

**Memorandum of Understanding  
For Phase Two Disposition of LLT Properties Between  
Lakeview Civic Improvement Association and  
New Orleans Redevelopment Authority**

Lakeview Civic Improvement Association ("LCIA") and the New Orleans Redevelopment Authority ("NORA") jointly enter into this Memorandum of Understanding (the "Memorandum") that expands and updates their prior Redevelopment Compact for the purpose of establishing a partnership between the two entities to implement, manage, and facilitate the disposition of properties in the Lakeview Area, as defined herein, sold by homeowners through the State of Louisiana's Road Home Program and now held by the Louisiana Land Trust ("LLT"). While LCIA and its members remain dedicated to the redevelopment and rebuilding of its community, in part, through the disposition, maintenance, and ultimate development of the Louisiana Land Trust ("LLT") Properties, LCIA is mindful of the demands placed upon NORA's time and resources by citizens from the entire City of New Orleans. As a result, the partnership established between LCIA and NORA, through this memorandum, seeks to provide assistance to NORA for the efficient administration and disposition of LLT Properties in the Lakeview Area.

As the result of continuous communication between LCIA, through members of its Board of Directors and LCIA's NORA Committee, and NORA, the parties hereby agree to the following:

**I. Definitions**

- A. "LND and/or LND Properties" – Refers to those properties eligible under the "Lot Next Door Program" operated pursuant to an ordinance passed by the City Council of the City of New Orleans.
- B. "Lakeview Area" – Refers to the area of land within the 70124 zip code bounded by the 17<sup>th</sup> Street Canal to the west, Orleans Canal to the east, Robert E. Lee Boulevard to the north and City Park Avenue to the south, plus an area east of Fleur de Lis Boulevard and south of Veterans Boulevard bounded by the interstate highway.
- C. "Appraised Value" – Such value will be determined by NORA and will be based on appraisals prepared by NORA-selected appraisers conducted after July of 2008. Please note that certain appraisal values may have to be re-issued in accordance with the Appraisal Policy that will be presented for adoption by NORA's board and attached hereto as Exhibit 1.
- D. "Phase Two" – Sales of non-LND Properties conducted pursuant to this Memorandum.

- (2) Owner-occupancy by an immediate family member defined as siblings, parents and children; or
    - (3) Expansion of neighboring/adjacent property
  4. If more than one (1) purchaser is interested in the same property, properties will be sold based on the following priorities:
    - (1) If a potential purchaser owns the adjacent property (to the left or right) and intends to utilize the property to expand the purchaser's existing property or business, or merge the property with an adjacent lot to rebuild a new home, purchaser will be given the highest priority over other interested purchasers. If more than one such purchaser exists, the parties may agree to split the property and NORA shall sell half of the property to each interested purchaser for one-half of the Appraised Value. If the interested purchasers cannot agree to a split of the NORA property, the property will be sold to the highest bidder. Such purchasers will be provided sufficient notice of this situation in order to prepare and submit a bid price.
    - (2) All other qualified purchasers interested in the same property will be treated equally and the property will be sold to higher bidder.
  5. Purchasers agree not to re-sell the property within 3 years of acquisition or else to pay NORA 25% of purchase price. This provision may be waived upon a showing of exigent circumstances or in the event of a foreclosure, succession or other involuntary transfer.
- C. Properties purchased through the LND Program will be subject to the constraints of that program and not subject to the conditions stated herein
- D. LCIA-Provided Assistance – LCIA agrees to provide NORA with assistance in handling all questions and inquiries from citizens interested in purchasing Lakeview properties through Phase Two. LCIA specifically agrees to:
  1. Establish an email address and phone number dedicated to such questions and inquiries. NORA may refer all questions and inquiries to LCIA through these means. LCIA will actively promote the email address and phone number throughout its community.
  2. LCIA will work with prospective buyers by providing all necessary documentation to be completed by the prospective buyer as well as advising the buyer on documentation required to:
    - a) purchase property through the LND Program;

- E. “Offer Deadline Day” – The last day to submit an offer to purchase LLT Properties pursuant to the initial Phase Two sales program as outlined and determined in this Memorandum.

## **II. Initial Responsibilities of NORA and LCIA**

- A. LLT Property Lists – Within seven (7) days of execution of this Memorandum, NORA agrees to provide to the Chair of LCIA’s NORA Committee an updated list of LLT Properties. NORA will further provide a list of properties that have completed environmental reviews (“ERs”) which must be completed prior to transfer. As of the date of execution of this agreement approximately 3700 of the 4400 estimated LLT properties have completed ERs.
- B. Update of LLT Properties List – NORA agrees to provide an update on any additional LLT Properties that complete ER and any newly acquired LLT properties to the Chair of LCIA’s NORA Committee on a regular basis for the first six (6) months after execution of this Memorandum, and as otherwise reasonably requested by LCIA.
- C. Demolition Priority – Within ten (10) days of execution of this Memorandum, LCIA agrees to review all non-LND properties in order to provide NORA with a recommendation as to the prioritization of LLT Properties to be demolished as early as possible by the authorized demolition contractor of the State of Louisiana.. LCIA will also identify any properties it recommends be considered for “community purposes” rather than individual sale.

## **III. Land Disposition Administration Responsibilities**

- A. Dispositions Outside of the LND Program – NORA and LCIA agree to work together to organize and administer Phase Two of the dispositions of LLT Properties in the Lakeview Area culminating in a “Rebuild Lakeview Day” in an effort to draw families back to the Lakeview area.
1. No provisions of this Memorandum shall be intended to interfere with or contradict the purchases made pursuant to the LND Program, the ordinance authorizing the LND Program, or the administrative regulations implementing the LND Program.
  2. NORA and LCIA agree to jointly market and preview the non-LND Phase Two properties for a period of 75 days(which may be extended in the event that delays occur in demolition of properties), beginning within 10 days following the execution of this Memorandum through the Offer Deadline Day. Either party may engage Real Estate brokers to assist them in this marketing. The parties agree to inform all prospective purchasers

of which properties will be demolished and to change the status of a property only with the agreement of both parties.

3. By the Offer Deadline Day, all prospective buyers shall submit their offer to purchase the property, along with all necessary documentation regarding buyer income, homestead exemption status and other reasonably requested materials. Offers may be submitted to LCIA, NORA or any real brokers engaged by either party.
4. NORA, or its agents, agrees to contact potential purchasers within fourteen (14) days after the Offer Deadline Day or the completion of demolition, whichever is later, to schedule initial closings and to complete all closings under Phase Two as soon as reasonably possible.

B. Requirements of Phase Two Dispositions – NORA and LCIA agree that the following conditions for Phase Two dispositions shall be required:

1. All non-LND properties are eligible for purchase except any properties that LCIA and NORA mutually agree to remove from the list that are deemed best used for “community purposes” rather than offered for individual sale.
2. Minimum price for purchase shall be Appraised Value.
3. Purchaser Requirements
  - a) Purchaser must demonstrate substantial progress within nine (9) months and start construction on the acquired property no later than twelve (12) months from the date of acquisition of the property, unless the LLT property purchased is adjacent to a property owned by the purchaser, which is occupied by purchaser or under construction. NORA agrees to add appropriate covenants to ensure that such construction occurs and may impose a second mortgage or other form of performance bond to secure performance.
  - b) Purchaser can buy only one (1) LLT property through Phase Two *except* that a purchaser may purchase two LLT properties through Phase Two if the LLT properties are adjacent to one another for the purposes of combining properties and building a single home.
  - c) Purchaser must maintain the property in accordance with all laws, codes, and regulations while owning the property.
  - d) Purchased property must be used for:
    - (1) Owner-occupancy; or

- (2) Owner-occupancy by an immediate family member defined as siblings, parents and children; or
  - (3) Expansion of neighboring/adjacent property
- 4. If more than one (1) purchaser is interested in the same property, properties will be sold based on the following priorities:
  - (1) If a potential purchaser owns the adjacent property (to the left or right) and intends to utilize the property to expand the purchaser's existing property or business, or merge the property with an adjacent lot to rebuild a new home, purchaser will be given the highest priority over other interested purchasers. If more than one such purchaser exists, the parties may agree to split the property and NORA shall sell half of the property to each interested purchaser for one-half of the Appraised Value. If the interested purchasers cannot agree to a split of the NORA property, the property will be sold to the highest bidder. Such purchasers will be provided sufficient notice of this situation in order to prepare and submit a bid price.
  - (2) All other qualified purchasers interested in the same property will be treated equally and the property will be sold to higher bidder.
- 5. Purchasers agree not to re-sell the property within 3 years of acquisition or else to pay NORA 25% of purchase price. This provision may be waived upon a showing of exigent circumstances or in the event of a foreclosure, succession or other involuntary transfer.
- C. Properties purchased through the LND Program will be subject to the constraints of that program and not subject to the conditions stated herein
- D. LCIA-Provided Assistance – LCIA agrees to provide NORA with assistance in handling all questions and inquiries from citizens interested in purchasing Lakeview properties through Phase Two. LCIA specifically agrees to:
  - 1. Establish an email address and phone number dedicated to such questions and inquiries. NORA may refer all questions and inquiries to LCIA through these means. LCIA will actively promote the email address and phone number throughout its community.
  - 2. LCIA will work with prospective buyers by providing all necessary documentation to be completed by the prospective buyer as well as advising the buyer on documentation required to:
    - a) purchase property through the LND Program;

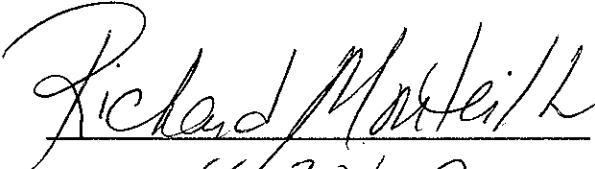
- b) qualify for incentive discounts through Phase Two; and
  - c) any other LLT Property inquiry.
3. NORA will provide all required documentation to LCIA for distribution as soon as such materials are available.
  4. LCIA will assist prospective buyers with completing all necessary documentation and, if necessary, will transmit such information to NORA in advance of any property closing.
  5. "Rebuild Lakeview Day" – LCIA, with assistance and input from NORA, will plan and conduct a Rebuild Lakeview Day during the preview period of the Phase Two program and prior to the Offer Deadline Day. LCIA will ensure that the neighborhood-style meeting and fair will bring together interested purchasers with banks, mortgage companies, builders, and other professionals to offer insight and assistance for the redevelopment of LLT properties.
  6. Following the sale of any property, the LCIA agrees to work with NORA to provide owners with technical assistance regarding green building efforts, including state and federal tax credits available for that purpose, greening and planting assistance including permeable driveways, native plantings and storm water retention features. The parties will also work together to create financial incentives for these efforts and to market any such incentives that are created.
  7. LCIA will track all properties on which offers have been received and publish such information on the internet regularly and no later than 10 days prior to the Offer Deadline Day. NORA agrees to supply LCIA with any such information it, or its agents, receive.
- E. Stipend to LCIA - NORA will work with LCIA to identify resources to assist LCIA in program management and future endeavors. LCIA agrees to utilize any funds identified for the following: to help with greening and planting efforts on properties, to help with green building efforts, to help existing low and moderate income property owners to rebuild their properties including seniors, eliminate conditions of slum and blight, and to market the properties and neighborhood
- F. No provisions of this Memorandum are intended in any way to limit access to Phase Two properties to any group based on race, nationality, income, sexual orientation or other protected attribute. If either party or any agent working for either party violates this provision the agreement is to be immediately cancelled. Both parties will take affirmative steps to ensure that properties are published in a wide array of forums including, but not limited to, widely read newspapers, the NORA web site, the LCIA web site, and the Multiple Listing Service.

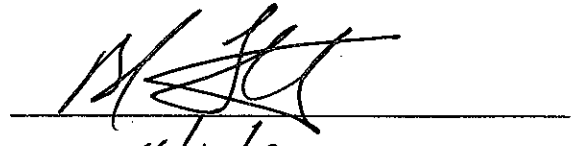
**IV. Other Considerations**

- A. NORA and LCIA agree to work jointly to implement and administer a second Phase Two land disposition program after assessing the success of the initial Phase Two program. Both parties will have the opportunity to propose mutually agreeable modifications to or expansions of this agreement for any future land disposition programs.

New Orleans Redevelopment Authority

Lakeview Civic Improvement Association

  
\_\_\_\_\_  
Date: 4/30/09

  
\_\_\_\_\_  
Date: 4/13/09