

**LOUISIANA
HOUSING
CORPORATION**

BOARD OF DIRECTORS

Agenda Item #3

**FEBRUARY 8, 2012
FULL BOARD MEETING MINUTES**

March 14, 2012

**Louisiana Housing Corporation
Board of Directors**

Full Board Meeting Minutes

**Wednesday, February 8, 2012
2415 Quail Drive
V. Jean Butler Board Room
Baton Rouge, LA 70808
12:00 P.M.**

Board Members Present

Michael L. Airhart
Dr. Daryl V. Burckel
Mayson H. Foster
Treasurer John N. Kennedy
Frank H. Thaxton, III
Malcolm Young

Board Members Absent

Ellen M. Lee
Matthew P. Ritchie

Staff Present

Don J. Hutchinson
Bradley Sweazy
Barry E. Brooks
Brenda Evans
Charlette Minor
Rene Landry
Danny Veals
Jeff DeGraff
Natasha Anderson
Edselle Keith Cunningham, Jr.
Christine Bratkowski
Leslie C. Strahan
Jessica Guinn

Others Present

Parliamentarian Alan Jennings
See Guest Sign-In Sheet

CALL TO ORDER

Temporary Presiding Officer John N. Kennedy called the meeting to order at 1:07 P.M. Board Secretary Barry E. Brooks called the roll; there was a quorum.

APPROVAL OF LHC BYLAWS

TPO Kennedy advised that a redlined copy of the LHC Board Draft Bylaws had been distributed from changes made during the ByLaws Committee discussions held earlier that day. He inquired as to whether the Board wanted to adopt them as presented or wait until the March Board Meeting.

Director Mayson H. Foster requested the Draft ByLaws be accepted as presented.

Director Michael L. Airhart requested clarity regarding whether, if adopted at the February Board Meeting, there would be any opportunity to make changes to the ByLaws at the March Board Meeting.

TPO Kennedy requested a brief recess so that everyone would have a chance to review the revised Draft ByLaws.

TPO Kennedy called a brief recess at 1:11 P.M.

TPO Kennedy called everyone back into session at 1:17 P.M.

Director Frank. H. Thaxton, III, requested the revised Draft ByLaws denote that there would only be officer elections for Board Chair and Vice-Chair and no longer for Board Secretary; and that under Article 8 be added "...or that written notice of the proposed amendment is furnished in the call of the meeting." Clarifying that such "...would allow the Board Members to present any amendments between now and the next meeting that could be taken up at the next meeting."

On a motion by Director Mayson H. Foster, and seconded by Director Frank H. Thaxton, III, the Board adopted the ByLaws for the Louisiana Housing Corporation; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments the matter passed unanimously.

ELECTION OF LHC BOARD CHAIRMAN AND VICE-CHAIRMAN

Next item discussed was the Election of the 2012-2013 Officers.

TPO Kennedy opened the floor for nominations for Board Chairman.

Director Frank H. Thaxton, III, nominated Michael L. Airhart for Board Chairperson.

Hearing no other nominations for Board Chairperson, Director Malcolm Young moved the nominations be closed, which was seconded by Director Mayson H. Foster. There was a vote on the nomination. The vote to elect Michael L. Airhart the 2012-2013 LHC Board of Directors Chairman passed unanimously.

Newly elected Chairman Airhart took over the meeting proceedings. He noted his thanks to everyone and that he was looking forward to working towards putting together great housing programs.

Chair Airhart opened up the floor for the nominations for Board Vice-Chairperson.

Chair Airhart nominated Mayson H. Foster for Board Vice-Chairperson, and Director John N. Kennedy seconded.

Hearing no other nominations for Board Vice-Chairperson, Director Malcolm Young moved the nominations be closed, which was seconded by Director Dr. Daryl Burckel. There was a vote on the nomination. The vote to elect Mayson H. Foster the 2012-2013 LHC Board of Directors Vice-Chairman passed unanimously.

APPROVAL OF MINUTES

On a motion by Director Dr. Daryl Burckel, seconded by Director Malcolm Young for purposes of discussion, the Minutes of the LHC 1st Organizational Meeting of January 18, 2012, were approved unanimously.

A motion was made by Director Malcolm Young and seconded by Director John N. Kennedy, to Suspend the Rules to Add to the Agenda the matter regarding the approval of a hiring and appointing of an LHC Interim Executive Director; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments, a Roll Call Vote was taken, and the motion passed unanimously. The votes were as follows:

YES (Airhart, Burckel, Foster, Kennedy, Thaxton, Young), NO (none), Absent (Lee, Ritchie), Abstain (none).

It was thereafter noted by Director Thaxton and Agency Staff Attorney Keith Cunningham that the initial matter before the Board was approval of the January 18th Minutes, and such needed to be done before moving to other items on the Agenda.

Director Thaxton requested that the Board go into Executive Session to discuss the LHC Interim Executive Director matter.

Chair Airhart advised that the matter would be taken up during Other Business.

On a motion by Director Dr. Daryl Burckel, seconded by Director Malcolm Young, the Minutes of the LHC 1st Organizational Meeting of January 18, 2012, were approved unanimously.

INTERIM-PRESIDENT'S REPORT

LHFA Interim-President Don J. Hutchinson began his report by introducing Mr. Bradley Sweazy, the new LHFA Chief Operations Officer. IP Hutchinson also noted that he was planning a series of one-on-one meetings with each Board Director; that he had directed staff to plan a March 13th Board Programs Orientation. He also advised that he was scheduling meetings with various state legislators; that he believes in hands-on and teamwork; that he came with a broad perspective of Louisiana; that the LHFA-LHC Transition was going smoothly; that more feedback from the public was being encouraged; and that there was a new LHC logo to be approved.

MULTIFAMILY RENTAL HOUSING

The first item to be discussed was a resolution regarding Guste Homes III.

LHFA Program Administrators Brenda Evans and Loretta Wallace briefly went over the specifics thereof, and noted that staff was recommending approval.

Director Kennedy inquired as to the cost per unit.

Guste Homes III Project Representatives Brian Keeger and Laura Tuggle noted that the size of each unit was 1,300 square feet and the cost per unit was \$265,000.00.

Director Kennedy inquired as to why the decision was not made to build a single family home for the same price instead of apartment units. He also inquired as to the rent that tenants would pay for each unit. Ms. Tuggle advised they were fulfilling a commitment to the previous tenants to rebuild the complex after Hurricane Katrina. She also noted that the tenant share of rent for Guste I is \$378.

Director Kennedy also inquired if tenants had been given the option of having a house or returning to an apartment. Ms. Tuggle advised she was unable to respond thereof.

Director Kennedy proposed that a single dwelling house would be more advantageous and would also reduce the blighted properties problems in New Orleans.

Ms. Tuggle noted that families in public housing have a deep rooted sense of community and an overall desire to return to a redeveloped site and not relocate to a new neighborhood.

Director Kennedy noted that \$265,000 for an 1,100 square apartment is "ridiculous". Chair Airhart concurred with Director Kennedy's sentiments regarding the high cost per unit. He advised everyone that going forward the Board would be paying much closer attention to these matters, and that such would be part of the Board's future Strategic Planning Process.

There were further discussions between the Board and the Project representatives.

Thereafter, Director Kennedy suggested delaying the matter until the Board received the project's final numbers.

Director Kennedy moved that the resolution regarding authorizing not to exceed \$30,000,000.00 of Multifamily Housing Revenue Bonds to Guste Homes III, and providing for other matters in connection with the foregoing be DEFERRED until the March 2012 LHC Board Meeting. The motion was seconded by Director Young and moved to debate. , There being no further discussion, opposition, or public comments, the motion to defer passed unanimously.

Next item discussed was the resolution regarding Eligible Basis of Ike Credits. Ms. Evans briefly went over the specifics thereof, noting that construction had to be completed by December 2012 and that no additional credits would be given.

Chair Airhart inquired as to whether LAAHP was supportive of the matter. There was a reply of "YES" from unidentified member of the audience.

Thereafter, a historical background of the matter was provided by Agency Bond Counsel Wayne Neveu.

On a motion by Director John N. Kennedy and seconded by Director Mayson H. Foster, the resolution authorizing and approving an increase in the eligible basis of buildings located in the GO Zone pursuant to Section 42(d)(5) of the Internal Revenue Code in order to sustain their financial feasibility; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments, the motion passed unanimously.

ASSET MANAGEMENT

Next item discussed was a resolution to release a Request for Proposals for Property Management for the Mid-City Gardens Project.

Chair Airhart noted that there had been no previous Board approval to change the name from Capital City Gardens, and therefore he requested such be placed as an Agenda item for the March Board Meeting.

Ms. Wallace went over the specifics of the matter, and noted that staff was recommending approval thereof.

Director Foster and Chair Airhart requested that the matter be wrapped up by the March Board Meeting that the RFP be widely distributed, respectively.

On a motion by Director John N. Kennedy and seconded by Director Frank H. Thaxton, III, the resolution authorizing the Louisiana Housing Finance Agency (“Agency”) to release a Request for Proposals for Property Management of the Mid-City Gardens Project (formerly known as the Capital City South Project); and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments, the motion passed unanimously.

SINGLE FAMILY

Next item discussed was a resolution extending the 2011A Redemption Date to June 1, 2012.

Ms. Evans went over the specifics of the matter.

On a motion by Director Dr. Daryl Burckel and seconded by Director Mayson H. Foster, the resolution approving and authorizing the extension of the call date on the Louisiana Housing Finance Agency Single Family Mortgage Revenue Bonds Series 2011A from March 1, 2012 until June 1, 2012; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments, the motion passed unanimously.

SPECIAL PROGRAMS – HOME COMMITTEE

Next item discussed was a resolution for a Technical Grant Writer.

Ms. Wallace went over the specifics of the matter, noting such could be utilized by the Agency to compete for the HUD Section 8 NOFA, and that staff was recommending approval thereof.

Chair Airhart noted his support for the matter.

Director Burckel inquired as to the estimated costs of the matter. Ms. Wallace was unable to respond, noting once proposals were submitted, the Agency would have a better idea as to the average cost. Dr. Burckel noted that he'd expect future requests to come with a cost analysis, but that he'd move forward with supporting this particular matter given its importance.

On a motion by Director John N. Kennedy and seconded by Director Dr. Daryl Burckel, the resolution authorizing the Louisiana Housing Finance Agency ("Agency") to begin the process of selecting and contracting with a technical grant writer; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments, the motion passed unanimously.

Next item discussed was a resolution regarding \$16,433,848 of HOME Funds for the 2011-2012 HOME Notice of Funding Availability.

Program Administrator Charlette Minor went over the specifics of the matter and the funding options thereof.

Audience Member Charles Tate advocated the need to pre-release the NOFA. Chair Airhart agreed on the need for public comments after pre-release. Ms. Minor advised that a NOFA orientation would be held on February 21, 2012 for anyone interested in attending.

On a motion by Director Mayson H. Foster and seconded by Director Malcolm Young, the resolution to authorize the Louisiana Housing Finance Agency (the "Agency") to implement and administer a total amount up to \$16,433,848 of HOME funds for the 2011-2012 HOME Notice of Funding Availability, of which \$2,133,848 will be for CHDO Development, \$6,000,000 for Rural Rental Development, \$4,150,000 for Urban Rental Development, and \$4,150,000 for Continuation Development Projects; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments, the motion passed unanimously.

PUBLIC INFORMATION

Next item discussed was a resolution regarding the new logo for the Louisiana Housing Corporation.

Agency Public Information Officer Jeff DeGraff went over the specifics of the matter, noting that the logo had been designed by a group of outstanding LSU students; that the logo was solid and clean and would be easily used in a multitude of marketing ways; that the logo was designed with the yellow parts to represent the different types of housing; that the band was representative for a horizon/road/path to affordable housing; the logo would have a specific font; that the color

used were very amicable and friendly; and that the word "corporation" was faded to gray to give appearance of approachability.

Mr. DeGraff also noted that the LSU students who had designed the logo were unable to attend the Board Meeting, but that accolades would be presented to them at a later date; and that there was no cost for the design of the logo.

Chair Airhart commended the staff, including Mr. DeGraff, Mr. Darrin Man, and Mr. Bob Barbor, in doing such a good job and for saving money from having to hire a private designer to do the logo.

Mr. DeGraff noted that after Board approval he would seek full and exclusive usage rights for the LHC logo.

Denny Carlin, LSU Adjunct Professor, addressed the Board and thanked them for allowing LSU to participate in the project. She noted that it was all original design and that the students who worked on the project were selected on their merits.

On a motion by Director Mayson H. Foster and seconded by Director John N. Kennedy, the resolution to approve the adoption and use of the new logo for the Louisiana Housing Corporation; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments, the motion passed unanimously.

Chair Airhart reiterated that recognition to the students would be forthcoming.

OTHER BUSINESS

Chair Airhart directed staff to make sure that the Board Materials are received by the Directors seven (7) days in advance of the actual Board Meeting.

Chair Airhart advised the Directors that he would like them to start thinking about an Executive Search process for a permanent Executive Director of the LHC.

Next item discussed was the matter Added to the Agenda regarding an LHC Interim Executive Director.

Director Foster advocated allowing the Board Chair negotiate the LHC Interim Executive Director salary. Chair Airhart noted he'd prefer that matter be a decision of the entire Board.

Director Thaxton advised of the requirements of the Louisiana public meetings law concerning entering into executive session, and noted that in this instance, the need for an Executive Session

was prefaced by the fact that the matter to be discussed related to the performance of a public employee, and therefore requested the Board enter into into Executive Session.

Mr. Hutchinson waived his right to a 24-hour notification of the discussion of his personnel performance.

On a motion by Director Frank H. Thaxton, III, and seconded by Director Dr. Daryl Burckel, the LHC Board of Directors went into Executive Session; and providing for other matters in connection with the foregoing, was moved to debate. There being no further discussion, opposition, or public comments, the motion passed unanimously.

The Board went into Executive Session at 2:38 P.M.

On a motion by Director Mayson H. Foster and seconded by Director John N. Kennedy, the Board came out of Executive Session at 2:54 P.M.

Director John N. Kennedy offered a friendly amendment to the Motion to Add to the Agenda selection of M. Don J. Hutchinson as LHC Interim Executive Director and to give him authority over LHFA and LHC, and to give the Board Chair and Vice-Chair authority to negotiate his salary. The amendment was accepted by Director Malcolm Young; and providing for other matters in connection with the foregoing, was moved to vote. Roll Call Vote was 6 YES (Airhart, Burckel, Foster, Kennedy, Thaxton, Young), 0 (NO), 2 Absent (Lee, Ritchie). There being no further discussion, opposition, or public comments the motion passed unanimously

ADJOURNMENT

There being no other matters to discuss, Director John N. Kennedy, offered a motion for adjournment that was seconded by Director Dr. Daryl Burckel. There being no discussion or opposition, the matter was unanimously passed.

The Full Board meeting adjourned at 2:57 PM.

Chairman

Secretary