolition planning equation. The New Orleans Redevelopment Authority (NORA) is looking at negotiation with the neighbors in the lot next door program where an occupied house may actually be in worse condition than the neighboring LLT house. NORA may negotiate with those neighbors to

allow them to rehabilitate the house on LLT's property and work out some kind of arrangements where they would demolish the property they are leaving.

Mr. Vallee inquired about the \$1,345 fee per property closing to be paid to NORA for administration. Mr. Taylor explained that the fee is based on a work-up of NORA's anticipated costs to administer the disposition process (and that St. Bernard Parish had run a similar exercise). The fee was signed off on by LRA and OCD as a reasonable allowance to come out of the overall the \$195 million global amount originally budgeted for the operation of LLT.

The board discussed the flow of funds from the proceeds of property sales. Mr. Taylor explained that the proceeds (after costs are covered) are considered program income, and that OCD intend to return those funds to the originating parish to be used for future block grant projects. Mr. Leger noted that some community members prefer program income to be returned to the originating neighborhood rather than to the parish as a whole. Mr. Taylor explained that LLT will be able to track the program income to account for precisely where it came from, and that the state will have all of that data.

Mr. Taylor then reported on the demolition management process, the progress of the work on the seven homes contracted for, and the upcoming bid packages. He advised the board that Robert Batherson (from CDM) and he are working on a critical path and time line to lay out the demolition program across the state.

The board discussed CDM's demolition program management contract, the \$7.5 million cap on the CDM contract, and the overall projected cost of the demolition program, which concluded the Executive Director's report.

CLOSING AND TITLE INSURANCE SERVICES CONTRACT AWARD

Mr. Taylor summarized the procurement and evaluation process for LLT's closing and title insurance services contract. LLT received nine proposals. One of the proposers dropped out of the running. That proposer was unwilling to issue title policies under the terms required by the RFP, as amended, because of legal questions about LLT's authority to transfer properties without first offering the properties back to the original owners. The remaining eight were evaluated by a selection panel that included LLT staff as well as outside panelists to provide a broad range of experience. The competition was extremely tight among the top contenders. The result of the evaluation process was a recommendation to award the contract to American Government Services Corporation (AGS) from Florida, who teamed with Ironclad Title out of Lake Charles, Louisiana as its major subcontractor. The principals of the team were introduced to the board: Karen Manning of AGS, and Jack Robichaux of Ironclad Title. They gave a brief overview of the background of each entity and of their plans for handling LLT's closings.

Mr. Valle moved to accept Mr. Taylor's recommendation to award the contract to AGS. After receiving a second from Mr. Williams, the motion carried unanimously.

BOARD COMMITTEES

The board next took up a discussion of board committees, and the fact that the composition of the board has changed since committees were first set up by the board, including Finance, Human Resources, and Policies and Procedures. The Open Meetings Law was discussed as it applies to board committees. Mr. Broussard suggested that the question be revisited at a later date, after the board has a full complement of members.

DEMOLITION MANAGEMENT STATUS; AMENDMENT TO CDM CONTRACT

LLT's General Counsel, Victor Franckiewicz, outlined recommended changes to the CDM demolition management contract to clarify CDM's responsibility for hazardous materials. He explained that CDM requested refining the scope of services in Task 3 to clarify that CDM was responsible for managing the process, identifying hazardous materials, testing, and advising LLT about how those materials should be handled "cradle to grave," and monitoring the performance of demolition contractors. As currently worded, the contract could be interpreted as assigning CDM the responsibility for physically removing and disposing of the hazardous material itself, which was never the intent. That function is the role of demolition contractors. Mr. Franckiewicz advised the board that the proposed amendment did not change the substantive scope of the project or its costs, and would simply align the contract language with LLT's working assumptions in place throughout the procurement process.

Mr. Williams moved to authorize the Executive Director to execute a contract amendment pertaining to Task 3 of CDM's scope of work, as described by Mr. Franckiewicz. Mr. Leger provided the second, and the motion passed without objection.

FINANCIAL REPORT

Mr. Eddie Legnon, LLT's Chief Financial Officer, provided a financial report. He noted that LLT was a little behind on preparing February's financials because LLT lost a staff accountant. The January financials were sent out last week. Board members posed questions concerning budget variances, which were addressed by Mr. Legnon.

Mr. Vallee expressed a concern that the financial report and budget balances did not realistically reflect the expected cost to manage LLT properties.

MAINTENANCE CONTRACT

There was an extended discussion of the balance of contract value left in the Task Force maintenance contract, as well as discussion about renegotiating prices. Mr. Taylor indicated that staff and legal counsel would have to review it.

Mr. Vallee stated that the board should be presented with a report that includes a cost estimate, the funds spent, and the funds remaining to finish through the expiration date of the contract

SECURITY CONTRACT

The board next discussed the CSS security contract. Mr. Taylor reported that although the board had authorized the issuance of a termination notice for the contract following a 60-day continuation/extension, he preferred to wait another month or two to look at a different approach, focusing on Orleans Parish, where the security services were needed the most.

Mr. Vallee moved to authorize the Executive Director to extend the CSS contract 60 to 90 days, as need, to renegotiate a reduced scope of services and lower cost, and to increase the contract cap as necessary. Mr. Leger seconded the motion, which carried without objection.

OLD BUSINESS

No old business was brought up for discussion.

NEW BUSINESS

Mr. Taylor advised the board that LLT should seek changes to its authorizing legislation, based on lessons learned to date and the need to clarify LLT's role as an independent nonprofit organization rather than an instrumentality of the state or a quasi-state agency. He reported that he would work with counsel to pursue appropriate amendments.

Mr. Leger and Mr. Vallee raised the topic of financial disclosures required under Louisiana's ethics laws. Mr. Franckiewicz provided an overview, and advised that the disclosures were required by May 15, 2009. The board requested that Mr. Franckiewicz provide the members with the appropriate forms and information to file the necessary disclosures.

Turning to a new topic, Mr. Vallee then described his concept of offering financing terms for lot next door purchases. Mr. Broussard suggested that Mr. Vallee be the board's point of reference on that issue, and Mr. Vallee agreed to reduce a proposal to writing. Mr. Taylor noted that the concept would have to address how the financing would be serviced after LLT's goes out of business, and identified the option of handing off the function to the Louisiana Housing Finance Agency or a similar entity.

Mr. Leger then addressed recent press coverage of the lot next door program and NORA's and St. Bernard's notice procedures. Ms. Cathleen Carney outlined LLT's role in the programs, and how LLT's transfer methodology was set up to transfer properties directly to homeowners without an intermediate transfer to the parish or NORA. A general discussion of this topic ensued, but no action was taken.

PUBLIC COMMENT

Mr. Broussard called for comments from the public, but there were none.

ADJOURNMENT

Mr. Williams moved to adjourn, which was seconded and approved. The meeting was concluded at 1:00 p.m.

CERTIFICATION

I certify that the foregoing are the minutes of the March 11, 2009 meeting of the Road Home Corporation Board of Directors, and that these minutes were approved by the board on the 25th day of June, 2009.

Certifying Board Member

Date